

Consolidated Financial Results for the Nine Months Ended December 31, 2013 [Japanese GAAP]



January 30, 2014

Company name: NIPPON GAS CO., LTD.

Code number: 8174

URL: <http://www.nichigas.co.jp/>

Stock exchange listing: Tokyo Stock Exchange

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Scheduled date of filing quarterly securities report: February 13, 2014

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: None

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2013 (April 1, 2013 to December 31, 2013)

(1) Consolidated Results of Operations (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 31, 2013	84,929	4.7	3,799	8.2	3,929	9.3	2,676	44.9
Nine months ended Dec. 31, 2012	81,096	7.7	3,510	41.0	3,594	66.3	1,847	145.2

(Note) Comprehensive income: Nine months ended Dec. 31, 2013 ¥2,961 million [45.4%]
 Nine months ended Dec. 31, 2012 ¥2,036 million [249.2%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2013	61.71	—
Nine months ended Dec. 31, 2012	38.18	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2013	121,206	43,551	26.6
As of Mar. 31, 2013	124,958	53,016	32.2

(Reference) Equity: As of Dec. 31, 2013 ¥ 32,231 million As of Mar. 31, 2013 ¥40,260 million

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2013	—	6.50	—	6.50	13.00
Fiscal year ending Mar. 31, 2014	—	6.50	—		
Fiscal year ending Mar. 31, 2014 (Forecast)				19.50	26.00

(Note) Revision of dividend projection from recently announced figures: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	124,000	5.9	9,000	14.1	8,800	7.5	4,000	6.0	101.48

(Note) Revision of forecast results from recently announced figures: No

4. Notes

- (1) Significant changes of subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation during the period under review): No
- (2) Adoption of special accounting processes for preparing quarterly consolidated financial statements: No
- (3) Changes to accounting policies, changes to accounting estimates, and revision restatements
 - 1) Changes to accounting policies accompanying the revision of accounting standards, etc.: No
 - 2) Changes to accounting policies other than 1) above: No
 - 3) Changes to accounting estimates: No
 - 4) Revision restatements: No

(4) Total number of issued shares (common stock)

1) Total number of issued shares (including treasury stock):

Dec. 31, 2013	48,561,525 shares
Mar. 31, 2013	48,561,525 shares

2) Total number of treasury stock at the end of the period:

Dec. 31, 2013	9,146,469 shares
Mar. 31, 2013	177,290 shares

3) Average number of shares during the period:

Nine months ended Dec. 31, 2013	43,376,249 shares
Nine months ended Dec. 31, 2012	48,385,519 shares

* Presentation regarding the implementation status of the audit process

These financial statements are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial statements, review procedures for quarterly consolidated financial statements are in progress.

* Explanation of the proper use of performance forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document, and are not intended to indicate the Company's commitment to fulfilling them. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to "Explanation of Consolidated Forecast Results and Other Forward-looking Information" on page 4 of the attached Appendix for the notes on the use of preconditions for the earnings forecast and the use of the earnings forecast.

Contents of Appendix

1. Qualitative Information on Consolidated Performance for the Period under Review-----	2
(1) Explanation of Results of Operations -----	2
(2) Explanation of Financial Position -----	4
(3) Explanation of Consolidated Forecast Results and Other Forward-looking Information -----	4
2. Issues Related to Summary Information (Notes) -----	4
(1) Significant Changes of Subsidiaries during the Period under Review -----	4
(2) Adoption of Special Accounting Processes for Preparing Quarterly Consolidated Financial Statements -----	4
(3) Changes to Accounting Policies, Changes to Accounting Estimates, and Revision Restatements -----	4
(4) Additional Information -----	5
3. Consolidated Financial Statements -----	7
(1) Consolidated Balance Sheets -----	7
(2) Consolidated Statements of Income and Comprehensive Income -----	9
Consolidated Statements of Income -----	9
Consolidated Statements of Comprehensive Income -----	10
(3) Notes to Consolidated Financial Statements -----	11
(Notes on Going Concern Assumption)-----	11
(Notes in Case of Significant Changes in Shareholder’s Equity)-----	11
4. Supplementary Information -----	12
(1) Production, Order and Sales Status -----	12
(2) Trends in the Number of Houses, etc. -----	14

1. Qualitative Information on Consolidated Performance for the Period under Review

(1) Explanation of Results of Operations

The environment surrounding the domestic energy industry has begun to rapidly undergo significant changes. In the electricity industry, the revised Electricity Business Act was passed, which will bring about significant changes to the structure of the market which had been subject to regional monopoly for about 60 years, and it was decided that retail sale of electricity will be completely liberalized in 2016. In the gas industry too, a committee for the reform of the gas system was established under the leadership of the Ministry of Economy, Trade and Industry, and discussions on system reform, including the complete liberalization of retail sale of city gas, have commenced in November 2013. Discussions on the liberalization of energy are rapidly moving in the direction of relaxation of regulations aiming for cultivating general energy company groups. In the future, alliances beyond the borders of industries are expected to be forged and dissolved with an eye to the establishment of package-type businesses comprising electricity, gas, information, water and other fields, with capital policies expected to substantially move toward realignment of the industry beyond past ties or constraints.

In keeping with such significant changes in the environment, in December 2013, the Group decided to make four city gas consolidated subsidiaries into its wholly owned subsidiaries so that various capital alliances can be swiftly forged in a timely manner. Also, on January 16, 2014, the Company agreed with Aqua Clara Lemongas Holdings Co., Ltd. to commence discussions on business alliance with business integration in sight for establishing a packaged business comprising electricity and gas-related businesses, water home delivery business and information business. The Group will continue acting swiftly in the future with a view to developing into a general energy company specializing in the retail field.

Furthermore, with regards to Kumonouchusen, a new operational system linking cloud technology and mobile devices and constituting the core of the NICHIGAS Group's strategy in the market after the liberalization of energy, the verification test for distribution is in its final stage. Nationwide distribution of this system through Kumonouchusen Co., Ltd., which was jointly established with KDDI CORPORATION and Hitachi Capital Corporation, is scheduled to commence after the verification test is finished.

As for the development of overseas businesses, the electricity retailer Entrust Energy, Inc. affiliated with the U.S. holding company Strategic Power Holdings LLC, in which the Group is already involved in its management in the U.S., is steadily increasing its number of customers, and the number of customers as of December 31, 2013 reached 54,000 households, soon approaching the cash break-even point of 60,000 households. Meanwhile in Australia, the Group is involved in an electric energy saving management service company for commercial and industrial customers, COzero Holdings Limited, in terms of capital and management and is accumulating business know-how related to energy saving in the retail field, which will be an extremely vital business area in the domestic energy market after liberalization. Owing to mounting uncertainties in Australia's market environment and other factors, the Group sold all stock holdings of the electricity retailer Australian Power and Gas Company Limited, in which the Group had been involved in its management, to a major Australian electric power company, AGL Energy Limited, by accepting a takeover bid proposal and posted a gain on such sale. In overseas businesses, while applying the knowledge and expertise acquired from overseas investments in the U.S. and Australia, where liberalization of retail sale of energy is

advancing, to the strategies for the planned liberalization of retail sale of energy in Japan, the Group will invest its business expertise and funds to overseas, and will continue expanding its customer base with a view to enhancing its earnings base for the future. Furthermore, based on the capital and business alliance agreement with One Equity Partners (OEP), which is the investment arm of international financial institution JP Morgan, the Group holds strategic investment committee meetings with OEP to discuss joint investment.

For the period under review, consolidated net sales increased by 4.7% year-on-year to ¥84,929 million due to higher sales prices resulting from factors including the gas rate adjustment system, despite a slight year-on-year increase in gas sales volume due to the impact of the high atmospheric and water temperatures during the period under review compared with the same period of the previous fiscal year. The number of customers of the Group steadily increased by 28,000 households compared with the end of the previous fiscal year to 1,057,000 households as of December 31, 2013.

In terms of profit, despite higher raw material prices compared with the same period of the previous fiscal year and an increase in cost of sales, operating income increased by 8.2% year-on-year to ¥3,799 million and ordinary income increased by 9.3% year-on-year to ¥3,929 million, thanks to a reduction of overall costs resulting from a sweeping reform across all businesses through the deployment of the new logistics/operational systems. On top of these, due to factors including posting of gain on bargain purchase resulting from additional acquisition of shares of a consolidated subsidiary, net income increased by 44.9% year-on-year to ¥2,676 million.

Net sales and profits tend to rise disproportionately in the second half of the year, as the gas business, which by nature is characterized by sharp seasonal fluctuations, accounts for a major part of the Group's business.

Business performance by segment for the nine months ended December 31, 2013 is as follows:

[LP Gas Business]

In the LP gas business, despite the impact of high atmospheric and water temperatures, gas sales volume slightly increased compared with the same period of the previous fiscal year due to the steady increase in the number of customers. In addition, sales prices moved higher compared with the same period of the previous fiscal year when sales prices were lowered due to a reduction in material costs. Owing to these and other factors, net sales for the nine months ended December 31, 2013 increased by ¥1,743 million (3.6% increase) year-on-year to ¥49,548 million.

[City Gas Business]

In the city gas business, although consumer gas sales volume decreased year-on-year due to the impact of atmospheric and water temperatures, sales prices moved higher compared with the same period of the previous fiscal year due to the gas rate adjustment system, in addition to an increase in commercial gas sales volume due to an increased demand for air-conditioning. Consequently, net sales for the nine months ended December 31, 2013 increased by ¥2,089 million (6.3% increase) year-on-year to ¥35,380 million.

(2) Explanation of Financial Position

Total assets as of the end of the third quarter of the fiscal year ending March 31, 2014 decreased by ¥3,752 million from the end of the previous fiscal year and stood at ¥121,206 million. This is mainly because of the decrease in cash and deposits and the decrease in investments and other assets resulting from sales of subsidiaries and affiliates' stocks.

Total liabilities as of the end of the third quarter of the fiscal year ending March 31, 2014 increased by ¥5,713 million from the end of the previous fiscal year and stood at ¥77,655 million. This is mainly a reflection of the decrease in income taxes payable and the increase in short-term loans payable.

Net assets as of the end of the third quarter of the fiscal year ending March 31, 2014 decreased by ¥9,465 million from the end of the previous fiscal year and stood at ¥43,551 million. This is mainly a reflection of the increase in treasury stock (decrease in shareholders' equity).

As a result, equity ratio decreased by 5.6 percentage points from the end of the previous fiscal year to 26.6%.

(3) Explanation of Consolidated Forecast Results and Other Forward-looking Information

In the fiscal year ending March 31, 2014, the Group will continue to focus on increasing gas sales volume through the expansion of its customer base and on the spread and the expansion of the use of gas appliances. As a result, the Company projects consolidated net sales of ¥124,000 million or 5.9% increase year-on-year.

In terms of profits, despite expected increase in expenses associated with the customer base expansion and amortization of goodwill, the Group projects operating income of ¥9,000 million (14.1% increase), ordinary income of ¥8,800 million (7.5% increase), and net income of ¥4,000 million (6.0% increase), as a result of the increase in customers and other factors.

Goodwill is expected to be generated as a result of the conversion of four city gas consolidated subsidiaries into wholly owned subsidiaries of the Group as released on December 20, 2013. However, the impact on consolidated financial results for the period under review has not been determined at present, and no changes have been made to the earnings forecasts released on April 30, 2013. When the necessity to revise earnings forecasts and any matters to be released arise in the future, they will be promptly disclosed.

2. Issues Related to Summary Information (Notes)

(1) Significant Changes of Subsidiaries during the Period under Review

None.

(2) Adoption of Special Accounting Processes for Preparing Quarterly Consolidated Financial Statements

None.

(3) Changes to Accounting Policies, Changes to Accounting Estimates, and Revision Restatements

None.

(4) Additional Information

(Acquisition of shares of consolidated subsidiaries through share exchange which makes the Company the wholly owning parent company in share exchange)

The Company and TOSAI GAS INC. (hereafter called “TOSAI GAS”), HIGASHINIHOH GAS CORPORATION (hereafter called “HIGASHINIHOH GAS”), SHINNIHOH GAS CORPORATION (hereafter called “SHINNIHOH GAS”), and KITANIHOH GAS CO., LTD. (hereafter called “KITANIHOH GAS,” and TOSAI GAS, HIGASHINIHOH GAS, SHINNIHOH GAS, and KITANIHOH GAS will collectively be referred to as “Four Subsidiaries”) resolved at the Board of Directors’ meeting held on December 20, 2013 to undertake a share exchange making the Company the wholly owning parent company in share exchange and the Four Subsidiaries the wholly owned subsidiaries in share exchange, and concluded the share exchange agreement on that day.

1) Purpose of making the Four Subsidiaries wholly owned subsidiaries through share exchange

In the energy industry, the full liberalization of retail sale of electricity in 2016 was decided, and discussions on the liberalization of retail sale of city gas have commenced in line with this decision. The Group decided to make the Four Subsidiaries in the city gas field its wholly owned subsidiaries so that it can swiftly forge various capital alliances in a timely manner in a business environment where the energy industry, which has been subdivided by regulations, will be moving toward liberalization and consolidation in the future. As a result of this, the Group intends to expedite awareness and structural reforms in the city gas field in which the Group has been lagging behind, in response to the liberalization that comes two years from now. At the same time, the Group is intent on implementing active capital policy in order to create corporate value.

2) Date of share exchange (effective date of share exchange)

March 7, 2014 (Scheduled)

3) Details of allotment related to share exchange

A. Share allotment ratio

	The Company	TOSAI GAS	HIGASHINIHOH GAS	SHINNIHOH GAS	KITANIHOH GAS
Allotment ratio related to share exchange	1	2.80	0.34	0.40	1.86

B. Number of shares of the Company to be delivered through share exchange

Common stock 4,685,886 shares (Scheduled)

The Company plans to appropriate all the Company’s treasury stocks for the Company’s shares of common stocks to be delivered and does not plan to issue new shares.

4) Basis of calculation of share exchange ratio, etc.

In order to ensure the fairness and reasonability of share exchange ratio, the Company and the Four Subsidiaries have separately requested independent third-party appraisal agencies to calculate the share exchange ratio. The Company selected SMBC Nikko Securities Inc. (hereafter called “SMBC Nikko Securities”), TOSAI GAS and HIGASHINIHOH GAS selected Tokyo Kyodo Accounting Office (hereafter called “Tokyo Kyodo Accounting”), SHINNIHOH GAS selected AGS Consulting Co., Ltd. (hereafter called “AGS”), and KITANIHOH GAS selected Chuo Sogo Business Consulting (hereafter called “Chuo Sogo”), respectively, as the third-party appraisal agencies to calculate the share exchange ratio.

The Company carefully considered the results of analysis of and advice on the share exchange ratio submitted by SMBC Nikko Securities, and also took into account the financial conditions, business performance trends, stock price trends, and other factors of the Company and the Four Subsidiaries. The Company engaged in negotiations and consultations separately with each of the Four Subsidiaries based on such considerations.

Meanwhile, TOSAI GAS carefully considered the results of analysis of and advice on the share exchange ratio submitted by Tokyo Kyodo Accounting, and also took into account the financial conditions, business performance trends, stock price trends, and other factors of TOSAI GAS and the Company. TOSAI GAS engaged in negotiations and consultations with the Company based on such considerations.

HIGASHINIHOH GAS carefully considered the results of analysis of and advice on the share exchange ratio submitted by Tokyo Kyodo Accounting, and also took into account the financial conditions, business performance trends, stock price trends, and other factors of HIGASHINIHOH GAS and the Company. HIGASHINIHOH GAS engaged in negotiations and consultations with the Company based on such considerations.

SHINNIHOH GAS carefully considered the results of analysis of and advice on the share exchange ratio submitted by AGS, and also took into account the financial conditions, business performance trends, stock price trends, and other factors of SHINNIHOH GAS and the Company. SHINNIHOH GAS engaged in negotiations and consultations with the Company based on such considerations.

KITANIHOH GAS carefully considered the results of analysis of and advice on the share exchange ratio submitted by Chuo Sogo, and also took into account the financial conditions, business performance trends, stock price trends, and other factors of KITANIHOH GAS and the Company. KITANIHOH GAS engaged in negotiations and consultations with the Company based on such considerations.

As a result, the Company and the Four Subsidiaries agreed upon the share exchange ratio stated in 3) above.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2013 (As of Mar. 31, 2013)	Nine months ended Dec. 31, 2013 (As of Dec. 31, 2013)
Assets		
Current assets		
Cash and deposits	14,914	11,216
Notes and accounts receivable-trade	7,836	9,244
Merchandise and finished goods	6,063	7,037
Work in process	22	27
Raw materials and supplies	88	93
Deferred tax assets	712	498
Other	922	1,560
Allowance for doubtful accounts	(124)	(140)
Total current assets	30,435	29,538
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,930	7,532
Machinery, equipment and vehicles, net	38,189	37,130
Tools, furniture and fixtures, net	431	396
Land	21,365	21,671
Lease assets, net	1,388	2,062
Construction in progress	441	673
Total property, plant and equipment	69,746	69,466
Intangible assets		
Goodwill	6,707	6,119
Other	897	1,245
Total intangible assets	7,605	7,365
Investments and other assets		
Investment securities	10,321	8,423
Other	7,733	7,299
Allowance for doubtful accounts	(939)	(935)
Total investments and other assets	17,115	14,787
Total noncurrent assets	94,466	91,618
Deferred assets	56	50
Total assets	124,958	121,206

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2013 (As of Mar. 31, 2013)	Nine months ended Dec. 31, 2013 (As of Dec. 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,318	14,412
Short-term loans payable	7,974	16,466
Income taxes payable	2,456	610
Provision for bonuses	425	149
Other	4,490	4,938
Total current liabilities	29,665	36,576
Noncurrent liabilities		
Long-term loans payable	36,670	35,237
Provision for retirement benefits	2,133	2,167
Provision for directors' retirement benefits	981	977
Provision for gas holder repairs	213	260
Other	2,277	2,436
Total noncurrent liabilities	42,276	41,078
Total liabilities	71,942	77,655
Net assets		
Shareholders' equity		
Capital stock	7,070	7,070
Capital surplus	5,198	5,198
Retained earnings	27,130	29,240
Treasury stock	(61)	(10,301)
Total shareholders' equity	39,337	31,206
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	923	1,024
Total accumulated other comprehensive income	923	1,024
Minority interests	12,755	11,319
Total net assets	53,016	43,551
Total liabilities and net assets	124,958	121,206

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

Account	For the nine months ended Dec. 31, 2012 (from Apr. 1, 2012 to Dec. 31, 2012)	For the nine months ended Dec. 31, 2013 (from Apr. 1, 2013 to Dec. 31, 2013)
Net sales	81,096	84,929
Cost of sales	48,231	52,336
Gross profit	32,865	32,593
Selling, general and administrative expenses	29,354	28,793
Operating income	3,510	3,799
Non-operating income		
Interest income	94	250
Dividends income	95	84
Foreign exchange gains	232	0
Real estate rent	32	33
Equity in earnings of affiliates	24	30
Dividends income of insurance	11	25
Other	139	147
Total non-operating income	630	572
Non-operating expenses		
Interest expenses	460	409
Other	85	31
Total non-operating expenses	546	441
Ordinary income	3,594	3,929
Extraordinary income		
Gain on sales of noncurrent assets	16	18
Gain on sales of investment securities	-	92
Gain on sales of subsidiaries and affiliates' stocks	-	234
Gain on bargain purchase	8	550
Other	0	-
Total extraordinary income	24	895
Extraordinary loss		
Loss on sales of noncurrent assets	3	7
Loss on retirement of noncurrent assets	73	82
Loss on valuation of investment securities	0	103
Other	6	-
Total extraordinary losses	83	193
Income before income taxes and minority interests	3,535	4,631
Income taxes-current	1,412	1,572
Income taxes-deferred	128	201
Total income taxes	1,541	1,774
Income before minority interests	1,994	2,857
Minority interests in income	147	180
Net income	1,847	2,676

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

Account	For the nine months ended Dec. 31, 2012 (from Apr. 1, 2012 to Dec. 31, 2012)	For the nine months ended Dec. 31, 2013 (from Apr. 1, 2013 to Dec. 31, 2013)
Income before minority interests	1,994	2,857
Other comprehensive income		
Valuation difference on available-for-sale securities	42	103
Total other comprehensive income	42	103
Comprehensive income	2,036	2,961
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,891	2,778
Comprehensive income attributable to minority interests	145	182

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

For the nine months ended December 31, 2013 (from April 1, 2013 to December 31, 2013)

None.

(Notes in Case of Significant Changes in Shareholders' Equity)

For the nine months ended December 31, 2013 (from April 1, 2013 to December 31, 2013)

(Repurchase of Treasury Stock)

The Company repurchased its treasury stock in accordance with the resolutions of the Board of Directors' meetings held on March 8, 2013 and August 12, 2013 as follows.

1. Repurchase based on the resolution of the Board of Directors' meeting held on March 8, 2013

The Company passed a resolution on the repurchase of treasury stock at the Board of Directors' meeting held on March 8, 2013 based on the provision of Article 156, Paragraph 1 of the Companies Act, applied pursuant to Article 165, Paragraph 3 of the Act, and executed the repurchase as follows.

(1) Reason for the repurchase

To execute agile capital policies responsive to changes in management environment, to improve capital efficiency, and to return profits to shareholders.

(2) Details of the repurchase

1) Type of shares to be repurchased	Common stock
2) Number of shares to be repurchased	1,737,072 shares
3) Repurchase price	¥989 per share
4) Total amount of repurchase price	¥1,717 million
5) Method of repurchase	Tender offer
6) Date starting payment	May 8, 2013

2. Repurchase based on the resolution of the Board of Directors' meeting held on August 12, 2013

The Company passed a resolution on the repurchase of treasury stock and specific method of repurchase at the Board of Directors' meeting held on August 12, 2013 based on the provision of Article 156 of the Companies Act, applied pursuant to Article 165, Paragraph 3 of the Act, and executed the repurchase of treasury stock based on the resolution as follows.

(1) Details of the resolution on the repurchase of treasury stock at the Board of Directors' meeting

1 Reason for the repurchase of treasury stock

To execute agile capital policies responsive to changes in management environment.

2 Method of the repurchase

The Company entrusts the purchase in the off-auction own share repurchase transaction (ToSTNeT-3) of the Tokyo Stock Exchange at 8:45 a.m. on August 13, 2013, at the closing price of ¥1,179 on August 12, 2013.

(No changes shall be made to other trading system or to other trading time.)

Such purchase order shall contain orders standing at such trading time only.

3 Details of the repurchase

1) Type of shares to be repurchased	Common stock
2) Number of shares to be repurchased	7,500,000 shares (maximum)
3) Total amount of repurchase price	¥8,842 million (maximum)

(2) Other

As a result of the above off-auction own share repurchase transaction (ToSTNeT-3), the Company acquired 7,227,100 shares of its common stock (¥8,520 million).

4. Supplementary Information

(1) Production, Order and Sales Status

The Group is mainly engaged in sales and consequently does not indicate amounts and volumes representing its production and orders received for each reportable segment. In terms of the net sales and profits of the Group, the gas business, which by nature is characterized by sharp seasonal fluctuations, accounts for a major part of the Group's business. Therefore, net sales and profits tend to rise disproportionately in the second half of the year.

1) Sales results

Sales by reportable segment for the nine months ended December 31, 2013 are as follows:

Sales results by reportable segments

(Millions of yen)

Reportable segments	For the nine months ended Dec. 31, 2013 (from Apr. 1, 2013 to Dec. 31, 2013)	For the nine months ended Dec. 31, 2012 (from Apr. 1, 2012 to Dec. 31, 2012)
LP gas business	49,548	47,805
City gas business	35,380	33,291
Total	84,929	81,096

2) Sales results of LP gas business

(Millions of yen)

Reportable segments	For the nine months ended Dec. 31, 2013 (from Apr. 1, 2013 to Dec. 31, 2013)	For the nine months ended Dec. 31, 2012 (from Apr. 1, 2012 to Dec. 31, 2012)
Gas	38,493	36,420
Equipment, construction contracts, etc.	11,055	11,385
Total	49,548	47,805

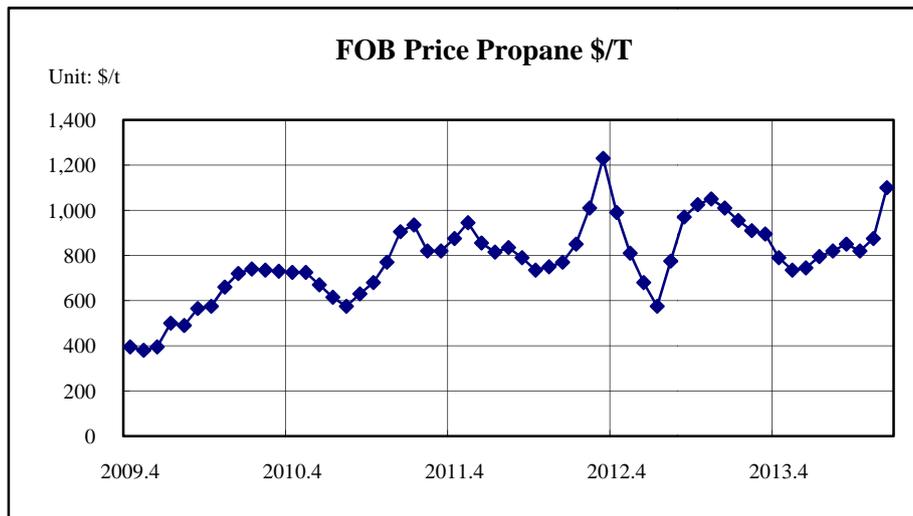
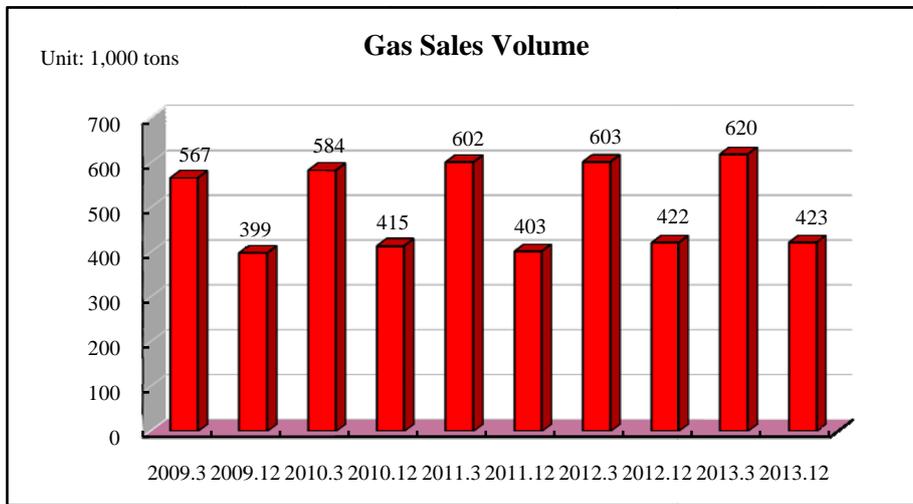
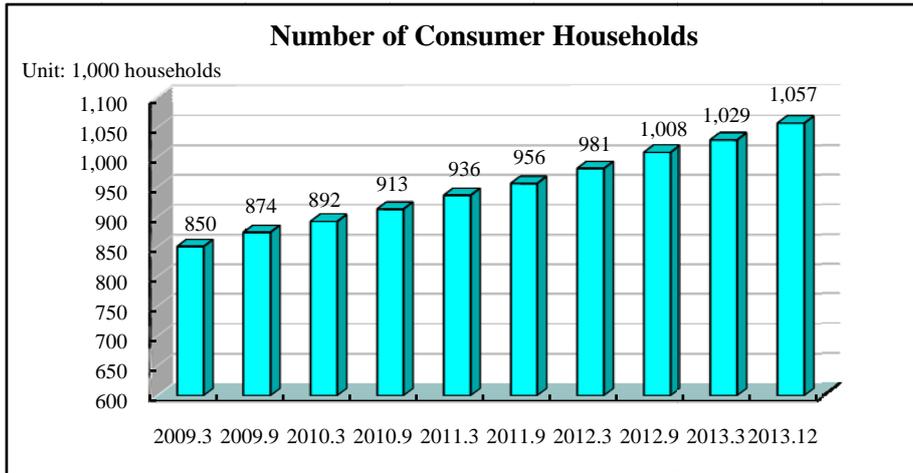
3) Sales results of city gas business

(Millions of yen)

Reportable segments	For the nine months ended Dec. 31, 2013 (from Apr. 1, 2013 to Dec. 31, 2013)	For the nine months ended Dec. 31, 2012 (from Apr. 1, 2012 to Dec. 31, 2012)
Gas	29,042	27,535
Equipment, construction contracts, etc.	6,338	5,755
Total	35,380	33,291

- (Notes) 1. Above figures are stated net of consumption taxes etc.
2. Inter-segment transactions are offset.

(2) Trends in the Number of Houses, etc.



(Note) Gas sales volume includes the sales volume of city gas (LNG) of the city gas business, which has been converted into the calorie value equivalent of LPG gas sales volume (1,000 tons)