Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 [Japanese GAAP]

April 30, 2013

Company name: NIPPON GAS CO., LTD.
Code number: 8174
URL: http://www.nichigas.co.jp/
Stock exchange listing: Tokyo Stock Exchange
Representative: Shinji Wada, President and Representative Director
Contact: Yuju Nakayama, President and Representative Director, Senior General Manager of Administration Division
Phone: 03-3553-1281
Scheduled date of Ordinary General Meeting of Shareholders: June 27, 2013
Scheduled date of commencing dividend payments: June 28, 2013
Scheduled date for filling of securities report: June 27, 2013
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Scheduled (for institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(1) Consolidated Results of Operations (% 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	%
Fiscal year ended Mar. 31, 2013	117,070	6.2	7,885	5.1	8,189	14.7	3,774	20.9
Fiscal year ended Mar. 31, 2012	110,262	5.9	7,506	15.5	7,136	17.2	3,121	34.3

(Note) Comprehensive income: Fiscal year ended Mar. 31, 2013 ¥5,221 million (32.6%)
Fiscal year ended Mar. 31, 2012 ¥3,938 million (43.3%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2013	78.01	―	9.8	6.6	6.7
Fiscal year ended Mar. 31, 2012	71.70	―	10.4	6.1	6.8

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended Mar. 31, 2013 ¥28 million
Fiscal year ended Mar. 31, 2012 ¥47 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2013	124,958	53,016	32.2	832.11
As of Mar. 31, 2012	121,987	48,565	29.9	753.97

(Reference) Equity: As of Mar. 31, 2013 ¥40,260 million As of Mar. 31, 2012 ¥36,481 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Mar. 31, 2013	15,225	(14,310)	(3,554)	14,708
Fiscal year ended Mar. 31, 2012	17,455	(13,101)	3,650	16,957

2. Dividends

	Annual dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2012	—	6.50	—	6.50	13.00	572	18.1	1.9
Fiscal year ended Mar. 31, 2013	—	6.50	—	6.50	13.00	631	16.7	1.6
Fiscal year ending Mar. 31, 2014 (Forecast)	—	6.50	—	6.50	13.00		15.7	

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
Six months ending Sep. 30, 2013	55,000	6.3	2,500	2.5	2,400	6.6	1,200	4.1	24.80
Full-year	124,000	5.9	9,000	14.1	8,800	7.5	4,000	6.0	82.67

4. Notes

(1) Significant changes of subsidiaries during the year under review (changes in specified subsidiaries resulting in changes in scope of consolidation during the period under review): No
Newly included:
Excluded:

(2) Changes to accounting policies, changes to accounting estimates, and revision restatements

1) Changes to accounting policies accompanying the revision of accounting standards, etc.: Yes

2) Changes to accounting policies other than 1) above: No

3) Changes to accounting estimates: Yes

4) Revision restatements: No

(Note) The method for depreciation has been changed from the consolidated fiscal year ended March 31, 2013 due to it falling under “the case where changes to accounting policies are difficult to distinguish from changes to accounting estimates.” Please refer to (5) Notes to Consolidated Financial Statements (Changes to Accounting Policies which are difficult to distinguish from Changes to Accounting Estimates) on page 23 of the attached Appendix for details.

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

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

Mar. 31, 2013	48,561,525 shares
Mar. 31, 2012	48,561,525 shares

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

Mar. 31, 2013	177,290 shares
Mar. 31, 2012	175,918 shares

3) Average number of shares during the period:

Fiscal year ended Mar. 31, 2013	48,385,227 shares
Fiscal year ended Mar. 31, 2012	43,539,544 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(1) Non-consolidated Results of Operations (% 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	%
Fiscal year ended Mar. 31, 2013	73,648	6.7	5,023	11.4	5,597	26.3	3,241	37.7
Fiscal year ended Mar. 31, 2012	69,017	2.1	4,509	14.7	4,430	14.6	2,354	11.2

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2013	66.75	—
Fiscal year ended Mar. 31, 2012	53.86	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2013	86,599	34,703	40.1	714.71
As of Mar. 31, 2012	82,365	31,471	38.2	648.13

(Reference) Equity: As of Mar. 31, 2013 ¥34,703 million As of Mar. 31, 2012 ¥31,471 million

2. Non-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		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Sep. 30, 2013	35,000	9.8	2,500	8.1	1,500	3.4	30.89
Full-year	80,000	8.6	6,000	7.2	3,400	4.9	70.02

* Presentation regarding the implementation status of the audit process

These financial statements are outside the scope of audit process procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these financial statements, audit process procedures for the financial statements under the Financial Instruments and Exchange Act have not been completed.

* 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 at the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to “Analysis of Results of Operations” on page 2 of the attached Appendix for the notes on the use of preconditions of the earnings forecast and the use of the earnings forecast.

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1. Results of Operations

(1) Analysis of Results of Operations

In the energy industry, amid increased demand for LNG for thermal power generation due to issues of resuming operations at nuclear reactors, the “shale gas revolution” in North America has led to heightened expectation of low-priced LNG imported from the U.S., and the importance of gaseous energy has come into the spotlight. Meanwhile, in the electricity industry, complete deregulation of retail sale of electricity is scheduled to go into effect in 2016, and it is thought that similar relaxation of regulations will spread to the energy industry as a whole in the future. Operators from other business fields are expected to newly enter the electricity and gas businesses, and competition is predicted to intensify beyond the borders of the industry.

In keeping with such circumstances, the Group is actively investing in retail field both in Japan and overseas in anticipation of the future. In addition, to gain the support of customers, the Group has continued with active restructuring and investing toward more efficient management and a more robust security system.

As a result of these efforts, the number of customers during the fiscal year under review increased by 48,151 households compared with the end of the same period of the previous fiscal year, thus exceeding the 1,000,000 households targeted in the mid-term management plan. The number of households as of the end of the current fiscal year was 1,029,740 households.

With regards to the development of the new operational system to link cloud technology and mobile devices, the synergistic effects of enhanced filling hub bases and the new system that revolutionizes distribution, as well as further streamlined operations were recognized in the verification test carried out by the Company. Since the patent application for the system is in its final stage, the Group has jointly established a sales company, Kumonouchusen Co., Ltd., with KDDI CORPORATION and Hitachi Capital Corporation for the nationwide distribution of the system, which is scheduled to commence in the near future.

As for the development of overseas businesses from the previous fiscal year, Australian electricity and gas retailer Australian Power and Gas Company Ltd. and the U.S. electricity retailer Entrust Energy, Inc., in which the Group’s management has been involved, have steadily increased their customer numbers, which exceeded 370,000 households at the time of compiling this report. The Group plans to make further investment with a goal of future consolidation, while making new investments in the electricity and gas retail business in Northeastern America. In addition, the Group established an electricity and gas retailer in Northeastern America in order to further deploy its business expertise.

Based on the capital and business alliance agreement with One Equity Partners (OEP), which is the investment arm of international financial institution J.P. Morgan, the Group holds strategic investment committee meetings with OEP on a regular basis to discuss joint investment overseas. The Group plans to continue making active investment in energy-related companies with the aim of expanding its business base for the future.

For the fiscal year under review, consolidated net sales increased by 6.2% year-on-year to ¥117,070 million, due to a steady increase in gas sales volume for consumer use in conjunction with the increase in the number of customers. In addition, there was a recovery in gas sales volume for commercial use, which had recorded a massive drop in demand in the same period of the previous fiscal year due to the impact of the earthquake disaster in Japan.

In terms of profit, thanks to the sweeping reform of the operations system across all businesses, on top of the solid revenue resulting from an increase in the gas sales volume, operating income increased by 5.1% year-on-year to ¥7,885 million, ordinary income increased by 14.7% year-on-year to ¥8,189 million, mainly due to posting of a foreign exchange gains for foreign currency assets associated with the lower yen, and net income increased by 20.9% year-on-year to ¥3,774 million. All profit items increased, marking record high profits for the second consecutive fiscal year.

Business performance by segment for the current fiscal year is as follows:
Following the review from the current fiscal year on the segment information reported to the Board of Directors, reportable segments have been realigned from the LP gas business and the city gas business as classified on the basis of the Group companies operating in each main gas business, to the LP gas business and the city gas business as classified on the basis of the type of gas sold. Thus a year-on-year comparison has been made by reflecting the results of the same period of the previous fiscal year on the reclassified reportable segments.

[LP Gas Business]

In the LP gas business, gas sales volume increased year-on-year due to the increase in the number of retail customers and the recovery in demand for commercial gas. Consequently, net sales for the current fiscal year increased by ¥4,564 million (7.1% increase) year-on-year to ¥68,966 million.

[City Gas Business]

In the city gas business, although total gas sales volume remained level year-on-year amid a decline in demand from major commercial-use customers, sales of gas for consumer use were strong as a result of an increase in the number of customers, in addition to which natural gas prices increased year-on-year due to the material costs adjustment system. Consequently, net sales for the current fiscal year increased by ¥2,244 million (4.9% year-on-year increase) to ¥48,104 million.

(Outlook for the next fiscal year and issues to be addressed)

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 spread and expansion of the use of gas appliances. As a result, the Company projects 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.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

Total assets as of the end of the current fiscal year increased by ¥2,970 million or 2.4% increase from the end of the previous fiscal year and stood at ¥124,958 million.

Current assets decreased by ¥2,303 million or 7.0% decrease from the end of the previous fiscal year and projected ¥30,435 million. This is mainly because of the decrease in cash and deposits due to the repayment of loans payable and active investments in Japan and overseas.

Noncurrent assets increased by ¥5,442 million or 6.1% increase from the end of the previous fiscal year and projected ¥94,466 million. This was mainly due to the increase in investments and other assets through overseas investment.

Total liabilities as of the end of the current fiscal year decreased by ¥1,480 million or 2.0% decrease from the end of the previous fiscal year and stood at ¥71,942 million. This is mainly because of repayment of loans payable.

Net assets as of the end of the current fiscal year increased by ¥4,451 million or 9.2% increase from the end of the previous fiscal year and stood at ¥53,016 million. This is mainly because of the increase in retained earnings due to net income recorded for the current fiscal year.

As a result, equity ratio improved by 2.3 points from the end of the previous fiscal year to 32.2 %.

2) Overview of consolidated cash flows

Balance of cash and cash equivalents (hereinafter referred to as “Funds”) at the end of the current fiscal year decreased by ¥2,248 million from the end of the previous fiscal year to ¥14,708 million.

(Net cash provided by (used in) operating activities)

Funds provided by operating activities amounted to ¥15,225 million, down by ¥2,229 million from the end of the previous fiscal year. This is mainly attributable to the decrease in reduction of decrease in notes and accounts receivable-trade and increase in notes and accounts payable-trade, although income before income taxes and minority interests increased.

(Net cash provided by (used in) investing activities)

Funds used in investing activities amounted to ¥14,310 million, up by ¥1,209 million from the end of the previous fiscal year. This is mainly attributable to the increase in purchase of property, plant and equipment as a result of proactive investments.

(Net cash provided by (used in) financing activities)

Funds used in financing activities amounted to ¥3,554 million (¥3,650 million was provided in the previous fiscal year). This is mainly attributable to the decrease in loans payable, net and cash dividends paid.

(Reference) Indicators relative to cash flows

	FY2008	FY2009	FY2010	FY2011	FY2012
Equity ratio	23.0	18.8	20.9	29.9	32.2
Equity ratio on a market value basis	52.7	47.8	40.3	51.9	41.1
Interest-bearing debt/cash flow ratio	3.4	3.5	4.1	2.7	2.9
Interest coverage ratio	17.9	19.0	16.1	23.9	25.0

Equity ratio: Equity / total assets

Equity ratio on a market value basis: Total market capitalization / total assets

Interest-bearing debt/cash flow ratio: Interest-bearing debt / cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / interest paid

* All indicators are calculated using consolidated financial results.
* Total market capitalization is calculated by multiplying the final share price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year excluding treasury stock.
* Cash flows refer to cash flows from operating activities. Interest-bearing debt refers to all liabilities on the Balance Sheets for which interest is paid.

(3) Basic Policy of Appropriation of Profits and Dividend Payment for Current Fiscal Year and Next Fiscal Year

In terms of appropriation of profit, the Company upholds its basic policy of maintaining stable dividends while striving to improve the payout ratio.

The Company basically pays dividends on surplus twice a year, i.e. the interim and year-end dividends. Interim dividends are determined by the Company's Board of Directors and year-end dividends are determined by the General Meeting of Shareholders. The Company plans to pay annual dividends of ¥13 per share, including interim dividends of ¥6.50 per share for the current fiscal year. For the following year, the Company, based on its basic policy of maintaining stable dividends, also plans to pay annual dividends of ¥13 per share, including interim dividends of ¥6.50 per share. Internal reserves shall be used for capital investments for stabilizing and streamlining the distribution system of LP gas and City gas, as well as building up reserves to ensure that the Company will be able to fulfill its social responsibility of steadily keeping the basic utilities running in emergency situations, such as major earthquakes, in addition to active investments to expand the customer base and to improve shareholders' value into the future. It should be noted that the Company's Articles of Incorporation stipulate that the Company may pay interim dividends.

(4) Risks Related to Business

The business performance and financial conditions of the Group may be affected by various risks including, but not limited to the following.

It should be noted that forwarding-looking statements in this document are judgments made by the Group based on information available at the end of the current fiscal year.

The profitability of the gas business, the core business of the Group, is mainly affected by the following factors:

1) Impact of fluctuations in atmospheric and water temperatures on gas demand

Due to the nature of the "Gas business," which accounts for the greater part of the Group's net sales, there is a risk that fluctuations in atmospheric and water temperatures could impact gas demand. However, the Group is striving to minimize the potential effects of this risk through such measures as aggressively expanding the customer base and promoting sales of gas heat pump air-conditioners, such as the GHP, small cogeneration systems (ECOWIL) and floor heating systems.

2) Risk of natural disasters

The Group supplies gas to many of its customers through an underground network of gas pipelines. Therefore, in order to prepare for the occurrence of catastrophic natural disasters such as earthquakes, it has been actively promoting construction using highly-quake resistant polyethylene pipes from the initial stages of development. Moreover, the Group, drawing on the lessons learned from its support of the recovery efforts of the Great Hanshin-Awaji Earthquake, and from the fact that no damages have been reported involving polyethylene pipes in the Niigata Chuetsu Earthquake, the Kushiro-oki Earthquake and the Niigata Chuetsu-oki Earthquake, has determined the replacement of all white gas pipes to be the priority measure in preventing damage from earthquakes and has been actively promoting the replacement of white gas pipes with polyethylene pipes. The Group has been taking measures to minimize the effects of natural disasters by preparing an earthquake preparedness manual, raising its employees' awareness of disaster prevention through annual drills and establishing a regional support system between the Group companies.

3) Larger than expected fluctuations in gas material prices and exchange rates

As LP gas depends on imports from the Middle East for its raw materials, elevated raw material prices due to political unrest or a weakened yen in the exchange rates could adversely affect the Group's performance. Although the effects of fluctuations in material prices and exchange rates on city gas and the community gas utility business can be offset by gas tariffs through the application of the fuel cost adjustment system, there is a risk of the effects extending beyond the current fiscal year as a result of caps on gas tariff rises imposed by the fuel cost adjustment system or the time lag until the price fluctuation is actually reflected in the gas tariffs. In order to mitigate these effects, the Group's 4 city gas subsidiaries have already switched to natural gas, which maintains its price relatively stable and which does not depend on the Middle East. Housing complexes which had been subject to the community gas utility business in the Abiko and Narita regions of Chiba Prefecture, the Hasuda region of Saitama Prefecture, the Kawasaki and Sagamihara regions of Kanagawa Prefecture and the Mooka Region of Tochigi Prefecture have been already switched over to the general gas business which receives natural gas through gas pipelines.

4) Risk of deregulation in the general gas business

As a result of the Gas Business Act being amended on April 1, 2007, large-volume customers within the general gas utility supply area that consume more than 100,000㎥ of gas per year may select a provider of their choice,

which has intensified more than ever the competition with the other gas providers. Consequently, the Group, in an effort to promptly and accurately respond to diverse customer needs, has been devising various business strategies including the development of comprehensive energy solutions.

5) Management of personal information

The Group considers the proper protection of personal information on its customers, which is acquired and managed in order to execute its business, as a primary responsibility. The Group's employees and outsourcing providers in the security and delivery businesses have been thoroughly instructed to comply with the Personal Information Protection Act and other related laws, and every possible measure has been taken to ensure the safe handling of information. However, in the event of an external leakage of information, the credibility of the Group could be lost and liability for damages could occur.

6) Risks associated with the handling of customers

Improper handling of customers could result in damages including the loss of social credibility and competitiveness of the Group. The Company has set up a customer consultation counter and monitors the speed of responses and the level of customer satisfaction. Such findings are also discussed at the monthly management meetings and further efforts are being made toward the improvement of CS (Customer Satisfaction).

2. Consolidated Group

Disclosure has been omitted, as there were no significant changes from the "Business Diagram (Business Outline)" and "Information on Subsidiaries and Affiliates" stated in the latest securities report (filed June 28, 2012).

3. Management Policy

(1) Basic Management Policy of the Company (2) Management Indicators Set as Targets, (3) Mid-to-long-term Company Management Strategy

Disclosure is omitted because there have been no significant changes to the contents disclosed in the financial statements for the fiscal year ended March 31, 2012, as released on April 27, 2012.

The relevant financial statements are available at the following URL.

(The Tokyo Stock Exchange website (Listed Company Search page))

http://www.tse.or.jp/listing/compsearch/index.html

(4) Issues to be Addressed of the Company

Prompted by the nuclear power plant accident during the Great East Japan Earthquake and the resulting tight supply of electricity, the government has introduced measures to reform the electricity system, which has to date aimed at ensuring a stable supply of electricity through rate regulations and regional monopolies. The reforms aim at producing a stable supply of electricity through innovation based on selection and competition among operators and consumers. In order to achieve that goal, the basic policy of the reforms was announced in July of

last year, and in February of this year the timetable for liberalization of electricity was announced, including the full liberalization of retail sales, revitalization of the wholesale market, and separation of the transmission and generation functions of power. In the retail field of electricity, full liberalization, including open participation and rate setting, is scheduled to take effect in 2016.

The liberalization of electricity will inevitably influence the city gas business, which has a similar system of rate regulations and regional monopolies. As a result, major competition is expected to begin which will transcend industry borders as new operators enter the electricity and gas business from other fields.

In light of these significant changes in circumstances, the Group will further deepen the reforms it has instituted to date with a view to liberalization, and will tackle the following issues in an effort to successfully deal with liberalization and be “the energy retailer most trusted by customers.”

1. Expansion of sales base as a gas retailer

The Group has developed its sales network mainly in the Kanto area where the population density is high and competition intense. For many years, the Group has won the support of approximately 40,000 new customers annually, and in the previous fiscal year met its medium-term plan target of 1,000,000 households. Company employees respond directly to the needs of these customers, and this customer base is certain to be a powerful asset as liberalization proceeds.

2. From drastic streamlining of operational system to a system for various business types

In terms of LPG distribution, the Group has significantly reduced distribution costs compared to the past by shipping cylinders from hub bases near primary bases operating 365 days a year to unmanned depot bases across Kanto using trailers that double as container storage spaces, and shifting that operations system to cloud technology.

In addition, thanks to the development of an operational system that links cloud technology and mobile devices, information for key operations such as security, inspection, and delivery is immediately processed onsite through a smartphone, and then sent to the cloud system via Internet for automatic processing, thus drastically improving efficiency.

The Company has acquired the patent and design rights for these new logistics and operational systems. These systems can be used for general purposes in other businesses, making it possible to process inspection and security information for different business types such as electricity or water service at the same time from a single mobile device. Thus, the system has the potential to be a powerful tool in the context of liberalized energy in the future.

In the current fiscal year, the Group will finalize reform of the new logistics and operational system to realize major improvements in efficiency. At the same time, through Kumonouchusen Co., Ltd., jointly established with KDDI CORPORATION and Hitachi Capital Corporation last year, the Group plans to sell the new logistics and operational system to energy operators nationwide (“Foundry Concept Energy Version”), and to contribute to the consolidation and streamlining of regional operations.

3. Enhancement of security system

The Group's most precious product is safety. Security stands in a complex relationship to all business operations, including contracts, construction, meter reading, and delivery. With the new operational system, an onsite device automatically checks for security-related processing errors or omissions, and the processed information is automatically processed by the cloud system. As a result, processing information about all aspects of security is synchronized with the necessary departments and places in an advanced, real time, and accurate manner to form an advanced security system.

During the current fiscal year, in addition to the reform of the security system, the Group will further reinforce its responsibility for security by bringing in-house the safety checks operations that had been contracted out, in order to provide customers with the safety that is of utmost value.

4. Stepping up the move into the energy retail business overseas

Since June 2011, the Group has engaged actively in investment and management participation in the energy (electricity and gas) retail business in Australia and in Texas, U.S.A., which are the markets at the forefront of energy liberalization. Investment targets are showing steady growth in number of customers, and are expanding operations.

In the current fiscal year, based on the know-how and expertise built up in the energy retail business in Australia and in Texas, U.S.A., the Group established energy (electricity and gas) retailers in 7 states in Northeastern America (September 2012), and is launching the retail business in April 2013. Although the pace of energy liberalization is accelerating, the Group will exploit the business know-how built up in the fiercely competitive liberalized markets overseas to make even greater efforts to be able to provide high quality and comprehensive energy services that meet the needs of domestic customers. Furthermore, the Group is considering the overseas deployment of the new operational system developed in Japan in order to advance its overseas business.

5. Support from OEP (One Equity Partners), the overseas investment arm of JP Morgan

The capital and business alliance agreement was concluded with OEP in October 2011, and OEP became the largest shareholder in the Company. Since then, strategic investment committee meetings have been held every 3 months at which valuable discussions take place concerning the Group's management strategy, utilizing OEP's world-class information network and advanced financial strategies.

In the future, in consultation with OEP, the Group will press ahead with efforts to increase corporate value, while reflecting OEP suggestions in management practice.

6. Response to liberalization

As a result of the implementation of reforms as noted above, including enhancement of the sales base, streamlining of operations, advanced security, overseas investment, the capital and business alliance with OEP, the Group has made steady progress with preparations for liberalization.

However, in light of the major cross-industry competition anticipated in the near future, there remain urgent issues that require resolution, such as preparing a response to the reform of the electricity system, strengthening

group-wide competitiveness at companies including the city gas companies, and securing and training staff, and the Group will address these reforms promptly as well.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (As of Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (As of Mar. 31, 2013)
Assets		
Current assets		
Cash and deposits	17,165	14,914
Notes and accounts receivable-trade	*5 8,324	*5 7,836
Merchandise and finished goods	5,244	6,063
Work in process	22	22
Raw materials and supplies	74	88
Deferred tax assets	766	712
Other	1,270	922
Allowance for doubtful accounts	(128)	(124)
Total current assets	32,739	30,435
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	18,576	18,982
Accumulated depreciation	(10,662)	(11,051)
Buildings and structures, net	7,913	7,930
Machinery, equipment and vehicles	170,685	176,608
Accumulated depreciation	(132,021)	(138,418)
Machinery, equipment and vehicles, net	38,663	38,189
Tools, furniture and fixtures	2,690	2,527
Accumulated depreciation	(2,277)	(2,096)
Tools, furniture and fixtures, net	413	431
Land	20,269	21,365
Lease assets	1,254	2,046
Accumulated depreciation	(315)	(657)
Lease assets, net	939	1,388
Construction in progress	397	441
Total property, plant and equipment	*1 68,597	*1 69,746
Intangible assets		
Goodwill	6,830	6,707
Other	721	897
Total intangible assets	7,551	7,605
Investments and other assets		
Investment securities	*2 8,144	*2 10,321
Long-term loans receivable	187	2,752
Deferred tax assets	2,804	2,483
Other	2,511	2,497
Allowance for doubtful accounts	(772)	(939)
Total investments and other assets	12,875	17,115
Total noncurrent assets	89,024	94,466
Deferred assets		
Development expenses	224	56
Total deferred assets	224	56
Total assets	121,987	124,958

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (As of Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (As of Mar. 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	*5 14,124	*5 14,318
Short-term loans payable	*1 17,456	*1 7,974
Lease obligations	419	602
Income taxes payable	2,519	2,456
Provision for bonuses	387	425
Other	3,586	3,888
Total current liabilities	38,493	29,665
Noncurrent liabilities		
Long-term loans payable	*1 29,614	*1 36,670
Lease obligations	1,058	1,362
Deferred tax liabilities for land revaluation	231	231
Provision for retirement benefits	2,069	2,133
Provision for directors' retirement benefits	1,072	981
Provision for gas holder repairs	249	213
Other	633	683
Total noncurrent liabilities	34,929	42,276
Total liabilities	73,422	71,942
Net Assets		
Shareholders' equity		
Capital stock	7,070	7,070
Capital surplus	5,198	5,198
Retained earnings	23,980	27,130
Treasury stock	(59)	(61)
Total shareholders' equity	36,189	39,337
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	291	923
Total accumulated other comprehensive income	291	923
Minority interests	12,083	12,755
Total net assets	48,565	53,016
Total liabilities and net assets	121,987	124,958

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Net sales	110,262	117,070
Cost of sales	64,216	69,567
Gross profit	46,045	47,503
Selling, general and administrative expenses		
Freightage related expenses	2,365	2,494
Provision of allowance for doubtful accounts	100	65
Salaries and allowances	7,064	7,218
Provision for bonuses	343	387
Retirement benefit expenses	557	585
Provision for directors' retirement benefits	243	172
Provision for gas holder repairs	23	39
Welfare expenses	1,472	1,590
Supplies expenses	3,062	3,313
Taxes and dues	1,057	1,109
Enterprise tax	306	290
Depreciation	8,939	8,885
Amortization of goodwill	991	1,149
Repair expenses	807	903
Commission fee	6,489	7,196
Other	*1 4,713	*1 4,216
Total selling, general and administrative expenses	38,539	39,618
Operating income	7,506	7,885
Non-operating income		
Interest income	6	132
Dividends income	83	102
Foreign exchange gains	12	545
Real estate rent	40	43
Insurance income	10	23
Equity in earnings of affiliates	47	28
Other	191	213
Total non-operating income	391	1,090
Non-operating expenses		
Interest expenses	727	604
Provision of allowance for doubtful accounts	–	150
Other	32	30
Total non-operating expenses	760	786
Ordinary income	7,136	8,189
Extraordinary income		
Gain on sales of noncurrent assets	*2 22	*2 17
Gain on sales of investment securities	35	–
Gain on negative goodwill	39	8
Compensation for transfer	–	25
Other	*3 5	*3 –
Total extraordinary income	102	51

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Extraordinary loss		
Loss on sales of noncurrent assets	*4 12	*4 6
Loss on retirement of noncurrent assets	*5 153	*5 293
Loss on valuation of investment securities	31	3
Impairment loss	*7 —	*7 163
Other	*6 1	*6 11
Total extraordinary losses	199	478
Income before income taxes and minority interests	7,040	7,761
Income taxes-current	2,919	3,151
Income taxes-deferred	370	24
Total income taxes	3,290	3,175
Income before minority interests	3,749	4,585
Minority interests in income	627	810
Net income	3,121	3,774

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Income before minority interests	3,749	4,585
Other comprehensive income		
Valuation difference on available-for-sale securities	188	635
Total other comprehensive income	* 188	* 635
Comprehensive income	3,938	5,221
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,316	4,406
Comprehensive income attributable to minority interests	622	815

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	5,000	7,070
Changes of items during the period		
Issuance of new shares	2,070	—
Total changes of items during the period	2,070	—
Balance at the end of current period	7,070	7,070
Capital surplus		
Balance at the beginning of current period	4,386	5,198
Changes of items during the period		
Issuance of new shares	812	—
Disposal of treasury stock	—	(0)
Total changes of items during the period	812	(0)
Balance at the end of current period	5,198	5,198
Retained earnings		
Balance at the beginning of current period	21,366	23,980
Changes of items during the period		
Dividends from surplus	(508)	(624)
Net income	3,121	3,774
Other	0	—
Total changes of items during the period	2,614	3,149
Balance at the end of current period	23,980	27,130
Treasury stock		
Balance at the beginning of current period	(7,527)	(59)
Changes of items during the period		
Purchase of treasury stock	(0)	(1)
Disposal of treasury stock	7,467	0
Total changes of items during the period	7,467	(1)
Balance at the end of current period	(59)	(61)
Total shareholders' equity		
Balance at the beginning of current period	23,225	36,189
Changes of items during the period		
Issuance of new shares	2,882	—
Dividends from surplus	(508)	(624)
Net income	3,121	3,774
Purchase of treasury stock	(0)	(1)
Disposal of treasury stock	7,467	0
Other	0	—
Total changes of items during the period	12,964	3,148
Balance at the end of current period	36,189	39,337

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	97	291
Changes of items during the period		
Net changes of items other than shareholders' equity	194	631
Total changes of items during the period	194	631
Balance at the end of current period	291	923
Total accumulated other comprehensive income		
Balance at the beginning of current period	97	291
Changes of items during the period		
Net changes of items other than shareholders' equity	194	631
Total changes of items during the period	194	631
Balance at the end of current period	291	923
Minority interests		
Balance at the beginning of current period	11,624	12,083
Changes of items during the period		
Net changes of items other than shareholders' equity	459	671
Total changes of items during the period	459	671
Balance at the end of current period	12,083	12,755
Total net assets		
Balance at the beginning of current period	34,947	48,565
Changes of items during the period		
Issuance of new shares	2,882	—
Dividends from surplus	(508)	(624)
Net income	3,121	3,774
Purchase of treasury stock	(0)	(1)
Disposal of treasury stock	7,467	0
Other	0	—
Net changes of items other than shareholders' equity	653	1,302
Total changes of items during the period	13,617	4,451
Balance at the end of current period	48,565	53,016

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,040	7,761
Depreciation and amortization	9,000	8,934
Impairment loss	—	163
Amortization of deferred assets	468	167
Amortization of goodwill	991	1,149
Increase (decrease) in allowance for doubtful accounts	(58)	162
Increase (decrease) in provision for retirement benefits	3	64
Increase (decrease) in provision for directors' retirement benefits	32	(91)
Interest and dividends income	(89)	(235)
Interest expenses	727	604
Foreign exchange losses (gains)	(12)	(545)
Equity in (earnings) losses of affiliates	(47)	(28)
Loss (gain) on sales of property, plant and equipment	(10)	(10)
Loss on retirement of property, plant and equipment	153	293
Loss (gain) on valuation of investment securities	31	3
Decrease (increase) in notes and accounts receivable-trade	2,015	488
Decrease (increase) in inventories	(393)	(832)
Increase (decrease) in notes and accounts payable-trade	1,430	193
Increase (decrease) in accrued consumption taxes	(16)	102
Increase (decrease) in advances received	(96)	165
Increase (decrease) accrued liability of a defined contribution pension plan	(225)	(182)
Other, net	(484)	582
Subtotal	20,462	18,910
Interest and dividends income received	90	114
Interest expenses paid	(729)	(608)
Income taxes paid	(2,369)	(3,191)
Net cash provided by (used in) operating activities	17,455	15,225
Net cash provided by (used in) investing activities		
Payments into time deposits	(407)	(5)
Proceeds from withdrawal of time deposits	214	7
Purchase of property, plant and equipment	(7,454)	(9,612)
Proceeds from sales of property, plant and equipment	191	86
Purchase of goodwill	(1,114)	(752)
Purchase of investment securities	(4,121)	(1,129)
Proceeds from sales of investment securities	44	—
Purchase of stocks of subsidiaries and affiliates	(326)	(35)
Payments of loans receivable	(25)	(2,396)
Collection of loans receivable	171	65
Other, net	(271)	(539)
Net cash provided by (used in) investing activities	(13,101)	(14,310)

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	2,720	2,500
Decrease in short-term loans payable	(3,120)	(2,350)
Proceeds from long-term loans payable	5,940	13,860
Repayment of long-term loans payable	(11,356)	(16,434)
Proceeds from issuance of common stock	4,121	—
Purchase of treasury stock	(0)	(1)
Proceeds from sales of treasury stock	6,209	0
Cash dividends paid	(508)	(624)
Cash dividends paid to minority shareholders	(111)	(126)
Other, net	(242)	(377)
Net cash provided by (used in) financing activities	3,650	(3,554)
Effect of exchange rate change on cash and cash equivalents	12	390
Net increase (decrease) in cash and cash equivalents	8,016	(2,248)
Cash and cash equivalents at beginning of period	8,941	16,957
Cash and cash equivalents at end of period	* 16,957	* 14,708

(5) Notes to Consolidated Financial Statements

(Notes on Going Concerns Assumption)

None.

(Important Matters that Form the Basis for Preparing Consolidated Financial Statements)

1. Scope of consolidation

(1) Names of the 6 consolidated subsidiaries:

TOSAI GAS, Inc., SHINNIHON GAS CORPORATION, HIGASHINIHON GAS CORPORATION, KITANIHON GAS CORPORATION, NIHONGAS KOJI Inc., NIHONGAS UNYU SEIBI Inc.

Changes in consolidated subsidiaries, etc.

None.

(2) Names of non-consolidated subsidiaries:

TOSAI SETSUBI, Inc., GAS PLAZA TOSAI Inc., NICHIGAS LOGISTICS CALCULATION CENTER, Kumonouchusen Co., Ltd., Nippon Gas USA,Inc., Clean World Japan Co., Ltd., Kurihashi Gas Development Co., Ltd.

Reasons for excluding the non-consolidated subsidiaries from the scope of consolidation

The 7 non-consolidated subsidiaries were excluded from the scope of consolidation due to their insignificance in size, and as the total amounts of their total assets, net sales, net income/loss (to the extent of the Company's equity position) and retained earnings (to the extent of the Company's equity position) did not significantly impact the consolidated financial statements.

2. Scope of application of the equity method

(1) Number of non-consolidated subsidiaries accounted for under the equity method 2

TOSAI SETSUBI, Inc., GAS PLAZA TOSAI Inc.

(2) Affiliates accounted for under the equity method -

(3) Non-consolidated subsidiaries and affiliates to which the equity method is not applied

The name of non-consolidated subsidiaries

NICHIGAS LOGISTICS CALCULATION CENTER Inc., Kumonouchusen Co., Ltd., Nippon Gas USA,Inc., Clean World Japan Co., Ltd., Kurihashi Gas Development Co., Ltd.

The name of affiliate

I-promotion Inc., Associated Water Pty Ltd, Strategic Power Holdings LLC, Strategic Power Holdings Operations,Inc., Australian Power & Gas Company Ltd

Reason for not applying the equity method

The equity method is not applied to 5 non-consolidated subsidiaries and 5 affiliates, due to their insignificance overall; and as their net income/loss (to the extent of the Company's equity position) and their retained earnings

(to the extent of the Company's equity position), even if eliminated from the scope of companies accounted for under the equity method, have minimal impact on the consolidated financial statements.

3. Fiscal year, etc. of consolidated subsidiaries

The fiscal year end dates of the consolidated subsidiaries coincide with the consolidated accounting date.

4. Accounting standards

(1) Valuation standards and methods regarding significant assets

(a) Inventories

Merchandise

Primarily stated at cost based on the first-in, first-out method (method by which the carrying amount is written-down according to the decline in profitability). However, real estate for sale is stated at cost based on the identified cost method (method by which the carrying amount is written-down according to the decline in profitability).

Finished goods, work in process, raw materials, supplies

Mainly stated at cost using the moving-average method (method by which the carrying amount is written-down according to the decline in profitability).

(b) Securities

Other securities

Securities with market quotations:

Stated at their quoted market prices at the end of fiscal year (Cost of securities sold is calculated primarily using the moving-average method and net unrealized gains [losses] are included directly in net assets).

Securities without market quotations:

Stated at cost using the moving-average method.

(2) Depreciation method for significant depreciable assets

(a) Property, plant and equipment (excluding lease assets)

Calculated using the declining-balance method (However, the straight-line method is used for buildings [excluding building fixtures] acquired on or after April 1, 1998).

Useful lives of assets are principally as follows:

Buildings and structures	7 to 50 years
Machinery, equipment and vehicles	4 to 22 years

(b) Intangible assets (excluding lease assets)

Straight-line method

Internally used software is amortized over the estimated useful life (5 years).

(c) Lease assets

Lease assets concerning non-transfer ownership finance lease transactions:

Depreciated by the straight-line method, defining the lease term of respective assets as their useful lives, without residual value.

(3) Accounting method of significant deferred assets

Development expenses

Amortized using the straight-line method over 5 years.

(4) Accounting standards for significant allowances and provisions

(a) Allowance for doubtful accounts

The Group provides for possible credit losses stemming from notes and accounts receivable-trade. Estimated amounts of irrecoverable debt are calculated based on historical write-off ratio for ordinary receivables, and on a consideration of feasibly recoverable amounts in individual cases of specific debts such as doubtful accounts.

(b) Provision for bonuses

Although the Company submitting the consolidated financial statements is not required to report a reserve for bonuses, the Company's consolidated subsidiaries provide for future bonus payments to employees in the estimated amount accrued on the fiscal year end date.

(c)Provision for retirement benefits

To provide for the payment of employees' retirement benefits, the Group sets aside the amount recognized to have accrued as at the end of the current fiscal year, based on the projected benefit obligations and plan assets as at the end of the fiscal year.

(d) Provision for directors' retirement benefits

In order to provide for the payment of retirement benefits to directors, a reserve is provided in the amount required on the fiscal year end date, in accordance with internal rules.

(e) Provision for gas holder repairs

Among the consolidated subsidiaries, the 4 city gas companies - TOSAI GAS Inc., SHINNIHON GAS CORPORATION, HIGASHINIHON GAS CORPORATION and KITANIHON GAS CORPORATION – post a provision for repairs by distributing the estimated costs to each fiscal term during the period until the next scheduled repair.

(5) Significant hedge accounting

(i) Hedge accounting

Exceptional treatment ("tokurei-shori") is applied to interest rate swaps that meet the requirements for

exceptional treatment.

Hedge accounting is not applied to commodity derivatives, as there was no outstanding balance at the end of the term.

(ii) Means of hedging and hedging items

Means of hedging

Interest rate swaps, commodity swaps

Hedging items

Loans payable, money for the purchase of commodities

(iii) Hedging policy

Foreign currency risks, commodity price risks and interest rate fluctuation risks are hedged to the extent allowed by the internal rules regarding risks.

(iv) Methods for evaluating the effectiveness of hedges

Assessment of effectiveness is omitted as the Company is only engaged in interest rate swaps to which exceptional treatment is applied.

(6) Amortization of goodwill and negative goodwill

Goodwill is amortized over 20 year periods for a company, and over 5 years for other companies using the straight-line method.

(7) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents as stated in the consolidated statements of cash flows consist of cash in hand, demand deposits, and any short-term liquid investments with a maturity not exceeding 3 months at the time of purchase whose value is not subject to significant fluctuation risk.

(8) Other significant matters for preparing consolidated financial statements

Accounting method for consumption taxes

Accounting method for consumption taxes

Transactions subject to consumption tax and local consumption tax are recorded at the amount exclusive of these taxes.

(Changes to accounting policies difficult to distinguish from changes to accounting estimates)

The Company and its consolidated subsidiaries have changed their method for depreciation reflecting the revised Act from the current fiscal year under review, following the revision of the Corporation Tax Act, in respect of the property, plant and equipment acquired on and after April 1, 2012.

As a result, operating income, ordinary income and income before income taxes and minority interests during

the fiscal year under review increased by ¥132 million, respectively, compared with those calculated by the past methods applied.

(Additional information)

Acquisition of treasury stock in accordance with Articles of Incorporation based on the provisions of Paragraph 2, Article 165 of the Companies Act

The Company, at its Board of Directors meeting held on March 8, 2013, resolved to acquire its treasury stock in accordance with Paragraph 1, Article 156 of the Companies Act as applied by replacing the terms pursuant to the provisions of Paragraph 3, Article 165 of the same Act. The details of the acquisition are described below.

(1) Reason for acquisition

The acquisition was for the purpose of: implementing flexible capital policies to respond to changes in business environments; improving capital efficiency; and returning profits to shareholders.

(2) Matters related to acquisition

(i) Class of shares acquired:	common stock
(ii) Number of shares acquired:	1,737,072 shares
(iii) Acquisition price:	¥989 per share
(iv) Total amount of acquisition cost:	¥1,717 million
(v) Method of acquisition:	tender offer
(vi) Date of commencement of settlement:	May 8, 2013

(Consolidated Balance Sheets)

*1 Assets pledged as collateral and borrowings secured by collateral

Assets pledged as collateral are as follows:

(Millions of yen)

	For the previous fiscal year (As of Mar. 31, 2012)	For the current fiscal year (As of Mar. 31, 2013)
Land	1,088	1,088
Buildings and structures	192	182
Factory foundation collateral	8,297	7,297
[Land]	[921]	[456]
[Machinery, etc.]	[7,376]	[6,840]
Total (Book value)	9,578	8,568

Borrowings secured by collateral are as follows:

(Millions of yen)

	For the previous fiscal year (As of Mar. 31, 2012)	For the current fiscal year (As of Mar. 31, 2013)
Short-term loans payable	3,975	2,814
Long-term loans payable	3,133	3,578
Total	7,108	6,392

*2 Investments in non-consolidated subsidiaries and affiliates are as follows.

(Millions of yen)

	For the previous fiscal year (As of Mar. 31, 2012)	For the current fiscal year (As of Mar. 31, 2013)
Investment securities (shares)	654	3,766
(Investments in jointly controlled entities)	326	326

3 Guarantee obligations

The Group provides the following guarantees on borrowings from financial institutions.

(Millions of yen)

	For the previous fiscal year (As of Mar. 31, 2012)	For the current fiscal year (As of Mar. 31, 2013)
Taikokai (Social welfare corporation) whose debt is guaranteed by TOSAI GAS Inc., the Company's consolidated subsidiary	250	–
Employees (employee housing loans)	11	10
Total	261	10

4 In order to efficiently fund their working capital, the Company and its 4 consolidated subsidiaries have entered into contracts for overdraft facilities with 12 of their financing banks. As of the end of the current fiscal year, the undisbursed balance on the overdraft facilities was as follows.

(Millions of yen)

	For the previous fiscal year (As of Mar. 31, 2012)	For the current fiscal year (As of Mar. 31, 2013)
General overdraft limit	5,000	5,000
Undisbursed balance	900	1,150
Difference	4,100	3,850

*5 As for accounting treatment for bills due at the end of term, bill clearance dates are used for the settlement. Since the last day of the fiscal year under review fell on a holiday for financial institutions, the amounts of bills due at the end of term as described below are included in term-end balances.

(Millions of yen)

	For the previous fiscal year (As of Mar. 31, 2012)	For the current fiscal year (As of Mar. 31, 2013)
Notes receivable	96	83
Notes payable	322	302

(Consolidated Statements of Income)

*1 Research and development expenses included in selling, general and administrative expenses are as follows:

(Millions of yen)

For the previous fiscal year (From Apr. 1, 2011 to Mar. 31, 2012)	For the current fiscal year (From Apr. 1, 2012 to Mar. 31, 2013)
35	22

*2 Gain on sales of noncurrent assets

(Previous fiscal year)

Gain on sales of noncurrent assets includes gains from the retirement of buildings and structures; machinery, equipment and vehicles; tools, furniture and fixtures, and sales of land.

(Current fiscal year)

Gain on sales of noncurrent assets includes gains from the retirement of buildings and structures; machinery, equipment and vehicles; tools, furniture and fixtures, and sales of land.

*3 Breakdown of extraordinary gains and others is as follows:

(Millions of yen)

	For the previous fiscal year (From Apr. 1, 2011 to Mar. 31, 2012)	For the current fiscal year (From Apr. 1, 2012 to Mar. 31, 2013)
Compensation for relocation of gas pipelines	5	–

*4 Loss on sales of noncurrent assets

(Previous fiscal year)

Loss on sales of noncurrent assets includes losses from the retirement of buildings and structures; and sales of land.

(Current fiscal year)

Loss on sales of noncurrent assets includes losses from the retirement of machinery, equipment; and sales of land.

*5 Loss on retirement of noncurrent assets

(Previous fiscal year)

Loss on retirement of noncurrent assets includes losses from the retirement of buildings and structures; machinery, equipment and vehicles; and tools, furniture and fixtures.

(Current fiscal year)

Loss on retirement of noncurrent assets includes losses from the retirement of buildings and structures; machinery, equipment and vehicles; and tools, furniture and fixtures.

*6 Breakdown of extraordinary losses and others is as follow:

(Millions of yen)

	For the previous fiscal year (From Apr. 1, 2011 to Mar. 31, 2012)	For the current fiscal year (From Apr. 1, 2012 to Mar. 31, 2013)
Loss on sale of golf club membership	–	6
Loss on valuation of golf club membership	1	4
Total	1	11

*7 Impairment loss

For the current fiscal year under review, the Group recorded impairment loss for the following assets:

Place	Usage	Type
Tsukuba-shi, Ibaraki Prefecture	Idle assets	Land

For idle assets that are not used for business purposes and whose fair values fell significantly, the Group reduced their book values to recoverable amounts and recorded the amount of such reduction as impairment loss (¥163 million) in extraordinary loss. The description of the impairment is: land, ¥163 million.

The recoverable amounts of the land are measured at net selling value, which are calculated based on the amount evaluated for real-estate tax.

(Consolidated Statements of Comprehensive Income)

*Reclassification adjustment amount and tax effect amount pertaining to other comprehensive income

	For the previous fiscal year (From Apr. 1, 2011 to Mar. 31, 2012)	For the current fiscal year (From Apr. 1, 2012 to Mar. 31, 2013)
Valuation difference on available-for-sale securities		
Amount accrued during the period	283	987
Reclassification adjustment	(3)	(0)
Before tax effect adjustment	280	986
Tax effect	(91)	(351)
Valuation difference on available-for-sale securities	188	635
Total other comprehensive income	188	635

(Consolidated Statements of Changes in Net Assets)

For the previous fiscal year (From April 1, 2011 to March 31, 2012)

1. Shares issued

Type of shares	As of Apr. 1, 2011	Increase	Decrease	As of Mar. 31, 2012
Common shares (shares)	44,961,525	3,600,000	–	48,561,525

(Summary of Reason for Changes)

Issue of new shares (allocation to a third party):

Increase due to the issue of new shares allocated to OEP NG LLC 3,600,000 shares

2. Treasury stock

Type of shares	As of Apr. 1, 2011	Increase	Decrease	As of Mar. 31, 2012
Treasury stock (shares)	5,575,787	131	5,400,000	175,918

(Summary of Reason for Changes)

The main reasons for increase in the number of shares were as follows:

Increase due to the purchase of fractional shares 131 shares

The main reason for the decrease in the number of shares was as follows:

Disposal of treasury stock (allocation to a third party)

Decrease due to the disposal of treasury stock allocated to OEP NG LLC 5,400,000 shares

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Resolution adopted by the Ordinary General Meeting of Shareholders held on Jun. 29, 2011	Common shares	257	6.50	Mar. 31, 2011	Jun. 30, 2011
Resolution adopted by the Board of Directors held on Oct. 31, 2011	Common shares	257	6.50	Sep. 30, 2011	Nov. 21, 2011

(2) Dividends whose record date falls in the current fiscal year but the effective date of dividend payment falls in the next fiscal year

Resolution	Type of shares	Resource of dividend	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Resolution adopted by the Ordinary General Meeting of Shareholders held on Jun. 28, 2012	Common shares	Retained earnings	315	6.50	Mar. 31, 2012	Jun. 29, 2012

For the current fiscal year (From April 1, 2012 to March 31, 2013)

1. Shares issued

Type of shares	As of Apr. 1, 2012	Increase	Decrease	As of Mar. 31, 2013
Common shares (shares)	48,561,525	–	–	48,561,525

2. Treasury stock

Type of shares	As of Apr. 1, 2012	Increase	Decrease	As of Mar. 31, 2013
Treasury stock (shares)	175,918	1,433	61	177,290

(Summary of Reason for Changes)

The main reasons for increase in the number of shares were as follows:

Increase due to the purchase of fractional shares 1,433 shares

The main reason for the decrease in the number of shares was as follows:

Decrease due to the transfer of fractional shares 61 shares

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Resolution adopted by the Ordinary General Meeting of Shareholders held on Jun. 28, 2012	Common shares	315	6.50	Mar. 31, 2012	Jun. 29, 2012
Resolution adopted by the Board of Directors held on Oct. 31, 2012	Common shares	315	6.50	Sep. 30, 2012	Nov. 19, 2012

(2) Dividends whose record date falls in the current fiscal year but the effective date of dividend payment falls in the next fiscal year

Resolution	Type of shares	Resource of dividend	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Resolution adopted by the Ordinary General Meeting of Shareholders held on Jun. 27, 2013	Common shares	Retained earnings	315	6.50	Mar. 31, 2013	Jun. 28, 2013

(Consolidated Statements of Cash Flows)

*Relations between the year-end balance of cash and cash equivalents and the accounts listed in the consolidated balance sheet

(Millions of yen)

	For the previous fiscal year (From Apr. 1, 2011 to Mar. 31, 2012)	For the current fiscal year (From Apr. 1, 2012 to Mar. 31, 2013)
Cash and deposits	17,165	14,914
Time deposits with maturities of over 3 months	(207)	(205)
Cash and deposits equivalents	16,957	14,708

(Segment Information, etc.)

(Segment Information)

1. Overview of reportable segments

(1) Periodical review of reportable segments

The Group’s reportable segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business performance.

The Group is mainly engaged in the supply and sale of LP gas and city gas (natural gas), as well as the peripheral business of gas appliances sales and gas pipe works. The consolidated companies are grouped into the 2 product/service segments of “LP gas business” and “city gas business.”

(2) Main products and services of each reportable segment

LP gas business……..Supply and sale of LP gas, Community gas business, Gas appliances sales, Gas pipe works
Replacement gas cylinders, Aerosol product

City gas business……Supply and sale of city gas, gas appliances sales, gas pipe works

(3) Matters related to changes in reportable segments

For the purpose of focusing on management across the whole group, from the current fiscal year under review the Company has changed the basis of its management method, from the perspective of subsidiary groups to customer/service and reviewed the segment information reported to the Board of Directors. As a result, reportable segments have been realigned from the LP gas business and the city gas business as classified on the basis of the Group companies operating in each main gas business, to the LP gas business and the city gas business as classified on the basis of the type of gas sold.

Segment information of the previous fiscal year is presented by the new reportable segments and stated in the part of the previous fiscal year of “3. Information on the amount of net sales, income (loss), assets, liabilities and other items by reportable segments.”

As stated in changes to accounting policies difficult to distinguish from changes to accounting estimates, the Company has changed its method for depreciation reflecting the revised Act from the fiscal year under review, following the revision of the Corporation Tax Act, in respect of the property, plant and equipment acquired on and after April 1, 2012. Therefore, the method for depreciation for reportable segments has been changed on the basis of the revised Act.

As a result, compared with the former method, segment income for the fiscal year under review in the LP gas business and the city gas business increased by ¥28 million and ¥104 million, respectively.

2. Calculation method of the amount of net sales, income (loss), assets, liabilities and other items by reportable segments

The accounting method applied to reported business segments is the same as that stated in “Important Matters that Form the Basis for Preparing Consolidated Financial Statements.” Inter-segment sales and transfers are based on actual prices in the markets.

3. Information on the amount of net sales, income (loss), assets, liabilities and other items by reportable segments

For the previous fiscal year (From April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Consolidated financial statements amount (Note 2)
	LP gas Business	City gas Business			
Net sales					
Net sales to outside customers	64,402	45,860	110,262	–	110,262
Inter-segment sales and transfers	8,553	7	8,561	(8,561)	–
Total	72,955	45,868	118,824	(8,561)	110,262
Segment income	4,122	3,370	7,493	12	7,506
Segment assets	67,585	54,402	121,987	–	121,987
Other items					
Depreciation and amortization	2,404	6,596	9,000	–	9,000
Investments in companies accounted for under the equity method	–	311	311	–	311
Increase in property, plant and equipment and intangible assets	4,124	6,409	10,534	–	10,534

(Notes) 1. The amounts ¥12 million in adjustments for segment income include the elimination of transactions between the Company and the segments.

2. Segment income is adjusted to operating income in the Consolidated Statements of Income.

For the current fiscal year (From April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Consolidated financial statements amount (Note 2)
	LP gas Business	City gas Business			
Net sales					
Net sales to outside customers	68,966	48,104	117,070	–	117,070
Inter-segment sales and transfers	8,480	9	8,489	(8,489)	–
Total	77,446	48,114	125,560	(8,489)	117,070
Segment income	4,238	3,633	7,872	12	7,885
Segment assets	71,850	53,108	124,958	–	124,958
Other items					
Depreciation and amortization	2,330	6,603	8,934	–	8,934
Investments in companies accounted for under the equity method	–	338	338	–	338
Increase in property, plant and equipment and intangible assets	5,216	6,908	12,125	–	12,125

(Notes) 1. The amounts ¥12 million in adjustments for segment income include the elimination of transactions between the Company and the segments.

2. Segment income is adjusted to operating income in the Consolidated Statements of Income.

(Per Share Information)

Item	For the previous fiscal year (From Apr. 1, 2011 to Mar. 31, 2012)	For the current fiscal year (From Apr. 1, 2012 to Mar. 31, 2013)
Net assets per share	753.97 yen	832.11 yen
Net income per share	71.70 yen	78.01 yen
Diluted net income per share	Not stated since there is no dilutive security.	Not stated since there is no dilutive security.

(Note) The basis for calculation

1. The basis for calculation of net assets per share is as follows:

(Millions of yen unless otherwise stated)

Item	For the previous fiscal year (As of Mar. 31, 2012)	For the current fiscal year (As of Mar. 31, 2013)
Total net assets	48,565	53,016
Amount deducted from the total net assets	12,083	12,755
[Minority interests]	[12,083]	[12,755]
Amount of net assets related to common stock as of the end of the fiscal year	36,481	40,260
Number of shares of common stock used in the calculation of net assets per share as of the end of the fiscal year (Thousands shares)	48,385	48,384

2. The basis for calculation of net income per share and diluted net income per share is as follows:

(Millions of yen unless otherwise stated)

	For the previous fiscal year (From Apr. 1, 2011 to Mar. 31, 2012)	For the current fiscal year (From Apr. 1, 2012 to Mar. 31, 2013)
Net income	3,121	3,774
Net income not attributable to common shareholders	–	–
Net income related to common stock	3,121	3,774
Average number of shares of common stock outstanding during the fiscal year (Thousands shares)	43,539	48,385

(Significant Subsequent Events)

None.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (As of Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (As of Mar. 31, 2013)
Assets		
Current assets		
Cash and deposits	10,423	8,232
Notes receivable-trade	3,171	2,910
Accounts receivable-trade	5,285	5,449
Merchandise	4,428	5,244
Supplies	29	31
Advance payments-trade	112	151
Deferred tax assets	492	451
Other	838	795
Allowance for doubtful accounts	(82)	(102)
Total current assets	24,699	23,164
Noncurrent assets		
Property, plant and equipment		
Buildings	7,759	7,890
Accumulated depreciation	(3,895)	(3,998)
Buildings, net	3,863	3,892
Structures	5,723	6,036
Accumulated depreciation	(3,912)	(4,204)
Structures, net	1,811	1,832
Machinery and equipment	30,316	30,539
Accumulated depreciation	(24,493)	(25,179)
Machinery and equipment, net	5,823	5,360
Vehicles	374	446
Accumulated depreciation	(220)	(321)
Vehicles, net	153	124
Tools, furniture and fixtures	1,068	948
Accumulated depreciation	(921)	(783)
Tools, furniture and fixtures, net	147	164
Land	15,810	16,822
Lease assets	441	891
Accumulated depreciation	(125)	(261)
Lease assets, net	316	629
Construction in progress	23	37
Total property, plant and equipment	27,949	28,864
Intangible assets		
Goodwill	1,012	1,473
Leasehold right	8	8
Software	188	199
Telephone subscription right	32	32
Other	89	276
Total intangible assets	1,331	1,991

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (As of Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (As of Mar. 31, 2013)
Investments and other assets		
Investment securities	7,310	6,309
Stocks of subsidiaries and affiliates	18,037	21,133
Investments in capital	1	3
Long-term loans receivable	7	2,565
Long-term loans receivable from employees	94	85
Long-term loans receivable from subsidiaries and affiliates	1,090	1,115
Claims provable in bankruptcy, claims provable in rehabilitation and other	367	367
Long-term prepaid expenses	60	34
Deferred tax assets	757	407
Guarantee deposits	173	157
Other	1,245	1,326
Allowance for doubtful accounts	(772)	(928)
Total investments and other assets	28,373	32,577
Total noncurrent assets	57,654	63,433
Deferred assets		
Development expenses	12	1
Total deferred assets	12	1
Total assets	82,365	86,599
Liabilities		
Current liabilities		
Notes payable-trade	4,984	4,997
Accounts payable-trade	6,068	6,450
Short-term loans payable	11,190	3,468
Lease obligations	326	482
Accounts payable-other	1,540	1,481
Accrued expenses	274	248
Income taxes payable	1,362	1,429
Accrued consumption taxes	180	211
Advances received	91	115
Deposits received	131	136
Total current liabilities	26,151	19,022
Noncurrent liabilities		
Long-term loans payable	21,716	29,598
Lease obligations	724	996
Provision for retirement benefits	1,158	1,218
Provision for directors' retirement benefits	562	431
Other	580	628
Total noncurrent liabilities	24,742	32,873
Total liabilities	50,894	51,895

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (As of Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (As of Mar. 31, 2013)
Net assets		
Shareholders' equity		
Capital stock	7,070	7,070
Capital surplus		
Legal capital surplus	5,197	5,197
Other capital surplus	0	0
Total capital surpluses	5,198	5,198
Retained earnings		
Legal retained earnings	949	949
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	13	13
General reserve	7,750	7,750
Retained earnings brought forward	10,209	12,819
Total retained earnings	18,922	21,532
Treasury stock	(5)	(6)
Total shareholders' equity	31,185	33,793
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	286	909
Total valuation and translation adjustments	286	909
Total net assets	31,471	34,703
Total liabilities and net assets	82,365	86,599

(2) Non-Consolidated Statements of Income

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Net sales	69,017	73,648
Cost of sales		
Beginning goods	4,200	4,428
Cost of purchased goods	45,329	49,397
Total	49,530	53,825
Ending goods	4,428	5,244
Total cost of sales	45,101	48,581
Gross profit	23,916	25,067
Selling, general and administrative expenses		
Freightage related expenses	2,363	2,491
Provision of allowance for doubtful accounts	102	75
Salaries	3,863	3,946
Retirement benefit expenses	258	285
Welfare expenses	712	796
Supplies expenses	2,037	2,041
Taxes and dues	265	283
Depreciation	2,711	2,703
Repair expenses	852	1,006
Commission fee	4,037	4,367
Other	2,200	2,047
Total selling, general and administrative expenses	19,406	20,043
Operating income	4,509	5,023
Non-operating income		
Interest income	10	82
Interest on securities	–	56
Dividends income	253	283
Foreign exchange gains	12	545
Real estate rent	52	53
A share of the expenses of labor costs and business advisory fee	11	11
Insurance income	0	18
Miscellaneous income	127	145
Total non-operating income	468	1,198
Non-operating expenses		
Interest expenses	523	452
Provision of allowance for doubtful accounts	–	150
Miscellaneous loss	24	21
Total non-operating expenses	547	624
Ordinary income	4,430	5,597
Extraordinary income		
Gain on sales of noncurrent assets	4	8
Gain on sales of investment securities	9	–
Total extraordinary income	13	8

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Extraordinary loss		
Impairment loss	–	163
Loss on sales of noncurrent assets	2	4
Loss on retirement of noncurrent assets	85	91
Loss on valuation of investment securities	27	3
Loss on sales of membership	—	6
Total extraordinary losses	115	268
Income before income taxes	4,328	5,336
Income taxes-current	1,840	2,050
Income taxes-deferred	134	45
Total income taxes	1,974	2,095
Net income	2,354	3,241

(3) Non-Consolidated Statements of Changes in Net Assets

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	5,000	7,070
Changes of items during the period		
Issuance of new shares	2,070	—
Total changes of items during the period	2,070	—
Balance at the end of current period	7,070	7,070
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	4,385	5,197
Changes of items during the period		
Issuance of new shares	812	—
Total changes of items during the period	812	—
Balance at the end of current period	5,197	5,197
Other capital surplus		
Balance at the beginning of current period	0	0
Changes of items during the period		
Disposal of treasury stock	—	(0)
Total changes of items during the period	—	(0)
Balance at the end of current period	0	0
Total capital surplus		
Balance at the beginning of current period	4,386	5,198
Changes of items during the period		
Issuance of new shares	812	—
Disposal of treasury stock	—	(0)
Total changes of items during the period	812	(0)
Balance at the end of current period	5,198	5,198
Retained earnings		
Legal retained earnings		
Balance at the beginning of current period	949	949
Balance at the end of current period	949	949
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets		
Balance at the beginning of current period	13	13
Changes of items during the period		
Provision of reserve for advanced depreciation of noncurrent assets	0	—
Reversal of reserve for advanced depreciation of noncurrent assets	(0)	(0)
Total changes of items during the period	0	(0)
Balance at the end of current period	13	13
General reserve		
Balance at the beginning of current period	7,750	7,750
Balance at the end of current period	7,750	7,750

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Retained earnings brought forward		
Balance at the beginning of current period	8,368	10,209
Changes of items during the period		
Dividends from surplus	(514)	(631)
Reversal of reserve for advanced depreciation of noncurrent assets	0	0
Net income	2,354	3,241
Total changes of items during the period	1,840	2,610
Balance at the end of current period	10,209	12,819
Total retained earnings		
Balance at the beginning of current period	17,081	18,922
Changes of items during the period		
Dividends from surplus	(514)	(631)
Provision of reserve for advanced depreciation of noncurrent assets	0	—
Net income	2,354	3,241
Total changes of items during the period	1,841	2,609
Balance at the end of current period	18,922	21,532
Treasury stock		
Balance at the beginning of current period	(7,472)	(5)
Changes of items during the period		
Purchase of treasury stock	(0)	(1)
Disposal of treasury stock	7,467	0
Total changes of items during the period	7,467	(1)
Balance at the end of current period	(5)	(6)
Total shareholders' equity		
Balance at the beginning of current period	18,994	31,185
Changes of items during the period		
Issuance of new shares	2,882	—
Dividends from surplus	(514)	(631)
Provision of reserve for advanced depreciation of noncurrent assets	0	—
Net income	2,354	3,241
Purchase of treasury stock	(0)	(1)
Disposal of treasury stock	7,467	0
Total changes of items during the period	12,190	2,608
Balance at the end of current period	31,185	33,793

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)	Fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	86	286
Changes of items during the period		
Net changes of items other than shareholders' equity	199	623
Total changes of items during the period	199	623
Balance at the end of current period	286	909
Total valuation and translation adjustments		
Balance at the beginning of current period	86	286
Changes of items during the period		
Net changes of items other than shareholders' equity	199	623
Total changes of items during the period	199	623
Balance at the end of current period	286	909
Total net assets		
Balance at the beginning of current period	19,081	31,471
Changes of items during the period		
Issuance of new shares	2,882	—
Dividends from surplus	(514)	(631)
Provision of reserve for advanced depreciation of noncurrent assets	0	—
Net income	2,354	3,241
Purchase of treasury stock	(0)	(1)
Disposal of treasury stock	7,467	0
Net changes of items other than shareholders' equity	199	623
Total changes of items during the period	12,390	3,232
Balance at the end of current period	31,471	34,703

6. 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.

1) Sales results

Sales by reportable segment for the fiscal year ended March 31, 2013 are as follows:

Since the beginning of the fiscal year under review, the Company has reviewed the segment information reported to the Board of Directors. As a result, reportable segments have been realigned from the LP gas business and the city gas business as classified on the basis of the Group companies operating in each main gas business, to the LP gas business and the city gas business as classified on the basis of the type of gas sold. Thus the results of the previous fiscal year have been reflected on the reclassified reportable segments.

Sales results by reportable segments (Millions of yen)

Reportable segments	For the fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)	For the fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)
LP Gas Business	68,966	64,402
City Gas Business	48,104	45,860
Total	117,070	110,262

2) Sales results of LP gas business (Millions of yen)

Reportable segments	For the fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)	For the fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)
Gas	53,911	48,407
Equipment, construction contracts, etc.	15,054	15,994
Total	68,966	64,402

3) Sales results of city gas business (Millions of yen)

Reportable segments	For the fiscal year ended Mar. 31, 2013 (from Apr. 1, 2012 to Mar. 31, 2013)	For the fiscal year ended Mar. 31, 2012 (from Apr. 1, 2011 to Mar. 31, 2012)
Gas	40,283	38,599
Equipment, construction contracts, etc.	7,821	7,261
Total	48,104	45,860

(Notes) 1. Above figures are stated net of consumption taxes etc.

2. Inter-segment transactions are offset.

(2) Changes to the Officers of the Company

Other changes to the Officers of the Company

1. Changes to the Directors of the Company (dated Jun. 27, 2013 as scheduled)

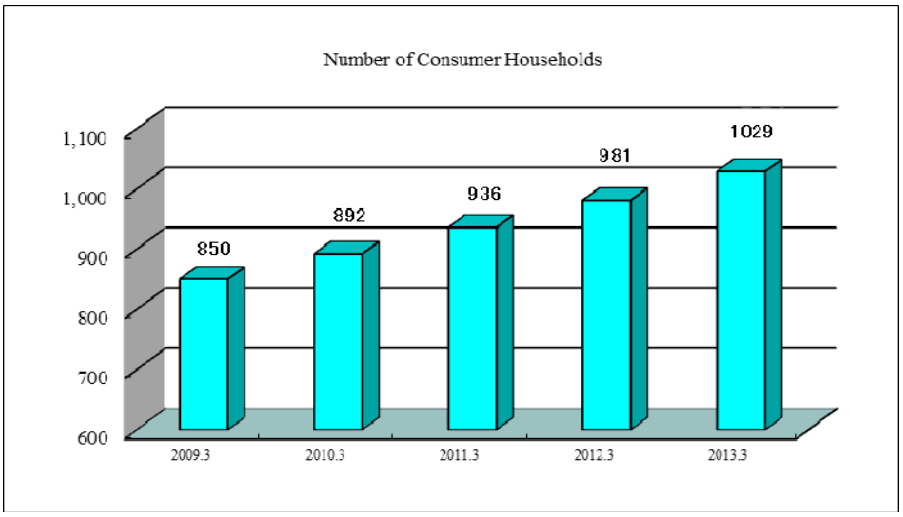
New position	Former position	Name
To be resigned (scheduled to assume the position of Full-time Co-Auditor)	Managing Director and Deputy General Manager, Sales Headquarters	Shiro Koike
Director and General Manager, South Kanto Branch, Sales Headquarters	Executive Officer and General Manager, South Kanto Branch, Sales Headquarters	Ichiro Sato
Director and General Manger, Overseas Business, Sales Headquarters	Executive Officer and General Manager, Overseas Business, Sales Headquarters	Kunihiko Kashiwaya

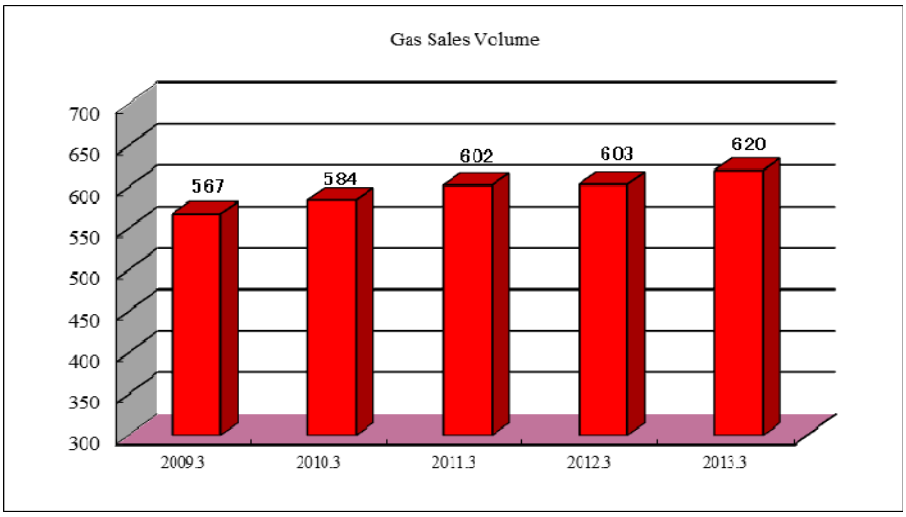
2. Changes to the Auditors of the Company (dated Jun. 27, 2013 as scheduled)

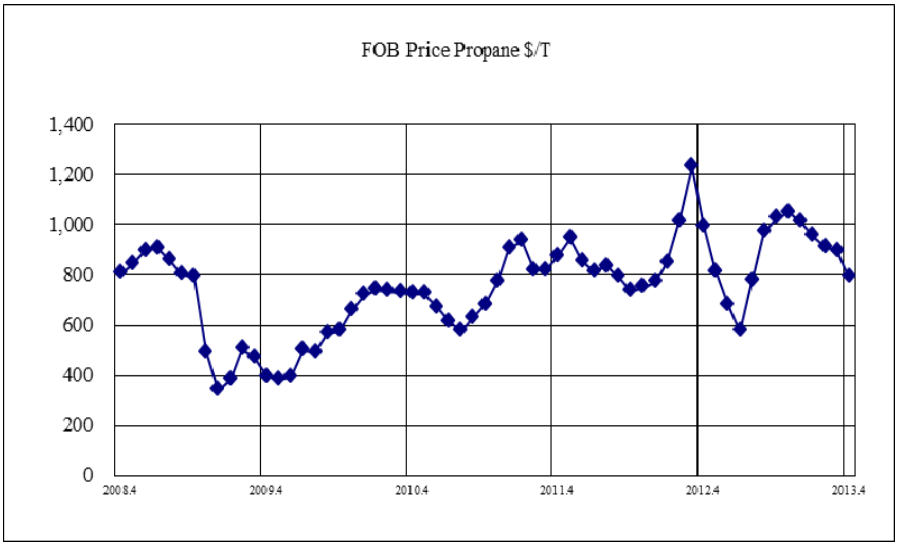
New position	Former position	Name
Full-time Co-Auditor	Managing Director and Deputy General Manager, Sales Headquarters	Shiro Koike
To be resigned (scheduled to assume the position of President and Representative Director, NICHIGAS LOGISTICS CALCULATION CENTER Inc.)	Full-time Co-Auditor	Keiichi Ozaku

The above change has been disclosed in the “Notice of Organizational Restructuring and Changes in Personnel,” dated March 29, 2013.

(3) 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)