Consolidated Financial Results for the Nine Months Ended December 31, 2019 [Japanese GAAP]

February 4, 2020

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
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Scheduled date of filing quarterly securities report: Feburuary 13, 2020
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, 2019 (April 1, 2019 to December 31, 2019)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months ended Dec. 31, 2019	91,325	10.5	5,519	95.6	5,062	152.5	3,235	227.1
Nine Months ended Dec. 31, 2018	82,677	6.3	2,821	(20.7)	2,005	(53.3)	989	(68.6)

(Note) Comprehensive income: Nine Months ended Dec. 31, 2019 ¥3,045 million [4,689.1%]
Nine Months ended Dec. 31, 2018 ¥63 million [(98.0)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine Months ended Dec. 31, 2019	78.88	—
Nine Months ended Dec. 31, 2018	23.17	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2019	139,355	64,420	46.2
As of Mar. 31, 2019	141,267	69,064	48.9

(Reference) Equity: As of Dec. 31, 2019 ¥64,416 million As of Mar. 31, 2019 ¥69,059 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, 2019	—	23.00	—	47.00	70.00
Fiscal year ending Mar. 31, 2020	—	35.00	—		
Fiscal year ending Mar. 31, 2020 (Forecast)				35.00	70.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %	Yen
Full-year	135,000	11,000	10,000	6,500	157.41

(Note) Revision of financial results projection 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 shares)

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

Dec. 31, 2019	41,773,466 shares
Mar. 31, 2019	42,973,466 shares

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

Dec. 31, 2019	1,665,195 shares
Mar. 31, 2019	1,498,332 shares

3) Average number of shares during the period:

Nine months ended Dec. 31, 2019	41,011,829 shares
Nine months ended Dec. 31, 2018	42,711,443 shares

(Note) The number of treasury shares includes the shares of the Company held by the "Directors' Compensation BIP (Board Incentive Plan) Trust" (As of December 31, 2019: 240,498 shares, as of March 31, 2019: 248,107 shares).

* These financial results are outside the scope of quarterly review by a certified public accountant or an audit corporation.

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

(1) Explanation of Results of Operations

This will be a year of great change with nationwide digitalization under way. The energy industry is said to be a prime case for digital transformation (DX). With the disruptive evolution of ICT as a backdrop, the economy is becoming more virtualized, and new services such as subscription are being progressively created based on the assumption that services for diversifying local communities will be redefined. The focus of business competition covers the formation of new local communities that make full use of IT, and the evolution has also affected the raison d' être of regulations. Some say we are in a transition period, in which we move from forms of monitoring based on the national government's regulations to forms of public monitoring that are fair and cannot be falsified, including blockchain. The liberalization of energy is a touchstone for these changes. With new innovations, energy is shifting from a service that is conservative and standardized to a service that is safe, inexpensive, convenient, and stress-free for consumers.

Based on such an understanding of the current situation, the Group has prioritized investments in the development of systems, which are our intellectual assets. Services generated from investments in the intellectual assets are the development of a business collaboration platform as a result of transferring the "Kumo no uchusen," an operation system, to microservices, and the "Space *Hotaru*," a hybrid NCU, which brings gas meters from offline to online with a single lithium battery and will be introduced in February 2020. Space *Hotaru* connects with 240 telecommunications carriers in 130 countries around the world, and can remotely and automatically make hourly measurement of gas usage (meter-reading) that was formerly manually conducted, while only requiring battery replacement once a decade. It can also remotely disconnect gas taps in an emergency and monitor safety information such as small leakage alerts on a real-time basis, enhancing customer convenience in terms of safety as well. The Group will install Space *Hotaru* at residents of all existing customers of the Group's LP gas (approximately 880,000 households) in the 14 months from February 2020, before starting to introduce it for customers using city gas supplied using the Group's lines (approximately 410,000 households) successively. Concurrently, the Group will offer Space *Hotaru* to other gas suppliers as a subscription service by combining it with data communication services.

The Group has also succeeded in linking Space *Hotaru* with "Nichigas Stream," an integrated infrastructure for collecting big data developed in collaboration with SORACOM, INC., which consolidates various forms of data into a single global standard. This infrastructure features blockchain and the X-ROAD encryption authentication technology from Estonia, and will protect personal data from falsification and ensures anonymity. Through such development, the Group strives to co-create new business value together with other suppliers. This IT infrastructure enables various players to participate in the energy market, which will contribute to the creation of open innovation by the shared economy.

Furthermore, in "Yume no Kizuna Kawasaki," one of the world's largest LP gas filling hub bases that is due for completion in 2020, the Group is promoting the implementation of technologies to facilitate real-time monitoring of the levels of remaining gas in storage tanks, the number of gas cylinders, and the operational condition of gas fillers, as well as DX to monitor the traceability information, including location, of vehicles, containers, people, and other moving object in real time through RFIDs and automatic authentication. By connecting every link in the LPG logistics chain in real-time through such efforts, the Group will evolve the

concept of LPG logistics from one based on “estimation” to one based on “actual results,” and bring about an LPG digital transformation by managing “production” and “consumption” in real time.
The Group believes that incorporating leading edge technologies will lead to an increase in net sales, and determine the sustainable growth of corporate value. Based on this belief, the Group continues to address the creation of innovation with ICT technology. From this year, the Group’s efforts for ICT, including “Space *Hotaru*” and “Yume no Kizuna Kawasaki,” will move to the stages of completion, implementation, and sharing with other companies. While providing unprecedented services to the society, the Group strives to accelerate the speed of the sustainable growth as a company.
On the other hand, the Group redefined the mainstay LP gas, the business in which business innovation and digitalization have been promoted, and this initiative is starting to take shape as a net increase in the number of customers. In the city gas business post-liberalization, the Group is striving for further growth by resetting its priorities considering developments in the market after the liberalization and building specific tactics. In the electric power business that started at the end of last year, our customer base grew steadily, centering on the family segment that matches the product characteristics, and results of both the customer base and business profits were within expectations as of the end of December. The electric power business is growing as a leading product that reduces churn rate and increases revenue per customer while offering convenience to customers through package sales with gas.
Going forward, the Group will cooperate with other suppliers and strive to further innovate business value in order to contribute to diversifying local communities.

In quantitative terms, the Group expanded its customer base and steadily increased the number of customers by 118,000 households from that of the end of the previous corresponding period to 1,569,000 households as of December 31, 2019.
For the period under review, gross profit amounted to ¥43,655 million, a year-on-year increase of 11.4%, mainly reflecting an increase in the number of customers, an increase in gas sales volume due to cooler weather compared to the previous year, improved margin due to lower LP gas raw material prices, as well as the contribution of the electricity business and the platform business.
As a result of properly controlling selling, general and administrative expenses and spending less than the internal business plan, operating income increased by 95.6% year on year to ¥5,519 million, ordinary income increased by 152.5% year on year to ¥5,062 million, and profit attributable to owners of parent increased by 227.1% year on year to ¥3,235 million, resulting in significant increases in revenue and profit.

Business performance by segment is as follows:

1) LP Gas Business (including electricity business and platform business as well as LP equipment and construction as ancillary business)

In the mainstay LP gas business, as a result of promoting business innovation and digitalization, the number of customers recorded a net increase of 36,000 households from that at the end of the previous corresponding period, owing to an increase in new subscribers, a decrease in churn, and progress in M&A. Due to improved

margin attributable to lower LP gas raw material prices compared to the previous period, gross profit of the LP gas business increased by ¥1,859 million (7.6% increase) year on year to ¥26,427 million.
In addition, the number of customers of the electricity business grew steadily and recorded a net increase of 74,000 households from that at the end of the previous corresponding period. Furthermore, the sales of the platform business increased as a result of an expansion of corporate customers that use the service, and gross profit of the ancillary business increased by ¥983 million (77.2% increase) year on year to ¥2,257 million.

2) City Gas Business
The city gas business saw a net increase in the number of customers of 82,000 households by promoting package sales with electricity to existing customers of the gas business, preventing customers from switching to other companies, and acquiring new contracts. In addition, as a result of thoroughly managing income and expenses such as by discontinuing discounts to new subscribers, gross profit increased by ¥1,613 million (12.1% increase) year on year to ¥14,970 million.

(2) Explanation of Financial Position

1) Analysis of Assets, Liabilities and Net Assets
The Company values capital efficiency, and controls total assets and equity ratio to the appropriate level, while balancing investments in growth and shareholder returns backed by steady financial results.
Total assets as of the end of the third quarter of the fiscal year ending March 31, 2020 decreased by ¥1,912 million or 1.3% from the end of the previous fiscal year and stood at ¥139,355 million, due to the decrease in cash and deposits as a result of shareholder returns by payment of dividends and purchase of treasury shares, despite the increase as a result of the construction investment in the LP gas filling hub base, “Yume no Kizuna Kawasaki.”
Total liabilities as of the end of the third quarter of the fiscal year ending March 31, 2020 increased by ¥2,731 million or 3.8% from the end of the previous fiscal year and stood at ¥74,934 million, due to the increase in accounts payable on construction for “Yume no Kizuna Kawasaki.” Net assets as of the end of the third quarter of the fiscal year ending March 31, 2020 decreased by ¥4,644 million or 6.7% from the end of the previous fiscal year and stood at ¥64,420 million due to purchase of treasury shares and payment of dividends, despite the recording of profit attributable to owners of parent.
As a result, equity ratio amounted to 46.2%, maintaining a stable financial condition according to the plan.

2) Analysis of Cash Flows
The Company secures a stable financial base and delivers shareholder returns while allocating acquired funds to necessary investments for sustainable enhancement of corporate value and taking capital efficiency into consideration.
Balance of cash and cash equivalents as of the end of the third quarter of the fiscal year ending March 31, 2020 decreased by ¥7,815 million from the end of the previous fiscal year to ¥10,378 million.

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

Net cash provided by operating activities amounted to ¥6,155 million, up by ¥1,137 million year on year, due to the increase in profit before income taxes (up by ¥2,777 million year on year) despite the increase in notes and accounts receivable - trade (up by ¥1,468 million year on year, negative effects) affected by the timing of settlement.

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

Net cash used in investing activities amounted to ¥7,558 million, down by ¥17,223 million year on year, due to investments in property, plant and equipment of ¥4,981 million as a result of investments in depots and filling bases that support efficient delivery in the LP gas business as well as replacement of pipelines (down by ¥18,779 million year on year, due to expenses including the acquisition of the land in Kawasaki in the same period of the previous fiscal year), and investments in intangible assets such as IT investments and M&A of ¥2,410 million (up by ¥1,502 million year on year).

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

Net cash used in financing activities amounted to ¥6,457 million, down by ¥7,801 million year on year, as a result of the increase of ¥5,078 million year on year in expenses for shareholder returns by purchase of treasury shares and payment of dividends, and the decrease of ¥2,776 million in proceeds from loans payable.

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

For full-year financial results forecast for the fiscal year ending March 31, 2020, no revision has been made to the “Notice of Differences between Results Forecasts and Actual Results for the Second Quarter of Fiscal Year Ending March 31, 2020, and Revision to the Full-Year Consolidated Forecast” released on October 31, 2019.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2019 (As of Mar. 31, 2019)	Nine months ended Dec. 31, 2019 (As of Dec. 31, 2019)
Assets		
Current assets		
Cash and deposits	18,235	10,439
Notes and accounts receivable - trade	7,647	10,464
Merchandise and finished goods	5,065	4,620
Raw materials and supplies	187	194
Other	1,158	2,046
Allowance for doubtful accounts	(96)	(97)
Total current assets	32,198	27,667
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,487	9,307
Machinery, equipment and vehicles, net	33,061	31,756
Tools, furniture and fixtures, net	946	909
Land	32,194	32,730
Leased assets, net	1,959	2,175
Construction in progress	1,044	3,585
Total property, plant and equipment	78,694	80,465
Intangible assets		
Goodwill	2,336	2,521
Other	3,761	4,489
Total intangible assets	6,098	7,010
Investments and other assets		
Investment securities	3,628	2,972
Real estate for investment	11,089	11,155
Other	10,613	11,648
Allowance for doubtful accounts	(1,054)	(1,564)
Total investments and other assets	24,276	24,211
Total non-current assets	109,069	111,687
Total assets	141,267	139,355

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2019 (As of Mar. 31, 2019)	Nine months ended Dec. 31, 2019 (As of Dec. 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,286	6,989
Electronically recorded obligations - operating	4,062	4,417
Short-term loans payable	21,686	23,968
Income taxes payable	2,916	764
Provision for bonuses	397	133
Other	5,737	8,505
Total current liabilities	42,086	44,779
Non-current liabilities		
Long-term loans payable	23,418	23,071
Provision for share-based compensation	477	556
Provision for gas holder repairs	354	404
Provision for loss on voluntary recall of products	60	36
Net defined benefit liability	2,665	2,764
Other	3,140	3,322
Total non-current liabilities	30,116	30,155
Total liabilities	72,203	74,934
Net assets		
Shareholders' equity		
Capital stock	7,070	7,070
Capital surplus	7,920	5,860
Retained earnings	58,971	56,512
Treasury shares	(5,474)	(5,409)
Total shareholders' equity	68,487	64,033
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	346	87
Foreign currency translation adjustment	286	340
Remeasurements of defined benefit plans	(61)	(44)
Total accumulated other comprehensive income	571	383
Non-controlling interests	5	4
Total net assets	69,064	64,420
Total liabilities and net assets	141,267	139,355

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

Account	For the nine months ended Dec. 31, 2018 (from Apr. 1, 2018 to Dec. 31, 2018)	For the nine months ended Dec. 31, 2019 (from Apr. 1, 2019 to Dec. 31, 2019)
Net sales	82,677	91,325
Cost of sales	43,477	47,669
Gross profit	39,199	43,655
Selling, general and administrative expenses	36,377	38,136
Operating income	2,821	5,519
Non-operating income		
Interest income	300	341
Dividend income	44	37
Foreign exchange gains	29	–
Real estate rent	49	52
Insurance income	44	42
Dividend income of insurance	35	18
Other	208	213
Total non-operating income	712	706
Non-operating expenses		
Interest expenses	231	227
Share of loss of entities accounted for using equity method	1,133	387
Foreign exchange losses	–	29
Provision of allowance for doubtful accounts	125	509
Other	38	10
Total non-operating expenses	1,528	1,163
Ordinary income	2,005	5,062
Extraordinary income		
Gain on sales of non-current assets	59	23
Gain on sales of investment securities	242	69
Gain on extinguishment of tie-in shares	–	60
Total extraordinary income	301	153
Extraordinary losses		
Loss on sales of non-current assets	0	93
Loss on retirement of non-current assets	69	94
Loss on sales of investment securities	–	20
Other	8	–
Total extraordinary losses	78	209
Profit before income taxes	2,228	5,006
Income taxes - current	1,178	2,031
Income taxes - deferred	62	(259)
Total income taxes	1,240	1,772
Profit	987	3,234
Loss attributable to non-controlling interests	(1)	(0)
Profit attributable to owners of parent	989	3,235

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

Account	For the nine months ended Dec. 31, 2018 (from Apr. 1, 2018 to Dec. 31, 2018)	For the nine months ended Dec. 31, 2019 (from Apr. 1, 2019 to Dec. 31, 2019)
Profit	987	3,234
Other comprehensive income		
Valuation difference on available-for-sale securities	(881)	(259)
Remeasurements of defined benefit plans, net of tax	6	16
Share of other comprehensive income of entities accounted for using equity method	(48)	53
Total other comprehensive income	(924)	(188)
Comprehensive income	63	3,045
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	65	3,046
Comprehensive income attributable to non-controlling interests	(1)	(0)

(3) Consolidated Statement of Cash Flows

Account	For the nine months ended Dec. 31, 2018 (from Apr. 1, 2018 to Dec. 31, 2018)	For the nine months ended Dec. 31, 2019 (from Apr. 1, 2019 to Dec. 31, 2019)
Cash flows from operating activities		
Profit before income taxes	2,228	5,006
Depreciation	6,653	6,740
Amortization of goodwill	576	612
Increase (decrease) in allowance for doubtful accounts	56	510
Increase (decrease) in net defined benefit liability	117	116
Increase (decrease) in provision for share-based compensation	48	78
Increase (decrease) in allowance for loss on voluntary recall of products	(35)	(23)
Interest and dividend income	(345)	(379)
Interest expenses	231	227
Foreign exchange losses (gains)	2	14
Share of (profit) loss of entities accounted for using equity method	1,133	387
Loss (gain) on sales of non-current assets	(59)	70
Loss on retirement of non-current assets	69	94
Loss (gain) on sales of investment securities	(242)	(48)
Decrease (increase) in notes and accounts receivable - trade	(1,348)	(2,816)
Decrease (increase) in inventories	(737)	43
Increase (decrease) in notes and accounts payable - trade	342	57
Increase (decrease) in accrued consumption taxes	(314)	(272)
Increase (decrease) in advances received	95	41
Other, net	94	(122)
Subtotal	8,569	10,337
Interest and dividend income received	47	39
Interest expenses paid	(225)	(228)
Income taxes paid	(3, 373)	(3,993)
Net cash provided by (used in) operating activities	5,018	6,155
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,760)	(4,981)
Proceeds from sales of property, plant and equipment	164	87
Purchase of intangible assets	(879)	(1,610)
Purchase of goodwill	(28)	(800)
Purchase of investment securities	(801)	(1)
Proceeds from sales of investment securities	573	331
Payments of loans receivable	(56)	(567)
Collection of loans receivable	32	13
Other, net	(26)	(30)
Net cash provided by (used in) investing activities	(24,782)	(7,558)

Account	For the nine months ended Dec. 31, 2018 (from Apr. 1, 2018 to Dec. 31, 2018)	For the nine months ended Dec. 31, 2019 (from Apr. 1, 2019 to Dec. 31, 2019)
Cash flows from financing activities		
Increase in short-term loans payable	1,405	17,280
Decrease in short-term loans payable	(2,134)	(14,008)
Proceeds from long-term loans payable	9,500	10,000
Repayments of long-term loans payable	(4,004)	(11,282)
Purchase of treasury shares	(673)	(4,329)
Cash dividends paid	(1,976)	(3,398)
Dividends paid to non-controlling interests	(0)	–
Other, net	(770)	(718)
Net cash provided by (used in) financing activities	1,344	(6,457)
Effect of exchange rate change on cash and cash equivalents	10	(10)
Net increase (decrease) in cash and cash equivalents	(18,409)	(7,871)
Cash and cash equivalents at beginning of period	31,437	18,193
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	8	56
Cash and cash equivalents at end of period	13,035	10,378

(4) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

None.

(Notes in Case of Significant Changes in Shareholder's Equity)

For the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

1) Purchase of treasury shares

The Company resolved at the meeting of the Board of Directors held on April 25, 2019 to purchase treasury shares pursuant to the provisions Article 156 of the Companies Act applied *mutatis mutandis* pursuant to the provisions of Article 165, Paragraph 3 of the same Act. Therefore, the Company is advancing the purchase of up to 1,650,000 treasury shares on the market of the Tokyo Stock Exchange from May 1, 2019 to April 30, 2020, with the upper limit of ¥5,000 million in acquisition value.

As a result, the Company acquired 1,377,600 treasury shares in the nine months ended December 31, 2019, and treasury shares increased by ¥4,328 million to ¥5,409 million at the end of the third quarter of the fiscal year ending March 31, 2020.

2) Retirement of treasury shares

The Company resolved at the meeting of the Board of Directors held on April 25, 2019 to retire treasury shares pursuant to the provisions of Article 178 of the Companies Act and retired 1,200,000 treasury shares on May 21, 2019. As a result, capital surplus, retained earnings and treasury shares decreased by ¥2,060 million, ¥2,294 million and ¥4,354 million, respectively.

3. Others

(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, 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, 2019 are as follows:

Sales results by reportable segments (Millions of yen)

Reportable segments	For the nine months ended Dec. 31, 2018 (from Apr. 1, 2018 to Dec. 31, 2018)	For the nine months ended Dec. 31, 2019 (from Apr. 1, 2019 to Dec. 31, 2019)
LP gas Business	46,183	50,179
City gas Business	36,493	41,145
Total	82,677	91,325

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

Reportable segments	For the nine months ended Dec. 31, 2018 (from Apr. 1, 2018 to Dec. 31, 2018)	For the nine months ended Dec. 31, 2019 (from Apr. 1, 2019 to Dec. 31, 2019)
Gas	38,570	38,448
Equipment, construction contracts, etc.	7,613	11,730
Total	46,183	50,179

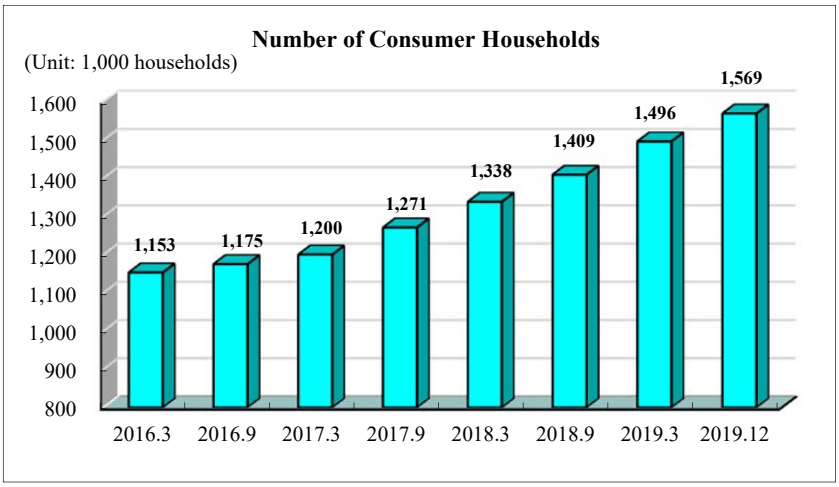
3) Sales results of city gas business (Millions of yen)

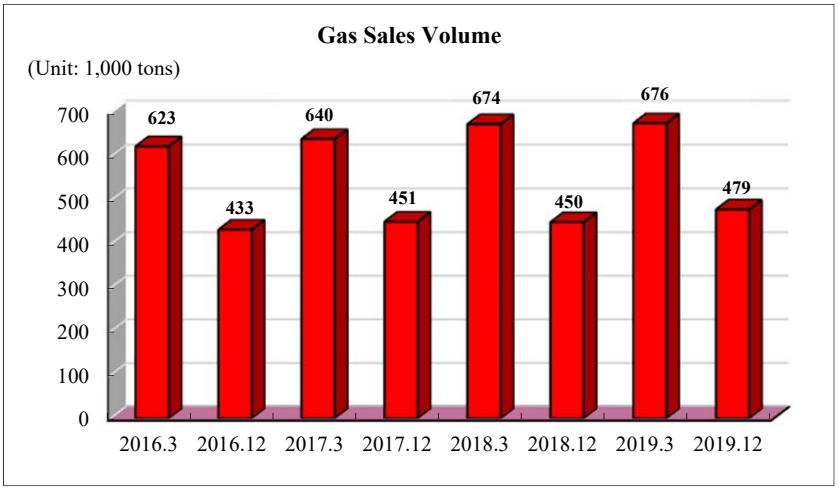
Reportable segments	For the nine months ended Dec. 31, 2018 (from Apr. 1, 2018 to Dec. 31, 2018)	For the nine months ended Dec. 31, 2019 (from Apr. 1, 2019 to Dec. 31, 2019)
Gas	30,377	35,081
Equipment, construction contracts, etc.	6,116	6,064
Total	36,493	41,145

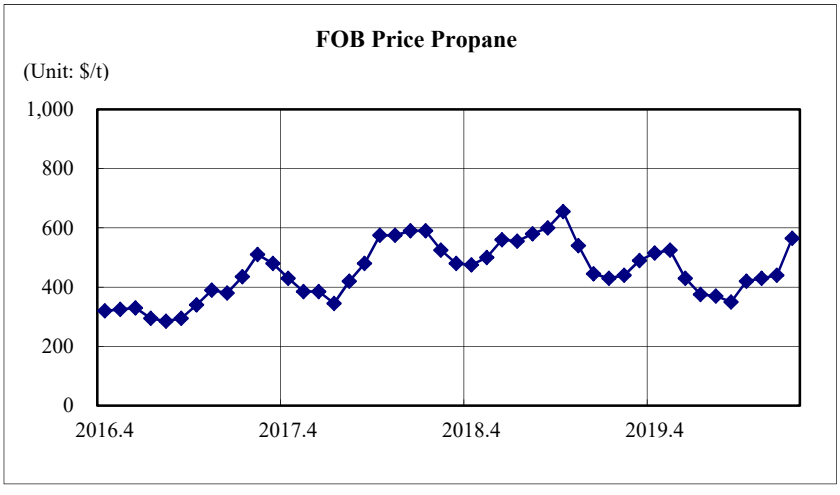
(Notes) 1. Above figures are stated net of consumption taxes, etc.

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).