

Performance in Fiscal 2014

Overview of Performance

Results in Fiscal 2014: An Increase in Sales and a Decrease in Income

Gas Sales Volumes

Up 5.5%

An increase in sales due to such factors as growing demand for electric power generation mainly in the Kashima area led to an 806 million m³ year-on-year, or 5.5%, rise in gas sales volumes, to 15,541 million m³. The gas sales volumes on a 2020 Vision basis, which includes the portion used in tolling and the volume of LNG liquid sales, came to 18,360 million m³, up 1,135 million m³, or 6.6%.

Net Sales

Up 8.5%

Net sales increased ¥180.4 billion, or 8.5%, year on year, to ¥2,292.5 billion. This was largely driven by growing city gas sales, mainly attributable to an increase in sales unit prices owing to the gas rate adjustments as well as the year-on-year upswing in gas sales volumes coupled with higher year-on-year electricity and LNG sales from the increase in sales volumes and unit prices.

Operating Income

Up 3.4%

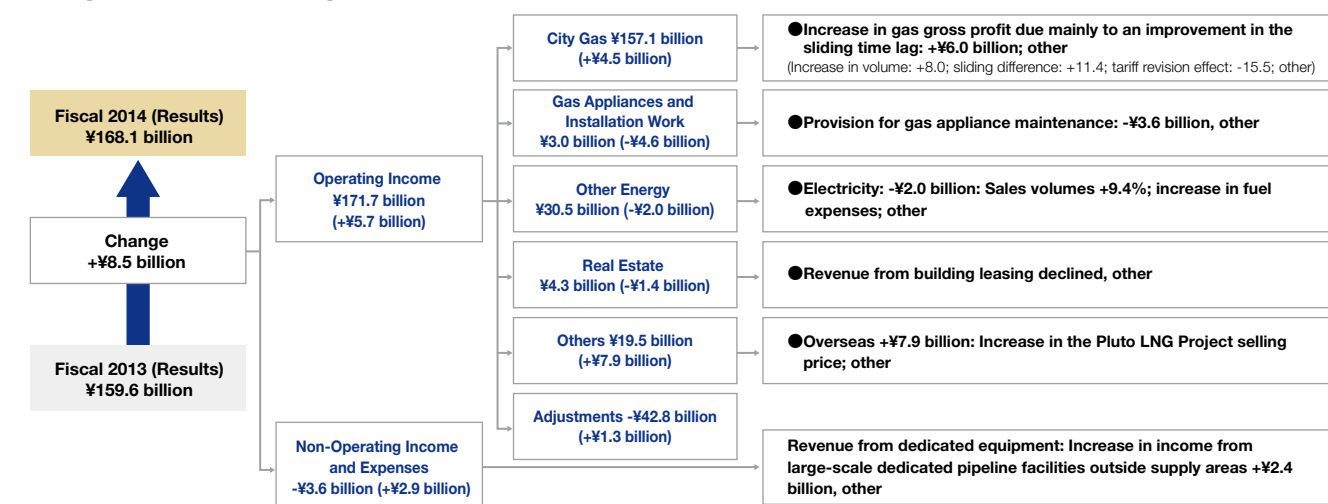
Operating income rose ¥5.7 billion, or, 3.4%, year-on-year, to ¥171.7 billion. This largely reflected an increase in gas gross profit due mainly to an improvement in the sliding time lag as well as higher overseas business profits mainly from the Pluto LNG Project.

Net Income

Down 11.6%

Net income was down ¥12.6 billion, or 11.6%, year-on-year, to ¥95.8 billion due mainly to the posting of an impairment loss with respect to overseas business.

Analysis of Ordinary Income (Year-on-Year Results)



* (+) & (-) refer to contribution to income.

Summary of Operating Results

	FY 2014	FY 2013	Change	%
Gas sales volumes (Million m ³ , 45MJ/m ³)	15,541	14,735	+806	+5.5
Gas sales volumes on a 2020 Vision basis* (Million m ³ , 45MJ/m ³)	18,360	17,225	+1,135	+6.6
Net sales	2,292.5	2,112.1	+180.4	+8.5
Operating expenses	2,120.7	1,946.0	+174.7	+9.0
Operating income	171.7	166.0	+5.7	+3.4
Ordinary income	168.1	159.6	+8.5	+5.4
Net income	95.8	108.4	▲12.6	▲11.6

* Includes the portion used in tolling and the volume of LNG liquid sales.

Economic Frame

	JCC* (\$/bbl)	Exchange rate (¥/\$)	Average temperature (°C)
FY 2014	90.35	109.76	16.0
FY 2013	110.01	100.17	16.1

* Japan Crude Cocktail.

Pension Investment (non-consolidated)

	Investment yield (costs deducted)	Year-end assets (Billions of yen)
FY 2014	5.57%	281.0
FY 2013	1.61%	273.0
FY 2012	6.10%	276.0