

# Consolidated Financial Results for the Fiscal Year Ended March 31st, 2022 [Japanese GAAP]



April 27th, 2022

Company name: NIPPON GAS CO., LTD.

Code number: 8174

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

Stock exchange listing: Tokyo Stock Exchange

Representative: Shinji Wada, Representative Director, Chief Executive Officer

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Scheduled date of Ordinary General Meeting of Shareholders: June 22nd, 2022

Scheduled date of commencing dividend payments: June 23rd, 2022

Scheduled date of filing securities report: June 22nd, 2022

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 31st, 2022 (April 1st, 2021 to March 31st, 2022)

(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	%
Fiscal Year ended Mar. 31st, 2022	162,552	13.3	12,786	(6.2)	12,930	(8.1)	9,972	6.4
Fiscal Year ended Mar. 31st, 2021	143,490	8.3	13,627	18.3	14,062	31.6	9,373	21.1

(Note) Comprehensive income: Fiscal year ended Mar. 31st, 2022 ¥9,397 million [(2.0)%]  
Fiscal year ended Mar. 31st, 2021 ¥9,590 million [25.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31st, 2022	86.24	—	14.1	8.8	7.9
Fiscal year ended Mar. 31st, 2021	78.94	—	13.6	10.3	9.5

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended Mar. 31st, 2022 ¥34 million  
Fiscal year ended Mar. 31st, 2021 ¥— million

(Note) The Company conducted a 3-for-1 stock split of common shares on April 1st, 2021. “Basic earnings per share” is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31st, 2022	153,811	71,890	46.7	624.79
As of Mar. 31st, 2021	140,120	69,342	49.5	592.64

(Reference) Equity: As of Mar. 31st, 2022 ¥71,887 million As of Mar. 31st, 2021 ¥69,338 million

(Note) The Company conducted a 3-for-1 stock split of common shares on April 1st, 2021. “Net assets per share” is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

### (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. 31st, 2022	20,694	(8,792)	(7,407)	16,912
Fiscal year ended Mar. 31st, 2021	16,068	(14,513)	(5,706)	12,411

### 2. Dividends

	Annual dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Dividend 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. 31st, 2021		62.50		62.50	125.00	4,977	52.8	7.2
Fiscal year ended Mar. 31st, 2022		25.00		25.00	50.00	5,823	58.0	8.2
Fiscal year ending Mar. 31st, 2023 (Forecast)		32.50		32.50	65.00		67.2	

(Note) The Company conducted a 3-for-1 stock split of common shares on April 1st, 2021.

Actual amounts of dividends before the stock split are shown for the fiscal year ended March 31st, 2021. Dividends for the fiscal year ended March 31st, 2022 and fiscal year ending March 31st, 2023 (Forecast) are stated after taking into account the effect of the stock split.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31st, 2023 (April 1st, 2022 to March 31st, 2023)

(% 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
Six months ending Sep. 30th, 2022	80,000	22.3	2,500	7.7	2,500	6.8	1,700	(30.6)	14.88
Full-year	190,000	16.9	16,500	29.1	16,500	27.6	11,000	10.3	96.79

### 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 year under review): No
- (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: No
  - 4) Revision restatements: No

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

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

Mar. 31st, 2022	118,603,698 shares
Mar. 31st, 2021	120,591,498 shares

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

Mar. 31st, 2022	3,544,616 shares
Mar. 31st, 2021	3,592,506 shares

3) Average number of shares during the period:

Fiscal year ended Mar. 31st, 2022	115,642,189 shares
Fiscal year ended Mar. 31st, 2021	118,739,763 shares

(Note 1) The Company conducted a 3-for-1 stock split of common shares on April 1st, 2021. “Total number of issued shares,” “Total number of treasury shares at the end of the period,” and “Average number of shares during the period” are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(Note 2) The number of treasury shares includes the shares of the Company held by the “Directors’ Compensation BIP (Board Incentive Plan) Trust” (As of March 31st, 2022: 1,426,053 shares, as of March 31st, 2021: 1,474,194 shares). The number of shares is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(Reference) Summary of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31st, 2022 (April 1st, 2021 to March 31st, 2022)**

(1) Non-consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31st, 2022	103,351	(6.8)	6,960	(21.0)	9,835	(6.7)	8,706	12.2
Fiscal year ended Mar. 31st, 2021	110,853	9.0	8,808	18.5	10,538	24.4	7,762	38.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended Mar. 31st, 2022	75.29	—
Fiscal year ended Mar. 31st, 2021	65.37	—

(Note) The Company conducted a 3-for-1 stock split of common shares on April 1st, 2021. “Basic earnings per share” is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(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. 31st, 2022	128,750	44,681	34.7	388.33
As of Mar. 31st, 2021	115,486	43,573	37.7	372.43

(Reference) Equity: As of Mar. 31st, 2022 ¥44,681 million As of Mar. 31st, 2021 ¥43,573 million

(Note) The Company conducted a 3-for-1 stock split of common shares on April 1st, 2021. “Net assets per share” is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

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

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

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to “Overview of Operation Results, etc.” on page 2 of the attached Appendix for the notes on the use of preconditions for the earnings forecast and the use of the earnings forecast.

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## 1. Overview of Operation Results, etc.

### (1) Overview of Operation Results for the Fiscal Year Under Review

During the current fiscal year, Japan continued to face major restrictions due to COVID-19. After repeated outbreaks and containment of COVID-19 variants, a trend toward return to normalcy in the economic and social activities started to be seen everywhere. However, this was followed by the Russian invasion of Ukraine, which once more plunged the global economic situation into uncertainty.

The limits of conventional centrally supervised social systems have been exposed by the rapid trend towards digitalization driven by COVID-19, as well as innovative, continuous developments in technology, such as the blockchain, virtual space technology in the metaverse, NFTs (non-fungible tokens), smart contracts, and Web 3.0. In the future, we expect that the role of intermediaries in transactions will decline, and commercial transactions between parties will be virtually indistinguishable from P2P (peer-to-peer). In this drastically changing business environment, redefining businesses through backcasting will be a prerequisite for sustainable growth in every industry. We believe it will be essential to incorporate technological advances and the trend toward decarbonization into management, and to reform the conventional energy business framework of a “gas and electricity retailer.” As such, we will develop our business model into that of an “energy solution package service company” which provides a one-stop system for optimal energy usage centered on digital technologies.

By providing our customers with an “energy solution package service,” our aim is to deliver on the realization of a “community-integrated and disaster-resilient smart energy city that is green both in terms of energy and lifestyle,” based on the DX foundation we have built so far. As a first step toward this, we will expand sales of electricity and gas as a set, centered on the family demographic, which will be the base for future growth of corporate value. As a second step, we have started providing equipment for distributed energy resources (DER: solar power generation equipment, as well as electric vehicles and hybrid water heaters as storage cells, etc.) to our customers as part of efforts to promote a shift towards the popularization of the smart home, and achieving optimal use of energy in each household. As a third step, we will go beyond the boundaries of households to connect entire communities over power distribution networks. And at virtual power plants in the metaverse, we will use AI deep learning algorithms to control DER, optimizing energy usage of entire communities with the aim of realizing smart cities.

As a first step towards this Nippon Gas version of a smart city, in February 2022 we started sales of the new electricity and gas set plan with the brand name “Degawari 007.” This is a new option that realizes virtually zero CO<sub>2</sub> emissions. Considering nighttime power storage needs of electric vehicle users, we designed this plan to be particularly beneficial for use from midnight until 7:00 am. We will strengthen sales of “Degawari 007” as a product that greatly advances the “hybridization of gas and electricity” with the aim of realizing smart cities.

Our strategy of evolving our company’s business domain towards optimization of customer energy usage is based on the high quality of our energy business that we have been promoting for 70 years and on our corporate philosophy of prioritizing the needs of our customers. While energy resilience and environmental issues have become pressing issues, assuming the ideal state of society, this means realizing a co-creation collaboration platform that functions between businesses with an open energy platform, and facing up to risks that we must address.

Continuing to provide new solutions for optimal usage of energy to increasingly complex social issues and being a company that is needed by the local community are prerequisites for the creation of sustainable corporate value. The Company's sustainability policy aims to improve corporate value over the medium to long term by implementing Environment, Social, and Governance (ESG) initiatives while balancing economic and social aspects. Under this policy, we are recomposing our balance sheet into highly efficient assets with a strong awareness of return on invested capital (ROIC), and striving to increase ROE, which is investment yield for shareholders. In addition, through digitization with open innovation and co-creation through partnerships, we strive to create shareholder value by solving new social issues, such as the reduction of CO<sub>2</sub> emissions and workstyle reform and pursuing shareholder performance that exceeds the cost of shareholders' equity (ROE).

Based on this strategy, the Company has positioned LP gas and electricity as its core businesses and is continuing to invest management resources while also improving the profitability of its assets. We have been promoting next-generation communication systems that utilize new technology by reflecting the needs of our customers in our sales activities, including the development of non-face-to-face virtual sales, and completely unmanned digital sales offices. With our electricity business, as we move towards our future strategy of utilizing distributed power, we are continuing to expand our customer base using the package service with gas, centering on the family segment, while also achieving similar growth in profit. Demand for electricity is projected to increase rapidly in the future as society moves towards an increased use of electric vehicles and digitalization. Accordingly, we shall respond as appropriate in partnership with the TEPCO Group in terms of the procurement of key energy sources. The promotion of synergy between our electricity and gas businesses and the creation of a sharing economy with other industries is a great challenge that will contribute to the digitalization and efficiency improvement of the highly changing local community and relieve beneficiaries from stress. We will continue to support our customers in going the last mile, and by facing these challenges in the environment and in terms of customer demand with sincerity, we will encourage ourselves to change, keep changing, and strive to create even more corporate value. In the current fiscal year, net sales increased by 13.3% year on year to ¥162,552 million, gross profit decreased by 1.8% year on year to ¥66,593 million, operating income decreased by 6.2% year on year to ¥12,786 million, and profit attributable to owners of parent increased by 6.4% year on year to ¥9,972 million.

The primary reasons for the decrease in gross profit and operating income compared to the previous fiscal year were a surge in the prices of raw materials for gas and a shortage of gas equipment. In addition to rising energy demand due to the resumption of economic activity which had stagnated due to COVID-19, gas raw material prices continued to rise through the whole year due to supply concerns triggered by Russia's invasion of Ukraine in the fourth quarter. We have passed on the increase in raw material prices of gas to selling prices appropriately for both LP gas and city gas. However, for city gas, it will be next fiscal year or later before the costs are passed on (slide time lag), so gross profit and operating income both decreased year on year. Meanwhile, the electricity business and platform business are steadily expanding their customer bases and contributing to increased profits. We have started full-scale operation of Space Hotaru, Yume no Kizuna, and the New Delivery System for LP gas, among other systems, and the effect of DX has begun to appear in the form of cost reductions. Thanks to the sale of shares for strategic holding purposes, which have accelerated a shift towards a cashless society, settlement of accounts has reached a record high in the profit stage.

Business performance by segment for the current fiscal year is as follows:

[LP Gas Business] (including platform business as well as LP equipment and construction as ancillary business)  
 In the LP gas business segment, net sales from the LP gas business amounted to ¥66,304 million (up by ¥9,673 million year on year) and gross profit was ¥40,096 million (down by ¥666 million year on year), while net sales from the ancillary business were ¥9,949 million (down by ¥4,449 million year on year) and gross profit was ¥3,289 million (down by ¥295 million year on year).

In the LP gas business, prices were revised three times in the current fiscal year, in April, October, and January, to reflect a rise in the price of raw materials, with the costs passed on appropriately. As for sales activities, the number of customers increased by 29 thousands from the end of the previous fiscal year to 946 thousands, thanks to strengthening sales by our employees even as sales activities have been restricted due to the COVID-19 pandemic. The higher prices of raw materials have also proven difficult for other companies within the industry. In the current fiscal year, we have strengthened visits to other companies within the industry and actively promoted proposals for collaborative relationships that enable customers to use high-efficiency and high-quality operations, including customer acquisition.

The decrease in gross profit from the ancillary business under the LP gas business segment was due to a decrease in sales resulting from a shortage of gas equipment caused by concerns about the supply of electronic components. In the platform business, including the new city gas platform business as well as safety inspection for alliance companies, profit from the electricity retail platform, and profit from “Tanomimaster,” our BtoB digital ordering system for gas equipment, the start of services in each business has led to an increase in gross profit of ¥200 million year on year.

		Previous fiscal year	Current fiscal year	Change	Change (%)
Gross profit (millions of yen)	Gas	40,763	40,096	(666)	(1.6)%
	Equipment, construction, platform, etc.	3,585	3,289	(295)	(8.3)%
Gas sales volume (1,000 tons)	Household use	193.6	194.5	0.9	0.5%
	Commercial use	117.5	119.9	2.4	2.0%
No. of customers (1,000 customers)		918	946	29	3.1%

[Electricity Business]

In the electricity business segment, net sales were ¥27,593 million (up by ¥9,422 million year on year) and gross profit was ¥2,790 million (up by ¥1,182 million year on year).

The increase in gross profit from the electricity business is due to the rise in the number of customers, mainly existing gas users, through package service sales. The percentage of customers of package service of gas and electricity rose from 13.7% at the end of the previous fiscal year to 16.7% at the end of the fiscal year under review, an increase of 55 thousand households to 279 thousand households. Through our alliance with the TEPCO Group, we have achieved stable power procurement for this business without being affected by soaring prices on

the Japan Electric Power Exchange. Therefore, we are able to secure stable gross profit while delivering electricity on a stable basis to our customers.

In February 2022, we launched the new rate plan “Degawari 007” with 100% real renewable energy. “Degawari 007” matches use of electric vehicles and solar power generation, and is the first step in our vision for the “Smart City Concept.” We will strengthen sales using our on-site capabilities in LP gas and city gas, which are responsible for the last mile, the connection with customers we have built in close contact with local communities.

		Previous fiscal year	Current fiscal year	Change	Change (%)
Gross profit (millions of yen)	Electricity	1,608	2,790	1,182	73.5%
Electricity sales volume (GWh)	Household use	775	1,160	385	49.7%
No. of customers (1,000 customers)		224	279	55	24.6%

[City Gas Business] (including city gas equipment and construction as ancillary business)

In the city gas business segment, net sales from the city gas business amounted to ¥53,733 million (up by ¥6,397 million year on year) and gross profit was ¥19,444 million (down by ¥1,200 million year on year), while net sales from the ancillary business were ¥4,970 million (down by ¥1,981 million year on year) and gross profit was ¥972 million (down by ¥216 million year on year).

The decrease in gross profit from the city gas business is attributable to the negative impact of the “slide time lag” caused by the upward trend in raw materials prices. “Slide time lag” is the time lag that occurs in the raw material cost adjustment system used for city gas because fluctuations in raw materials prices are reflected in the cost of sales first and later in the selling price (rates). Raw materials prices were on an upward trend during the fiscal year under review, so slide time lag had a major negative impact on our business.

The decrease in gross profit from ancillary business under the city gas business segment was due to declining sales caused by a shortage of gas equipment, just as with LP gas equipment.

		Previous fiscal year	Current fiscal year	Change	Change (%)
Gross profit (millions of yen)	Gas	20,645	19,444	(1,200)	(5.8)%
	Equipment, construction, platform, etc.	1,189	972	(216)	(18.3)%
Gas sales volume (1,000 tons)	Household use	185.2	184.5	(0.7)	(0.4)%
	Commercial use	204.3	208.1	3.8	2.0%
No. of customers (1,000 customers)		719	722	3	0.4%

## (2) Overview of Financial Position for the Fiscal Year Under Review

The Company has set return on equity (ROE) as the most important KPI in terms of finance, and intends to raise ROE to our target of 20% in order to increase shareholder value. As a measure to improve ROE, we have set return on invested capital (ROIC) as a new KPI, and we are now working to raise ROIC with the goal of increasing the profitability of assets. We are investing capital mainly in highly profitable assets (LP gas and IT) while selling off less profitable assets to replace the contents of our balance sheet and focusing on the electricity segment business which does not use assets, in order to improve the profitability of our assets without increasing the amount of our total assets. On the capital procurement side, we will improve ROIC by setting an appropriate



equity ratio (45% to 50%), not holding shareholders' equity that exceeds this level (unnecessary capital), and properly utilizing loans, in order to directly tie the improvement of ROIC to ROE.

Total assets as of the end of the fiscal year ended March 31st, 2022 increased by ¥13,600 million or 9.8% from the end of the previous fiscal year to ¥153,800 million. The main increase in assets during the fiscal year under review is due to an increase of ¥9,400 million resulting from an increase in accounts receivable - trade due to high raw materials prices and an increase in accounts receivable - trade brought about as a result of the adoption of the Accounting Standard for Revenue Recognition (notes and accounts receivable - trade from March meter reading date to March 31st, 2022), as well as ¥4,500 million increase in cash and deposits. Total liabilities as of the end of the fiscal year ended March 31st, 2022 increased by ¥11,100 million or 15.7% from the end of the previous fiscal year to ¥81,900 million, of which interest-bearing liabilities increased by ¥4,400 million from the end of the previous fiscal year to ¥45,900 million. The main increase in liabilities during the fiscal year under review is due to the increase in accounts payable - trade due to the higher costs of raw materials and an increase of ¥4,600 million in accounts payable - trade brought about as a result of the adoption of the Accounting Standard for Revenue Recognition. Net assets increased by ¥2,500 million or 3.7% from the end of the previous fiscal year to ¥71,800 million. The increase in net assets is primarily attributable to profit of ¥9,900 million exceeding total shareholder returns of ¥8,900 million (payment of dividends of ¥5,300 million and purchase of treasury shares of ¥3,500 million).

With a debt-to-equity ratio of 0.6 times and a shareholders' equity ratio of 46.7%, we are appropriately leveraging our financial base while ensuring its stability, thereby increasing ROE from 13.6% at the end of the previous fiscal year to 14.1% at the end of the fiscal year under review.

### (3) Overview of Cash Flows for the Fiscal Year Under Review

Balance of cash and cash equivalents as of the end of the fiscal year ended March 31st, 2022, increased by ¥4,501 million from the end of the previous fiscal year to ¥16,912 million.

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

Net cash provided by operating activities amounted to ¥20,694 million, up by ¥4,626 million year on year. The main cause of the increased cash inflow was a decrease in income taxes paid (down by ¥1,552 million year on year) and efforts made to accelerate the collection of accounts receivable - trade (up by ¥3,524 million year on year).

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

Net cash used in investing activities amounted to ¥8,792 million, down by ¥5,721 million year on year. In the previous fiscal year, the Company completed large-scale investments such as "Yume no Kizuna, Kawasaki," and in the current fiscal year, the Company concentrated its investments on highly profitable ICT, etc.

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

Net cash used in financing activities amounted to ¥7,407 million, up by ¥1,701 million year on year. The primary cause of the increased cash outflow was increased repayments of loans and payment of dividends.

Free cash flow, which is obtained by subtracting investment cash flow from operating cash flow, amounted to income of ¥11,902 million (up by ¥10,347 million year on year), exceeding net cash used in financing activities of ¥7,407 million.

#### (4) Future Outlook

For the fiscal year ending March 31st, 2023, the Company forecasts increases in all the stages of profit, including ¥71,500 million in gross profit, ¥16,500 million in operating income, and ¥11,000 million in profit attributable to owners of parent. Expected household gas sales volume and electricity sales volume are calculated based on past usage data, incorporating temperature forecasts for the fiscal year ending March 31st, 2023. For raw materials prices as well, although the outlook remains uncertain, the Company's policy is to appropriately pass on the increase in raw materials prices, including exchange rates, to the selling price. Therefore, we assume that the profit margin will be at about the same level as before.

For details of the profit plans for the fiscal year ending March 31st, 2023, please see the "Financial Results Briefing Materials for Fiscal Year Ended in March 2022" released today.

#### 2. Basic Approach to the Selection of Accounting Standards

The Group adopts Japanese GAAP. As to the policy of adoption of IFRS, the Company shall comply appropriately, taking into account various conditions in Japan and overseas.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheet

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (As of Mar. 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	12,453	17,020
Notes and accounts receivable - trade	14,996	21,474
Merchandise and finished goods	5,449	5,999
Raw materials and supplies	145	196
Other	1,925	4,880
Allowance for doubtful accounts	(204)	(104)
<b>Total current assets</b>	<b>34,764</b>	<b>49,467</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	30,292	31,285
Accumulated depreciation	(14,633)	(15,377)
Buildings and structures, net	15,659	15,908
Machinery, equipment and vehicles	214,336	218,111
Accumulated depreciation	(181,174)	(186,797)
Machinery, equipment and vehicles, net	33,161	31,314
Tools, furniture and fixtures	4,410	4,523
Accumulated depreciation	(3,526)	(3,753)
Tools, furniture and fixtures, net	883	770
Land	30,197	30,175
Leased assets	8,249	9,765
Accumulated depreciation	(3,383)	(3,673)
Leased assets, net	4,866	6,091
Construction in progress	1,019	970
<b>Total property, plant and equipment</b>	<b>85,786</b>	<b>85,230</b>
Intangible assets		
Goodwill	4,133	2,981
Other	4,220	4,823
<b>Total intangible assets</b>	<b>8,354</b>	<b>7,805</b>
Investments and other assets		
Investment securities	2,169	2,091
Long-term loans receivable	3,691	3,962
Deferred tax assets	7,900	8,341
Other	2,389	2,599
Allowance for doubtful accounts	(4,936)	(5,686)
<b>Total investments and other assets</b>	<b>11,214</b>	<b>11,309</b>
<b>Total non-current assets</b>	<b>105,356</b>	<b>104,344</b>
<b>Total assets</b>	<b>140,120</b>	<b>153,811</b>

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (As of Mar. 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,927	14,651
Electronically recorded obligations - operating	3,965	2,868
Short-term loans payable	2,000	—
Current portion of long-term debt	10,837	14,764
Lease obligations	1,167	1,348
Income taxes payable	2,871	3,602
Provision for bonuses	345	323
Other	7,091	8,192
<b>Total current liabilities</b>	<b>37,206</b>	<b>45,751</b>
Non-current liabilities		
Long-term loans payable	23,332	24,476
Lease obligations	4,174	5,351
Deferred tax liabilities for land revaluation	203	203
Provision for share-based compensation	786	1,052
Provision for gas holder repairs	285	267
Provision for loss on voluntary recall of products	338	306
Net defined benefit liability	2,862	3,067
Other	1,587	1,442
<b>Total non-current liabilities</b>	<b>33,571</b>	<b>36,169</b>
<b>Total liabilities</b>	<b>70,778</b>	<b>81,921</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,070	7,070
Capital surplus	5,860	5,860
Retained earnings	61,468	64,634
Treasury shares	(5,754)	(5,795)
<b>Total shareholders' equity</b>	<b>68,644</b>	<b>71,769</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	472	93
Foreign currency translation adjustment	271	53
Remeasurements of defined benefit plans	(51)	(28)
<b>Total accumulated other comprehensive income</b>	<b>693</b>	<b>118</b>
Non-controlling interests	4	3
<b>Total net assets</b>	<b>69,342</b>	<b>71,890</b>
<b>Total liabilities and net assets</b>	<b>140,120</b>	<b>153,811</b>

## (2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)
Net sales	143,490	162,552
Cost of sales	75,698	95,958
Gross profit	67,791	66,593
Selling, general and administrative expenses		
Freightage related expenses	3,221	3,051
Provision of allowance for doubtful accounts	191	(31)
Salaries and allowances	9,866	9,913
Provision for bonuses	339	279
Retirement benefit expenses	677	640
Provision for share-based compensation	249	281
Provision for gas holder repairs	37	56
Welfare expenses	2,033	1,984
Supplies expenses	3,589	2,800
Taxes and dues	1,349	1,283
Enterprise tax	516	584
Depreciation	9,744	10,389
Amortization of goodwill	1,263	1,395
Repair expenses	1,131	1,203
Commission fee	13,488	13,932
Other	6,462	6,041
Total selling, general and administrative expenses	54,163	53,807
Operating income	13,627	12,786
Non-operating income		
Interest income	5	2
Dividend income	27	14
Foreign exchange gains	49	14
Real estate rent	73	67
Insurance income	27	39
Share of profit of entities accounted for using equity method	—	34
Other	440	158
Total non-operating income	623	331
Non-operating expenses		
Interest expenses	156	150
Other	32	37
Total non-operating expenses	188	187
Ordinary income	14,062	12,930

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)
<b>Extraordinary income</b>		
Gain on sales of non-current assets	93	89
Gain on sales of investment securities	276	1,618
Total extraordinary income	370	1,707
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	277	27
Loss on retirement of non-current assets	352	130
Loss on sales of investment securities	11	24
Impairment loss	464	-
Reorganization cost	67	-
Total extraordinary losses	1,172	181
Profit before income taxes	13,260	14,456
Income taxes - current	3,827	5,460
Income taxes - deferred	59	(976)
Total income taxes	3,887	4,484
Profit	9,373	9,971
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	9,373	9,972

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)
Profit	9,373	9,971
Other comprehensive income		
Valuation difference on available-for-sale securities	242	(379)
Remeasurements of defined benefit plans, net of tax	7	22
Share of other comprehensive income of entities accounted for using equity method	(32)	(217)
Total other comprehensive income	217	(574)
Comprehensive income	9,590	9,397
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,591	9,398
Comprehensive income attributable to non-controlling interests	(0)	(0)

## (3) Consolidated Statement of Changes in Equity

Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	7,070	5,860	61,020	(6,075)	67,875
Changes of items during period					
Dividends of surplus			(3,914)		(3,914)
Profit attributable to owners of parent			9,373		9,373
Purchase of treasury shares				(4,760)	(4,760)
Disposal of treasury shares		6		64	71
Retirement of treasury shares		(6)	(5,010)	5,017	-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	448	321	769
Balance at the end of current period	7,070	5,860	61,468	(5,754)	68,644

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	230	303	(58)	475	4	68,355
Changes of items during period						
Dividends of surplus						(3,914)
Profit attributable to owners of parent						9,373
Purchase of treasury shares						(4,760)
Disposal of treasury shares						71
Retirement of treasury shares						-
Net changes of items other than shareholders' equity	242	(32)	7	217	(0)	217
Total changes of items during period	242	(32)	7	217	(0)	987
Balance at the end of current period	472	271	(51)	693	4	69,342



Fiscal year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	7,070	5,860	61,468	(5,754)	68,644
Cumulative effects of changes in accounting policies			1,900		1,900
Restated balance	7,070	5,860	63,369	(5,754)	70,545
Changes of items during period					
Dividends of surplus			(5,379)		(5,379)
Profit attributable to owners of parent			9,972		9,972
Change in scope of equity method			83		83
Purchase of treasury shares				(3,549)	(3,549)
Disposal of treasury shares		1		94	96
Retirement of treasury shares		(1)	(3,411)	3,413	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,265	(41)	1,223
Balance at the end of current period	7,070	5,860	64,634	(5,795)	71,769

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	472	271	(51)	693	4	69,342
Cumulative effects of changes in accounting policies						1,900
Restated balance	472	271	(51)	693	4	71,242
Changes of items during period						
Dividends of surplus						(5,379)
Profit attributable to owners of parent						9,972
Change in scope of equity method						83
Purchase of treasury shares						(3,549)
Disposal of treasury shares						96
Retirement of treasury shares						–
Net changes of items other than shareholders' equity	(379)	(217)	22	(574)	(0)	(575)
Total changes of items during period	(379)	(217)	22	(574)	(0)	647
Balance at the end of current period	93	53	(28)	118	3	71,890

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	13,260	14,456
Depreciation	9,844	10,466
Impairment loss	464	-
Amortization of goodwill	1,263	1,395
Increase (decrease) in allowance for doubtful accounts	196	649
Increase (decrease) in net defined benefit liability	9	212
Increase (decrease) in provision for share-based compensation	195	265
Increase (decrease) in allowance for loss on voluntary recall of products	(30)	(31)
Interest and dividend income	(33)	(16)
Interest expenses	156	150
Foreign exchange losses (gains)	(138)	(6)
Share of (profit) loss of entities accounted for using equity method	-	(34)
Loss (gain) on sales of non-current assets	183	(61)
Loss on retirement of non-current assets	352	130
Loss (gain) on sales of investment securities	(265)	(1,593)
Decrease (increase) in notes and accounts receivable - trade	(3,969)	(957)
Decrease (increase) in inventories	(581)	(2,008)
Decrease (increase) in accounts receivable - other	(462)	(2,806)
Increase (decrease) in notes and accounts payable - trade	2,439	3,644
Increase (decrease) in accrued consumption taxes	(294)	1,299
Other, net	104	617
<b>Subtotal</b>	<b>22,695</b>	<b>25,771</b>
Interest and dividend income received	32	16
Interest expenses paid	(158)	(145)
Income taxes paid	(6,500)	(4,948)
<b>Net cash provided by (used in) operating activities</b>	<b>16,068</b>	<b>20,694</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,254)	(7,376)
Proceeds from sales of property, plant and equipment	224	122
Purchase of intangible assets	(1,425)	(2,132)
Purchase of goodwill	(1,787)	(248)
Purchase of investment securities	(1)	(1,376)
Proceeds from sales of investment securities	836	2,315
Payments of loans receivable	(11)	(11)
Collection of loans receivable	15	20
Other, net	(109)	(103)
<b>Net cash provided by (used in) investing activities</b>	<b>(14,513)</b>	<b>(8,792)</b>

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)
Cash flows from financing activities		
Increase in short-term loans payable	21,000	63,010
Decrease in short-term loans payable	(19,000)	(65,010)
Proceeds from long-term loans payable	15,000	16,700
Repayments of long-term loans payable	(12,824)	(11,628)
Purchase of treasury shares	(4,760)	(3,549)
Cash dividends paid	(3,914)	(5,394)
Other, net	(1,207)	(1,535)
Net cash provided by (used in) financing activities	(5,706)	(7,407)
Effect of exchange rate change on cash and cash equivalents	33	6
Net increase (decrease) in cash and cash equivalents	(4,117)	4,501
Cash and cash equivalents at beginning of period	16,528	12,411
Cash and cash equivalents at end of period	12,411	16,912

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

None.

(Changes to Accounting Policies)

1. Accounting standard for revenue recognition, etc.

The Company has applied “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31st, 2020; hereinafter referred to as the “Accounting Standard for Revenue Recognition”), etc. from the beginning of the current fiscal year, and recognizes revenue at the amount expected to be received in exchange for promised goods or services when control of the goods or services is transferred to the customer. The main changes resulting from the application are as follows.

(1) Revenue recognition for the LP gas business and electricity business

In the past, the Company recognized revenue from the LP gas business and electricity business based on the “meter reading date standard,” in which revenue is calculated based on the customer’s usage volume on the meter reading date. However, as a result of reviewing the identification of performance obligations and the timing of their fulfillment in accordance with the Accounting Standard for Revenue Recognition, the Company has decided to recognize revenue from the LP gas business and electricity business on the “delivery-date” basis, which recognizes customer usage volume up to the end of the period. In the city gas business, revenue is recognized based on the “meter reading date standard” as before in accordance with the Regulation on Accounting at Gas Utilities.

As a result, the cumulative effect was reflected in net assets at the beginning of the current fiscal year, having the effect of increasing the balance of retained earnings at the beginning of the fiscal year under review by ¥1,900 million. In addition, compared with the previous method, the introduction of the new method had the effect of increasing net sales and cost of sales by ¥1,300 million and ¥1,164 million, respectively, and increasing gross profit, operating income, ordinary income, and profit before income taxes by ¥136 million each, for the current fiscal year.

(2) Accounting treatment for levies based on the renewable energy feed-in tariff scheme

In the past, the Company recognized revenue including levies to be borne by customers based on the renewable energy feed-in tariff scheme. However, in accordance with the Accounting Standard for Revenue Recognition, the Company has changed to a method of recognizing revenue excluding levies.

As a result, compared with the previous method, the introduction of the new method had the effect of decreasing net sales and cost of sales in the electricity business segment for the current fiscal year by ¥3,490 million.

In accordance with the transitional treatment prescribed in the proviso to Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retroactive application of the new accounting policy prior to the beginning of the current fiscal year was added to or deducted from retained earnings at the beginning of the current year, and the new accounting policy has been applied from the beginning balance of the current fiscal year. However, the Company has applied the method prescribed in Paragraph 86 of the Accounting Standard for

Revenue Recognition without applying the new accounting policy retrospectively to contracts for which almost all revenue amounts were recognized in accordance with the previous method prior to the beginning of the current fiscal year. In addition, the Company has applied the method prescribed in proviso (1) to Paragraph 86 of the Accounting Standard for Revenue Recognition and accounted for changes in contracts made prior to the beginning of the current fiscal year, based on the contract terms after reflecting all contract changes, and added or subtracted the cumulative effect of such changes to or from retained earnings at the beginning of the current fiscal year.

## 2. Accounting Standard for Fair Value Measurement

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4th, 2019; hereinafter referred to as the “Accounting Standard for Fair Value Measurement”), etc. from the beginning of the current fiscal year, and will apply the new accounting policy prescribed by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4th, 2019). There is no impact on the consolidated financial statements.

(Segment Information, etc.)

1. Overview of reportable segments

(1) Decision method of the 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, electricity 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 three product/service segments of "LP gas business," "electricity 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,  
Platform business

Electricity business...Retail sale of electricity, other related businesses

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

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

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." Segment income figures are based on gross profit.

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 1st, 2020 to March 31st, 2021)

(Millions of yen)

	Reportable segments			Total	Adjustments (Note 2, 3)	Consolidated financial statements amount (Note 1)
	LP gas Business	Electricity Business	City gas Business			
Net sales						
Net sales to outside customers	71,030	18,171	54,288	143,490	–	143,490
Segment income	44,348	1,608	21,834	67,791	–	67,791
Segment assets	60,653	3,863	41,987	106,503	33,617	140,120
Other items						
Increase in property, plant and equipment and intangible assets	13,144	–	5,471	18,616	1,586	20,203

- (Notes)
1. Segment income is adjusted to gross profit in the Consolidated Statement of Income.
  2. Adjustment for segment assets refers to corporate assets not allocated to each reportable segments, and consist mainly of cash and deposits, deferred tax assets and the head office assets of the Company, etc.
  3. Adjustment for "increase in property, plant and equipment and intangible assets" under other items is attributable to the acquisition of corporate assets not allocated to reportable segments.

For the current fiscal year (From April 1st, 2021 to March 31st, 2022)

(Millions of yen)

	Reportable segments			Total	Adjustments (Note 2, 3)	Consolidated financial statements amount (Note 1)
	LP gas Business	Electricity Business	City gas Business			
Net sales						
(1) LP gas, electricity and city gas						
a. Revenue generated during April 1st, 2021 and the March meter reading date	61,505	26,073	53,733	141,312	–	141,312
b. Revenue generated during the March meter reading date and March 31st, 2022	4,799	1,520	–	6,319	–	6,319
Total	66,304	27,593	53,733	147,632	–	147,632
(2) Equipment, construction contracts, platform, etc.	9,949	–	4,970	14,920	–	14,920
Revenue from contracts with customers	76,254	27,593	58,704	162,552	–	162,552
Net sales to outside customers	76,254	27,593	58,704	162,552	–	162,552
Segment income	43,386	2,790	20,416	66,593	–	66,593
Segment assets	67,062	5,968	42,604	115,635	38,176	153,811
Other items						
Increase in property, plant and equipment and intangible assets	4,610	–	4,257	8,867	2,110	10,978

- (Notes)
1. Segment income is adjusted to gross profit in the Consolidated Statement of Income.
  2. Adjustment for segment assets refers to corporate assets not allocated to each reportable segments, and consist mainly of cash and deposits, deferred tax assets and the head office assets of the Company (including software), etc.
  3. Adjustment for “increase in property, plant and equipment and intangible assets” under other items is attributable to the acquisition of corporate assets not allocated to reportable segments.

## (Per Share Information)

Item	For the previous fiscal year (From Apr. 1st, 2020 to Mar. 31st, 2021)	For the current fiscal year (From Apr. 1st, 2021 to Mar. 31st, 2022)
Net assets per share	¥592.64	¥624.79
Basic earnings per share	¥78.94	¥86.24
Diluted earnings per share	Not stated since there is no dilutive security.	Not stated since there is no dilutive security.

(Notes) The basis for calculation

1. The Company conducted a 3-for-1 stock split of common shares on April 1st, 2021. “Net assets per share” and “Basic earnings per share” are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. 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. 31st, 2021)	For the current fiscal year (As of Mar. 31st, 2022)
Total net assets	69,342	71,890
Amount deducted from the total net assets	4	3
[Non-controlling interests]	[4]	[3]
Amount of net assets related to common shares as of the end of the fiscal year	69,338	71,887
Number of shares of common shares used in the calculation of net assets per share as of the end of the fiscal year (Thousands of shares)	116,998	115,059

3. The basis for calculation of basic earnings per share is as follows:

(Millions of yen unless otherwise stated)

	For the previous fiscal year (From Apr. 1st, 2020 to Mar. 31st, 2021)	For the current fiscal year (From Apr. 1st, 2021 to Mar. 31st, 2022)
Profit attributable to owners of parent	9,373	9,972
Profit not attributable to common shareholders	—	—
Profit attributable to owners of parent related to common shares	9,373	9,972
Average number of common shares outstanding during the fiscal year (Thousands of shares)	118,739	115,642



(Significant Subsequent Events)

(Purchase and Cancellation of Treasury Shares)

The Company decided at a Board of Directors meeting on April 27th, 2022 to purchase treasury shares pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act applied *mutatis mutandis* pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act.

(1) Reason for the purchase and cancellation of treasury shares

Considering the progress of the enhancement of its financial base for achieving growth, the Company intends to purchase and cancel treasury shares to enhance shareholder returns and increase capital efficiency.

(2) Details of the matters associated with the purchase

- |  |  |
|--|--|
| 1) Class of shares to be purchased:        | Common shares of the Company   |
| 2) Total number of shares to be purchased: | Up to 2,700,000 shares   |
| 3) Total value of shares to be purchased:  | Up to ¥3.5 billion   |
| 4) Purchase period:                        | From April 28th, 2022 to March 31st, 2023  |
| 5) Purchase method:                        | Purchase of shares from the market based on a discretionary trading contract for purchase of treasury shares |

(3) Details of the matters associated with the cancellation

- |  |  |
|--|--|
| 1) Class of shares to be cancelled:        | Common shares of the Company   |
| 2) Total number of shares to be cancelled: | 2,000,000 shares (1.7% of the total issued shares including treasury shares) |
| 3) Date of cancellation:                   | May 19th, 2022   |

#### 4. Non-consolidated Financial Statements and Primary Notes

##### (1) Balance Sheet

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (As of Mar. 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	5,979	9,076
Notes receivable - trade	11	0
Accounts receivable - trade	13,108	19,230
Merchandise	4,859	5,047
Supplies	11	64
Other	2,103	4,938
Allowance for doubtful accounts	(189)	(94)
Total current assets	25,883	38,263
Non-current assets		
Property, plant and equipment		
Buildings	12,085	12,517
Accumulated depreciation	(5,197)	(5,469)
Buildings, net	6,888	7,047
Structures	12,773	13,350
Accumulated depreciation	(5,983)	(6,430)
Structures, net	6,790	6,919
Machinery and equipment	32,307	32,528
Accumulated depreciation	(28,923)	(29,566)
Machinery and equipment, net	3,383	2,961
Vehicles	1,144	1,309
Accumulated depreciation	(990)	(1,056)
Vehicles, net	153	252
Tools, furniture and fixtures	1,529	1,601
Accumulated depreciation	(1,252)	(1,341)
Tools, furniture and fixtures, net	276	259
Land	25,748	25,725
Leased assets	5,926	7,359
Accumulated depreciation	(1,943)	(2,236)
Leased assets, net	3,982	5,122
Construction in progress	219	17
Total property, plant and equipment	47,443	48,306
Intangible assets		
Goodwill	2,966	2,322
Other	3,633	4,417
Total intangible assets	6,599	6,739

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (As of Mar. 31, 2022)
<b>Investments and other assets</b>		
Investment securities	1,928	1,835
Shares of subsidiaries and associates	24,438	24,468
Investments in capital	3	3
Long-term loans receivable	7,975	7,999
Deferred tax assets	5,766	6,092
Other	2,613	2,956
Allowance for doubtful accounts	(7,165)	(7,915)
<b>Total investments and other assets</b>	<b>35,560</b>	<b>35,440</b>
<b>Total non-current assets</b>	<b>89,602</b>	<b>90,486</b>
<b>Total assets</b>	<b>115,486</b>	<b>128,750</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Electronically recorded obligations - operating	3,965	2,868
Accounts payable - trade	8,479	14,055
Short-term loans payable	2,000	—
Current portion of long-term debt	10,819	14,749
Lease obligations	1,093	1,281
Accounts payable - other	3,977	2,920
Accrued expenses	443	356
Income taxes payable	1,738	2,144
Accrued consumption taxes	34	1,513
Deposits received	7,063	9,325
<b>Total current liabilities</b>	<b>39,616</b>	<b>49,216</b>
<b>Non-current liabilities</b>		
Long-term loans payable	23,312	24,471
Lease obligations	4,031	5,243
Long-term deposits received	810	773
Provision for retirement benefits	1,824	1,988
Provision for share-based compensation	508	676
Provision for loss on voluntary recall of products	338	306
Other	1,470	1,392
<b>Non-current liabilities</b>	<b>32,296</b>	<b>34,852</b>
<b>Total liabilities</b>	<b>71,912</b>	<b>84,069</b>

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (As of Mar. 31, 2022)
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,070	7,070
Capital surplus		
Legal capital surplus	5,197	5,197
Total capital surplus	5,197	5,197
Retained earnings		
Legal retained earnings	949	949
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	107	107
General reserve	7,750	7,750
Retained earnings brought forward	27,810	29,309
Total retained earnings	36,617	38,115
Treasury shares	(5,754)	(5,795)
Total shareholders' equity	43,131	44,587
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	442	93
Total valuation and translation adjustments	442	93
Total net assets	43,573	44,681
Total liabilities and net assets	115,486	128,750

## (2) Statement of Income

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)
Net sales	110,853	103,351
Cost of sales		
Beginning goods	4,184	4,859
Cost of purchased goods	67,837	60,438
Total	72,022	65,298
Ending goods	4,859	5,047
Total cost of sales	67,162	60,251
Gross profit	43,690	43,100
Selling, general and administrative expenses		
Freightage related expenses	2,813	2,667
Provision of allowance for doubtful accounts	221	(24)
Salaries	6,819	6,936
Retirement benefit expenses	419	414
Welfare expenses	1,302	1,306
Supplies expenses	2,692	2,481
Taxes and dues	448	374
Depreciation	3,752	4,577
Repair expenses	1,316	1,356
Commission fee	11,214	12,276
Other	3,879	3,772
Total selling, general and administrative expenses	34,882	36,139
Operating income	8,808	6,960
Non-operating income		
Interest and dividend income	1,435	2,734
Miscellaneous income	473	315
Total non-operating income	1,908	3,050
Non-operating expenses		
Interest expenses	153	150
Miscellaneous loss	24	24
Total non-operating expenses	178	175
Ordinary income	10,538	9,835

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)	Fiscal year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)
<b>Extraordinary income</b>		
Gain on sales of non-current assets	43	32
Gain on sales of investment securities	276	1,555
Total extraordinary income	320	1,588
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	84	27
Loss on retirement of non-current assets	145	22
Loss on sales of investment securities	11	10
Impairment loss	464	—
Total extraordinary losses	705	59
Profit before income taxes	10,153	11,363
Income taxes - current	2,325	3,527
Income taxes - deferred	66	(870)
Total income taxes	2,391	2,656
Profit	7,762	8,706

## (3) Statement of Changes in Equity

Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	7,070	5,197	–	5,197	949	108	7,750	28,972	37,780
Changes of items during period									
Dividends of surplus								(3,914)	(3,914)
Provision of reserve for advanced depreciation of non-current assets						(0)		0	–
Profit								7,762	7,762
Purchase of treasury shares									
Disposal of treasury shares			6	6					
Retirement of treasury shares			(6)	(6)				(5,010)	(5,010)
Net changes of items other than shareholders' equity									
Total changes of items during period	–	–	–	–	–	(0)	–	(1,162)	(1,162)
Balance at the end of current period	7,070	5,197	–	5,197	949	107	7,750	27,810	36,617

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(6,075)	43,972	217	217	44,190
Changes of items during period					
Dividends of surplus		(3,914)			(3,914)
Provision of reserve for advanced depreciation of non-current assets		-			-
Profit		7,762			7,762
Purchase of treasury shares	(4,760)	(4,760)			(4,760)
Disposal of treasury shares	64	71			71
Retirement of treasury shares	5,017	-			-
Net changes of items other than shareholders' equity			225	225	225
Total changes of items during period	321	(841)	225	225	(616)
Balance at the end of current period	(5,754)	43,131	442	442	43,573



Fiscal year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	7,070	5,197	–	5,197	949	107	7,750	27,810	36,617
Cumulative effects of changes in accounting policies								1,582	1,582
Restated balance	7,070	5,197	–	5,197	949	107	7,750	29,393	38,200
Changes of items during period									
Dividends of surplus								(5,379)	(5,379)
Provision of reserve for advanced depreciation of non-current assets						(0)		0	–
Profit								8,706	8,706
Purchase of treasury shares									
Disposal of treasury shares			1	1					
Retirement of treasury shares			(1)	(1)				(3,411)	(3,411)
Net changes of items other than shareholders' equity									
Total changes of items during period	–	–	–	–	–	(0)	–	(83)	(84)
Balance at the end of current period	7,070	5,197	–	5,197	949	107	7,750	29,309	38,115

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(5,754)	43,131	442	442	43,573
Cumulative effects of changes in accounting policies		1,582			1,582
Restated balance	(5,754)	44,713	442	442	45,156
Changes of items during period					
Dividends of surplus		(5,379)			(5,379)
Provision of reserve for advanced depreciation of non-current assets		–			–
Profit		8,706			8,706
Purchase of treasury shares	(3,549)	(3,549)			(3,549)
Disposal of treasury shares	94	96			96
Retirement of treasury shares	3,413	–			–
Net changes of items other than shareholders' equity			(349)	(349)	(349)
Total changes of items during period	(41)	(125)	(349)	(349)	(475)
Balance at the end of current period	(5,795)	44,587	93	93	44,681

## 5. 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.

#### 1) Sales results by reportable segment

(Millions of yen)

Reportable segments	For the previous fiscal year (from Apr. 1st, 2020 to Mar. 31st, 2021)	For the current fiscal year (from Apr. 1st, 2021 to Mar. 31st, 2022)
LP gas Business	71,030	76,254
Electricity Business	18,171	27,593
City gas Business	54,288	58,704

#### 2) Sales results of LP gas business

(Millions of yen / 1000 tons)

Categories		For the previous fiscal year (from Apr. 1st, 2020 to Mar. 31st, 2021)	For the current fiscal year (from Apr. 1st, 2021 to Mar. 31st, 2022)
LP gas March meter reading date – March 31st	Sales	–	(4,070)
	Gas sales volume	–	(18.2)
LP gas April meter reading date – March meter reading date (Note)	Sales	56,631	65,575
	Gas sales volume (household use)	193.6	193.9
	Gas sales volume (industry use)	117.5	119.8
LP gas March meter reading date – March 31st	Sales	–	4,799
	Gas sales volume	–	19.1
Equipment, construction contracts, platform, etc.	Sales	14,399	9,949

#### 3) Sales results of electricity business

(Millions of yen / GWh)

Categories		For the previous fiscal year (from Apr. 1st, 2020 to Mar. 31st, 2021)	For the current fiscal year (from Apr. 1st, 2021 to Mar. 31st, 2022)
Electricity March meter reading date – March 31st	Sales	–	(948)
	Electricity sales volume	–	(45)
Electricity April meter reading date – March meter reading date (Note)	Sales	18,171	27,021
	Electricity sales volume	775	1,160
Electricity March meter reading date – March 31st	Sales	–	1,520
	Electricity sales volume	–	57

## 4) Sales results of city gas business

(Millions of yen / 1000 tons)

Categories		For the previous fiscal year (from Apr. 1st, 2020 to Mar. 31st, 2021)	For the current fiscal year (from Apr. 1st, 2021 to Mar. 31st, 2022)
City gas April meter reading date – March meter reading date*1 (Note)	Sales	47,336	53,733
	Gas sales volume (household use)	185.2	184.5
	Gas sales volume (industry use)	204.3	208.1
Equipment, construction contracts, etc.	Sales	6,951	4,970

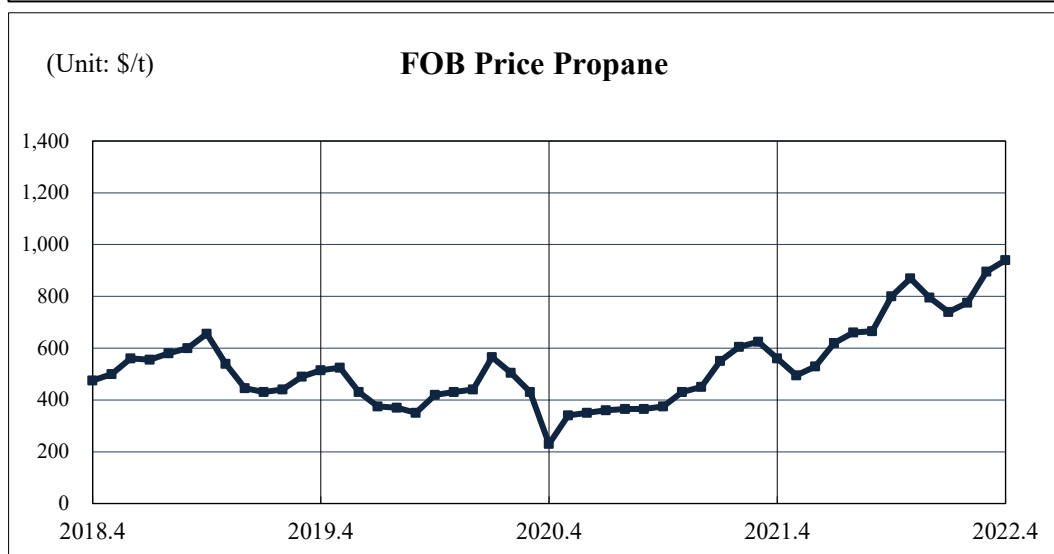
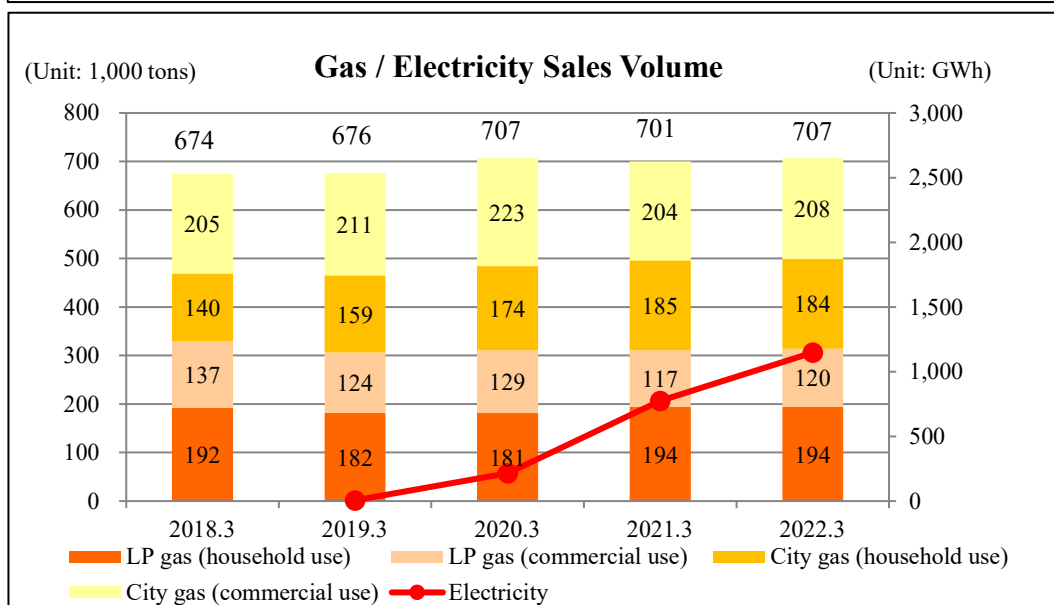
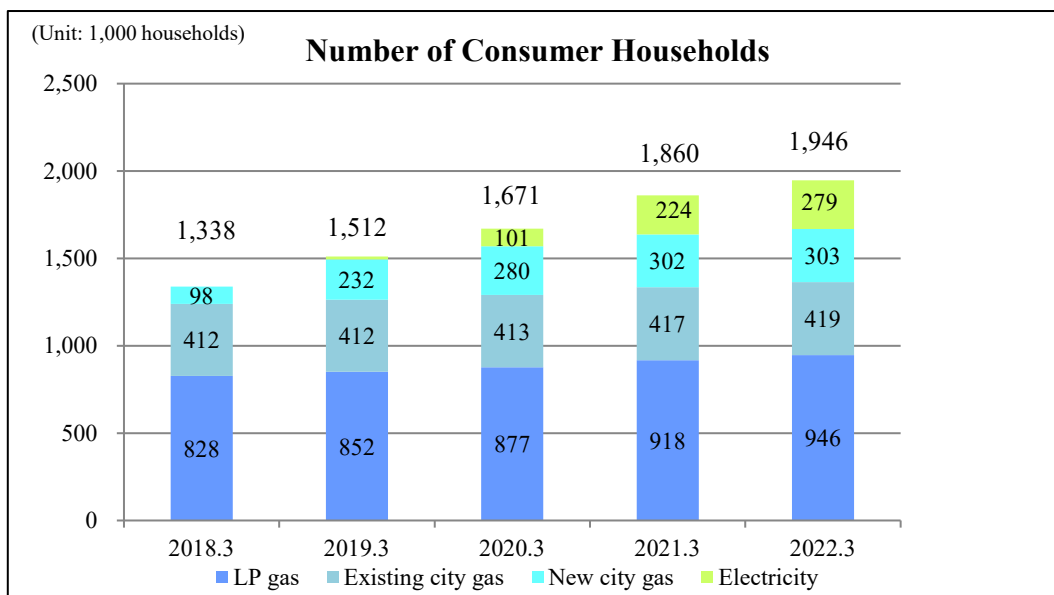
\*1. In the city gas business, the Company has adopted the revenue recognition method in accordance with the Gas Business Regulations, and continues to recognize revenue based on the meter reading date standard as it did in the past.

(Note) In the past, the entire discount amount for package service of gas and electricity was borne by electricity fees, but in accordance with the Accounting Standard for Revenue Recognition, the amount is now borne proportionally by the performance obligation (sales price) for gas and electricity. As a result, compared with the previous method, net sales and gross profit in the electricity business segment increased by ¥276 million, net sales and gross profit in the LP gas business segment decreased by ¥170 million, and net sales and gross profit in the city gas business segment decreased by ¥105 million in the fiscal year ended March 31st, 2022.

## (2) Changes to the Officers of the Company

As for the details of this matter, please refer to the “Notice of Changes in Personnel of the Company and Major Subsidiaries,” announced on March 17th, 2022.

(3) Trends in the Number of Households, etc.



(Note) Gas/Electricity volume is the sales volume based on the meter reading sales date standard.