

Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]



April 27, 2021

Company name: NIPPON GAS CO., LTD.

Code number: 8174

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

Stock exchange listing: Tokyo Stock Exchange

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Scheduled date of Ordinary General Meeting of Shareholders: June 24, 2021

Scheduled date of commencing dividend payments: June 25, 2021

Scheduled date of filing securities report: June 24, 2021

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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. 31, 2021	143,490	8.3	13,627	18.3	14,062	31.6	9,373	21.1
Fiscal Year ended Mar. 31, 2020	132,496	8.1	11,519	29.0	10,682	44.8	7,742	78.9

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

Fiscal year ended Mar. 31, 2020 ¥7,646 million [123.6%]

	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. 31, 2021	78.94	—	13.6	10.3	9.5
Fiscal year ended Mar. 31, 2020	63.33	—	11.3	7.8	8.7

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

Fiscal year ended Mar. 31, 2020 ¥(354) million

(Note) The Company conducted a 3-for-1 stock split on April 1, 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. 31, 2021	140,120	69,342	49.5	592.64
As of Mar. 31, 2020	132,521	68,355	51.6	570.88

(Reference) Equity: As of Mar. 31, 2021 ¥69,338 million As of Mar. 31, 2020 ¥68,350 million

(Note) The Company conducted a 3-for-1 stock split on April 1, 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. 31, 2021	16,068	(14,513)	(5,706)	12,411
Fiscal year ended Mar. 31, 2020	15,975	4,679	(22,330)	16,528

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. 31, 2020		35.00		35.00	70.00	2,842	36.9	4.1
Fiscal year ended Mar. 31, 2021		62.50		62.50	125.00	4,977	52.8	7.2
Fiscal year ending Mar. 31, 2022 (Forecast)		25.00		25.00	50.00		58.5	

(Note) The Company conducted a 3-for-1 stock split on April 1, 2021. Dividends before the stock split are shown for the fiscal year ended March 31, 2020 and the fiscal year ended March 31, 2021. The interim and year-end dividends for the fiscal year ending March 31, 2022 (Forecast) are stated after taking into account the effect of the stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% 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. 30, 2021	64,000	4.0	2,800	(25.2)	2,900	(26.8)	1,900	(29.5)	16.24
Full-year	150,000	4.2	14,500	6.4	14,600	3.8	10,000	6.7	85.47

(Note 1) Due to the adoption of new accounting standards regarding revenue recognition from the fiscal year ending March 31, 2022, the sales of LP gas and electricity are recorded based on sales estimation between the meter reading and the settlement of accounts.

(Note2) The Company conducted a 3-for-1 stock split on April 1, 2021. Basic earnings per share for the consolidated financial results forecast for the fiscal year ending March 31, 2022 are stated after taking into account the effect of the stock split.

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.: No
 - 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. 31, 2021	120,591,498 shares
Mar. 31, 2020	125,320,398 shares

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

Mar. 31, 2021	3,592,506 shares
Mar. 31, 2020	5,591,940 shares

3) Average number of shares during the period:

Fiscal year ended Mar. 31, 2021	118,739,763 shares
Fiscal year ended Mar. 31, 2020	122,272,326 shares

(Note1) The Company conducted a 3-for-1 stock split on April 1, 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.

(Note2) The number of treasury shares includes the shares of the Company held by the “Directors’ Compensation BIP (Board Incentive Plan) Trust” (As of March 31, 2021: 1,474,194 shares, as of March 31, 2020: 721,494 shares).

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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. 31, 2021	110,853	9.0	8,808	18.5	10,538	24.4	7,762	38.0
Fiscal year ended Mar. 31, 2020	101,706	10.7	7,435	45.1	8,472	62.4	5,624	72.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended Mar. 31, 2021	65.37	—
Fiscal year ended Mar. 31, 2020	46.00	—

(Note) The Company conducted a 3-for-1 stock split on April 1, 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. 31, 2021	115,486	43,573	37.7	372.43
As of Mar. 31, 2020	106,354	44,190	41.5	369.09

(Reference) Equity: As of Mar. 31, 2021 ¥43,573 million As of Mar. 31, 2020 ¥44,190 million

(Note) The Company conducted a 3-for-1 stock split on April 1, 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, economic activities were restrained by the global spread of the novel coronavirus disease (COVID-19). Although economic activities showed some signs of recovery, the situation remained unpredictable with the number of infections beginning to rise again. Meanwhile, recent changes in the way people live, called the new normal, such as prevalence of remote learning and telework, brought about an unprecedented acceleration of digital transformation (DX) in Japan. We are in the midst of a pivotal moment in history, and the energy industry is also required to redefine its business at an unprecedented speed.

The spread of COVID-19 has made steadier the global trend of emphasizing Sustainable Development Goals (SDGs) and Environment, Society and Governance (ESG) in corporate management, the redefinition of the social system, and realizing a co-creative society. At the same time, the spread of the disease has placed pressure on companies to shift to carbon-free management in order to combat global warming, which, like COVID-19, will have an impact on humanity on the global scale.

The Company has a policy of solving new social issues using digital innovation and enhancing corporate value over the medium to long term, and is also actively working on SDGs and ESG initiatives. The Company also recognizes that creating carbon-free societies is an important task to achieve sustainability of the Earth. In its Integrated Report 2020, the Company announced a CO₂ emissions reduction plan. Our goals are to achieve a roughly 50% reduction in the energy industry's CO₂ emissions by having industry members use its LPG wheeling services and to cut CO₂ emissions per household by roughly 50% by promoting the procurement of electricity from non-fossil fuel sources and the widespread adoption of energy-saving gas equipment.

Furthermore, the Company is working to achieve net zero CO₂ emissions by 2050.

On March 16, 2021, the Company finally began operation at “Yume no Kizuna Kawasaki” (Yume no Kizuna), an LP gas hub filling plant, which will serve as a foundation for new collaboration within the LP gas industry. The filling plant, one of the world's largest automated LP gas filling stations, which incorporates DX technologies and cutting-edge technologies, operates in coordination with operators in other industries, including those in other countries. Yume no Kizuna is a “co-creation platform” that uses big data and open innovation to create new value for society. The Company positions it as a platform for achieving SDG 16, “Peace, Justice, and Strong Institutions,” and SDG 17, “Partnerships for the Goals.”

Yume no Kizuna uses high-performance cameras with proprietary algorithms and biometric authentication security gates and all information of vehicles, people and containers are automatically identified and recorded as data. This data will be linked with gas consumption data sent by “*Space Hotaru*,” an automatic meter-reading devices installed in customer homes and container inventory data from logistics bases and analyzed using AI to calculate optimal manufacturing (filling) plans. Filling plants, logistics bases, “*Space Hotaru*,” and the “Kumo no Uchusen” operation system will work together to integrate data in real-time, making it possible to completely visualize all traceability. This will produce a logistics system that offers an even higher level of efficiency.

The Company will not only utilize Yume no Kizuna for its own use, but also provide it to other operators as an LP gas platform to start an “LPG Wheeling Service.” This service was made possible by creating a fair and equitable system that uses the latest technologies to reliably protect the security of data provided by other operators. The users of this service will be able to operate their businesses through the use of the Company's

proprietary highly efficient systems for filling and wheeling to conduct business without the need to possess their own facilities or personnel. The Company will receive fees from operators for the use of this platform, creating a new means of revenue generation. In the LP gas business, the Company will achieve SDG 16, “Peace, Justice, and Strong Institutions,” by democratizing information through the use of technology and through its alliances with other companies, the Company will also seek to achieve SDG 17, “Partnerships for the Goals,” aiming to realize new co-creative values.

As an energy business operator who supports local communities, precisely during the COVID-19 pandemic, it is necessary that the Company meets the needs and requests of customers and that our staff is able to make real-time and quick responses. Therefore, the Company will promote DX through the in-house development of digital HR whenever possible for operations that do not require the human intervention, and deploy these HR in various stages of operations, in order to assign more human resources to operations best handled by people. For example, in Yume no Kizuna, the power of DX has been used to automate logistics, which used to be the most expensive and labor-intensive part of the industry, to reduce human intervention to the utmost limit, and as a result, we have succeeded in increasing cost competitiveness to an unprecedented level. The Company recognizes that if it lags behind in cost reduction efforts, it could be left behind in competition among energy operators in the quest to create carbon neutral societies. This recognition is one of the contributing factors to the realization of the Yume no Kizuna co-creation environment.

These projects with full use of leading edge technologies are a challenge based on the recognition that sharing private data owned by individuals on a platform with ensured privacy is a prerequisite for co-creation, in anticipation of the coming data-driven society. Instead of using big data, which is common property of society, for the benefit of an individual company, the Company will share the big data and collaborate with the entire energy industry regardless of whether they are partners or competitors, break away from the “in-house development principle,” and strive to contribute to local communities through partnership. The Company will face diversifying issues of local communities, accelerate the speed of sustainable growth as a company, and continue to strive to achieve real liberalization of energy, by using the fruits of its efforts in ICT as a resource for co-creation with other suppliers rather than using them to differentiate itself from (or compete with) other suppliers.

While promoting business innovation and DX, the Company continued to invest management resources in the LP gas business, positioned as a top priority business for the current fiscal year. Currently we are also actively performing non-face-to-face new marketing activities using digital technology in keeping with the needs of the “with-COVID-19” era. In addition, business integration in the industry is becoming very active. Our activities responding to this trend have steadily borne fruit in the form of an increase in the number of customers. The electric power business has steadily expanded business profitably, with a growing number of customers using the package service with gas, centering on the family segment that matches the product characteristics of this business. In the future, while basing our business on package sales of electricity and gas, we will work to expand and enhance our customer base. Our joint efforts with players in other industries to create a sharing economy have proven successful. Among those efforts are package sales of gas and electricity and the Plus Plans, under which many companies of other industries sell their products to households in the communities of

our customers. We recognize that our new platform business has gained steady momentum. We will further drive innovation and work to create even greater corporate value.

In quantitative terms, gross profit increased by ¥4,426 million or 7.0% year on year to ¥67,791 million, operating income increased by ¥2,108 million or 18.3% year on year to ¥13,627 million, and profit attributable to owners of parent increased by ¥1,630 million or 21.1% year on year to ¥9,373 million, resulting in a significant increase in every level of profit. The increase in gross profit resulted from an increase in the sales volume of gas for household use and the steady expansion of the customer base of the electricity business. The sales volume of gas for household use was boosted by both a rise in the number of customers and an increase in the amount of time spent at home. While the number of customers in the electricity business increased by 123,000, we maintained a stable supply of power and a stable profit margin, without being affected by sudden rises in electricity spot pricing during the New Year's period, and our profit grew significantly. Furthermore, we have also focused on controlling selling, general and administrative expenses and successfully lowered the increase in selling, general and administrative expenses (approx. +¥2,318 million) to roughly half of the increase in gross profit (approx. +¥4,426 million), improving profit at the operating income stage as well.

Business performance by segment is as follows:

[LP Gas Business (including platform business as well as LP equipment and construction as ancillary business)]
Gross profit from the LP gas business segment amounted to ¥40,763 million (up by ¥2,225 million year on year) from the LP gas business and ¥3,585 million (up by ¥739 million year on year) from the ancillary business.

Despite the decrease in sales of gas for commercial use as a result of the COVID-19 pandemic, gross profit from the LP gas business increased as a result of a rise in the number of customers, in addition to an increase in the amount of time spent at home during state of emergency periods, and temperatures in winter being below those of the same period of the previous fiscal year, which resulted in an increase in the sales volume of gas for household use (7.2% year on year). During the fiscal year under review, the Company increased the number of customers by 40,400 households, exceeding the annual target of 40,000 households, due to active business area purchasing during the first half of the year and the steady acquisition of customers.

The increase in gross profit from the ancillary business came from an increase in gross profit from the platform business (up by ¥210 million year on year). This was due to both an increase in the number of companies using our platform and an increase in the number of customers of platform users. “*Tanomimaster*,” our digital order system for gas equipment, also contributed to profit on a certain level. In the next fiscal year, external sales of “*Space Hotaru*,” which brings gas meters online, will start and monetization is planned.

	Previous fiscal year	Current fiscal year	Change	Change (%)
Gross profit (millions of yen)				
Gas	38,537	40,763	2,225	5.8%
Equipment, construction, platform, etc.	2,846	3,585	739	26.0%
No. of customers (1,000 customers)				
	877	918	41	4.7%
Gas sales volume (1,000 tons)				
Household use	181	194	13	7.2%
Commercial use	129	117	(12)	(9.3)%

[Electricity Business]

Gross profit from the electricity business segment rose significantly to ¥1,608 million (up by ¥1,166 million year on year). The increase in gross profit from electricity business was due to the steady expansion of our customer base, mainly existing gas users, and the procurement of electricity at steady prices. The number of customers rose by 123,000 households during the fiscal year under review, exceeding the annual target of 120,000 households, and the percentage of customers of package service of gas and electricity rose from 6.4% at the end of the previous fiscal year to 13.7% at the end of the fiscal year under review. The primary reason for the stable electricity procurement price was the expansive partnership between the Company and the TEPCO Group, which allowed us to purchase electricity without going through the wholesale market. During the fiscal year under review, there was a surge in market prices of electricity, but we were able to procure electricity at stable prices to maintain profits.

	Previous fiscal year	Current fiscal year	Change	Change (%)
Gross profit (millions of yen)	442	1,608	1,166	263.8%
No. of customers (1,000 customers)	101	224	123	121.8%
Electricity sales volume (GWh)	215	774	559	260.0%

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

Gross profit from the city gas business segment amounted to ¥20,645 million (up by ¥359 million year on year) from the city gas business and ¥1,189 million (down by ¥64 million year on year) from the ancillary business. The increase in gross profit from the city gas business is owing to an increase in the sales volume of household gas (up by 6.3% year on year) that surpassed the effect of a decrease in the sales volume of commercial use gas (down by 8.5% year on year) due to the impact of COVID-19 as in the case of the LP gas business. The number of customers increased by 26,000 households, versus the target increase of 30,000 customers. This was because the city gas business concentrated on increasing the number of new contracts with a focus on profitability, such as customers who are expected to set up electricity bundle and long-term contracts, customers in households that use large amounts of gas, and the like. We will maintain our current policy and increase our profitability while expanding our customer base.

	Previous fiscal year	Current fiscal year	Change	Change (%)
Gross profit (millions of yen)				
Gas	20,286	20,645	359	1.8%
Equipment, construction contracts, etc.	1,253	1,189	(64)	(5.1)%
No. of customers (1,000 customers)				
Existing city gas	413	417	4	1.0%
New city gas	280	302	22	7.9%
Gas sales volume (1,000 tons)				
Household use	174	185	11	6.3%
Commercial use	223	204	(19)	(8.5)%

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

The Company recognizes that enhancing the performance of shareholders' equity is the purpose of balance sheet control. Under this purpose, while taking into consideration the total size of assets, we strengthen profitability by increasing the ratio of highly profitable assets (LP gas and ICT) to total assets. In raising capital, while maintaining a high level of shareholder returns, we control equity ratio to the appropriate level by effectively utilizing borrowings, not retaining unnecessary shareholders' equity. As a result of continuing these policies, shareholders' equity has remained almost constant while profit has increased, and the performance of shareholders' equity, that is ROE, has improved every year, and reached 13.6% at the end of the fiscal year under review from 11.3% at the end of the previous fiscal year.

As to specific changes, total assets as of the end of the fiscal year under review increased by ¥7,599 million or 5.7% from the end of the previous fiscal year and stood at ¥140,120 million. The increase in total assets is due to an increase in property, plant and equipment associated with the completion of construction of Yume no Kizuna, the installation of *Space Hotaru*, and investment for customer acquisition. Total liabilities as of the end of the fiscal year under review increased by ¥6,612 million, or 10.3%, from the end of the previous fiscal year to ¥70,778 million. Net assets as of the end of the fiscal year under review increased by ¥987 million, or 1.4%, from the end of the previous fiscal year and stood at ¥69,342 million. In other words, the increase in assets was mostly funded by the increase in liabilities. The increase in total liabilities is attributable to an increase in short-term and long-term loans payables in addition to an increase in lease obligations associated with *Space Hotaru*. As a result of net profits being higher than initial forecast, net assets partially exceeded shareholder returns through payment of dividends and purchase of treasury shares and the equity ratio is being maintained at 49.5%.

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

Balance of cash and cash equivalents as of the end of the current fiscal year decreased by ¥4,117 million from the end of the previous fiscal year to ¥12,411 million.

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

Net cash provided by operating activities amounted to ¥16,068 million, up by ¥92 million year on year. This was mainly due to an increase in profit before income taxes (up by ¥3,106 million year on year), which surpassed an increase in income taxes paid (up by ¥2,492 million).

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

Net cash used in investing activities amounted to ¥14,513 million, up by ¥4,679 million year on year. This was mainly due to an increase in investments in property, plant and equipment such as “Yume no Kizuna Kawasaki” (up by ¥3,013 million year on year).

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

Net cash used in financing activities amounted to ¥5,706 million, (down by ¥16,623 million year on year). The decrease in cash outflow was mainly due to a decrease in short-term and long-term loans payables year on year.

(4) Future Outlook

For the fiscal year ending March 31, 2022, the Company forecasts increases in all the stages of gross profit, operating income, ordinary income, and profit attributable to owners of parent. For profit in particular, the Company aims to record profit exceeding ¥10.0 billion for the first time since its founding. Household gas sales volume is calculated by using average usage amounts reflecting the temperature forecasts for the year ending March 31, 2022, and under the assumption that they will not be boosted by low temperatures. Costs are set at CP of 470\$/t for the first half of the year and 530\$/t for the second half of the year, reflecting recent high material prices, and exchange rate forecasts are set more conservatively than recent exchange rates (¥112 for the first half of the year and ¥114 yen for the second half of the year). The Company plans to expand its customer base, and targets an increase of 40,000 customers in the LP gas business, 120,000 customers in the electricity business, and 30,000 customers in the city gas business.

For details of the profit plans for the fiscal year ending March 31, 2022, please see the “Financial Results Briefing Materials for F Y Ending in March 2021” 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, 2020 (As of Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	16,589	12,453
Notes and accounts receivable - trade	11,026	14,996
Merchandise and finished goods	4,830	5,449
Raw materials and supplies	182	145
Other	2,125	1,925
Allowance for doubtful accounts	(222)	(204)
Total current assets	34,532	34,764
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,737	30,911
Accumulated depreciation	(14,292)	(15,251)
Buildings and structures, net	9,445	15,659
Machinery, equipment and vehicles	208,827	245,727
Accumulated depreciation	(176,387)	(212,565)
Machinery, equipment and vehicles, net	32,439	33,161
Tools, furniture and fixtures	4,215	4,649
Accumulated depreciation	(3,317)	(3,765)
Tools, furniture and fixtures, net	898	883
Land	29,875	30,197
Leased assets	5,876	8,249
Accumulated depreciation	(3,479)	(3,383)
Leased assets, net	2,397	4,866
Construction in progress	3,982	1,019
Total property, plant and equipment	79,038	85,786
Intangible assets		
Goodwill	3,017	4,133
Other	4,204	4,220
Total intangible assets	7,222	8,354
Investments and other assets		
Investment securities	2,399	2,169
Long-term loans receivable	3,459	3,691
Deferred tax assets	8,192	7,900
Other	2,396	2,389
Allowance for doubtful accounts	(4,721)	(4,936)
Total investments and other assets	11,726	11,214
Total non-current assets	97,988	105,356
Total assets	132,521	140,120

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (As of Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,566	8,927
Electronically recorded obligations - operating	3,887	3,965
Short-term loans payable	11,314	12,837
Lease obligations	837	1,167
Income taxes payable	5,374	2,871
Provision for bonuses	346	345
Other	7,431	7,091
Total current liabilities	35,758	37,206
Non-current liabilities		
Long-term loans payable	20,679	23,332
Lease obligations	1,782	4,174
Deferred tax liabilities for land revaluation	203	203
Provision for share-based compensation	591	786
Provision for gas holder repairs	348	285
Provision for loss on voluntary recall of products	369	338
Net defined benefit liability	2,853	2,862
Other	1,578	1,587
Total non-current liabilities	28,407	33,571
Total liabilities	64,165	70,778
Net assets		
Shareholders' equity		
Capital stock	7,070	7,070
Capital surplus	5,860	5,860
Retained earnings	61,020	61,468
Treasury shares	(6,075)	(5,754)
Total shareholders' equity	67,875	68,644
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	230	472
Foreign currency translation adjustment	303	271
Remeasurements of defined benefit plans	(58)	(51)
Total accumulated other comprehensive income	475	693
Non-controlling interests	4	4
Total net assets	68,355	69,342
Total liabilities and net assets	132,521	140,120

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Net sales	132,496	143,490
Cost of sales	69,131	75,698
Gross profit	63,365	67,791
Selling, general and administrative expenses		
Freightage related expenses	2,683	3,221
Provision of allowance for doubtful accounts	212	191
Salaries and allowances	9,614	9,866
Provision for bonuses	302	339
Retirement benefit expenses	641	677
Provision for share-based compensation	144	249
Provision for gas holder repairs	29	37
Welfare expenses	2,029	2,033
Supplies expenses	4,839	3,589
Taxes and dues	1,356	1,349
Enterprise tax	680	516
Depreciation	9,174	9,744
Amortization of goodwill	864	1,263
Repair expenses	1,094	1,131
Commission fee	12,064	13,488
Other	6,112	6,462
Total selling, general and administrative expenses	51,845	54,163
Operating income	11,519	13,627
Non-operating income		
Interest income	463	5
Dividend income	45	27
Foreign exchange gains	—	49
Real estate rent	67	73
Insurance income	42	27
Dividend income of insurance	19	21
Other	331	418
Total non-operating income	970	623
Non-operating expenses		
Interest expenses	297	156
Share of loss of entities accounted for using equity method	354	—
Foreign exchange losses	9	—
Provision of allowance for doubtful accounts	617	—
Provision for loss on voluntary recall of products	340	—
Other	188	32
Total non-operating expenses	1,807	188
Ordinary income	10,682	14,062

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Extraordinary income		
Gain on sales of non-current assets	7,825	93
Gain on sales of investment securities	69	276
Gain on extinguishment of tie-in shares	52	—
Total extraordinary income	7,947	370
Extraordinary losses		
Loss on sales of non-current assets	231	277
Loss on retirement of non-current assets	515	352
Loss on sales of investment securities	196	11
Loss on valuation of investment securities	508	—
Impairment loss	2,643	464
Provision of allowance for doubtful accounts	3,057	—
Temporary amortization of customer acquisition costs	1,323	—
Reorganization cost	—	67
Total extraordinary losses	8,476	1,172
Profit before income taxes	10,154	13,260
Income taxes - current	6,400	3,827
Income taxes - deferred	(3,988)	59
Total income taxes	2,411	3,887
Profit	7,742	9,373
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	7,742	9,373

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Profit	7,742	9,373
Other comprehensive income		
Valuation difference on available-for-sale securities	(116)	242
Remeasurements of defined benefit plans, net of tax	2	7
Share of other comprehensive income of entities accounted for using equity method	17	(32)
Total other comprehensive income	(96)	217
Comprehensive income	7,646	9,590
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,646	9,591
Comprehensive income attributable to non-controlling interests	(0)	(0)

(3) Consolidated Statement of Changes in Equity

Fiscal year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)

(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	7,920	58,971	(5,474)	68,487
Changes of items during period					
Dividends of surplus			(3,398)		(3,398)
Profit attributable to owners of parent			7,742		7,742
Purchase of treasury shares				(4,995)	(4,995)
Disposal of treasury shares			(0)	39	38
Retirement of treasury shares		(2,060)	(2,294)	4,354	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(2,060)	2,048	(601)	(612)
Balance at the end of current period	7,070	5,860	61,020	(6,075)	67,875

	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	346	286	(61)	571	5	69,064
Changes of items during period						
Dividends of surplus						(3,398)
Profit attributable to owners of parent						7,742
Purchase of treasury shares						(4,995)
Disposal of treasury shares						38
Retirement of treasury shares						–
Net changes of items other than shareholders' equity	(116)	17	2	(96)	(0)	(96)
Total changes of items during period	(116)	17	2	(96)	(0)	(709)
Balance at the end of current period	230	303	(58)	475	4	68,355

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

(4) Consolidated Statement of Cash Flows

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	10,154	13,260
Depreciation	9,277	9,844
Impairment loss	2,643	464
Temporary amortization of customer acquisition costs	1,323	—
Amortization of goodwill	864	1,263
Increase (decrease) in allowance for doubtful accounts	3,792	196
Increase (decrease) in net defined benefit liability	184	9
Increase (decrease) in provision for share-based compensation	114	195
Increase (decrease) in allowance for loss on voluntary recall of products	309	(30)
Interest and dividend income	(509)	(33)
Interest expenses	297	156
Foreign exchange losses (gains)	(14)	(138)
Share of (profit) loss of entities accounted for using equity method	354	—
Loss (gain) on sales of non-current assets	(7,594)	183
Loss on retirement of non-current assets	515	352
Loss (gain) on sales of investment securities	127	(265)
Loss (gain) on valuation of investment securities	508	—
Decrease (increase) in notes and accounts receivable - trade	(3,378)	(3,969)
Decrease (increase) in inventories	(155)	(581)
Increase (decrease) in notes and accounts payable - trade	(895)	2,439
Increase (decrease) in accrued consumption taxes	207	(294)
Increase (decrease) in advances received	72	(145)
Other, net	2,036	(211)
Subtotal	20,235	22,695
Interest and dividend income received	50	32
Interest expenses paid	(301)	(158)
Income taxes paid	(4,007)	(6,500)
Net cash provided by (used in) operating activities	15,975	16,068
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,241)	(12,254)
Proceeds from sales of property, plant and equipment	249	224
Purchase of intangible assets	(2,012)	(1,425)
Purchase of goodwill	(2,545)	(1,787)
Purchase of investment securities	(1)	(1)
Proceeds from sales of investment securities	418	836
Proceeds from sales of real estate for investment	18,955	—
Payments of loans receivable	(1,114)	(11)
Collection of loans receivable	18	15
Other, net	(48)	(109)
Net cash provided by (used in) investing activities	4,679	(14,513)

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Cash flows from financing activities		
Increase in short-term loans payable	20,280	21,000
Decrease in short-term loans payable	(28,159)	(19,000)
Proceeds from long-term loans payable	10,000	15,000
Repayments of long-term loans payable	(15,075)	(12,824)
Purchase of treasury shares	(4,995)	(4,760)
Cash dividends paid	(3,398)	(3,914)
Other, net	(981)	(1,207)
Net cash provided by (used in) financing activities	(22,330)	(5,706)
Effect of exchange rate change on cash and cash equivalents	(45)	33
Net increase (decrease) in cash and cash equivalents	(1,721)	(4,117)
Cash and cash equivalents at beginning of period	18,193	16,528
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	56	—
Cash and cash equivalents at end of period	16,528	12,411

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

None.

(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

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

(Matters Related to Changes in Reportable Segment, etc.)

Effective the current fiscal year, the "Electricity business," which had been included in the "LP gas business," has been presented as a separate reportable segment due to its increased importance. Accordingly, segment information for the previous fiscal year has been reclassified reflecting the change.

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.

Inter-segment sales and transfers are based on actual prices in the markets.

(Changes in the Method for Calculating Income and Assets of Reportable Segments)

Having conducted a fact-based review of the information used for the decision-making and performance assessment by the management, such as business development and the method for allocating business resources, etc., of the Group, the Company began calculating reportable segment income using "gross profit" instead of "operating income" effective the current fiscal year. The Company also began treating "corporate assets" as part of the adjustment for segment assets instead of allocating them to reportable segments. Accordingly, the segment information for the previous fiscal year has been prepared based on the new calculation method.

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

For the previous fiscal year (From April 1, 2019 to March 31, 2020)

(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	68,028	5,419	59,048	132,496	–	132,496
Segment income	41,383	442	21,539	63,365	–	63,365
Segment assets	51,450	746	41,399	93,597	38,923	132,521
Other items						
Increase in property, plant and equipment and intangible assets	9,823	–	5,284	15,108	1,638	16,746

- (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 1, 2020 to March 31, 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.

(Per Share Information)

Item	For the previous fiscal year (From Apr. 1, 2019 to Mar. 31, 2020)	For the current fiscal year (From Apr. 1, 2020 to Mar. 31, 2021)
Net assets per share	¥570.88	¥592.64
Basic earnings per share	¥63.33	¥78.94
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 on April 1, 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. 31, 2020)	For the current fiscal year (As of Mar. 31, 2021)
Total net assets	68,355	69,342
Amount deducted from the total net assets	4	4
[Non-controlling interests]	[4]	[4]
Amount of net assets related to common shares as of the end of the fiscal year	68,350	69,338
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)	119,728	116,998

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. 1, 2019 to Mar. 31, 2020)	For the current fiscal year (From Apr. 1, 2020 to Mar. 31, 2021)
Profit attributable to owners of parent	7,742	9,373
Profit not attributable to common shareholders	—	—
Profit attributable to owners of parent related to common shares	7,742	9,373
Average number of common shares outstanding during the fiscal year (Thousands of shares)	122,272	118,739

(Significant Subsequent Events)

(Stock Split and Partial Amendment to the Articles of Incorporation associated with Stock Split)

Based on a resolution of the Board of Directors at its meeting held on January 28, 2021, the Company conducted a stock split and made a partial amendment to the Articles of Incorporation effective April 1, 2021.

(1) Purpose of the stock split

The purpose of the stock split is to improve the liquidity of the Company's shares and expand the investor base by reducing the price of share-trading unit.

(2) Overview of the stock split

1) Method for the stock split

For each share of the common stock owned by shareholders recorded in the final shareholder registry with a record date of March 31, 2021 (Wednesday), the Company conducted a 3-for-1 stock split.

2) Increase in the number of shares resulting from the stock split

Total number of shares issued before the stock split	40,197,166 shares
Increase in the number of shares resulting from the stock split	80,394,332 shares
Total number of shares issued after the stock split	120,591,498 shares
Total number of authorized shares after the stock split	480,000,000 shares

3) Schedule for the stock split

Date of public notice of the record date	March 12, 2021
Record date	March 31, 2021
Effective date	April 1, 2021

4) Effect on per share information

Please refer to "Per share Information" for the effect that the stock split has on per share information.

(3) Partial amendment to the Articles of Incorporation associated with the stock split

1) Reasons for the amendment

In line with the stock split, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act, the Company will change, as of April 1, 2021 (Thursday), the total number of authorized shares set forth in Article 5 of the Articles of Incorporation of the Company.

2) Description of the amendment

(The changes are underlined.)

Current Articles of Incorporation	Proposed amendment
(Total number of authorized shares) Article 5 The total number of authorized shares of the company shall be <u>179,846,100</u> shares.	(Total number of authorized shares) Article 5 The total number of authorized shares of the company shall be <u>480,000,000</u> shares.

3) Schedule for the amendment

Effective date April 1, 2021 (Thursday)

(Purchase and Cancellation of Treasury Shares)

The Company decided at a Board of Directors meeting on April 27, 2021 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 2,000,000 shares |
| 3) Total value of shares to be purchased: | Up to ¥4.0 billion |
| 4) Purchase period: | From April 28, 2021 to March 31, 2022 |
| 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: | 1,987,800 shares (1.7% of the total issued shares including treasury shares) |
| 3) Date of cancellation: | May 20, 2021 |

4. Non-consolidated Financial Statements and Primary Notes

(1) Balance Sheet

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (As of Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	8,653	5,979
Notes receivable - trade	16	11
Accounts receivable - trade	9,150	13,108
Merchandise	4,184	4,859
Supplies	30	11
Other	5,573	2,103
Allowance for doubtful accounts	(195)	(189)
Total current assets	27,413	25,883
Non-current assets		
Property, plant and equipment		
Buildings	10,496	12,085
Accumulated depreciation	(4,982)	(5,197)
Buildings, net	5,513	6,888
Structures	7,633	12,773
Accumulated depreciation	(5,821)	(5,983)
Structures, net	1,812	6,790
Machinery and equipment	31,629	32,307
Accumulated depreciation	(29,010)	(28,923)
Machinery and equipment, net	2,618	3,383
Vehicles	1,031	1,144
Accumulated depreciation	(935)	(990)
Vehicles, net	95	153
Tools, furniture and fixtures	1,389	1,529
Accumulated depreciation	(1,181)	(1,252)
Tools, furniture and fixtures, net	207	276
Land	25,279	25,748
Leased assets	3,216	5,926
Accumulated depreciation	(1,814)	(1,943)
Leased assets, net	1,402	3,982
Construction in progress	3,065	219
Total property, plant and equipment	39,995	47,443
Intangible assets		
Goodwill	1,588	2,966
Leasehold right	8	8
Software	3,116	3,161
Telephone subscription right	36	36
Other	250	426
Total intangible assets	5,000	6,599

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (As of Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)
Investments and other assets		
Investment securities	2,174	1,928
Shares of subsidiaries and associates	24,438	24,438
Investments in capital	3	3
Long-term loans receivable	5,531	7,837
Long-term loans receivable from employees	138	137
Long-term prepaid expenses	1	26
Deferred tax assets	5,931	5,766
Guarantee deposits	22	22
Other	2,656	2,564
Allowance for doubtful accounts	(6,950)	(7,165)
Total investments and other assets	33,944	35,560
Total non-current assets	78,940	89,602
Total assets	106,354	115,486
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	3,887	3,965
Accounts payable - trade	6,242	8,479
Short-term loans payable	11,257	12,819
Lease obligations	758	1,093
Accounts payable - other	3,284	3,977
Accrued expenses	517	443
Income taxes payable	4,277	1,738
Accrued consumption taxes	490	34
Deposits received	4,791	7,063
Total current liabilities	35,507	39,616
Non-current liabilities		
Long-term loans payable	20,642	23,312
Lease obligations	1,631	4,031
Provision for retirement benefits	1,801	1,824
Provision for share-based compensation	385	508
Provision for loss on voluntary recall of products	369	338
Long-term deposits received	390	810
Other	1,435	1,470
Non-current liabilities	26,656	32,296
Total liabilities	62,164	71,912

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (As of Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (As of Mar. 31, 2021)
Net assets		
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	108	107
General reserve	7,750	7,750
Retained earnings brought forward	28,972	27,810
Total retained earnings	37,780	36,617
Treasury shares	(6,075)	(5,754)
Total shareholders' equity	43,972	43,131
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	217	442
Total valuation and translation adjustments	217	442
Total net assets	44,190	43,573
Total liabilities and net assets	106,354	115,486

(2) Statement of Income

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Net sales	101,706	110,853
Cost of sales		
Beginning goods	4,304	4,184
Cost of purchased goods	62,612	67,837
Total	66,917	72,022
Transfer to other account	395	—
Ending goods	4,184	4,859
Total cost of sales	62,337	67,162
Gross profit	39,369	43,690
Selling, general and administrative expenses		
Freightage related expenses	2,586	2,813
Provision of allowance for doubtful accounts	177	221
Salaries	6,437	6,819
Retirement benefit expenses	400	419
Welfare expenses	1,274	1,302
Supplies expenses	3,654	2,692
Taxes and dues	473	448
Depreciation	2,926	3,752
Repair expenses	1,466	1,316
Commission fee	8,239	11,214
Other	4,298	3,879
Total selling, general and administrative expenses	31,934	34,882
Operating income	7,435	8,808
Non-operating income		
Interest income	483	16
Dividend income	1,717	1,418
Foreign exchange gains	—	49
Real estate rent	87	92
Miscellaneous income	184	331
Total non-operating income	2,472	1,908
Non-operating expenses		
Interest expenses	294	153
Foreign exchange losses	9	—
Provision of allowance for doubtful accounts	607	—
Provision for loss on voluntary recall of products	340	—
Miscellaneous loss	183	24
Total non-operating expenses	1,435	178
Ordinary income	8,472	10,538
Extraordinary income		
Gain on sales of non-current assets	7,820	43
Gain on sales of investment securities	69	276
Gain on extinguishment of tie-in shares	84	—
Total extraordinary income	7,973	320

(Millions of yen)

Account	Fiscal year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)	Fiscal year ended Mar. 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)
Extraordinary losses		
Loss on sales of non-current assets	110	84
Loss on retirement of non-current assets	337	145
Loss on sales of investment securities	196	11
Loss on valuation of investment securities	508	—
Loss on valuation of shares of subsidiaries and associates	1,174	—
Impairment loss	2,343	464
Provision of allowance for investment loss	4,840	—
Other	61	—
Total extraordinary losses	9,573	705
Profit before income taxes	6,872	10,153
Income taxes - current	4,961	2,325
Income taxes - deferred	(3,712)	66
Total income taxes	1,248	2,391
Profit	5,624	7,762

(3) Statement of Changes in Equity

Fiscal year ended Mar. 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)

(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	2,060	7,257	949	108	7,750	29,042	37,850
Changes of items during period									
Dividends of surplus								(3,398)	(3,398)
Provision of reserve for advanced depreciation of non-current assets						(0)		0	—
Profit								5,624	5,624
Purchase of treasury shares									
Disposal of treasury shares								(0)	(0)
Retirement of treasury shares			(2,060)	(2,060)				(2,294)	(2,294)
Net changes of items other than shareholders' equity									
Total changes of items during period	—	—	(2,060)	(2,060)	—	(0)	—	(69)	(70)
Balance at the end of current period	7,070	5,197	—	5,197	949	108	7,750	28,972	37,780

(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	(5,474)	46,704	313	313	47,017
Changes of items during period					
Dividends of surplus		(3,398)			(3,398)
Provision of reserve for advanced depreciation of non-current assets		—			—
Profit		5,624			5,624
Purchase of treasury shares	(4,995)	(4,995)			(4,995)
Disposal of treasury shares	39	38			38
Retirement of treasury shares	4,354	—			—
Net changes of items other than shareholders' equity			(96)	(96)	(96)
Total changes of items during period	(601)	(2,731)	(96)	(96)	(2,827)
Balance at the end of current period	(6,075)	43,972	217	217	44,190

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

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

Sales by reportable segment for the fiscal year ended March 31, 2021 are as follows:

Sales results by reportable segments

(Millions of yen)

Reportable segments	For the previous fiscal year (from Apr. 1, 2019 to Mar. 31, 2020)	For the current fiscal year (from Apr. 1, 2020 to Mar. 31, 2021)
LP gas Business	68,028	71,030
Electricity Business	5,419	18,171
City gas Business	59,048	54,288
Total	132,496	143,490

2) Sales results of LP gas business

(Millions of yen)

Reportable segments	For the previous fiscal year (from Apr. 1, 2019 to Mar. 31, 2020)	For the current fiscal year (from Apr. 1, 2020 to Mar. 31, 2021)
Gas	56,295	56,631
Equipment, construction contracts, platform, etc.	11,733	14,399
Total	68,028	71,030

3) Sales results of electricity business

(Millions of yen)

Reportable segments	For the previous fiscal year (from Apr. 1, 2019 to Mar. 31, 2020)	For the current fiscal year (from Apr. 1, 2020 to Mar. 31, 2021)
Electricity	5,419	18,171

4) Sales results of city gas business

(Millions of yen)

Reportable segments	For the previous fiscal year (from Apr. 1, 2019 to Mar. 31, 2020)	For the current fiscal year (from Apr. 1, 2020 to Mar. 31, 2021)
Gas	51,172	47,336
Equipment, construction contracts, etc.	7,876	6,951
Total	59,048	54,288

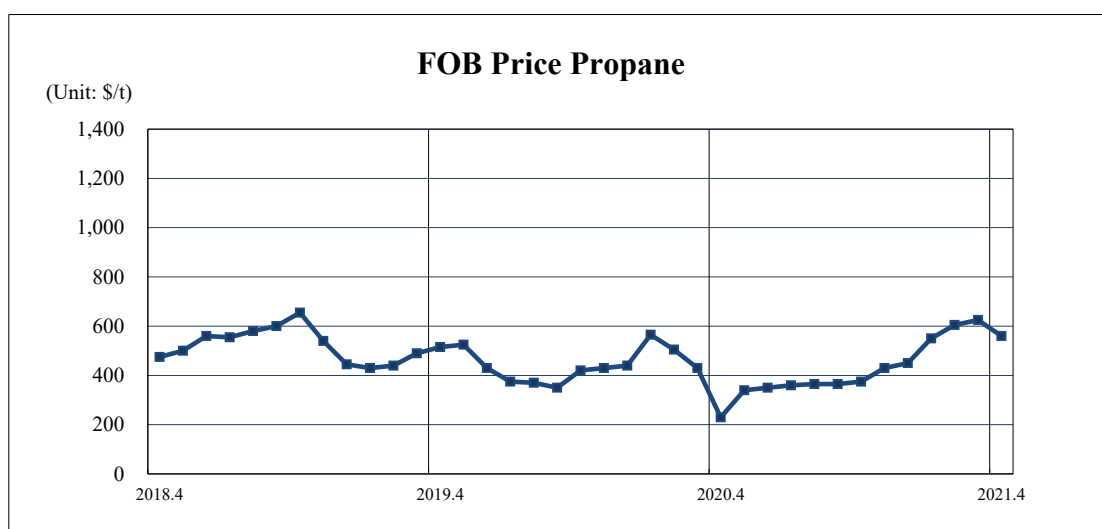
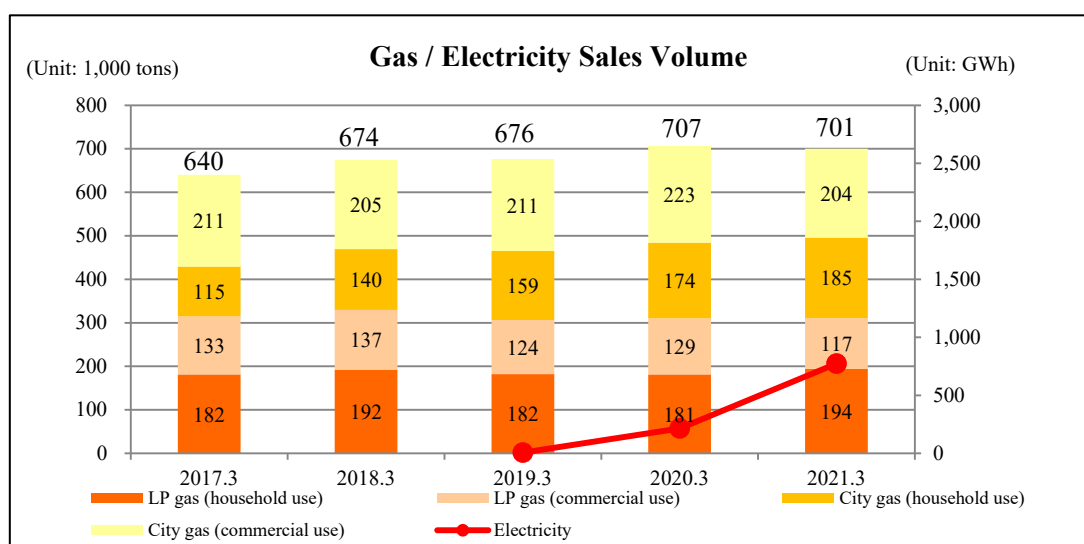
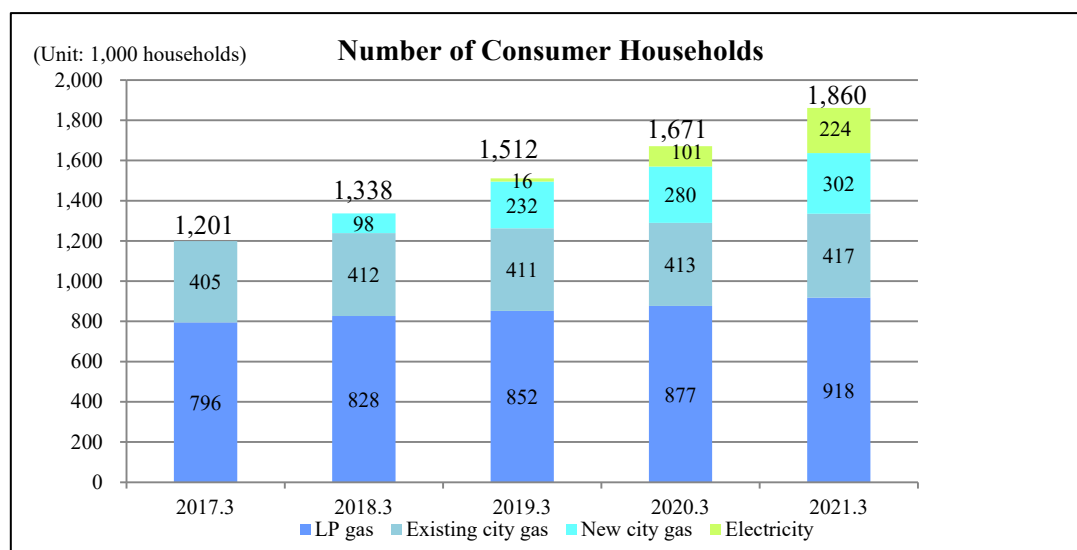
(Notes) 1. Above figures are stated net of consumption taxes, etc.

2. Inter-segment transactions are offset.

(2) Changes to the Officers of the Company

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 16, 2021.

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



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