

# Consolidated Financial Statements

## Consolidated Balance Sheets

March 31, 2012 and 2011

Millions of yen

Thousands of  
U.S. dollars

Assets	2011	2012	2012
<b>Noncurrent assets</b>			
Property, plant and equipment			
Production facilities	¥ 180,446	¥ 171,318	\$ 2,064,072
Distribution facilities	461,109	475,262	5,726,048
Service and maintenance facilities	62,149	62,740	755,904
Other facilities	318,239	304,245	3,665,602
Inactive facilities	447	316	3,807
Construction in progress	97,850	91,705	1,104,880
Total property, plant and equipment	1,120,243	1,105,587	13,320,325
Intangible assets			
Goodwill	1,198	741	8,928
Other	39,944	47,987	578,157
Total intangible assets	41,143	48,729	587,096
Investments and other assets			
Investment securities	137,456	131,305	1,581,988
Long-term loans receivable	21,340	24,164	291,133
Deferred tax assets	39,085	35,060	422,410
Other	31,928	28,926	348,506
Allowance for doubtful accounts	(909)	(750)	(9,036)
Total investments and other assets	228,900	218,706	2,635,012
Total noncurrent assets	1,390,286	1,373,023	16,542,446
<b>Current assets</b>			
Cash and deposits	90,302	80,149	965,651
Notes and accounts receivable — trade	160,128	211,969	2,553,843
Lease receivables and lease investment assets	26,789	27,751	334,349
Short-term investment securities	5,006	44,006	530,193
Merchandise and finished goods	3,591	3,538	42,627
Work in process	8,937	10,734	129,325
Raw materials and supplies	36,451	42,700	514,458
Deferred tax assets	15,624	12,499	150,590
Other	93,089	58,161	700,735
Allowance for doubtful accounts	(546)	(649)	(7,819)
Total current assets	439,374	490,861	5,913,988
<b>Total assets</b>	<b>¥1,829,661</b>	<b>¥1,863,885</b>	<b>\$22,456,446</b>

\* Equivalent U.S. dollar amounts are included for the convenience of readers outside Japan, and are converted at a rate of ¥83 per U.S. dollar, the prevailing exchange rate on March 30, 2012. These conversions should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

Liabilities and net assets	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
<b>Noncurrent liabilities</b>			
Bonds payable	¥ 311,492	¥ 331,493	\$ 3,993,892
Long-term loans payable	188,239	231,520	2,789,398
Deferred tax liabilities	17,330	12,229	147,337
Provision for retirement benefits	96,870	85,578	1,031,060
Provision for gas holder repairs	3,565	3,268	39,373
Provision for safety measures	—	2,217	26,711
Asset retirement obligations	3,679	4,679	56,373
Other	25,535	24,931	300,373
<b>Total noncurrent liabilities</b>	<b>646,713</b>	<b>695,920</b>	<b>8,384,578</b>
<b>Current liabilities</b>			
Current portion of noncurrent liabilities	48,765	43,631	525,675
Notes and accounts payable — trade	76,180	92,660	1,116,386
Short-term loans payable	17,825	16,599	199,988
Income taxes payable	32,795	30,479	367,217
Deferred tax liabilities	6	6	72
Asset retirement obligations	77	199	2,398
Other	133,203	129,288	1,557,687
<b>Total current liabilities</b>	<b>308,853</b>	<b>312,864</b>	<b>3,769,446</b>
<b>Total liabilities</b>	<b>955,567</b>	<b>1,008,785</b>	<b>12,154,036</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock*	141,844	141,844	1,708,964
Legal capital surplus	2,065	2,065	24,880
Retained earnings	718,439	706,620	8,513,494
Treasury stock**	(2,355)	(2,196)	(26,458)
<b>Total shareholders' equity</b>	<b>859,994</b>	<b>848,333</b>	<b>10,220,880</b>
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities	14,788	14,853	178,952
Deferred gains or losses on hedges	1,145	(1,370)	(16,506)
Foreign currency translation adjustment	(17,008)	(22,649)	(272,880)
<b>Total accumulated other comprehensive income</b>	<b>(1,073)</b>	<b>(9,166)</b>	<b>(110,434)</b>
<b>Minority interests</b>	<b>15,174</b>	<b>15,933</b>	<b>191,964</b>
<b>Total net assets</b>	<b>874,094</b>	<b>855,100</b>	<b>10,302,410</b>
<b>Total liabilities and net assets</b>	<b>¥1,829,661</b>	<b>¥1,863,885</b>	<b>\$22,456,446</b>

\* Capital stock

Common stock

Authorized: 6,500,000,000 shares

Issued: 2,590,715,295 shares as of March 31, 2012 / 2,684,193,295 shares as of March 31, 2011

\*\* Treasury stock: 6,005,359 shares as of March 31, 2012 / 5,899,491 shares as of March 31, 2011

## Consolidated Statements of Income

Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Net sales	¥1,535,242	¥1,754,257	\$21,135,627
Cost of sales	974,781	1,215,427	14,643,699
Gross profit	560,460	538,829	6,491,916
Selling, general and administrative expenses			
Supply and sales expenses	374,919	393,689	4,743,241
General and administrative expenses	63,090	68,064	820,048
Total selling, general and administrative expenses	438,009	461,754	5,563,301
Operating income	122,451	77,075	928,614
Non-operating income			
Interest income	1,215	1,368	16,482
Dividends income	1,541	1,798	21,663
Equity in earnings of affiliates	3,605	4,989	60,108
Rent income	1,641	1,628	19,614
Miscellaneous income	8,891	5,783	69,675
Total non-operating income	16,895	15,568	187,566
Non-operating expenses			
Interest expenses	9,689	10,184	122,699
Adjustments of charges for construction of distribution facilities	2,361	2,567	30,928
Miscellaneous expenses	5,747	4,272	51,470
Total non-operating expenses	17,798	17,023	205,096
Ordinary income	121,548	75,620	911,084
Extraordinary income			
Gain on sales of noncurrent assets	39,927	3,010	36,265
Gain on sales of investment securities	726	—	—
Total extraordinary income	40,653	3,010	36,265
Extraordinary losses			
Impairment loss	834	1,143	13,771
Loss on disaster	3,268	—	—
Loss on reduction of noncurrent assets	—	2,833	34,133
Loss on valuation of investment securities	2,100	—	—
Product compensation extraordinary expenses	503	—	—
Total extraordinary losses	6,707	3,977	47,916
Income before income taxes	155,494	74,654	899,446
Income taxes — current	27,522	22,704	273,542
Income taxes — deferred	31,901	4,620	55,663
Total income taxes	59,424	27,324	329,205
Income before minority interests	96,070	47,329	570,229
Minority interests in income	603	1,268	15,277
Net income	¥ 95,467	¥ 46,060	\$ 554,940

	Yen		U.S. dollars
	2011	2012	2012
Amounts per share of common stock			
Net income	¥35.63	¥17.70	\$0.21
Cash dividends applicable to the year	9.00	9.00	0.11

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## Consolidated Statements of Changes in Net Assets

Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
<b>Shareholders' equity</b>			
<b>Capital stock</b>			
Balance at the beginning of current period	¥141,844	¥141,844	\$ 1,708,964
Changes of items during the period			
Total changes of items during the period	—	—	—
Balance at the end of current period	141,844	141,844	1,708,964
<b>Legal capital surplus</b>			
Balance at the beginning of current period	2,065	2,065	24,880
Changes of items during the period			
Changes of items during the period	—	—	—
Balance at the end of current period	2,065	2,065	24,880
<b>Retained earnings</b>			
Balance at the beginning of current period	657,387	718,439	8,655,892
Changes of items during the period			
Dividends from surplus	(25,549)	(23,683)	(285,337)
Net income	95,467	46,060	554,940
Disposal of treasury stock	(1)	—	—
Retirement of treasury stock	(7,919)	(34,196)	(412,000)
Change of scope of consolidation	(943)	—	—
Total changes of items during the period	61,052	(11,819)	(142,398)
Balance at the end of current period	718,439	706,620	8,513,494
<b>Treasury stock</b>			
Balance at the beginning of current period	(1,986)	(2,355)	(28,373)
Changes of items during the period			
Purchase of treasury stock	(8,314)	(34,046)	(410,193)
Disposal of treasury stock	25	8	96
Retirement of treasury stock	7,919	34,196	412,000
Total changes of items during the period	(369)	158	1,904
Balance at the end of current period	(2,355)	(2,196)	(26,458)
<b>Total shareholders' equity</b>			
Balance at the beginning of current period	799,310	859,994	10,361,373
Changes of items during the period			
Dividends from surplus	(25,549)	(23,683)	(285,337)
Net income	95,467	46,060	554,940
Purchase of treasury stock	(8,314)	(34,046)	(410,193)
Disposal of treasury stock	23	8	96
Change of scope of consolidation	(943)	—	—
Total changes of items during the period	60,683	(11,661)	(140,494)
Balance at the end of current period	859,994	848,333	10,220,880
<b>Accumulated other comprehensive income</b>			
<b>Valuation difference on available-for-sale securities</b>			
Balance at the beginning of current period	20,175	14,788	178,169
Changes of items during the period			
Net changes of items other than shareholders' equity	(5,386)	64	771
Total changes of items during the period	(5,386)	64	771
Balance at the end of current period	14,788	14,853	178,952
<b>Deferred gains or losses on hedges</b>			
Balance at the beginning of current period	1,690	1,145	13,795
Changes of items during the period			
Net changes of items other than shareholders' equity	(544)	(2,516)	(30,313)
Total changes of items during the period	(544)	(2,516)	(30,313)
Balance at the end of current period	1,145	(1,370)	(16,506)
<b>Foreign currency translation adjustment</b>			
Balance at the beginning of current period	(7,290)	(17,008)	(204,916)
Changes of items during the period			
Net changes of items other than shareholders' equity	(9,717)	(5,640)	(67,952)
Total changes of items during the period	(9,717)	(5,640)	(67,952)
Balance at the end of current period	(17,008)	(22,649)	(272,880)
<b>Total accumulated other comprehensive income</b>			
Balance at the beginning of current period	14,575	(1,073)	(12,928)
Changes of items during the period			
Net changes of items other than shareholders' equity	(15,649)	(8,092)	(97,494)
Total changes of items during the period	(15,649)	(8,092)	(97,494)
Balance at the end of current period	(1,073)	(9,166)	(110,434)
<b>Minority interests</b>			
Balance at the beginning of current period	12,404	15,174	182,819
Changes of items during the period			
Net changes of items other than shareholders' equity	2,769	759	9,145
Total changes of items during the period	2,769	759	9,145
Balance at the end of current period	15,174	15,933	191,964
<b>Total net assets</b>			
Balance at the beginning of current period	826,291	874,094	10,531,253
Changes of items during the period			
Dividends from surplus	(25,549)	(23,683)	(285,337)
Net income	95,467	46,060	554,940
Purchase of treasury stock	(8,314)	(34,046)	(410,193)
Disposal of treasury stock	23	8	96
Change of scope of consolidation	(943)	—	—
Net changes of items other than shareholders' equity	(12,879)	(7,333)	(88,349)
Total changes of items during the period	47,803	(18,994)	(228,843)
Balance at the end of current period	¥874,094	¥855,100	\$10,302,410

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## Consolidated Statements of Cash Flows

Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes	¥ 155,494	¥ 74,654	\$ 899,446
Depreciation and amortization	145,389	144,438	1,740,217
Impairment loss	834	1,143	13,771
Amortization of long-term prepaid expenses	3,946	4,067	49,000
Loss on retirement of property, plant and equipment	3,248	2,917	35,145
Loss (gain) on sales of noncurrent assets	(39,849)	(2,920)	(35,181)
Loss on reduction of noncurrent assets	—	2,833	34,133
Increase (decrease) in provision for retirement benefits	(34,104)	(11,291)	(136,036)
Increase (decrease) in provision for safety measures	(184)	2,217	26,711
Interest and dividends income	(2,757)	(3,166)	(38,145)
Interest expenses	9,689	10,184	122,699
Equity in (earnings) losses of affiliates	(3,605)	(4,989)	(60,108)
Decrease (increase) in notes and accounts receivable — trade	(7,095)	(52,333)	(630,518)
Decrease (increase) in inventories	8,181	(7,960)	(95,904)
Increase (decrease) in notes and accounts payable — trade	(52,523)	21,887	263,699
Increase (decrease) in accrued consumption taxes	(5,260)	1,111	13,386
Decrease (increase) in accounts receivable — other	24,227	(7,180)	(86,506)
Decrease (increase) in lease receivables and lease investment assets	(871)	(1,175)	(14,157)
Other, net	(7,512)	5,323	64,133
Subtotal	197,248	179,759	2,165,771
Interest and dividends income received	6,900	10,140	122,169
Interest expenses paid	(9,840)	(10,217)	(123,096)
Income taxes paid	(31,963)	(29,864)	(359,807)
Net cash provided by (used in) operating activities	162,345	149,818	1,805,036
<b>Net cash provided by (used in) investment activities</b>			
Payments into time deposits	(5,847)	(2,247)	(27,072)
Proceeds from withdrawal of time deposits	7,115	3,435	41,386
Purchase of investment securities	(21,737)	(1,133)	(13,651)
Purchase of property, plant and equipment	(137,624)	(124,063)	(1,494,735)
Purchase of intangible assets	(13,191)	(16,323)	(196,663)
Payments for transfer of business	(47)	(1,550)	(18,675)
Purchase of long-term prepaid expenses	(2,814)	(1,354)	(16,313)
Proceeds from sales of noncurrent assets	653	46,488	560,096
Payments of long-term loans receivable	(3,188)	(7,053)	(84,976)
Collection of long-term loans receivable	1,719	1,710	20,602
Other, net	2,656	280	3,373
Net cash provided by (used in) investment activities	(172,305)	(101,810)	(1,226,627)
<b>Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	8,915	(1,225)	(14,759)
Increase (decrease) in commercial papers	15,000	(15,000)	(180,723)
Proceeds from long-term loans payable	17,339	68,258	822,386
Repayment of long-term loans payable	(33,541)	(19,555)	(235,602)
Proceeds from issuance of bonds	40,000	40,000	481,928
Redemption of bonds	(20,000)	(30,000)	(361,446)
Purchase of treasury stock	(8,314)	(34,046)	(410,193)
Cash dividends paid	(25,524)	(23,671)	(285,193)
Other, net	(1,087)	(1,213)	(14,614)
Net cash provided by (used in) financing activities	(7,212)	(16,454)	(198,241)
Effect of exchange rate change on cash and cash equivalents	(3,716)	(1,518)	(18,289)
Net increase (decrease) in cash and cash equivalents	(20,889)	30,034	361,855
Cash and cash equivalents at beginning of year	112,868	92,048	1,109,012
Increase in cash and cash equivalents from newly consolidated subsidiary	68	—	—
Cash and cash equivalents at end of year	¥ 92,048	¥ 122,083	\$ 1,470,880

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