

10-Year Consolidated Financial Highlights*1

	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3
Net Sales (¥ million)	2,112,117	2,292,548	1,884,656	1,587,085	1,777,344	1,962,308	1,925,235	1,765,146	2,154,860	3,289,634
Operating Profit (¥ million)	166,044	171,753	192,008	58,365	116,302	93,704	101,418	77,675	127,525	421,477
Operating Profit Margin (%)	7.86	7.49	10.19	3.68	6.54	4.78	5.27	4.40	5.92	12.81
Ordinary Profit (¥ million)	159,613	168,169	188,809	55,688	111,546	89,386	102,645	70,500	136,481	408,846
Profit attributable to owners of parent (¥ million)	108,451	95,828	111,936	53,134	74,987	84,555	43,293	49,505	95,702	280,916
Equity (¥ million)	1,011,787	1,069,515	1,100,271	1,101,498	1,136,027	1,159,055	1,147,747	1,153,813	1,251,781	1,558,404
Total Assets (¥ million)	2,176,816	2,257,662	2,251,518	2,230,269	2,334,316	2,428,149	2,539,919	2,738,348	3,187,627	3,581,425
Interest-bearing Debt (¥ million)	713,823	730,739	715,769	713,596	724,940	803,216	905,066	1,065,988	1,220,589	1,263,233
Operating Cash Flow (¥ million)	248,831	237,680	257,122	217,439	240,328	246,436	213,171	229,315	296,648	490,216
Free Cash Flow (¥ million)	827	13,084	25,089	14,081	31,583	22,655	(13,887)	(17,116)	89,422	276,983
EBITDA (¥ million)	306,424	313,605	337,194	222,670	281,643	255,585	271,296	257,485	328,471	630,777
Capital Expenditure (¥ million)	248,004	224,596	232,033	203,358	208,745	223,781	227,058	246,431	207,226	213,233
Depreciation (¥ million)*2	140,380	141,852	145,187	164,305	165,342	161,881	169,878	179,810	200,946	209,300
EPS (Earnings per Share) (¥)	43.10	39.15	46.68	23.02	164.12*3	187.60	97.86	112.26	217.67	646.99
BPS (Book Value per Share) (¥)	402.91	438.28	460.35	479.74	2,487.58*3	2,575.99	2,602.53	2,616.37	2,847.88	3,595.60
Number of Issued Shares (Common Stock) (thousands of shares)	2,517,551	2,446,778	2,396,778	2,302,856	458,073*3	451,356	442,436	442,436	440,997	434,875
Dividend per Share (¥)	10	10	11	11	55*3	60	60	60	65	65
DOE (Dividends on Equity) (%)	2.59	2.34	2.42	2.29	2.25	2.35	2.29	2.30	2.38	2.01

Notes: *1 The financial information contained in this integrated report is based on annual securities report. However, it has not been audited by Audit firms etc.
*2 Depreciation includes amortization of long-term prepaid expenses.
*3 The Company carried out a share consolidation at a ratio of 5 common shares to 1 on October 1, 2017.
The dividend per share of ¥55.0 is calculated on the post-consolidation basis (the interim dividend of ¥5.50 per share before the share consolidation and the year-end dividend of ¥27.50 per share after the share consolidation).

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	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3
Payout Ratio (%)	23.2	25.5	23.6	47.8	33.5	32.0	61.3	53.4	29.9	10.0
Total return ratio (%)	60.0	60.9	60.1	60.7	60.2	60.3	61.0	60.1	46.6 ^{*4}	50.3
Current Ratio (%)	156.7	150.6	155.5	142.7	135.6	156.0	152.0	132.7	163.0	200.9
D/E (Debt-Equity) Ratio (times)	0.71	0.68	0.65	0.65	0.64	0.69	0.79	0.92	0.98	0.81
Equity Ratio (%)	46.5	47.4	48.9	49.4	48.7	47.7	45.2	42.1	39.3	43.5
ROE (Return on Equity) (%)	11.2	9.2	10.3	4.8	6.7	7.4	3.8	4.3	7.9	20.0
ROA (Return on Assets) (%)	5.2	4.3	5.0	2.4	3.3	3.6	1.7	1.9	3.2	8.3
Total Asset Turnover (times)	1.01	1.03	0.84	0.71	0.78	0.82	0.78	0.67	0.73	0.97
WACC (%)	3.2	3.6	3.4	3.0	3.1	3.0	2.7	2.6	2.3	2.4
Number of city gas retail customers (thousand)	9,844	9,982	10,125	10,269	10,209	9,821	9,129	8,863	8,688	8,701
Gas sales volume (million m ³)	14,735	15,541	15,436	15,720	15,568	15,198	13,855	12,990	13,146	12,574
Gas Sales Volume, Gas Volume used in-house ^{*5}	17,225	18,360	18,587	19,053	19,052	18,397	17,666	17,577	17,102	17,392
Number of electricity retail customers (thousand)	—	—	—	635	1,105	1,742	2,350	2,717	3,014	3,475
Electric power sales volume (100 million kWh)	97.1	106.1	109.6	126.5	146.6	154.8	206.0	247.6	282.9	344.5

^{*4} The total return ratio for the year ended March 2022 based on the profit attributable to owners of parent prior to the retrospective application (as of April earnings announcement) is 50.2%.

^{*5} It is the amount that added self-consuming volume, LNG sales volume (excluded volume for Nijio) to a consolidated gas sales volume.

Computations

Operating Cash Flow = Profit attributable to owners of parent + Amortization of Long-term Prepaid Expenses + Depreciation
Free Cash Flow = Profit attributable to owners of parent + Amortization of Long-term Prepaid Expenses + Depreciation – Capital Expenditure
Current Ratio = Current Assets (year-end) / Current Liabilities (year-end) x 100
Debt-Equity Ratio = Interest-bearing Debt (year-end) / Equity (year-end)
Equity Ratio = Equity (year-end) / Total Assets (year-end) x 100
Total Asset Turnover = Net Sales / Total Assets (average)

WACC calculation data (FY2022 results)
a) Cost of interest-bearing debt: Real interest rate of 0.56% (after tax)
b) Cost of shareholders' equity
• Risk-free rate: 10-year JGB yield of 0.30%
• Risk premium: 5.5%, Beta coefficient of 0.75

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	2022.3.31	2023.3.31
Assets		
Current assets		
Cash and deposits	179,769	453,502
Notes and accounts receivable-trade, and contract assets	364,683	446,061
Lease receivables and investments in leases	17,824	17,125
Securities	10	10
Merchandise and finished goods	3,467	6,030
Work in process	12,083	15,653
Raw materials and supplies	67,135	135,769
Other current assets	258,610	145,882
Allowance for doubtful accounts	(3,714)	(2,122)
Total current assets	899,870	1,217,914
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	338,517	346,262
Machinery, equipment and vehicles, net	892,515	921,572
Tools, furniture and fixtures, net	14,484	10,714
Land	192,455	197,245
Leased assets, net	5,899	8,231
Construction in progress	125,501	98,878
Total property, plant and equipment	1,569,373	1,582,904
Intangible assets		
Goodwill	6,018	6,410
Other intangible assets	294,296	308,122
Total intangible assets	300,315	314,533
Investments and other assets		
Investment securities	236,303	278,497
Long-term loans receivable	48,653	56,550
Retirement benefit asset	5,864	8,809
Deferred tax assets	34,670	32,849
Other investments	94,223	93,649
Allowance for doubtful accounts	(1,647)	(4,283)
Total investments and other assets	418,068	466,073
Total non-current assets	2,287,757	2,363,511
Total assets	3,187,627	3,581,425

	2022.3.31	2023.3.31
Liabilities		
Current liabilities		
Notes and accounts payable-trade	76,229	63,845
Short-term borrowings	6,385	6,674
Current portion of bonds payable	—	20,000
Current portion of long-term borrowings	48,972	59,973
Income taxes payable	33,830	118,636
Other current liabilities	386,573	337,028
Total current liabilities	551,990	606,158
Non-current liabilities		
Bonds payable	548,619	548,976
Long-term borrowings	568,725	607,262
Deferred tax liabilities	29,641	33,901
Retirement benefit liability	66,195	64,570
Provision for share awards for Directors (and other officers)	84	183
Provision for gas holder repairs	3,427	3,444
Provision for safety measures	637	527
Provision for contract loss in regards to appliance warranties	2,620	5,176
Provision for point card certificates	531	654
Asset retirement obligations	27,692	27,559
Other current liabilities	106,310	93,709
Total non-current liabilities	1,354,486	1,385,965
Total liabilities	1,906,477	1,992,124
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus	846	—
Retained earnings	1,076,184	1,310,908
Treasury shares	(3,524)	(3,658)
Total shareholders' equity	1,215,350	1,449,094
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,866	30,954
Deferred gains or losses on hedges	(11,904)	(9,626)
Foreign currency translation adjustment	32,545	86,226
Remeasurements of defined benefit plans	(3,076)	1,754
Total accumulated other comprehensive income	36,430	109,309
Non-controlling interests	29,368	30,896
Total net assets	1,281,150	1,589,301
Total liabilities and net assets	3,187,627	3,581,425

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Net sales	2,154,860	3,289,634
Cost of sales	1,766,392	2,596,462
Gross profit	388,467	693,172
Selling, general and administrative expenses	260,941	271,695
Operating profit	127,525	421,477
Non-operating income		
Interest income	1,032	2,463
Dividend income	1,692	2,797
Share of profit of entities accounted for using equity method	3,725	—
Foreign exchange gains	14,550	5,089
Gain on derivatives	13,725	6,639
Miscellaneous income	14,673	11,510
Total non-operating income	49,399	28,500
Non-operating expenses		
Interest expenses	14,466	15,138
Loss on derivatives	11,864	10,308
Share of loss of entities accounted for using equity method	—	4,450
Miscellaneous expenses	14,113	11,233
Total non-operating expenses	40,444	41,130
Ordinary profit	136,481	408,846
Extraordinary income		
Gain on sale of non-current assets	2,226	—
Gain on sale of investment securities	4,118	3,795
Gain on sale of businesses	—	3,506
Total extraordinary income	6,344	7,301
Extraordinary losses		
Impairment losses	3,742	4,093
Loss on valuation of investment securities	2,468	2,420
Loss on valuation of long-term loans receivable	—	2,154
Total extraordinary losses	6,211	8,669
Profit before income taxes	136,614	407,479
Income taxes-current	32,951	122,208
Income taxes-deferred	6,429	3,748
Total income taxes	39,381	125,956
Profit	97,233	281,522
Profit attributable to non-controlling interests	1,530	605
Profit attributable to owners of parent	95,702	280,916

Consolidated Statements of Comprehensive Income

	2021.4.1-2022.3.31	2022.4.1-2023.3.31
Profit	97,233	281,522
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,178)	12,063
Deferred gains or losses on hedges	(6,841)	3,113
Foreign currency translation adjustment	25,006	51,756
Remeasurements of defined benefit plans, net of tax	(10,964)	4,795
Share of other comprehensive income of entities accounted for using equity method	5,560	4,879
Total other comprehensive income	8,583	76,608
Comprehensive income	105,816	358,130
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	108,198	353,795
Comprehensive income attributable to non-controlling interests	(2,381)	4,334

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	(Million yen)	
	2021.4.1-2022.3.31	2022.4.1-2023.3.31
Cash flows from operating activities		
Profit before income taxes	136,614	407,479
Depreciation	196,810	205,076
Impairment losses	3,742	4,093
Amortization of long-term prepaid expenses	4,136	4,224
Loss on retirement of property, plant and equipment	2,574	1,658
Loss (gain) on derivatives	(15,362)	10,904
Loss (gain) on sale of investment securities	(3,983)	(3,347)
Loss (gain) on valuation of investment securities	2,468	2,420
Loss on valuation of long-term loans receivable	—	2,154
Loss (gain) on sale of businesses	—	(3,506)
Decrease (increase) in retirement benefit asset	(11,312)	3,207
Increase (decrease) in provision for contract loss in regards to appliance warranties	2,620	2,556
Interest and dividend income	(2,724)	(5,260)
Interest expenses	14,466	15,138
Foreign exchange loss (gain)	(7,757)	(1,910)
Share of loss (profit) of entities accounted for using equity method	(3,725)	4,450
Decrease (increase) in trade receivables	(147,505)	(114,253)
Decrease (increase) in inventories	(22,491)	(78,491)
Increase (decrease) in trade payables	10,132	7,107
Decrease (increase) in contract assets	2,305	(2,594)
Increase (decrease) in contract liabilities	(12,587)	6,541
Increase (decrease) in accrued consumption taxes	542	12,761
Decrease (increase) in accounts receivable - other	(57)	(3,587)
Decrease (increase) in prepaid expenses	(2,796)	(1,789)
Increase (decrease) in long term advances received	8,835	(2,223)
Other, net	11,906	53,814
Subtotal	166,852	526,622
Interest and dividends received	9,068	14,915
Interest paid	(14,483)	(14,069)
Income taxes paid	(16,209)	(40,437)
Net cash provided by (used in) operating activities	145,227	487,030
Cash flows from investing activities		
Purchase of investment securities	(16,214)	(28,011)
Proceeds from sale and redemption of investment securities	8,841	13,574
Purchase of property, plant and equipment	(167,197)	(150,647)
Purchase of intangible assets	(29,777)	(34,294)
Purchase of long-term prepaid expenses	(6,584)	(5,237)
Proceeds from sale of non-current assets	6,334	5,769
Net decrease (increase) in short-term loans receivable	(399)	(1,520)
Long-term loan advances	(3,180)	(10,922)
Proceeds from collection of long-term loans receivable	2,158	6,642
Payments of guarantee deposits	(13,189)	(8,128)
Proceeds from refund of guarantee deposits	9,846	14,706
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(15,074)	(1,303)
Proceeds from sales of subsidiaries' shares resulting in change in scope of consolidation	263	2,718
Profits due to transfer of business	—	4,112
Payment for settlement of contingent consideration	—	(3,914)
Other, net	(482)	(7,065)
Net cash provided by (used in) investing activities	(224,656)	(203,522)

	(Million yen)	
	2021.4.1-2022.3.31	2022.4.1-2023.3.31
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	679	13,839
Net increase (decrease) in commercial paper	30,000	(30,000)
Repayments of lease liabilities	(2,683)	(2,928)
Proceeds from long-term borrowings	165,014	97,366
Repayments of long-term borrowings	(123,252)	(72,241)
Proceeds from issuance of bonds	73,620	19,791
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,620)	(1,867)
Purchase of treasury shares	(3,326)	(16,031)
Dividends paid	(26,424)	(29,474)
Other, net	(19,515)	(857)
Net cash provided by (used in) financing activities	90,490	(22,403)
Effect of exchange rate change on cash and cash equivalents	9,117	12,628
Net increase (decrease) in cash and cash equivalents	20,179	273,733
Cash and cash equivalents at beginning of period	157,811	179,699
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	1,708	—
Cash and cash equivalents at end of period	179,699	453,432

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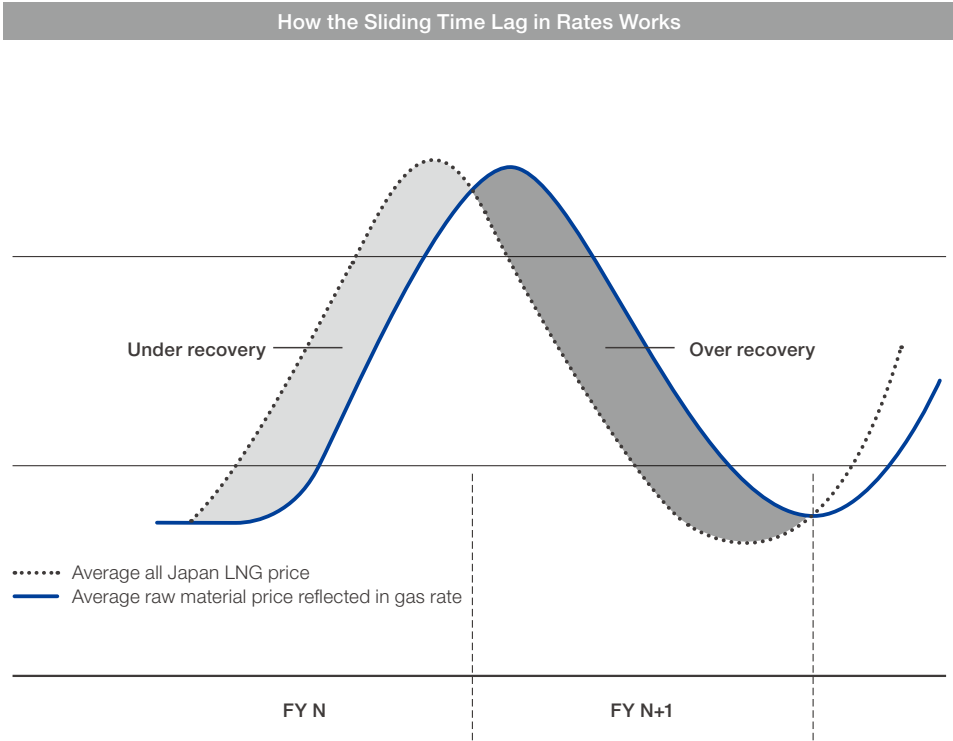
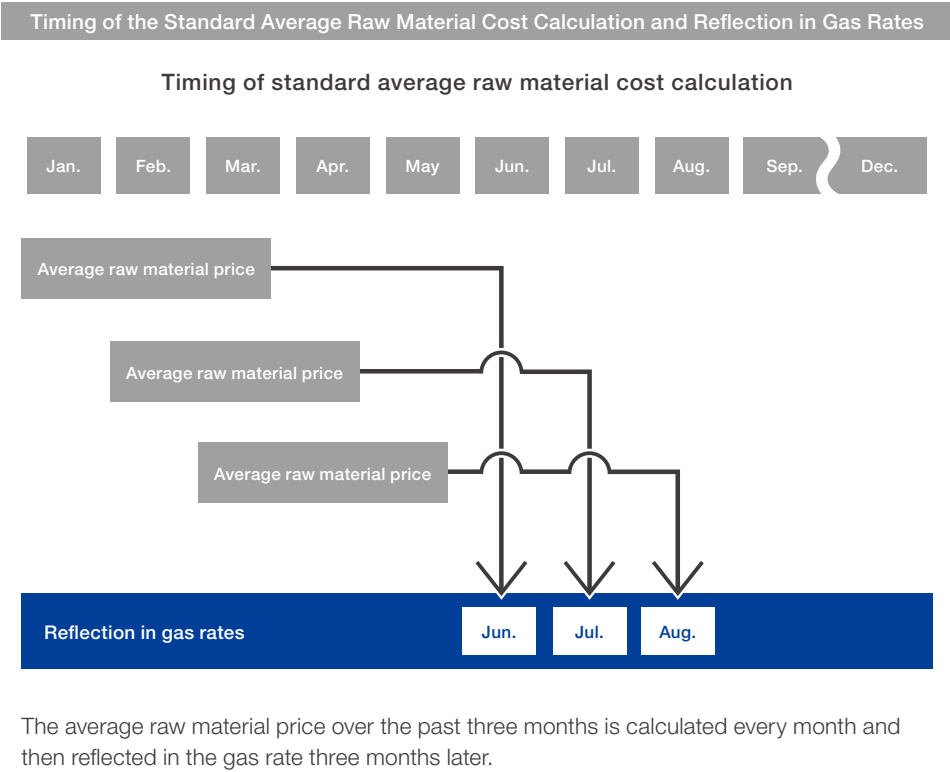
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Gas Rate Adjustment System’s Medium- to Long-Term Neutralizing Effect on Crude Oil Price and Exchange Rate Formation

Gas prices are determined using the gas rate adjustment system. Through this system, average raw material prices over a three-month period according to trade statistics are compared with the raw material cost that is used as the standard (standard average raw material cost), and the gas rates are adjusted using a defined calculation method based on the differences. A time lag of four months on average (called a sliding time lag) exists

between the payment of raw material costs and the reflection of such changes in gas rates. Consequently, fluctuations in crude oil prices and exchange rates may result in the under recovery or over recovery of raw material costs if this lag cuts across a fiscal year, thereby affecting income. Looking at the medium- to long-term, however, the gas rate adjustment system has a neutralizing effect on the income impacts of fluctuations in raw material costs.



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