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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



April 28, 2026

Company name: TOKYO GAS CO.,LTD.

Listing: Tokyo Stock Exchange, Nagoya Stock Exchange

Securities code: 9531

URL: <https://www.tokyo-gas.co.jp/>

Representative: Mr. SASAYAMA Shinichi

Corporate Executive Officer, President and CEO

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Scheduled date of annual general meeting of shareholders: June 26, 2026

Scheduled date to commence dividend payments: June 8, 2026

Scheduled date to file annual securities report: June 23, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors)

(Notes) 1. Yen amounts are rounded down to millions.

2. Numbers and percentages increase (decrease) from the corresponding period in the prior fiscal year.

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	2,834,749	7.5	197,677	48.5	193,701	70.5	226,857	205.8
March 31, 2025	2,636,809	(1.0)	133,090	(38.7)	113,599	(49.0)	74,194	(55.2)

(Note) Comprehensive income: For the fiscal year ended March 31, 2026: ¥ 229,621 million [24.2%]
For the fiscal year ended March 31, 2025: ¥ 184,838 million [(33.7)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	654.76	-	13.2	5.0	7.0
March 31, 2025	192.22	-	4.3	2.9	5.0

(Reference) Share of profit (loss) of entities accounted for using equity method:

For the fiscal year ended March 31, 2026: ¥ 3,503 million

For the fiscal year ended March 31, 2025: ¥ 5,530 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	3,892,268	1,796,567	44.1	5,151.08
March 31, 2025	3,855,093	1,801,470	44.8	4,669.38

(Reference)Equity: As of March 31, 2026: ¥ 1,717,472 million

As of March 31, 2025: ¥ 1,725,446 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	451,837	(206,934)	(296,337)	187,043
March 31, 2025	363,120	(263,526)	(255,979)	244,320

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	-	35.00	-	45.00	80.00	30,209	41.6	1.8
March 31, 2026	-	50.00	-	60.00	110.00	37,309	16.8	2.2
Fiscal year ending March 31, 2027 (Forecast)	-	60.00	-	60.00	120.00		-	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,947,000	4.0	186,000	(5.9)	173,000	(10.7)	137,000	(39.6)	418.07

* Notes

(1) Significant changes in the scope of consolidation during the period:

Yes

Newly included: -

Excluded: 2 companies(Tokyo Gas Australia Pty Ltd, TG Global Trading Co., Ltd.)

(Reference) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 105 (Increased by 6 companies and decreased by 3 companies)

Number of subsidiaries and affiliates accounted for by equity method: 29 (Increased by 2 companies)

(2) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026: 371,090,859 shares

As of March 31, 2025: 388,893,859 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026: 37,670,958 shares

As of March 31, 2025: 19,370,015 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026: 346,474,789 shares

Fiscal Year ended March 31, 2025: 385,992,747 shares

(Reference) Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	2,072,759	(7.4)	66,762	31.1	72,184	(62.3)	122,124	(31.5)
March 31, 2025	2,239,451	(5.8)	50,927	(59.7)	191,326	23.0	178,174	43.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	352.48	-
March 31, 2025	461.60	-

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	2,562,660	860,765	33.6	2,581.63
March 31, 2025	2,764,446	1,004,967	36.4	2,719.63

(Reference) Equity As of March 31, 2026: ¥ 860,765 million
As of March 31, 2025: ¥ 1,004,967 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

- Earnings forecasts are based on information available as of the date of this release and are not intended as a promise by the Company to achieve them. Actual results may differ from the forecasts due to various factors in the future. For details on earnings forecasts, please see "1. Overview of Business Performance, etc. (2) Future outlook" on page 5 of the Attachment.
- The supplementary information related to this Financial Results will be posted on the Web site of the Company.

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1. Overview of Business Performance, etc.

(1) Overview of business performance and financial position of FY2025

(Business performance of FY2025)

During the current fiscal year, Japan's economy recovered gradually, driven by improvements in the employment and income environment, despite flat exports, imports, and production. Although the global economy continues to show signs of a gradual recovery, there are concerns about the impact of the Middle East situation on prices and the economy. Additionally, fluctuations in the financial and capital markets and the U.S. policy should be closely monitored.

Amid such environmental changes, the Company has formulated the Medium-term Management Plan for FY2026-2028 in order to achieve Compass 2030, our management vision, ahead of schedule by October 2025. We will focus on growing our three core businesses: Energy, Solution, and Overseas, by leveraging the Group's strengths of customer base, energy assets, and operational capabilities. As the social implementation of digital technologies, like generative AI, accelerates, we will actively utilize AI and other digital technologies to enhance customer engagement and improve our market competitiveness. Furthermore, to ensure thorough management of our business portfolio, we will introduce segment-based ROIC management to improve each segment's profit while driving further growth through optimal resource allocation.

During the current fiscal year, sales volume in the Energy Solution segment has declined primarily due to lower supply demand for industrial customers and other utilities, driven in part by a decline in demand from the general industrial sector, although residential demand for city gas increased primarily due to low temperatures. The electricity power sales volume increased due to an increase in retail contracts and higher wholesale demand from wholesalers and other customers.

In the Network segment, the performance improved due to an increase in third-party access volume for residential customers due to low temperatures. In the Overseas segment, profits increased due to a rise in sales prices in the North American shale gas business. In the Urban Development segment, profits decreased due to increased costs associated with the renovation work for Park Hyatt Tokyo.

Under these economic conditions and environmental changes, consolidated net sales increased by 7.5% year on year, totaling ¥2,834.7 billion, while operating expenses rose by 5.3% to ¥2,637.0 billion.

Consequently, operating profit increased by 48.5% to ¥197.6 billion, and ordinary profit rose by 70.5% to ¥193.7 billion. Profit attributable to owners of parent increased by 205.8% to ¥226.8 billion after recording ¥48.7 billion in gain on sales of non-current assets, ¥11.9 billion in gain on sales of investment securities and ¥68.0 billion in gain on reversal of foreign currency translation adjustments as extraordinary income, and ¥30.1 billion in impairment losses as extraordinary losses, and income taxes.

<Segment summary>

1) Energy solution

Segment sales increased by ¥145.7 billion year on year to ¥2,486.1 billion, despite a decrease in gas sales prices due to resource cost adjustments, thanks to an increase in electricity sales volume.

Operating expenses amounted to ¥2,336.3 billion primarily due to increased power supply procurement costs.

After adding the share of profit of entities accounted for using the equity method, operating profit of the segment increased by ¥28.5 billion year on year to ¥150.2 billion.

(Gas)

The sales volume of city gas decreased by 0.4% year on year to 11,175 million m³. Residential demand increased by 2.1% year on year to 2,719 million m³ and commercial demand increased by 0.3% year on year to 2,275 million m³ due to increased demand driven by low temperatures.

Industrial demand decreased by 1.1% year on year to 4,630 million m³ due to a slowdown in user operations.

Supply to other utilities decreased by 3.2% year on year to 1,552 million m³ due to a slowdown in operations at these utilities.

<Consolidated City Gas Sales Volume for FY2025 Ended March 31, 2026>

		FY2025	FY2024	Change	% change	
No. of customers for city gas retail sales	Thousands	8,861	8,826	35	0.4	
No. of customers (meters)	Thousands	12,693	12,564	129	1.0	
City gas sales volume	Residential	Mil. m ³	2,719	2,663	56	2.1
	Commercial	Mil. m ³	2,275	2,267	8	0.3
	Industrial	Mil. m ³	4,630	4,681	(51)	(1.1)
	Subtotal	Mil. m ³	6,905	6,948	(43)	(0.6)
	Supplies to other utilities	Mil. m ³	1,552	1,604	(52)	(3.2)
Total	Mil. m ³	11,175	11,215	(40)	(0.4)	
Average temperature	°C	17.4	17.6	(0.2)	—	

(Notes)

1. “No. of customers for city gas retail sales” indicates the number of billed customers for city gas retail sales.
2. “No. of customers (meters)” indicates the number of meters as a gas pipeline operator.
3. “Commercial” indicates sales to commercial, public and medical institutions.
4. City gas sales volume is on the basis of 45MJ/m³.

<Foreign Exchange Rates and Crude Oil Prices>

¥/\$ rates	FY2025	FY2024	Change	Crude oil prices (\$/bbl)	FY2025	FY2024	Change
	150.67	152.62	(1.95)		71.41	82.41	(11.00)

(Electric power)

<Consolidated Electric Power Sales Volume for FY2025 Ended March 31, 2026>

		FY2025	FY2024	Change	% change	
No. of customers for electric power retail sales	Thousands	4,337	4,152	185	4.5	
Electric power sales volume	Retail	million kWh	16,461	14,437	2,024	14.0
	Wholesale etc.	million kWh	11,560	9,003	2,557	28.4
	Total	million kWh	28,021	23,440	4,581	19.5

(Note) No. of customers for electric power retail sales indicates the number of billed customers for electric power retail sales.

2) Network

Segment sales increased by ¥6.6 billion year on year to ¥334.4 billion. Operating expenses amounted to ¥330.3 billion. Segment profit improved by ¥7.2 billion year on year, resulting in a segment profit of ¥4.1 billion.

3) Overseas

Segment sales increased by ¥60.2 billion year on year to ¥241.4 billion. Operating expenses amounted to ¥170.7 billion. After adding the share of profit of entities accounted for using the equity method, operating profit of the segment increased by ¥51.0 billion year on year to ¥73.8 billion.

4) Urban development

Segment sales decreased by ¥4.4 billion year on year to ¥73.4 billion. Operating expenses amounted to ¥63.5 billion.

After adding the share of profit of entities accounted for using the equity method, operating profit of the segment decreased by ¥14.3 billion year on year to ¥9.7 billion.

(Financial position in FY2025)

1) Situation of assets, liabilities and net assets

Assets increased by ¥37.2 billion from the end of the previous fiscal year to ¥3,892.2 billion primarily due to an increase in investment securities.

Liabilities increased by ¥42.1 billion to ¥2,095.7 billion primarily due to an increase in income taxes payable.

Net assets decreased by ¥4.9 billion to ¥1,796.5 billion primarily due to dividends of surplus and the purchase of treasury shares.

As a result of an increase in total assets and a decrease in equity capital (the sum of shareholders' equity and accumulated other comprehensive income), the equity-to-asset ratio decreased by 0.7 percentage points to 44.1% compared to the end of the previous consolidated fiscal year.

<Capital expenditure>

(Unit: hundred millions of yen)

	FY2025	FY2024	Change	% change
Energy solution	662	785	(123)	(15.7)
Network	814	862	(48)	(5.5)
Overseas	1,397	1,306	91	7.0
Urban development	221	258	(37)	(14.2)
Adjustments	(7)	(4)	(3)	—
Total	3,088	3,207	(119)	(3.7)

2) Situation of cash flows

(Unit: hundred millions of yen)

	FY2025	FY2024	Change
Cash flows from operating activities	4,518	3,631	887
Cash flows from investing activities	(2,069)	(2,635)	566
Cash flows from financing activities	(2,963)	(2,559)	(404)
Cash and cash equivalents at end of the year	1,870	2,443	(573)

a) Cash flows from operating activities

Cash and cash equivalents provided by a result of operating activities was ¥451.8 billion. This increase in cash and cash equivalents was due to profit before income taxes (¥289.1 billion) and depreciation expenses (¥264.2 billion), which was partially offset by gains on reversal of foreign currency translation adjustments (¥68.0 billion).

b) Cash flows from investing activities

Cash and cash equivalents used in investing activities was ¥206.9 billion. This decrease in cash and cash equivalents was due to expenditures for the purchase of property, plant, and equipment associated with capital expenditure (¥160.9 billion) and expenditures for the purchase of intangible assets (¥134.7 billion), partially offset by proceeds from the sale of property, plant, and equipment (¥63.4 billion).

c) Cash flows from financing activities

Cash and cash equivalents used in financing activities was ¥296.3 billion. This decrease in cash and cash equivalents was due to expenditures for the repayments of long-term borrowings (¥266.5 billion), expenditures for the purchase of treasury shares (¥200.0 billion), and dividend payments (¥33.8 billion), partially offset by proceeds from long-term borrowings (¥170.3 billion).

(2) Future outlook

The sales volume of city gas for FY2026 is expected at 10,790 million m³, a 3.4% decrease from FY2025, due to a decline in residential demand driven by energy-saving resulting from improved housing performance and an expected decline in power generation demand. Electric power sales volume is expected to increase by 1.7% to 28,490 million kWh compared with FY2025, primarily due to higher wholesale sales. Net sales are expected to increase by 4.0% compared to FY2025, primarily due to an increase in sales prices resulting from gas resource cost adjustments. On the other hand, operating expenses are expected to increase due to rises in crude oil prices and other raw material costs.

As a result of these factors, consolidated net sales are expected to increase by ¥112.3 billion (4.0%) to ¥2,947.0 billion, operating profit to decrease by ¥11.6 billion (5.9%) to ¥186.0 billion, ordinary profit to decrease by ¥20.7 billion (10.7%) to ¥173.0 billion, and net profit attributable to owners of parent to decrease by ¥89.8 billion (39.6%) to ¥137.0 billion.

The economic assumptions for FY2026 are the foreign exchange rate of ¥155/\$ and the crude oil price of \$85/bbl for the full-year.

a. Consolidated city gas sales volume forecasts for FY2026

			FY2026 (Forecasts)	FY2025 (Results)	Change	% change
City gas sales volume	Residential	Mil. m ³	2,704	2,719	(15)	(0.6)
	Others	Mil. m ³	8,086	8,456	(370)	(4.4)
	Total	Mil. m ³	10,790	11,175	(385)	(3.4)
Average temperature		°C	16.9	17.4	(0.5)	—

b. Consolidated electric power sales volume forecasts for FY2026

		FY2026 (Forecasts)	FY2025 (Results)	Change	% change
Total electric power sales volume	million kWh	28,490	28,021	469	1.7

c. Consolidated earnings forecasts for FY2026

(Unit: hundred millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
FY2026 (forecasts)	29,470	1,860	1,730	1,370
FY2025 (results)	28,347	1,976	1,937	2,268
Change	1,123	(116)	(207)	(898)
% change	4.0	(5.9)	(10.7)	(39.6)

< Foreign exchange rates and crude oil prices forecasts for FY2026 >

¥/\$ rates	FY2026 (Forecasts)	FY2025 (Results)	Change	Crude oil prices (\$/bbl)	FY2026 (Forecasts)	FY2025 (Results)	Change
	155.00	150.67			4.33	85.00	

(3) Basic policy on profit distribution and dividends for FY2025 and FY2026

The Company allocates the results of its management to the improvement of customer services and realization of a sustainable society, as well as distributing them with shareholders in an appropriate and timely manner. Our basic dividend policy is to align dividend increases with medium- to long-term per-share earnings growth as the core of our shareholder returns, and to consistently return the fruits of our growth through progressive dividends.

The Company stipulates in its Articles of Incorporation that dividends can be determined by a resolution of the Board of Directors. Based on the basic policy above to continue progressive dividends, the Board of Directors, at its meeting held on April 28, 2026, resolved to set the dividend per share at ¥60. Consequently, the annual dividend for the current year, including the interim dividend (¥50 per share), amounts to ¥110 per share.

Regarding the dividend forecast for the next year, we plan an annual dividend of ¥120 per share (including an interim dividend of ¥60).

II. Basic Concept Regarding Selection of Accounting Standards

The Group prepares consolidated financial statements based on Japanese standards in consideration of comparability of consolidated financial statements between companies. It intends to respond appropriately regarding the application of IFRS, taking into account both domestic and international situations.

2. Consolidated Financial Statements and Main Notes

(1) Consolidated balance sheets

(Unit: millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	244,388	187,102
Notes and accounts receivable - trade, and contract assets	441,533	424,098
Lease receivables and investments in leases	18,162	18,362
Securities	103	-
Merchandise and finished goods	39,006	38,008
Work in process	19,625	28,467
Raw materials and supplies	79,990	91,751
Other current assets	205,588	248,348
Allowance for doubtful accounts	(1,268)	(1,349)
Total current assets	1,047,130	1,034,789
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	313,045	329,119
Machinery, equipment and vehicles, net	863,809	824,678
Tools, furniture and fixtures, net	11,173	14,813
Land	180,794	180,531
Leased assets, net	5,804	4,625
Construction in progress	79,110	69,150
Total property, plant and equipment	1,453,739	1,422,919
Intangible assets		
Goodwill	5,896	5,163
Mining rights	610,657	615,444
Other intangible assets	142,431	119,684
Total intangible assets	758,985	740,292
Investments and other assets		
Investment securities	383,571	429,702
Long-term loans receivable	33,541	36,971
Retirement benefit assets	34,856	53,476
Deferred tax assets	15,484	12,048
Other investments	130,015	168,239
Allowance for doubtful accounts	(2,232)	(6,173)
Total investments and other assets	595,237	694,266
Total non-current assets	2,807,963	2,857,478
Total assets	3,855,093	3,892,268

(Unit: millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	102,577	105,153
Short-term borrowings	11,015	10,244
Current portion of bonds payable	-	10,017
Current portion of long-term borrowings	67,799	53,933
Income taxes payable	19,471	51,975
Other current liabilities	409,350	471,901
Total current liabilities	610,214	703,225
Non-current liabilities		
Bonds payable	651,350	641,062
Long-term borrowings	577,843	494,413
Deferred tax liabilities	56,715	82,007
Retirement benefit liabilities	58,194	51,672
Provision for share awards for directors (and other officers)	390	497
Provision for gas holder repairs	3,238	3,162
Provision for safety measures	308	191
Provision for contract loss in regards to appliance warranties	3,523	1,136
Provision for point service program	391	387
Asset retirement obligations	24,810	28,053
Other non-current liabilities	66,642	89,889
Total non-current liabilities	1,443,408	1,392,475
Total liabilities	2,053,623	2,095,700
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus	4,122	4,130
Retained earnings	1,343,185	1,455,063
Treasury shares	(85,205)	(204,626)
Total shareholders' equity	1,403,947	1,396,411
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,608	109,876
Deferred gains or losses on hedges	34,175	51,960
Foreign currency translation adjustments	203,097	143,024
Remeasurements of defined benefit plans	12,617	16,200
Total accumulated other comprehensive income	321,498	321,061
Non-controlling interests	76,024	79,095
Total net assets	1,801,470	1,796,567
Total liabilities and net assets	3,855,093	3,892,268

(2) Consolidated statements of income and comprehensive income
(Consolidated statement of income)

(Unit: millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	2,636,809	2,834,749
Cost of sales	2,230,573	2,327,493
Gross profit	406,235	507,255
Selling, general and administrative expenses	273,144	309,578
Operating profit	133,090	197,677
Non-operating income		
Interest income	7,740	5,405
Dividend income	1,587	1,792
Share of profit of entities accounted for using equity method	5,530	3,503
Foreign exchange gains	-	3,735
Gain on derivatives	3,789	15,414
Miscellaneous income	8,507	6,362
Total non-operating income	27,154	36,212
Non-operating expenses		
Interest expenses	31,206	18,897
Loss on derivatives	3,145	8,036
Provision of allowance for doubtful accounts	126	4,077
Miscellaneous expenses	12,167	9,176
Total non-operating expenses	46,646	40,187
Ordinary profit	113,599	193,701
Extraordinary income		
Gain on sale of non-current assets	-	48,732
Gain on sale of investment securities	4,806	11,995
Compensation income for damage	2,000	-
Gain on reversal of foreign currency translation adjustments	-	68,013
Total extraordinary income	6,807	128,742
Extraordinary losses		
Impairment losses	-	30,196
Losses on valuation of investment securities	14,190	-
Other	-	3,138
Total extraordinary losses	14,190	33,334
Profit before income taxes	106,216	289,109
Income taxes - current	28,395	53,759
Income taxes - deferred	5,152	5,752
Total income taxes	33,548	59,512
Profit	72,668	229,596
Profit (loss) attributable to non-controlling interests	(1,525)	2,739
Profit attributable to owners of parent	74,194	226,857

(Consolidated statement of comprehensive income)

(Unit: millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	72,668	229,596
Other comprehensive income		
Valuation difference on available-for-sale securities	11,875	38,315
Deferred gains or losses on hedges	2,066	19,069
Foreign currency translation adjustments	84,526	(62,253)
Remeasurements of defined benefit plans, net of tax	4,931	3,582
Share of other comprehensive income of entities accounted for using equity method	8,768	1,310
Total other comprehensive income	112,169	24
Comprehensive income	184,838	229,621
Comprehensive income attributable to		
Owners of parent	181,419	226,419
Non-controlling interests	3,418	3,201

(3) Consolidated statements of changes in equity

For the fiscal year ended March 31, 2025 (from Apr. 1, 2024 to Mar. 31, 2025)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	141,844	4,122	1,337,696	(4,459)	1,479,204
Changes during period					
Dividends of surplus			(28,537)		(28,537)
Profit attributable to owners of parent			74,194		74,194
Purchase of treasury shares				(120,537)	(120,537)
Disposal of treasury shares			(0)	19	19
Retirement of treasury shares			(39,772)	39,772	—
Changes resulting from the increase in consolidated subsidiaries			(18)		(18)
Changes resulting from the increase in affiliated companies			(376)		(376)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	5,489	(80,745)	(75,256)
Balance at end of period	141,844	4,122	1,343,185	(85,205)	1,403,947

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	59,727	31,564	115,296	7,685	214,274	65,344	1,758,822
Changes during period							
Dividends of surplus							(28,537)
Profit attributable to owners of parent							74,194
Purchase of treasury shares							(120,537)
Disposal of treasury shares							19
Retirement of treasury shares							—
Changes resulting from the increase in consolidated subsidiaries							(18)
Changes resulting from the increase in affiliated companies							(376)
Net changes in items other than shareholders' equity	11,880	2,611	87,801	4,931	107,224	10,679	117,904
Total changes during period	11,880	2,611	87,801	4,931	107,224	10,679	42,647
Balance at end of period	71,608	34,175	203,097	12,617	321,498	76,024	1,801,470

For the fiscal year ended March 31, 2026 (from Apr. 1, 2025 to Mar. 31, 2026)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	141,844	4,122	1,343,185	(85,205)	1,403,947
Changes during period					
Dividends of surplus			(33,929)		(33,929)
Profit attributable to owners of parent			226,857		226,857
Purchase of treasury shares				(200,071)	(200,071)
Disposal of treasury shares			(4)	159	155
Retirement of treasury shares			(80,490)	80,490	—
Changes resulting from the increase in consolidated subsidiaries			(203)		(203)
Changes resulting from the decrease in consolidated subsidiaries			(350)		(350)
Change in ownership interest of parent due to transactions with non-controlling interests		7			7
Net changes in items other than shareholders' equity					
Total changes during period	—	7	111,878	(119,421)	(7,536)
Balance at end of period	141,844	4,130	1,455,063	(204,626)	1,396,411

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	71,608	34,175	203,097	12,617	321,498	76,024	1,801,470
Changes during period							
Dividends of surplus							(33,929)
Profit attributable to owners of parent							226,857
Purchase of treasury shares							(200,071)
Disposal of treasury shares							155
Retirement of treasury shares							—
Changes resulting from the increase in consolidated subsidiaries							(203)
Changes resulting from the decrease in consolidated subsidiaries							(350)
Change in ownership interest of parent due to transactions with non-controlling							7

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
interests							
Net changes in items other than shareholders' equity	38,267	17,784	(60,072)	3,582	(437)	3,070	2,633
Total changes during period	38,267	17,784	(60,072)	3,582	(437)	3,070	(4,903)
Balance at end of period	109,876	51,960	143,024	16,200	321,061	79,095	1,796,567

(4) Consolidated statements of cash flows

(Unit: millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	106,216	289,109
Depreciation	263,842	264,299
Impairment losses	-	30,196
Amortization of long-term prepaid expenses	4,390	6,261
Loss (gain) on sale of non-current assets	-	(48,587)
Loss (gain) on sale of investment securities	(4,785)	(11,995)
Loss (gain) on valuation of investment securities	14,472	-
Gain on reversal of foreign currency translation adjustments	-	(68,013)
Decrease (increase) in retirement benefit asset	(1,730)	(14,454)
Interest and dividend income	(9,327)	(7,197)
Interest expenses	31,206	18,897
Compensation income for damage	(2,000)	-
Share of loss (profit) of entities accounted for using equity method	(5,530)	(3,503)
Decrease (increase) in accounts receivable - trade, and contract assets	17,527	29,498
Decrease (increase) in inventories	1,660	(18,609)
Increase (decrease) in trade payables	(22,455)	1,201
Other, net	21,859	(19,958)
Subtotal	415,345	447,145
Interest and dividends received	17,410	32,715
Interest paid	(32,003)	(18,487)
Proceeds from compensation for damage	2,000	-
Income taxes paid	(39,633)	(9,535)
Net cash provided by (used in) operating activities	363,120	451,837
Cash flows from investing activities		
Purchase of investment securities	(67,831)	(17,095)
Proceeds from sale and redemption of investment securities	7,544	13,821
Purchase of property, plant and equipment	(185,918)	(160,909)
Purchase of intangible assets	(120,151)	(134,738)
Purchase of long-term prepaid expenses	(8,788)	(7,808)
Proceeds from sale of property, plant and equipment	2,771	63,483
Proceeds from capital reduction of subsidiaries and affiliates	-	6,179
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	115,524	34,330
Other, net	(6,675)	(4,196)
Net cash provided by (used in) investing activities	(263,526)	(206,934)
Cash flows from financing activities		
Net increase (decrease) in commercial papers	(67,000)	40,000
Proceeds from long-term borrowings	21,607	170,345
Repayments of long-term borrowings	(52,095)	(266,524)
Redemption of bonds	(20,000)	-
Proceeds from share issuance to non-controlling shareholders	17,218	-
Purchase of treasury shares	(120,055)	(200,071)
Dividends paid	(28,531)	(33,887)
Other, net	(7,121)	(6,199)
Net cash provided by (used in) financing activities	(255,979)	(296,337)

(Unit: millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Effect of exchange rate change on cash and cash equivalents	35,159	4,841
Net increase (decrease) in cash and cash equivalents	(121,226)	(46,591)
Cash and cash equivalents at beginning of period	363,883	244,320
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	1,663	(10,685)
Cash and cash equivalents at end of period	244,320	187,043

(5) Notes on consolidated financial statements

(Note on going concerns' premise)

None

(Additional information)

(Share-based compensation plan for directors, corporate executive officers and executive officers)

The Company has introduced a trust-type share-based Compensation Plan for its directors and corporate executive officers with the aim of providing incentives to improve the Company's corporate value over the medium - to long-term. The Company has also introduced a similar share-based compensation plan for its executive officers (the two share-based compensation plans are hereinafter collectively referred to as the "Plan"; the directors, corporate executive officers, and executive officers are hereinafter collectively referred to as the "Executives").

Accounting for the Plan is based on the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

(1) Overview of transactions

The Plan is a trust-type share-based compensation plan under which a trust established by the Company by contributing cash (hereinafter, the "Trust") acquires Company shares equivalent to the number of points granted by the Company to each Executive, who then receives delivery of the shares.

As a general rule, Executives shall receive the Company shares when they resign/retire.

(2) Company shares remaining in trust

Company shares remaining in trust are recorded as treasury shares under net assets based on book value in trust (excluding ancillary expenses). The book value and number of said treasury shares as of the end of previous consolidated fiscal year were valued at ¥842 million and totaled 300,800 shares, and as of the end of FY2025 were valued at ¥789 million and totaled 281,900 shares.

(Accounting estimates considering the situation in the Middle East)

The Group does not have any long-term contracts for LNG from Qatar and other in the Strait of Hormuz. However, it is difficult to accurately predict the impact of the current international situation surrounding the escalated tensions in the Middle East on raw material procurement.

The Group makes various accounting estimates assuming that we continue procurement transactions.

(Segment information, etc.)

1. Overview of reporting segments

The Group's reporting 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 results.

That being said, the main business operations of each reporting segment are as follows.

“Energy solution”: Production and sales of city gas, LNG sales, trading, electricity, engineering solutions (engineering, energy services, etc.), etc.

“Network”: Transmission services of city gas

“Overseas”: Overseas resource development and investment, energy supplies, etc.

“Urban development”: Real estate development and leasing, etc.

2. Calculation of net sales, profit and loss, and assets, etc.

There are no significant changes to the accounting method for the reported business segments from the descriptions on the basis of presenting consolidated financial statements in the Securities Report filed for the previous fiscal year.

Profit or loss of reporting segments is based on operating profit or loss plus or minus share of profit gain or loss of entities accounted for using equity method.

Intersegment sales and transfers are attributable to transactions within group companies, and calculated based on market value.

3. Information related to net sales, profit and loss, and assets, etc. by reporting segment
Fiscal year ended March 31, 2025 (from Apr. 1, 2024 to Mar. 31, 2025)

(Unit: millions of yen)

	Reporting segment				Total	Adjustments (Note 1)	Amount recorded in consolidated statement of income (Note 2)
	Energy solution	Network	Overseas	Urban development			
Net sales							
External sales	2,308,479	97,088	180,572	50,667	2,636,809	—	2,636,809
Intersegment sales & transfers	32,002	230,760	669	27,160	290,592	(290,592)	—
Total	2,340,481	327,849	181,242	77,827	2,927,402	(290,592)	2,636,809
Segment profit (loss)							
Operating profit (loss)	120,689	(3,128)	18,939	23,433	159,933	(26,842)	133,090
Share of profit (loss) of entities accounted for using equity method	1,014	—	3,928	587	5,530	—	5,530
Total	121,703	(3,128)	22,868	24,020	165,464	(26,842)	138,621
Segment Assets	1,591,846	637,396	1,195,352	327,969	3,752,564	102,529	3,855,093
Others							
Depreciation expenses	70,542	98,495	84,565	11,537	265,140	(1,297)	263,842
Increase in property, plant, equipment, and intangible assets	70,479	85,933	130,223	25,851	312,487	(489)	311,998

(Notes)

1. The “Adjustments” indicates as follows;

- (1) The ¥(26,842) million adjustments to segment profit/loss include ¥(1,796) million for the elimination of intersegment transactions and ¥(25,046) million for companywide expenses not allocated to the respective reporting segments. Companywide expenses consist primarily of general and administrative expenses in parent company not attributable to the reporting segments.
- (2) The ¥102,529 million adjustments to segment assets include ¥148,924 million for companywide assets not allocated to the respective reporting segments, and ¥(46,394) million for the net eliminations of intersegment assets. Companywide assets consist primarily of financial assets in parent company not attributable to a reporting segment.

2. Segment profit or loss is adjusted from operating profit or loss on the consolidated financial statement of income, which is added or deducted by share of profit or loss of entities accounted for using equity method.

Fiscal year ended March 31, 2026 (from Apr. 1, 2025 to Mar. 31, 2026)

(Unit: millions of yen)

	Reporting segment				Total	Adjustments (Note 1)	Amount recorded in consolidated statement of income (Note 2)
	Energy solution	Network	Overseas	Urban development			
Net sales							
External sales	2,444,496	103,127	241,082	46,042	2,834,749	—	2,834,749
Intersegment sales & transfers	41,611	231,295	377	27,394	300,678	(300,678)	—
Total	2,486,107	334,422	241,460	73,436	3,135,428	(300,678)	2,834,749
Segment profit (loss)							
Operating profit (loss)	149,746	4,103	70,730	9,848	234,428	(36,751)	197,677
Share of profit (loss) of entities accounted for using equity method	501	—	3,106	(104)	3,503	—	3,503
Total	150,247	4,103	73,837	9,743	237,931	(36,751)	201,180
Segment Assets	1,647,155	623,141	1,166,747	343,727	3,780,771	111,497	3,892,268
Others							
Depreciation expenses	66,856	96,164	90,399	11,981	265,401	(1,101)	264,299
Increase in property, plant, equipment, and intangible assets	59,037	81,026	139,600	22,165	301,829	(792)	301,036

(Notes)

1. The “Adjustments” indicates as follows;

(1) The ¥(36,751) million adjustments to segment profit/loss include ¥(2,343) million for the elimination of intersegment transactions and ¥(34,408) million for companywide expenses not allocated to the respective reporting segments. Companywide expenses consist primarily of general and administrative expenses in parent company not attributable to the reporting segments.

(2) The ¥111,497 million adjustments to segment assets include ¥155,156 million for companywide assets not allocated to the respective reporting segments, and ¥(43,659) million for the net eliminations of intersegment assets. Companywide assets consist primarily of financial assets in parent company not attributable to a reporting segment.

2. Segment profit or loss is adjusted from operating profit or loss on the consolidated financial statement of income, which is added or deducted by share of profit or loss of entities accounted for using equity method.

4. Impairment losses of Non-current assets, Goodwill, etc. by reporting segment

Significant impairment losses related to Non-current assets

In the current fiscal year, impairment losses of ¥30,149 million were recorded in the Energy Solution segment.

(Per share information)

(Unit: yen)

	FY2024 (Apr. 2024–Mar. 2025)	FY2025 (Apr. 2025 – Mar. 2026)
Equity per share	4,669.38	5,151.08
Profit per share	192.22	654.76

(Notes)

1. Diluted profit per share is not disclosed as no potential shares exist.
2. The basis for the calculation of profit per share is as follows.

	FY2024 (Apr. 2024– Mar. 2025)	FY2025 (Apr. 2025 – Mar. 2026)
Profit attributable to owners of parent (million yen)	74,194	226,857
Not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent with regard to the common shares (million yen)	74,194	226,857
Average number of common shares outstanding (thousand shares)	385,993	346,475

3. The basis for calculation of BPS is as follows.

	FY2024 (as of Mar. 31, 2025)	FY2025 (as of Mar. 31, 2026)
Equity (million yen)	1,801,470	1,796,567
Deduction from Equity (million yen)	76,024	79,095
-Shares of minority shareholders (million yen)	76,024	79,095
Net Equity attributable to common shares (million yen)	1,725,446	1,717,472
Number of shares to calculate BPS (thousand shares)	369,524	333,420

4. The Company has introduced a trust-type share-based Compensation Plan for its directors and corporate executive officers. Shares held in the Plan's trust account are included in the treasury shares that are excluded from calculating the average number of shares during the fiscal year for calculating net income per share, and are included in the treasury shares that are excluded from the total number of outstanding shares at the end of the fiscal year when calculating net assets per share.

The average number of shares during the fiscal year of the excluded treasury shares for calculating net income per share was 229,383 shares in the previous consolidated fiscal year and 285,775 shares in the consolidated fiscal year. The number of excluded treasury shares at the end of the fiscal year for calculating net assets per share was 300,800 shares in the previous consolidated fiscal year and 281,900 shares in the consolidated fiscal year.

(Material subsequent events)

< Retirement of treasury shares >

The Company resolved at the meeting of the Board of Directors on March 25, 2026 to retire treasury shares in accordance with Article 178 of the Companies Act, and the retirement was executed on April 24, 2026.

The details of the retirement of treasury shares are as follows.

- (1) Type of shares retired: Common shares of the Company
- (2) Total number of shares retired: 36,131,600 shares (Percentage of total issued shares before retirement: 9.7%)
- (3) Date of retirement: April 24, 2026

<Purchase of treasury stock >

The Company resolved at the meeting of the Board of Directors on April 28, 2026 to purchase treasury shares in accordance with the provisions of Article 156 of the Companies Act as applied mutatis mutandis to Article 165, paragraph (3) of the same Act.

The details of the purchase of treasury shares are as follows:

- (1) Type of shares to be purchased: Common shares of the Company
- (2) Total number of shares to be purchased: 12,000,000 shares (Maximum: Percentage of total issued shares: 3.6%)
- (3) Total value of purchase: ¥50,000 million (Maximum)
- (4) Purchase period: From May 7, 2026, to September 30, 2026
- (5) Purchase method: Market purchase on the Tokyo Stock Exchange

IV. Non-Consolidated Financial Statements

(1) Balance sheets

(Unit: millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	41,840	60,882
Notes receivable - trade	587	-
Accounts receivable - trade	317,302	290,408
Work in process	10,436	8,560
Raw materials and supplies	63,775	73,026
Prepaid expenses	1,430	1,889
Other current assets	364,924	214,889
Allowance for doubtful accounts	(5,127)	(3,993)
Total current assets	795,169	645,662
Non-current assets		
Property, plant and equipment		
Buildings	18,042	14,861
Structures	40,423	38,078
Machinery and equipment	55,816	43,571
Tools, furniture and fixtures	6,276	3,947
Land	104,335	104,335
Construction in progress	4,925	2,900
Other fixed asset	26	18
Total property, plant and equipment	229,845	207,711
Intangible assets		
Software	78,278	71,652
Goodwill	735	659
Other intangible assets	12,907	6,475
Total intangible assets	91,921	78,787
Investments and other assets		
Investment securities	53,574	57,876
Shares of subsidiaries and associates	984,626	983,096
Long-term loans receivable	552,812	532,076
Deferred tax assets	17,989	11,586
Other investments	46,593	60,508
Allowance for doubtful accounts	(8,086)	(14,646)
Total investments and other assets	1,647,510	1,630,498
Total non-current assets	1,969,277	1,916,997
Total assets	2,764,446	2,562,660

(Unit: millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	51,112	67,014
Short-term borrowings	454,720	292,070
Accounts payable - other	43,841	46,931
Accrued expenses	113,253	113,051
Income taxes payable	4,987	25,612
Contract liabilities	3,550	2,103
Advances received	8,843	8,110
Deposits received	11,075	14,628
Unearned revenue	1,442	536
Other current liabilities	112,562	135,372
Total current liabilities	805,391	705,432
Non-current liabilities		
Bonds payable	544,799	534,799
Long-term borrowings	355,432	398,000
Provision for retirement benefits	47,773	38,475
Provision for share awards for directors (and other officers)	390	497
Provision for contract loss in regards to appliance warranties	3,523	1,136
Provision for point service program	363	349
Other noncurrent liabilities	1,805	23,204
Total non-current liabilities	954,088	996,462
Total liabilities	1,759,479	1,701,894
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus		
Legal capital surplus	2,065	2,065
Total capital surplus	2,065	2,065
Retained earnings		
Legal retained earnings	35,454	35,454
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	4,216	4,216
Reserve for adjustment of cost fluctuations	141,000	141,000
General reserve	339,000	339,000
Retained earnings brought forward	411,505	393,459
Total retained earnings	931,176	913,130
Treasury shares	(85,205)	(204,626)
Total shareholders' equity	989,881	852,413
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	18,835	22,587
Deferred gains or losses on hedges	(3,750)	(14,235)
Total valuation and translation adjustments	15,085	8,352
Total net assets	1,004,967	860,765
Total liabilities and net assets	2,764,446	2,562,660

(2) Statements of income

(Unit: millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	2,239,451	2,072,759
Cost of sales	1,987,113	1,784,411
Gross profit	252,337	288,347
Selling, general and administrative expenses	201,409	221,585
Operating profit	50,927	66,762
Non-operating income		
Interest and dividend income	157,456	21,916
Miscellaneous income	7,436	7,900
Total non-operating income	164,892	29,816
Non-operating expenses		
Interest expenses	12,211	10,542
Interest expenses on bonds	5,535	3,928
Provision of allowance for doubtful accounts	3,275	5,995
Miscellaneous expenses	3,472	3,929
Total non-operating expenses	24,494	24,395
Ordinary profit	191,326	72,184
Extraordinary income		
Gain on sale of investment securities	4,505	6,625
Gain on extinguishment of tie-in shares	3,783	38,521
Gain on refund with capital reduction of subsidiaries and associates	-	36,600
Total extraordinary income	8,288	81,747
Extraordinary losses		
Losses on valuation of investment securities	10,378	-
Losses on valuation of shares of subsidiaries and associates	-	4,125
Total extraordinary losses	10,378	4,125
Profit before income taxes	189,236	149,806
Income taxes - current	6,600	23,316
Income taxes - deferred	4,461	4,365
Total income taxes	11,062	27,681
Profit	178,174	122,124