

Consolidated Financial Results for FY2015 Ended March 31, 2016

Toho Gas Co., Ltd.

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 Date of regular general meeting of stockholders: June 27, 2016
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 Earnings supplementary explanatory documents: Yes
 Earnings presentation: Yes (for institutional investors)

Shares listed on:
 Tokyo Stock Exchange, Nagoya Stock Exchange

Commencement of dividend payments: June 28, 2016

(Rounded down to the nearest million yen)

1. Consolidated Results for FY2015 (April 1, 2015 - March 31, 2016)

(1) Consolidated business results (Percentage figures indicate the percentage change on the results for the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent company	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2015 ended March 2016	479,870	-17.4	60,725	111.1	61,132	107.1	43,008	125.7
FY2014 ended March 2015	580,984	3.7	28,760	82.6	29,516	73.1	19,053	69.5

Note: Comprehensive income FY2015 ended March 2016: ¥10,832 million (-74.8%) FY2014 ended March 2015: ¥42,917 million (102.1%)

	Net income per share	Diluted income per share	Return on equity (Net income)	Return on assets (Ordinary income)	Operating income ratio
	(Unit: yen)	(Unit: yen)	(%)	(%)	(%)
FY2015 ended March 2016	79.41	-	15.1	11.1	12.7
FY2014 ended March 2015	34.94	-	7.2	5.6	5.0

Note: Profit or loss on investment accounted for by equity method: FY2015 ended March 2016: None FY2014 ended March 2015: None

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2015 ended March 2016	555,217	285,186	51.4	526.94
FY2014 ended March 2015	543,286	282,827	52.1	518.75

Note: Net assets (excluding minority interests) FY2015 ended March 2016: ¥285,186 million FY2014 ended March 2015: ¥282,827 million

(3) Consolidated cash flow

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investment activities	Net cash provided by (used in) financing activities	Balance of cash and cash equivalents as of end of term
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
FY2015 ended March 2016	114,923	-42,196	-31,817	60,314
FY2014 ended March 2015	62,320	-37,839	-20,156	19,423

2. Dividends

	Dividend per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend rate for net assets (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of 4th quarter	Total			
FY2014 ended March 2015	(Unit: yen) -	(Unit: yen) 4.50	(Unit: yen) -	(Unit: yen) 5.00	(Unit: yen) 9.50	(Unit: million yen) 5,179	(%) 27.2	(%) 2.0
FY2015 ended March 2016	(Unit: yen) -	(Unit: yen) 5.00	(Unit: yen) -	(Unit: yen) 5.00	(Unit: yen) 10.00	(Unit: million yen) 5,412	(%) 12.6	(%) 1.9
FY2016 ending March 2017 (forecast)	(Unit: yen) -	(Unit: yen) 5.00	(Unit: yen) -	(Unit: yen) 5.00	(Unit: yen) 10.00		(%) 31.8	

3. Consolidated results forecast for FY2016 (April 1, 2016- March 31, 2017)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent company		Net income per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Mid-term	180,000	-24.1	10,000	-74.8	10,500	-73.9	7,500	-74.1	13.86
Full term	405,000	-15.6	23,000	-62.1	24,000	-60.7	17,000	-60.5	31.41

Note: (Mid-term) Percentage figures indicate the percentage change on the interim results for the previous year
 (Full term) Percentage figures indicate the percentage change on the results for the previous year

※Notes

(1) Changes in significant consolidated subsidiaries: No

(2) Changes in accounting treatment principles, changes in accounting estimates, and retrospective restatements

- Changes accompanied by reform of accounting standards: Yes*

- Other changes: No

- Changes in accounting estimates: No

- Retrospective restatements: No

* Note: Please see page 9, “5. Notes about consolidated statements (1) Change in accounting policies or estimates and retrospective restatements (Changes in accounting treatment principles)” for details.

(3) Number of outstanding shares (common stock)

Number of outstanding shares at the end of the term (Inclusive of treasury stock)	FY2015 ended March 2016	541,276,429 shares	FY2014 ended March 2015	545,966,429 shares
Number of treasury stock at the end of the term	FY2015 ended March 2016	68,729 shares	FY2014 ended March 2015	755,433 shares
Average number of outstanding shares during the term	FY2015 ended March 2016	541,592,304 shares	FY2014 ended March 2015	545,273,899 shares

Reference: Non-consolidated results and forecast

1. Results for FY2015 (April 1, 2015 - March 31, 2016)

(1) Business results (Percentage figures indicate the percentage change on the results for the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	(Unit: million yen)	(%)						
FY2015 ended March 2016	410,868	-18.9	55,552	124.3	57,343	113.1	40,800	130.6
FY2014 ended March 2015	506,364	3.3	24,762	89.4	26,903	72.4	17,696	67.1

	Net income per share	Diluted income per share
	(Unit: yen)	(Unit: yen)
FY2015 ended March 2016	75.33	-
FY2014 ended March 2015	32.45	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2015 ended March 2016	479,765	249,975	52.1	461.88
FY2014 ended March 2015	472,905	239,935	50.7	440.08

Note: Net assets FY2015 ended March 2016: ¥ 249,975 million FY2014 ended March 2015: ¥ 239,935 million

2. Results forecast for FY2016 (April 1, 2016- March 31, 2017)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	(%)	(Unit: yen)						
Mid-term	150,000	-27.1	9,000	-76.2	10,500	-73.2	7,500	-73.7	13.86
Full term	339,000	-17.5	20,000	-64.0	22,000	-61.6	15,500	-62.0	28.64

Note: (Mid-term) Percentage figures indicate the percentage change on the interim results for the previous year

(Full term) Percentage figures indicate the percentage change on the results for the previous year

* The above forecast was based on the information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecast data.

<Consolidated Statements>

1. Consolidated balance sheet

(Unit: million yen)

	FY2014 (Ended Mar. 31, 2015)	FY2015 (Ended Mar. 31, 2016)
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	67,858	67,795
Distribution facilities	149,332	148,693
Service and maintenance facilities	26,563	26,939
Other facilities	28,212	29,448
Construction in progress	31,592	40,405
Total property, plant and equipment	303,559	313,282
Intangible assets		
Other	5,936	5,319
Total intangible assets	5,936	5,319
Investments and other assets		
Investment securities	79,023	69,045
Deferred tax assets	7,139	14,250
Other	6,064	8,472
Allowance for doubtful accounts	-80	-102
Total investments and other assets	92,147	91,665
Total non-current assets	401,643	410,267
Current assets		
Cash and deposits	20,722	25,393
Notes and accounts receivable-trade	61,030	47,666
Securities	-	35,000
Lease receivables and investment assets	7,122	8,076
Inventories	28,297	14,256
Deferred tax assets	730	5,009
Other	24,012	9,759
Allowance for doubtful accounts	-271	-212
Total current assets	141,643	144,950
Total assets	543,286	555,217

(Unit: million yen)

	FY2014 (Ended Mar. 31, 2015)	FY2015 (Ended Mar. 31, 2016)
Liabilities		
Non-current liabilities		
Bonds payable	89,995	69,997
Long-term loans payable	29,674	22,389
Deferred tax liabilities	978	905
Provision for gas holder repairs	1,318	1,422
Provision for safety measures	16,180	18,570
Provision for gas appliance warranties	939	3,764
Net defined benefit liability	21,781	26,200
Other	7,246	7,757
Total non-current liabilities	168,114	151,007
Current liabilities		
Current portion of non-current liabilities	17,133	26,780
Notes and accounts payable-trade	15,959	16,593
Short-term loans payable	12,022	7,073
Income taxes payable	11,492	15,355
Deferred tax liabilities	1,855	-
Other	33,882	53,222
Total current liabilities	92,344	119,024
Total liabilities	260,459	270,031
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,388	8,387
Retained earnings	188,522	222,721
Treasury stock	-387	-50
Total shareholders' equity	229,596	264,131
Other comprehensive income		
Valuation difference on available-for-sale securities	39,473	32,480
Deferred gains or losses on hedges	11,496	-4,212
Foreign currency translation adjustment	2,786	3,009
Remeasurements of defined benefit plans	-525	-10,222
Total Other comprehensive income	53,230	21,054
Total net assets	282,827	285,186
Total liabilities and net assets	543,286	555,217

2. Consolidated statements of income

(Unit: million yen)

	FY2014 (Apr. 2014 -Mar. 2015)	FY2015 (Apr. 2015 -Mar. 2016)
Net sales	580,984	479,870
Cost of sales	410,431	278,073
Gross profit	170,552	201,796
Selling, general and administrative expenses	141,791	141,071
Operating income	28,760	60,725
Non-operating income		
Interest income	26	80
Dividend income	1,334	1,592
Rent income	703	709
Miscellaneous income	756	943
Total non-operating income	2,821	3,325
Non-operating expenses		
Interest expenses	1,690	1,550
Loss on bond retirement	-	936
Miscellaneous expenses	375	431
Total non-operating expenses	2,066	2,918
Ordinary income	29,516	61,132
Income before income taxes	29,516	61,132
Income taxes-current	10,033	18,406
Income taxes-deferred	429	-282
Total income taxes	10,462	18,123
Net income	19,053	43,008
Net income attributable to the parent company	19,053	43,008

Consolidated statements of comprehensive income

(Unit: million yen)

	FY2014 (Apr. 2014-Mar. 2015)	FY2015 (Apr. 2015-Mar. 2016)
Net income	19,053	43,008
Other comprehensive income		
Valuation difference on available-for-sale securities	9,894	-6,992
Deferred gains or losses on hedges	6,724	-15,709
Foreign currency translation adjustment	1,256	223
Remeasurements of defined benefit plans, net of tax	5,989	-9,696
Total other comprehensive income	23,863	-32,175
Comprehensive income	42,917	10,832
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	42,917	10,832
Comprehensive income attributable to minority interests	-	-

3. Consolidated statements of changes in net assets

FY2014 (Apr. 2014-Mar. 2015)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	33,072	8,387	175,387	-324	216,523
Cumulative effects of changes in accounting policies			-1,010		-1,010
Restated balance	33,072	8,387	174,376	-324	215,512
Changes of items during the period					
Dividends from surplus			-4,907		-4,907
Net income attributable to the parent company			19,053		19,053
Purchase of treasury stock				-64	-64
Disposal of treasury stock		0		2	2
Retirement of treasury stock					-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	14,146	-62	14,083
Balance at the end of current period	33,072	8,388	188,522	-387	229,596

	Other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other comprehensive income	
Balance at the beginning of current period	29,578	4,772	1,530	-6,514	29,366	245,890
Cumulative effects of changes in accounting policies				3,181	3,181	2,170
Restated balance	29,578	4,772	1,530	-3,332	32,548	248,060
Changes of items during the period						
Dividends from surplus						-4,907
Net income attributable to the parent company						19,053
Purchase of treasury stock						-64
Disposal of treasury stock						2
Retirement of treasury stock						-
Net changes of items other than shareholders' equity	9,894	6,724	1,256	2,807	20,682	20,682
Total changes of items during the period	9,894	6,724	1,256	2,807	20,682	34,766
Balance at the end of current period	39,473	11,496	2,786	-525	53,230	282,827

FY2015 (Apr. 2015-Mar. 2016)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	33,072	8,388	188,522	-387	229,596
Cumulative effects of changes in accounting policies					-
Restated balance	33,072	8,388	188,522	-387	229,596
Changes of items during the period					
Dividends from surplus			-5,432		-5,432
Net income attributable to the parent company			43,008		43,008
Purchase of treasury stock				-3,041	-3,041
Disposal of treasury stock		0		0	0
Retirement of treasury stock		-0	-3,377	3,377	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-0	34,199	336	34,534
Balance at the end of current period	33,072	8,387	222,721	-50	264,131

	Other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other comprehensive income	
Balance at the beginning of current period	39,473	11,496	2,786	-525	53,230	282,827
Cumulative effects of changes in accounting policies					-	-
Restated balance	39,473	11,496	2,786	-525	53,230	282,827
Changes of items during the period						
Dividends from surplus						-5,432
Net income attributable to the parent company						43,008
Purchase of treasury stock						-3,041
Disposal of treasury stock						0
Retirement of treasury stock						-
Net changes of items other than shareholders' equity	-6,992	-15,709	223	-9,696	-32,175	-32,175
Total changes of items during the period	-6,992	-15,709	223	-9,696	-32,175	2,359
Balance at the end of current period	32,480	-4,212	3,009	-10,222	21,054	285,186

4. Consolidated statement of cash flows

(Unit: million yen)

	FY2014 (Apr. 2014-Mar. 2015)	FY2015 (Apr. 2015-Mar. 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	29,516	61,132
Depreciation and amortization	33,950	32,987
Increase (decrease) in provision	8,263	5,280
Decrease (increase) in notes and accounts receivable-trade	761	13,364
Decrease (increase) in inventories	-5,530	14,041
Increase (decrease) in notes and accounts payable-trade	-3,865	624
Income taxes paid	-4,026	-13,375
Other	3,251	869
Net cash provided by (used in) operating activities	62,320	114,923
Net cash provided by (used in) investment activities		
Purchases of non-current assets	-36,570	-40,101
Proceeds from sales of non-current assets	156	107
Purchase of investment securities	-5	-199
Proceeds from sales of investment securities	2	24
Other	-1,422	-2,027
Net cash provided by (used in) investment activities	-37,839	-42,196
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-12,048	-4,949
Proceeds from long-term loans payable	9,258	10,735
Repayment of long-term loans payable	-12,271	-8,176
Proceeds from issuance of bonds	9,957	-
Redemption of bonds	-10,000	-20,934
Purchase of treasury stock	-64	-3,041
Cash dividends paid	-4,911	-5,435
Other	-76	-16
Net cash provided by (used in) financing activities	-20,156	-31,817
Effect of exchange rate change on cash and cash equivalents	858	-19
Net increase (decrease) in cash and cash equivalents	5,182	40,891
Cash and cash equivalents at beginning of term	14,241	19,423
Cash and cash equivalents at end of term	19,423	60,314

5. Notes about consolidated statements

(1) Change in accounting policies or estimates and retrospective restatements

(Change in accounting treatment principles)

The Company has applied the “Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ASBJ) Statement No. 21 issued on September 13, 2013, hereinafter “Business Combinations Accounting Standard”), “Accounting Standard for Consolidated Financial Statements (Accounting Standards Board of Japan (ASBJ) Statement No. 22 issued on September 13, 2013, hereinafter “Consolidation Accounting Standard”), “Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan (ASBJ) Statement No. 7 issued on September 13, 2013, hereinafter “Business Divestitures Accounting Standard”) and other related standards from this consolidated fiscal year. Accordingly, the accounting methods were changed to record the difference arising from changes in equity in subsidiaries which the Company continues to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which they occurred. In addition, regarding business combinations which became or will become effective on or after April 1, 2015, the accounting method was changed to retroactively reflect adjustments to the allocation of acquisition cost under provisional accounting treatment on the consolidated financial statements of the fiscal year in which the relevant business combinations became or will become effective. The Company has also changed the presentation of net income, etc. To reflect this change in presentation, the Company has made certain reclassification to consolidated financial statement for the previous fiscal year.

The Business Combinations Accounting Standard and other related standards were applied from April 1, 2015 in accordance with the transitional treatment set forth in Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard and Article 57-4 (4) of the Business Divestitures Accounting Standard.

In Consolidated statement of cash flows of this consolidated fiscal year, cash flows pertaining to acquisition or sales of subsidiary company shares not involving a change in the scope of consolidation are listed in net cash provided by (used in) financing activities, and cash flows related to expenses due to acquisition of subsidiary company shares involving a change in the scope of consolidation or expenses due to acquisition or sales of subsidiary company shares not involving a change in the scope of consolidation are listed in net cash provided by (used in) operating activities.

This change has no effect on consolidated financial statements and per share information during this consolidated fiscal year ended March 31, 2016.

(2) Change in basis of preparation of consolidated financial statements

- Provision for safety measures

The Company provides an allowance for replacement of gas appliances and pipelines by estimating future expenditures, and charging them to income to promote the replacement of old gas appliances with new ones that have safety devices and to replace the aged white galvanized branch pipes, pipes buried under the roads that are important in terms of disaster prevention, and pipes of important buildings for security reasons.

(Additional information)

We decided to make further efforts to ensure security by replacing the gas pipelines buried under the roads that are important in terms of disaster prevention with more earthquake-resistant pipelines in a planned manner, and to provide an allowance for the expenses.

As a result, we provided an additional allowance for safety measures by estimating future expenditures of ¥4,125 million. Therefore, operating income, ordinary income, and income before income taxes declined by ¥4,125 million.

- Provision for gas appliance warranties

The Company provides an allowance for gas appliance warranties by estimating future expenditures, and charging them to income to provide service during the warranty period.

(Additional information)

We decided to include the expenses for sales promotion of gas appliance according to rational estimates based on the past warranty results.

As a result, we provided an allowance for gas appliance warranties by estimating future expenditures of ¥2,915 million. Therefore, operating income, ordinary income, and income before income taxes declined by ¥2,915 million.

(3) Segment information

- General information about reportable segments

The TOHO GAS Group defines a reportable segment as constituent business units of the TOHO GAS Group for which discrete financial information is available and which are reviewed regularly by the Board of Directors to determine the best allocation of managerial resources and to evaluate business performance.

The reportable segments of the TOHO GAS Group are composed of three segments : “Gas sales,” “Gas appliance sales and related construction” and “LPG and other Energies.” They are determined based on the Gas Business Law and related accounting regulations.

The main products and services of each reporting segment are as follows:

Gas sales: Products, supplies and sales of the gas

Gas appliance sales and related construction: Gas appliance sales and related construction

LPG and other Energies: LPG sales, LPG appliance sales, LNG sales, District heating and cooling, and sales of coke and petroleum products.

- Basis of measurement for reported segment income and loss, segment assets and other material items

The accounting methods for the reporting segments are consistent with “Summary of significant accounting policies.”

- Information about reported segment income or loss, segment assets and other material items

FY2014 (Apr. 2014- Mar. 2015)

(Unit: million yen)

	Reported segments				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated (Note.3)
	Gas sales	Gas appliance sales and related construction	LPG and other Energies	Total				
Net sales								
(1)External customers	442,979	33,228	81,315	557,523	23,460	580,984	-	580,984
(2)Intersegment	101	2,914	684	3,700	13,114	16,815	-16,815	-
Total	443,080	36,143	82,000	561,223	36,575	597,799	-16,815	580,984
Segment income (loss)	25,451	-381	1,270	26,340	1,173	27,514	1,246	28,760
Segment assets	372,039	12,781	41,523	426,345	61,378	487,723	55,563	543,286
Other items								
Depreciation expenses	30,348	108	2,096	32,553	1,477	34,030	-80	33,950
Capital expenditures	31,329	107	2,895	34,332	2,932	37,264	-16	37,248

Notes: 1. The “Other” segment incorporates operations not included in reported segment, including LNG processing under contract, leasing of buildings, engineering of gas production plants, comprehensive utility service business, sales of housing equipment, data processing services, and other leasing the other business.

2. The “Adjustments” column in “Segment income (loss)” denotes eliminations of intersegment transactions (¥1,246 million).

The “Adjustments” column in “Segment assets” includes ¥70,539 million of companywide assets, which mainly includes long-term investments in securities, etc.

3. Segment income (loss) in the table above is reconciled to operating income on the accompanying consolidated statements of income.

FY2015 (Apr. 2015- Mar. 2016)

(Unit: million yen)

	Reported segments				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated (Note.3)
	Gas sales	Gas appliance sales and related construction	LPG and other Energies	Total				
Net sales								
(1)External customers	354,969	34,704	67,943	457,617	22,252	479,870	-	479,870
(2)Intersegment	78	3,088	721	3,888	16,659	20,547	-20,547	-
Total	355,048	37,793	68,664	461,506	38,911	500,417	-20,547	479,870
Segment income	55,861	64	1,970	57,896	1,604	59,500	1,224	60,725
Segment assets	380,786	17,190	40,667	438,644	72,212	510,856	44,361	555,217
Other items								
Depreciation expenses	29,808	150	2,153	32,112	952	33,065	-77	32,987
Capital expenditures	34,649	233	2,783	37,666	5,461	43,127	116	43,243

Notes: 1. The “Other” segment incorporates operations not included in reported segment, including LNG processing under contract, leasing of buildings, engineering of gas production plants, comprehensive utility service business, sales of housing equipment, data processing services, and other leasing the other business.

2. The “Adjustments” column in “Segment income” denotes eliminations of intersegment transactions (¥1,224 million).

The “Adjustments” column in “Segment assets” includes ¥60,801 million of companywide assets, which mainly includes long-term investments in securities, etc.

3. Segment income in the table above is reconciled to operating income on the accompanying consolidated statements of income.

(4) Material subsequent events

The Company resolved at the meeting of Board of Directors held on April 28, 2016 that it would acquire its own shares of stock based on the provisions of Article 156 of the Companies Act that is applied in an alternative interpretation of Article 165, Section 3 of the Companies Act.

The repurchases of shares are to be carried out as described below:

Type of shares: Common stock

No. of shares to be repurchased: Up to 10 million shares

Total value of stock repurchased: Up to ¥ 8 billion

Period of acquisitions: From May 6, 2016 to December 31, 2016

<Non-Consolidated Statements>

1. Balance sheet

(Unit: million yen)

	FY2014 (Ended Mar. 31, 2015)	FY2015 (Ended Mar. 31, 2016)
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	67,865	67,802
Distribution facilities	147,381	146,910
Service and maintenance facilities	26,362	26,781
Facilities for incidental businesses	1,840	1,644
Construction in progress	27,110	33,003
Total property, plant and equipment	270,559	276,141
Intangible assets		
Leasehold right	407	407
Other Intangible assets	143	112
Total intangible assets	550	519
Investments and other assets		
Investment securities	68,496	58,771
Investments in subsidiaries and affiliates	20,746	27,730
Long-term loans receivable	130	130
Long-term prepaid expenses	14	0
Deferred tax assets	4,492	7,690
Other investments and other assets	512	528
Allowance for doubtful accounts	-1	-32
Total investments and other assets	94,390	94,819
Total non-current assets	365,500	371,480
Current assets		
Cash and deposits	9,069	10,929
Notes receivable-trade	1,491	1,462
Accounts receivable-trade	43,579	32,112
Accounts receivable from subsidiaries and affiliates-trade	5,789	4,503
Accounts receivable-other	6,000	2,165
Securities	-	35,000
Finished goods	54	30
Raw materials	20,723	7,669
Supplies	3,105	3,060
Advance payments	94	137
Prepaid expenses	261	227
Short-term receivables from subsidiaries and affiliates	431	824
Deferred tax assets	-	4,285
Other current assets	16,969	5,999
Allowances for doubtful accounts	-165	-124
Total current assets	107,405	108,284
Total assets	472,905	479,765

(Unit: million yen)

	FY2014 (Ended Mar. 31, 2015)	FY2015 (Ended Mar. 31, 2016)
Liabilities		
Non-current liabilities		
Bonds payable	89,995	69,997
Long-term loans payable	24,282	16,531
Long-term debt to subsidiaries and affiliates	233	3,118
Provision for retirement benefits	16,644	7,595
Provision for gas holder repairs	1,299	1,395
Provision for safety measures	16,180	18,570
Provision for gas appliance warranties	939	3,269
Other non-current liabilities	5,702	5,644
Total non-current liabilities	155,278	126,122
Current liabilities		
Current portion of non-current liabilities	15,436	24,667
Notes payable-trade	274	78
Accounts payable-trade	9,118	9,102
Short-term loans payable	1,400	-
Accounts payable-other	11,569	17,369
Accrued expenses	9,253	10,875
Income taxes payable	10,713	14,261
Deferred tax liabilities	1,855	-
Advances received	3,106	2,679
Deposits received	858	871
Short-term debt to subsidiaries and affiliates	11,166	9,125
Provision for directors' bonuses	50	50
Other current liabilities	2,887	14,586
Total current liabilities	77,691	103,667
Total liabilities	232,969	229,790
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus		
Legal capital surplus	8,027	8,027
Other capital surplus	0	-
Total capital surplus	8,028	8,027
Retained earnings		
Legal retained earnings	8,779	8,779
Other retained earnings		
Reserve for advanced depreciation of non-current assets	330	329
Reserve for overseas investment loss	1,592	2,242
Reserve for adjustment of cost fluctuations	23,000	23,000
General reserve	52,703	52,703
Retained earnings brought forward	65,212	96,554
Total retained earnings	151,618	183,609
Treasury stock	-387	-50
Total shareholders' equity	192,332	224,658
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	36,321	29,571
Deferred gains or losses on hedges	11,281	-4,255
Total valuation and translation adjustments	47,603	25,316
Total net assets	239,935	249,975
Total liabilities and net assets	472,905	479,765

2. Statements of income

(Unit: million yen)

	FY2014 (Apr. 2014 -Mar. 2015)	FY2015 (Apr. 2015-Mar. 2016)
Net sales		
Gas sales	435,756	349,551
Cost of sales		
Beginning inventories	67	54
Cost of products manufactured	296,106	179,829
Purchase of finished goods	7	2
Costs of gas for own use	1,419	909
Ending inventories	54	30
Total cost of sales	294,707	178,946
Gross profit	141,049	170,605
Selling, general and administrative expenses		
Supply and sales expenses	94,599	94,410
General and administrative expenses	21,710	20,819
Total Selling, general and administrative expenses	116,309	115,230
Income on core business	24,739	55,375
Miscellaneous operating revenue		
Revenue from installation work	10,961	10,755
Revenue from gas appliance sales	22,610	23,264
Third party access revenue	171	211
Other miscellaneous operating revenue	210	156
Total miscellaneous operating revenue	33,954	34,387
Miscellaneous operating expenses		
Expenses of installation work	11,042	10,730
Expenses of gas appliance sales	22,889	23,419
Total miscellaneous operating expenses	33,932	34,150
Revenue for incidental businesses		
Revenue from LNG sales	4,517	3,603
Revenue from other incidental businesses	32,136	23,326
Total revenue for incidental businesses	36,653	26,929
Expenses for incidental businesses		
Expenses for LNG sales	4,369	2,775
Expenses for other incidental businesses	32,282	24,214
Total expenses for incidental businesses	36,652	26,990
Operating income	24,762	55,552
Non-operating income		
Interest income	3	11
Interest on securities	-	2
Dividends income	1,175	1,415
Dividends from subsidiaries and affiliates	392	505
Rent income	1,854	1,864
Miscellaneous income	697	858
Total non-operating income	4,123	4,658
Non-operating expenses		
Interest expenses	410	394
Interest on bonds	1,254	1,149
Amortization of bond issuance cost	42	-
Loss on bond retirement	-	936
Miscellaneous expenses	276	386
Total non-operating expenses	1,983	2,867
Ordinary income	26,903	57,343
Income before income taxes	26,903	57,343
Income taxes-current	8,880	16,819
Income taxes-deferred	326	-276
Total income taxes	9,206	16,543
Net income	17,696	40,800

3. Statement of changes in net assets

FY2014 (Apr. 2014 -Mar. 2015)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings
Balance at the beginning of current period	33,072	8,027	0	8,027	8,779
Cumulative effects of changes in accounting policies					
Restated balance	33,072	8,027	0	8,027	8,779
Changes of items during the period					
Dividends from surplus					
Reversal of reserve for advanced depreciation of non-current assets					
Provision of reserve for overseas investment loss					
Increase of reserve due to the change of effective tax rate					
Net income					
Purchase of treasury stock					
Disposal of treasury stock			0	0	
Retirement of treasury stock				-	
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	0	0	-
Balance at the end of current period	33,072	8,027	0	8,028	8,779

	Shareholders' equity					
	Retained earnings					
	Other retained earnings					Total Retained earnings
	Reserve for advanced depreciation of non-current assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	324	868	23,000	52,703	54,164	139,840
Cumulative effects of changes in accounting policies					-1,010	-1,010
Restated balance	324	868	23,000	52,703	53,153	138,829
Changes of items during the period						
Dividends from surplus					-4,907	-4,907
Reversal of reserve for advanced depreciation of non-current assets	-2				2	-
Provision of reserve for overseas investment loss		681			-681	-
Increase of reserve due to the change of effective tax rate	8	42			-51	-
Net income					17,696	17,696
Purchase of treasury stock						
Disposal of treasury stock						
Retirement of treasury stock						-
Net changes of items other than shareholders' equity						
Total changes of items during the period	6	723	-	-	12,059	12,789
Balance at the end of current period	330	1,592	23,000	52,703	65,212	151,618

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total Valuation and translation adjustments	
Balance at the beginning of current period	-324	180,616	27,037	4,772	31,810	212,427
Cumulative effects of changes in accounting policies		-1,010				-1,010
Restated balance	-324	179,605	27,037	4,772	31,810	211,416
Changes of items during the period						
Dividends from surplus		-4,907				-4,907
Reversal of reserve for advanced depreciation of non-current assets		-				-
Provision of reserve for overseas investment loss		-				-
Increase of reserve due to the change of effective tax rate		-				-
Net income		17,696				17,696
Purchase of treasury stock	-64	-64				-64
Disposal of treasury stock	2	2				2
Retirement of treasury stock		-				-
Net changes of items other than shareholders' equity			9,283	6,509	15,792	15,792
Total changes of items during the period	-62	12,726	9,283	6,509	15,792	28,519
Balance at the end of current period	-387	192,332	36,321	11,281	47,603	239,935

FY2015 (Apr. 2015 -Mar. 2016)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings
Balance at the beginning of current period	33,072	8,027	0	8,028	8,779
Cumulative effects of changes in accounting policies					
Restated balance	33,072	8,027	0	8,028	8,779
Changes of items during the period					
Dividends from surplus					
Reversal of reserve for advanced depreciation of non-current assets					
Provision of reserve for overseas investment loss					
Increase of reserve due to the change of effective tax rate					
Net income					
Purchase of treasury stock					
Disposal of treasury stock			0	0	
Retirement of treasury stock			-0	-0	
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	-0	-0	-
Balance at the end of current period	33,072	8,027	-	8,027	8,779

	Shareholders' equity					
	Retained earnings					
	Other retained earnings					Total Retained earnings
	Reserve for advanced depreciation of non-current assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	330	1,592	23,000	52,703	65,212	151,618
Cumulative effects of changes in accounting policies						-
Restated balance	330	1,592	23,000	52,703	65,212	151,618
Changes of items during the period						
Dividends from surplus					-5,432	-5,432
Reversal of reserve for advanced depreciation of non-current assets	-4				4	-
Provision of reserve for overseas investment loss		624			-624	-
Increase of reserve due to the change of effective tax rate	3	24			-28	-
Net income					40,800	40,800
Purchase of treasury stock						
Disposal of treasury stock						
Retirement of treasury stock					-3,377	-3,377
Net changes of items other than shareholders' equity						
Total changes of items during the period	-0	649	-	-	31,342	31,991
Balance at the end of current period	329	2,242	23,000	52,703	96,554	183,609

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total Valuation and translation adjustments	
Balance at the beginning of current period	-387	192,332	36,321	11,281	47,603	239,935
Cumulative effects of changes in accounting policies		-				-
Restated balance	-387	192,332	36,321	11,281	47,603	239,935
Changes of items during the period						
Dividends from surplus		-5,432				-5,432
Reversal of reserve for advanced depreciation of non-current assets		-				-
Provision of reserve for overseas investment loss		-				-
Increase of reserve due to the change of effective tax rate		-				-
Net income		40,800				40,800
Purchase of treasury stock	-3,041	-3,041				-3,041
Disposal of treasury stock	0	0				0
Retirement of treasury stock	3,377	-				-
Net changes of items other than shareholders' equity			-6,749	-15,537	-22,287	-22,287
Total changes of items during the period	336	32,326	-6,749	-15,537	-22,287	10,039
Balance at the end of current period	-50	224,658	29,571	-4,255	25,316	249,975