

Consolidated Financial Results for FY2018 Ended March 31, 2019

Toho Gas Co., Ltd.

Code No.: 9533 (URL <https://www.tohogas.co.jp/>)
 Representative: Yoshiro Tominari, President
 Contact: Katsuhiko Kozawa, General Manager, Finance Dept.
 Tel: +81-52-872-9341

Shares listed on:
 Tokyo Stock Exchange, Nagoya Stock Exchange

Date of regular general meeting of stockholders: June 25, 2019
 Date of submission of financial report: June 26, 2019

Commencement of dividends payments: June 26, 2019

Earnings supplementary explanatory documents: Yes
 Earnings presentation: Yes (for institutional investors)

(Rounded down to the nearest million yen)

1. Consolidated Results for FY2018 (April 1, 2018 - March 31, 2019)

(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 owners of the parent	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2018 ended March 2019	461,199	7.5	17,831	-25.7	21,485	-14.8	14,820	-17.8
FY2017 ended March 2018	428,868	9.8	23,984	3.4	25,208	2.9	18,022	1.5

Note: Comprehensive income FY2018 ended March 2019: ¥7,326 million (-73.7%) FY2017 ended March 2018: ¥27,833 million (-12.0%)

	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)	(%)	(%)	(%)
FY2018 ended March 2019	139.37	-	4.5	3.9	3.9
FY2017 ended March 2018	169.28	-	5.7	4.7	5.6

Note: The Company consolidated its common stocks at a ratio of five shares to one share on October 1, 2017. Net income per share is calculated as if the consolidation of shares had occurred at the beginning of FY2017 ended March 31, 2018.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2018 ended March 2019	550,599	327,339	59.5	3,078.37
FY2017 ended March 2018	541,087	326,279	60.3	3,068.29

Reference: Net assets (excluding minority interests) FY2018 ended March 2019: ¥327,339 million FY2017 ended March 2018: ¥326,279 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)
FY2018 ended March 2019	32,615	-40,011	8,834	19,260
FY2017 ended March 2018	57,047	-43,345	-12,240	17,876

2. Dividends

	Dividends 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			
FY2017 ended March 2018	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: million yen)	(%)	(%)
FY2017 ended March 2018	-	5.00	-	27.50	-	5,582	31.0	1.8
FY2018 ended March 2019	-	27.50	-	27.50	55.00	5,848	39.5	1.8
FY2019 ending March 2020 (forecast)	-	27.50	-	27.50	55.00		34.4	

Note: The Company consolidated its common stocks at a ratio of five shares to one share on October 1, 2017. Accordingly, the amount of the year-end dividends per share for FY2017 ended March 2018 reflects the impact of the consolidation of shares and disclosure of the annual dividends per share is omitted. Including the impact of the consolidation of shares, the annual dividends per share for FY2017 ended March 2018 would be 52.5 yen.

3. Consolidated Results Forecasts for FY2019 (April 1, 2019 - March 31, 2020)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	500,000	8.4	22,000	23.4	24,000	11.7	17,000	14.7	159.87

※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: No

- Other changes: No

- Changes in accounting estimates: No

- Retrospective restatements: No

(3) Number of outstanding shares (common stock)

Number of outstanding shares at the end of the term (Inclusive of treasury stock)	FY2018 ended March 2019	106,351,285 shares	FY2017 ended March 2018	106,351,285 shares
Number of treasury stock at the end of the term	FY2018 ended March 2019	16,095 shares	FY2017 ended March 2018	12,002 shares
Average number of outstanding shares during the term	FY2018 ended March 2019	106,337,419 shares	FY2017 ended March 2018	106,466,520 shares

Note: The Company consolidated its common stocks at a ratio of five shares to one share on October 1, 2017. The average number of outstanding shares during the term is calculated as if the consolidation of shares had occurred at the beginning of FY2017 ended March 31, 2018.

Reference: Non-consolidated Results and Forecasts

1. Results for FY2018 (April 1, 2018 - March 31, 2019)

(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)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2018 ended March 2019	365,015	2.8	11,538	-36.9	17,278	-16.7	12,950	-17.7
FY2017 ended March 2018	355,117	9.4	18,278	3.5	20,749	0.3	15,737	2.9

	Net income per share	Diluted income per share
	(Unit: yen)	(Unit: yen)
FY2018 ended March 2019	121.79	-
FY2017 ended March 2018	147.82	-

Note: The Company consolidated its common stocks at a ratio of five shares to one share on October 1, 2017. Net income per share is calculated as if the consolidation of shares had occurred at the beginning of FY2017 ended March 31, 2018.

(2) Financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2018 ended March 2019	467,810	277,308	59.3	2,607.87
FY2017 ended March 2018	465,421	276,466	59.4	2,599.86

Reference: Net assets FY2018 ended March 2019: ¥277,308 million FY2017 ended March 2018: ¥276,466 million

2. Results Forecasts for FY2019 (April 1, 2019 - March 31, 2020)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	385,000	5.5	16,000	38.7	20,000	15.8	14,500	12.0	136.36

(1) This report of consolidated financial results is not subject to audit.

(2) Notes on proper use of forecasts and other matters

The forecasts in this document are 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 Financial Statements and Main Notes>

1. Consolidated balance sheet

(Unit: million yen)

	FY2017 (As of Mar. 31, 2018)	FY2018 (As of Mar. 31, 2019)
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	81,572	76,111
Distribution facilities	154,442	158,415
Service and maintenance facilities	26,263	27,588
Other facilities	35,356	45,677
Construction in progress	26,233	9,693
Total property, plant and equipment	323,868	317,486
Intangible assets		
Other	4,249	6,616
Total intangible assets	4,249	6,616
Investments and other assets		
Investment securities	92,020	83,492
Long-term loans receivable	5,701	6,732
Deferred tax assets	9,030	10,138
Other	7,143	8,852
Allowance for doubtful accounts	-83	-64
Total investments and other assets	113,812	109,152
Total non-current assets	441,930	433,255
Current assets		
Cash and deposits	17,955	19,338
Notes and accounts receivable-trade	48,874	57,833
Lease receivables and investment assets	9,825	11,159
Inventories	18,608	24,258
Other	4,122	4,958
Allowance for doubtful accounts	-227	-204
Total current assets	99,157	117,344
Total assets	541,087	550,599

(Unit: million yen)

	FY2017 (As of Mar. 31, 2018)	FY2018 (As of Mar. 31, 2019)
Liabilities		
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	29,942	43,440
Deferred tax liabilities	608	690
Provision for gas holder repairs	1,653	1,751
Provision for safety measures	18,211	17,105
Provision for gas appliance warranties	3,932	3,296
Net defined benefit liability	8,534	6,530
Other	8,870	9,460
Total non-current liabilities	121,753	132,275
Current liabilities		
Current portion of non-current liabilities	23,576	14,799
Notes and accounts payable-trade	20,284	20,009
Short-term loans payable	5,383	17,828
Income taxes payable	7,067	4,970
Other	36,742	33,377
Total current liabilities	93,054	90,984
Total liabilities	214,807	223,260
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	240,123	248,694
Treasury stock	-45	-63
Total shareholders' equity	281,537	290,091
Other comprehensive income		
Valuation difference on available-for-sale securities	42,111	35,177
Deferred gains or losses on hedges	-21	599
Foreign currency translation adjustment	3,199	2,186
Remeasurements of defined benefit plans	-548	-715
Total other comprehensive income	44,742	37,248
Total net assets	326,279	327,339
Total liabilities and net assets	541,087	550,599

2. Consolidated statements of income and comprehensive income

Consolidated statements of income

(Unit: million yen)

	FY2017 (Apr. 2017 -Mar. 2018)	FY2018 (Apr. 2018 -Mar. 2019)
Net sales	428,868	461,199
Cost of sales	271,686	315,324
Gross profit	157,182	145,874
Selling, general and administrative expenses	133,198	128,042
Operating income	23,984	17,831
Non-operating income		
Interest income	215	10
Dividends income	1,749	1,828
Rent income	701	681
Miscellaneous income	1,429	2,185
Total non-operating income	4,095	4,705
Non-operating expenses		
Interest expenses	821	672
Loss on bond retirement	1,462	-
Commission expenses	174	156
Miscellaneous expenses	413	223
Total non-operating expenses	2,871	1,051
Ordinary income	25,208	21,485
Extraordinary income		
Gain on sales of investment securities	900	-
Total extraordinary income	900	-
Extraordinary loss		
Impairment loss	510	-
Loss on valuation of investment securities	-	421
Total extraordinary loss	510	421
Income before income taxes	25,597	21,064
Income taxes-current	6,695	4,604
Income taxes-deferred	879	1,639
Total income taxes	7,574	6,244
Net income	18,022	14,820
Net income attributable to owners of the parent	18,022	14,820

Consolidated statements of comprehensive income

(Unit: million yen)

	FY2017 (Apr. 2017 -Mar. 2018)	FY2018 (Apr. 2018 -Mar. 2019)
Net income	18,022	14,820
Other comprehensive income		
Valuation difference on available-for-sale securities	3,900	-6,951
Deferred gains or losses on hedges	426	617
Foreign currency translation adjustment	-189	-675
Remeasurements of defined benefit plans, net of tax	5,152	-167
Share of other comprehensive income of entities accounted for using equity method	520	-316
Total other comprehensive income	9,810	-7,493
Comprehensive income	27,833	7,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	27,833	7,326
Comprehensive income attributable to non-controlling interests	-	-

3. Consolidated statements of changes in net assets

FY2017 (Apr. 2017-Mar. 2018)

(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	232,641	-2,232	271,869
Changes of items during the period					
Dividends from surplus			-5,335		-5,335
Net income attributable to owners of the parent			18,022		18,022
Purchase of treasury stock				-3,021	-3,021
Disposal of treasury stock			-0	2	2
Retirement of treasury stock			-5,205	5,205	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	7,481	2,186	9,668
Balance at the end of current period	33,072	8,387	240,123	-45	281,537

	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	38,213	-443	2,867	-5,705	34,931	306,801
Changes of items during the period						
Dividends from surplus						-5,335
Net income attributable to owners of the parent						18,022
Purchase of treasury stock						-3,021
Disposal of treasury stock						2
Retirement of treasury stock						-
Net changes of items other than shareholders' equity	3,897	422	332	5,157	9,810	9,810
Total changes of items during the period	3,897	422	332	5,157	9,810	19,478
Balance at the end of current period	42,111	-21	3,199	-548	44,742	326,279

FY2018 (Apr. 2018-Mar. 2019)

(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	240,123	-45	281,537
Changes of items during the period					
Dividends from surplus			-5,848		-5,848
Net income attributable to owners of the parent			14,820		14,820
Purchase of treasury stock				-17	-17
Disposal of treasury stock			-0	0	0
Other			-400		-400
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	8,571	-17	8,553
Balance at the end of current period	33,072	8,387	248,694	-63	290,091

	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	42,111	-21	3,199	-548	44,742	326,279
Changes of items during the period						
Dividends from surplus						-5,848
Net income attributable to owners of the parent						14,820
Purchase of treasury stock						-17
Disposal of treasury stock						0
Other						-400
Net changes of items other than shareholders' equity	-6,933	620	-1,013	-166	-7,493	-7,493
Total changes of items during the period	-6,933	620	-1,013	-166	-7,493	1,059
Balance at the end of current period	35,177	599	2,186	-715	37,248	327,339

4. Consolidated statements of cash flows

(Unit: million yen)

	FY2017 (Apr. 2017-Mar. 2018)	FY2018 (Apr. 2018-Mar. 2019)
Net cash provided by (used in) operating activities		
Income before income taxes	25,597	21,064
Depreciation and amortization	35,973	36,075
Impairment loss	510	-
Gain on sales of investment securities	-900	-
Loss on valuation of investment securities	-	421
Increase (decrease) in provision	901	-1,685
Decrease (increase) in notes and accounts receivable-trade	-3,100	-8,959
Decrease (increase) in inventories	-1,292	-5,649
Increase (decrease) in notes and accounts payable-trade	-1,202	-271
Income taxes paid	-4,545	-6,878
Other	5,105	-1,500
Net cash provided by (used in) operating activities	57,047	32,615
Net cash provided by (used in) investment activities		
Purchases of non-current assets	-39,629	-34,610
Proceeds from sales of non-current assets	196	290
Purchase of investment securities	-3,306	-3,210
Proceeds from sales of investment securities	1,232	520
Other	-1,837	-3,001
Net cash provided by (used in) investment activities	-43,345	-40,011
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-190	12,445
Net increase (decrease) in commercial paper	2,000	-2,000
Proceeds from long-term loans payable	10,060	18,045
Repayment of long-term loans payable	-4,265	-13,671
Proceeds from issuance of bonds	-	9,938
Redemption of bonds	-11,462	-10,000
Purchase of treasury stock	-3,021	-17
Cash dividends paid	-5,334	-5,847
Other	-27	-57
Net cash provided by (used in) financing activities	-12,240	8,834
Effect of exchange rate change on cash and cash equivalents	-82	-54
Net increase (decrease) in cash and cash equivalents	1,379	1,383
Cash and cash equivalents at beginning of term	16,497	17,876
Cash and cash equivalents at end of term	17,876	19,260

5. Notes about consolidated statements

(1) Note of going concerns' premise: Not applicable

(2) Change in presentation

The Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) from the beginning of the first quarter ended June 30, 2018. Accordingly, deferred tax assets are presented as "investments and other assets" and deferred tax liabilities are presented as "noncurrent liabilities."

As a result, in consolidated balance sheet of FY2017, "deferred tax assets" under "current assets" (¥3,082 million) is included in "deferred tax assets" under "investments and other assets"

(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, Electricity business, 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 mostly consistent with "Summary of significant accounting policies" in financial report

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

FY2017 (Apr. 2017- Mar. 2018)

(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	294,781	33,986	78,411	407,179	21,689	428,868	-	428,868
(2) Intersegment	72	1,767	970	2,810	18,762	21,572	-21,572	-
Total	294,853	35,753	79,382	409,989	40,452	450,441	-21,572	428,868
Segment income	19,849	231	1,342	21,424	1,464	22,888	1,095	23,984
Segment assets	336,258	13,704	49,261	399,224	77,511	476,736	64,351	541,087
Other items								
Depreciation expenses	31,954	140	2,652	34,747	1,269	36,017	-43	35,973
Investment in entities accounted for using equity method	-	-	-	-	-	-	6,538	6,538
Capital expenditures	28,455	93	5,908	34,457	1,867	36,324	-167	36,157

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, other leasing business, etc.

2. The "Adjustments" column in "Segment income" denotes eliminations of intersegment transactions (¥1,095 million).

The "Adjustments" column in "Segment assets" includes ¥81,810 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.

	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	312,089	33,220	91,680	436,991	24,208	461,199	-	461,199
(2) Intersegment	97	1,423	1,025	2,546	16,948	19,494	-19,494	-
Total	312,187	34,643	92,706	439,537	41,156	480,693	-19,494	461,199
Segment income	12,249	799	1,567	14,616	1,890	16,507	1,324	17,831
Segment assets	349,872	12,825	51,864	414,562	79,171	493,734	56,865	550,599
Other items								
Depreciation expenses	31,992	132	2,815	34,939	1,198	36,138	-62	36,075
Investment in entities accounted for using equity method	-	-	-	-	-	-	5,793	5,793
Capital expenditures	27,705	268	2,571	30,546	2,928	33,475	-676	32,798

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, other leasing business, development of and investment in natural gas resources, etc.

2. The "Adjustments" column in "Segment income" denotes eliminations of intersegment transactions (¥1,324million).

The "Adjustments" column in "Segment assets" includes ¥73,505 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.

<Non-Consolidated Statements>

1. Balance sheet

(Unit: million yen)

	FY2017 (As of Mar. 31, 2018)	FY2018 (As of Mar. 31, 2019)
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	81,534	75,973
Distribution facilities	152,799	156,909
Service and maintenance facilities	26,207	27,734
Facilities for incidental businesses	8,067	7,635
Construction in progress	15,883	8,751
Total property, plant and equipment	284,493	277,003
Intangible assets		
Leasehold right	408	408
Other Intangible assets	99	2,730
Total intangible assets	507	3,138
Investments and other assets		
Investment securities	73,229	65,671
Investments in subsidiaries and affiliates	36,250	36,376
Long-term loans receivable	130	130
Long-term prepaid expenses	15	-
Deferred tax assets	5,727	6,172
Other investments and other assets	338	1,244
Allowance for doubtful accounts	-28	-7
Total investments and other assets	115,663	109,587
Total non-current assets	400,664	389,730
Current assets		
Cash and deposits	8,275	9,704
Notes receivable-trade	1,656	1,885
Accounts receivable-trade	31,925	41,229
Accounts receivable from subsidiaries and affiliates-trade	4,601	308
Accounts receivable-other	1,746	1,570
Finished goods	28	25
Raw materials	10,913	15,712
Supplies	3,427	3,631
Advance payments	85	111
Prepaid expenses	259	248
Short-term receivables from subsidiaries and affiliates	276	1,517
Other current assets	1,691	2,256
Allowances for doubtful accounts	-129	-121
Total current assets	64,756	78,080
Total assets	465,421	467,810

(Unit: million yen)

	FY2017 (As of Mar. 31, 2018)	FY2018 (As of Mar. 31, 2019)
Liabilities		
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	23,301	35,476
Long-term debt to subsidiaries and affiliates	3,200	3,137
Provision for retirement benefits	3,068	653
Provision for gas holder repairs	1,612	1,703
Provision for safety measures	17,849	16,843
Provision for gas appliance warranties	3,397	2,784
Other non-current liabilities	5,525	5,147
Total non-current liabilities	107,954	115,745
Current liabilities		
Current portion of non-current liabilities	21,492	12,126
Accounts payable-trade	12,953	11,190
Short-term loans payable	100	12,088
Accounts payable-other	12,079	9,131
Accrued expenses	9,504	11,005
Income taxes payable	6,195	4,053
Advances received	2,458	2,810
Deposits received	1,103	883
Short-term debt to subsidiaries and affiliates	10,456	9,236
Provision for directors' bonuses	50	50
Other current liabilities	4,606	2,179
Total current liabilities	81,000	74,756
Total liabilities	188,954	190,501
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus		
Legal capital surplus	8,027	8,027
Total capital surplus	8,027	8,027
Retained earnings		
Legal retained earnings	8,779	8,779
Other retained earnings		
Reserve for advanced depreciation of non-current assets	320	315
Reserve for overseas investment loss	3,680	3,499
Reserve for adjustment of cost fluctuations	23,000	23,000
General reserve	52,703	52,703
Retained earnings brought forward	107,793	115,081
Total retained earnings	196,276	203,378
Treasury stock	-45	-63
Total shareholders' equity	237,331	244,416
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	38,927	32,356
Deferred gains or losses on hedges	207	535
Total valuation and translation adjustments	39,135	32,892
Total net assets	276,466	277,308
Total liabilities and net assets	465,421	467,810

2. Statements of income

(Unit: million yen)

	FY2017 (Apr. 2017-Mar. 2018)	FY2018 (Apr. 2018-Mar. 2019)
Sales from gas business		
Gas sales	286,558	301,186
Gas transportation service revenue	2,206	5,112
Revenue from interoperator settlement	1,150	1,191
Total sales from gas business	289,915	307,490
Cost of sales		
Beginning inventories	21	28
Cost of products manufactured	164,460	194,923
Purchase of finished goods	1	-
Costs of gas for own use	785	961
Ending inventories	28	25
Total cost of sales	163,670	193,964
Gross profit	126,245	113,525
Selling, general and administrative expenses		
Supply and sales expenses	87,708	82,201
General and administrative expenses	19,485	19,954
Total Selling, general and administrative expenses	107,193	102,156
Income on core business	19,052	11,369
Miscellaneous operating revenue		
Revenue from installation work	11,215	9,963
Other miscellaneous operating revenue	21,834	21,272
Total miscellaneous operating revenue	33,049	31,236
Miscellaneous operating expenses		
Expenses of installation work	11,045	9,838
Other miscellaneous operating expenses	21,543	20,489
Total miscellaneous operating expenses	32,588	30,327
Revenue for incidental businesses	32,152	26,288
Expenses for incidental businesses	33,388	27,027
Operating income	18,278	11,538

(Unit: million yen)

	FY2017 (Apr. 2017-Mar. 2018)	FY2018 (Apr. 2018-Mar. 2019)
Non-operating income		
Interest income	2	23
Dividends income	1,547	1,630
Dividends from subsidiaries and affiliates	836	1,233
Rent income	1,919	1,937
Miscellaneous income	1,025	1,818
Total non-operating income	5,331	6,643
Non-operating expenses		
Interest expenses	316	344
Interest on bonds	499	324
Amortization of bond issuance cost	-	61
Loss on bond retirement	1,462	-
Commission expenses	174	156
Miscellaneous expenses	409	17
Total non-operating expenses	2,860	904
Ordinary income	20,749	17,278
Extraordinary income		
Gain on sales of non-current assets	-	609
Gain on sales of investment securities	889	-
Total extraordinary income	889	609
Extraordinary loss		
Impairment loss	510	-
Loss on valuation of investment securities	-	420
Total extraordinary loss	510	420
Income before income taxes	21,127	17,466
Income taxes-current	4,913	2,634
Income taxes-deferred	476	1,881
Total income taxes	5,389	4,516
Net income	15,737	12,950