

Consolidated Financial Results for FY2020 Ended March 31, 2021

Toho Gas Co., Ltd.

Code No.: 9533 (URL <https://www.tohogas.co.jp/>)

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Date of regular general meeting of stockholders: June 28, 2021

Date of submission of financial report: June 29, 2021

Earnings supplementary explanatory documents: Yes

Earnings presentation: Yes (for institutional investors)

Shares listed on:

Tokyo Stock Exchange, Nagoya Stock Exchange

Commencement of dividends payments: June 29, 2021

(Rounded down to the nearest million yen)

1. Consolidated Results for FY2020 (April 1, 2020 - March 31, 2021)

(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)	(%)
FY2020 ended March 2021	434,776	-10.5	13,515	-36.7	16,622	-32.9	8,592	-47.2
FY2019 ended March 2020	485,623	5.3	21,351	19.7	24,763	15.3	16,266	9.8

Note: Comprehensive income FY2020 ended March 2021: ¥42,561 million (896.4%) FY2019 ended March 2020: ¥4,271 million (-41.7%)

	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)	(%)	(%)	(%)
FY2020 ended March 2021	81.37	-	2.5	2.8	3.1
FY2019 ended March 2020	153.62	-	5.0	4.4	4.4

Reference: Share of profit or loss of entities accounted for using equity method FY2020 ended March 2021: ¥-187 million
FY2019 ended March 2020: ¥118 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2020 ended March 2021	601,835	359,492	59.7	3,404.33
FY2019 ended March 2020	564,756	322,768	57.2	3,056.42

Reference: Net assets (excluding minority interests) FY2020 ended March 2021: ¥359,492 million FY2019 ended March 2020: ¥322,768 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)
FY2020 ended March 2021	64,397	-40,972	-6,764	50,543
FY2019 ended March 2020	68,376	-42,949	-10,730	33,979

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			
FY2019 ended March 2020	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: million yen)	(%)	(%)
FY2019 ended March 2020	-	27.50	-	27.50	55.00	5,810	35.8	1.8
FY2020 ended March 2021	-	27.50	-	27.50	55.00	5,807	67.6	1.7
FY2021 ending March 2022 (forecast)	-	27.50	-	27.50	55.00		64.5	

3. Consolidated Results Forecasts for FY2021 (April 1, 2021 - March 31, 2022)

(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	460,000	5.8	11,000	-18.6	13,500	-18.8	9,000	4.7	85.23

※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)

Number of treasury stock at the end of the term

Average number of outstanding shares during the term

FY2020 ended March 2021	105,606,285 shares	FY2019 ended March 2020	105,606,285 shares
FY2020 ended March 2021	7,792 shares	FY2019 ended March 2020	2,773 shares
FY2020 ended March 2021	105,601,026 shares	FY2019 ended March 2020	105,885,277 shares

Reference: Non-consolidated Results and Forecasts

1. Results for FY2020 (April 1, 2020 - March 31, 2021)

(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)	(%)
FY2020 ended March 2021	339,840	-8.9	6,435	-59.2	12,720	-39.0	10,514	-23.7
FY2019 ended March 2020	373,016	2.2	15,789	36.8	20,838	20.6	13,786	6.5

	Net income per share	Diluted income per share
	(Unit: yen)	(Unit: yen)
FY2020 ended March 2021	99.56	-
FY2019 ended March 2020	130.20	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2020 ended March 2021	516,974	302,109	58.4	2,860.92
FY2019 ended March 2020	478,024	273,731	57.3	2,592.07

Reference: Net assets FY2020 ended March 2021: ¥302,109 million FY2019 ended March 2020: ¥273,731 million

2. Results Forecasts for FY2021 (April 1, 2021 - March 31, 2022)

	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	355,000	4.5	5,000	-22.3	11,000	-13.5	8,000	-23.9	75.76

(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)

	As of March 31, 2020	As of March 31, 2021
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	72,421	67,644
Distribution facilities	154,175	149,271
Service and maintenance facilities	26,476	26,368
Other facilities	47,372	44,506
Construction in progress	10,622	15,063
Total property, plant and equipment	311,068	302,855
Intangible assets		
Other	10,829	8,726
Total intangible assets	10,829	8,726
Investments and other assets		
Investment securities	76,879	101,469
Long-term loans receivable	7,754	7,547
Deferred tax assets	13,755	3,771
Net defined benefit asset	323	13,762
Other	11,759	15,816
Allowance for doubtful accounts	-96	-110
Total investments and other assets	110,376	142,256
Total non-current assets	432,275	453,838
Current assets		
Cash and deposits	34,702	40,731
Notes and accounts receivable-trade	58,111	51,383
Lease receivables and investment assets	11,007	12,848
Securities	-	10,000
Inventories	23,912	18,358
Other	4,919	14,897
Allowance for doubtful accounts	-171	-223
Total current assets	132,481	147,996
Total assets	564,756	601,835

(Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	36,541	49,108
Deferred tax liabilities	649	3,774
Provision for gas holder repairs	1,690	1,472
Provision for safety measures	15,173	16,782
Provision for gas appliance warranties	2,808	2,323
Net defined benefit liability	7,959	5,801
Other	9,443	10,462
Total non-current liabilities	144,265	159,725
Current liabilities		
Current portion of non-current liabilities	13,833	2,612
Notes and accounts payable-trade	23,432	30,158
Short-term loans payable	6,862	4,709
Income taxes payable	6,480	3,551
Other	47,113	41,585
Total current liabilities	97,721	82,617
Total liabilities	241,987	242,342
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	256,066	258,850
Treasury stock	-11	-40
Total shareholders' equity	297,514	300,270
Other comprehensive income		
Valuation difference on available-for-sale securities	29,790	45,179
Deferred gains or losses on hedges	-3,422	6,198
Foreign currency translation adjustment	1,852	1,005
Remeasurements of defined benefit plans	-2,967	6,838
Total other comprehensive income	25,253	59,222
Total net assets	322,768	359,492
Total liabilities and net assets	564,756	601,835

2. Consolidated statements of income and comprehensive income

Consolidated statements of income

(Unit: million yen)

	FY2019 (April 2019 -March 2020)	FY2020 (April 2020 -March 2021)
Net sales	485,623	434,776
Cost of sales	330,092	285,516
Gross profit	155,530	149,260
Selling, general and administrative expenses	134,179	135,745
Operating income	21,351	13,515
Non-operating income		
Interest income	377	305
Dividends income	1,906	2,059
Rent income	679	697
Miscellaneous income	1,747	1,474
Total non-operating income	4,710	4,537
Non-operating expenses		
Interest expenses	821	744
Share of loss of entities accounted for using equity method	-	187
Miscellaneous expenses	476	498
Total non-operating expenses	1,298	1,430
Ordinary income	24,763	16,622
Extraordinary income		
Gain on sales of investment securities	1,434	1,440
Total extraordinary income	1,434	1,440
Extraordinary loss		
Impairment loss	2,526	4,730
Loss on valuation of investment securities	277	-
Total extraordinary loss	2,803	4,730
Income before income taxes	23,393	13,331
Income taxes-current	6,613	5,060
Income taxes-deferred	514	-320
Total income taxes	7,127	4,739
Net income	16,266	8,592
Net income attributable to owners of the parent	16,266	8,592

Consolidated statements of comprehensive income

(Unit: million yen)

	FY2019 (April 2019 -March 2020)	FY2020 (April 2020 -March 2021)
Net income	16,266	8,592
Other comprehensive income		
Valuation difference on available-for-sale securities	-5,369	15,389
Deferred gains or losses on hedges	-4,025	9,610
Foreign currency translation adjustment	-90	-1,223
Remeasurements of defined benefit plans, net of tax	-2,205	9,886
Share of other comprehensive income of entities accounted for using equity method	-304	305
Total other comprehensive income	-11,994	33,968
Comprehensive income	4,271	42,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,271	42,561
Comprehensive income attributable to non-controlling interests	-	-

3. Consolidated statements of changes in net assets

FY2019 (April 2019-March 2020)

(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	248,694	-63	290,091
Changes of items during the period					
Dividends from surplus			-5,830		-5,830
Net income attributable to owners of the parent			16,266		16,266
Purchase of treasury stock				-3,012	-3,012
Disposal of treasury stock			-0	1	0
Retirement of treasury stock			-3,062	3,062	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	7,372	51	7,423
Balance at the end of current period	33,072	8,387	256,066	-11	297,514

	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	35,177	599	2,186	-715	37,248	327,339
Changes of items during the period						
Dividends from surplus						-5,830
Net income attributable to owners of the parent						16,266
Purchase of treasury stock						-3,012
Disposal of treasury stock						0
Retirement of treasury stock						-
Net changes of items other than shareholders' equity	-5,387	-4,022	-333	-2,252	-11,994	-11,994
Total changes of items during the period	-5,387	-4,022	-333	-2,252	-11,994	-4,570
Balance at the end of current period	29,790	-3,422	1,852	-2,967	25,253	322,768

FY2020 (April 2020-March 2021)

(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	256,066	-11	297,514
Changes of items during the period					
Dividends from surplus			-5,808		-5,808
Net income attributable to owners of the parent			8,592		8,592
Purchase of treasury stock				-29	-29
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	2,784	-29	2,755
Balance at the end of current period	33,072	8,387	258,850	-40	300,270

	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	29,790	-3,422	1,852	-2,967	25,253	322,768
Changes of items during the period						
Dividends from surplus						-5,808
Net income attributable to owners of the parent						8,592
Purchase of treasury stock						-29
Disposal of treasury stock						0
Net changes of items other than shareholders' equity	15,389	9,621	-847	9,805	33,968	33,968
Total changes of items during the period	15,389	9,621	-847	9,805	33,968	36,723
Balance at the end of current period	45,179	6,198	1,005	6,838	59,222	359,492

4. Consolidated statements of cash flows

(Unit: million yen)

	FY2019 (April 2019-March 2020)	FY2020 (April 2020-March 2021)
Net cash provided by (used in) operating activities		
Income before income taxes	23,393	13,331
Depreciation and amortization	37,557	37,463
Impairment loss	2,526	4,730
Gain on sales of investment securities	-1,434	-1,440
Increase (decrease) in provision	-2,712	971
Interest and dividend income	-2,283	-2,364
Interest expenses	821	744
Decrease (increase) in notes and accounts receivable-trade	1,354	6,727
Decrease (increase) in inventories	1,140	5,553
Increase (decrease) in notes and accounts payable-trade	2,777	6,741
Other	8,509	-1,924
Subtotal	71,652	70,535
Interest and dividend income received	2,280	2,366
Interest expenses paid	-769	-756
Income taxes paid	-4,787	-7,748
Net cash provided by (used in) operating activities	68,376	64,397
Net cash provided by (used in) investment activities		
Purchases of non-current assets	-33,566	-34,305
Proceeds from sales of non-current assets	243	25
Purchase of investment securities	-1,717	-3,798
Proceeds from sales of investment securities	1,765	1,468
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-6,412	-
Other	-3,262	-4,363
Net cash provided by (used in) investment activities	-42,949	-40,972
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-12,437	-2,153
Proceeds from long-term loans payable	6,116	14,905
Repayment of long-term loans payable	-5,466	-13,801
Proceeds from issuance of bonds	19,888	-
Redemption of bonds	-10,103	-
Purchase of treasury stock	-3,012	-29
Cash dividends paid	-5,830	-5,807
Other	112	123
Net cash provided by (used in) financing activities	-10,730	-6,764
Effect of exchange rate change on cash and cash equivalents	22	-95
Net increase (decrease) in cash and cash equivalents	14,718	16,564
Cash and cash equivalents at beginning of term	19,260	33,979
Cash and cash equivalents at end of term	33,979	50,543

5. Notes about consolidated statements

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

(2) Additional information

The spread of COVID-19 infections is affecting commercial demand in the region. Although the outlook for infection trends is uncertain, we estimate and judge the impairment of fixed assets based on the information available at the end of FY2020 on the assumption that the current economic situation will continue.

Depending on the future situation, it may affect the consolidated financial statements for the following fiscal year and thereafter.

(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," "LPG, Electricity and other Energies" and "Gas appliance sales and related construction." 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

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

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

- 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

FY2019 (April 2019- March 2020)

(Unit: million yen)

	Reported segments				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated (Note.3)
	Gas sales	LPG, Electricity and other Energies	Gas appliance sales and related construction	Total				
Net sales								
External customers	302,798	107,151	37,934	447,884	37,738	485,623	-	485,623
Intersegment	97	1,278	2,094	3,470	17,661	21,131	-21,131	-
Total	302,896	108,429	40,028	451,355	55,399	506,754	-21,131	485,623
Segment income	15,158	1,272	1,058	17,490	2,519	20,010	1,341	21,351
Segment assets	353,541	64,136	15,200	432,879	83,943	516,822	47,933	564,756
Other items								
Depreciation expenses	32,437	3,209	148	35,794	1,834	37,629	-71	37,557
Investment in entities accounted for using equity method	-	-	-	-	-	-	5,206	5,206
Capital expenditures	28,100	4,489	104	32,695	1,728	34,423	-113	34,310

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 (¥1,341million).

The "Adjustments" column in "Segment assets" includes ¥67,614 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

FY2020 (April 2020- March 2021)

(Unit: million yen)

	Reported segments				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated (Note.3)
	Gas sales	LPG, Electricity and other Energies	Gas appliance sales and related construction	Total				
Net sales								
External customers	255,616	121,016	30,787	407,420	27,356	434,776	-	434,776
Intersegment	84	1,200	2,147	3,432	18,968	22,400	-22,400	-
Total	255,700	122,217	32,934	410,852	46,324	457,177	-22,400	434,776
Segment income or loss	9,398	-970	463	8,890	3,322	12,212	1,302	13,515
Segment assets	370,607	70,755	15,353	456,716	83,115	539,832	62,002	601,835
Other items								
Depreciation expenses	32,503	3,025	134	35,663	1,873	37,537	-73	37,463
Investment in entities accounted for using equity method	-	-	-	-	-	-	7,925	7,925
Capital expenditures	27,927	3,955	111	31,994	2,062	34,056	-123	33,932

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 or loss" denotes eliminations of intersegment transactions (¥1,302million). The "Adjustments" column in "Segment assets" includes ¥90,929 million of companywide assets, which mainly includes long-term investments in securities, etc.

3. Segment income or loss 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)

	As of March 31, 2020	As of March 31, 2021
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	72,286	67,526
Distribution facilities	152,681	147,853
Service and maintenance facilities	26,624	26,512
Facilities for incidental businesses	5,513	6,014
Construction in progress	9,830	12,801
Total property, plant and equipment	266,937	260,708
Intangible assets		
Leasehold right	444	495
Other Intangible assets	4,419	5,185
Total intangible assets	4,864	5,680
Investments and other assets		
Investment securities	60,362	80,811
Investments in subsidiaries and affiliates	44,392	47,002
Long-term loans receivable	130	130
Long-term loans receivable from subsidiaries and affiliates	-	2,185
Long-term prepaid expenses	75	16
Prepaid pension cost	2,218	4,074
Deferred tax assets	9,108	94
Other investments and other assets	3,005	6,113
Allowance for doubtful accounts	-42	-50
Total investments and other assets	119,251	140,378
Total non-current assets	391,053	406,768
Current assets		
Cash and deposits	23,514	36,026
Notes receivable-trade	1,828	1,530
Accounts receivable-trade	37,526	33,015
Accounts receivable from subsidiaries and affiliates-trade	748	366
Accounts receivable-other	1,945	2,234
Securities	-	10,000
Finished goods	38	24
Raw materials	15,054	9,917
Supplies	3,490	3,307
Advance payments	130	150
Prepaid expenses	261	257
Short-term receivables from subsidiaries and affiliates	963	2,784
Other current assets	1,567	10,709
Allowances for doubtful accounts	-99	-117
Total current assets	86,971	110,206
Total assets	478,024	516,974

(Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	28,051	42,942
Long-term debt to subsidiaries and affiliates	266	249
Provision for gas holder repairs	1,634	1,409
Provision for safety measures	15,144	16,782
Provision for gas appliance warranties	2,310	1,855
Other non-current liabilities	4,962	4,830
Total non-current liabilities	122,369	138,069
Current liabilities		
Current portion of non-current liabilities	11,364	107
Accounts payable-trade	11,774	18,559
Short-term loans payable	381	2,188
Accounts payable-other	11,503	10,355
Accrued expenses	11,688	11,524
Income taxes payable	4,918	2,056
Advances received	2,873	2,673
Deposits received	861	798
Short-term debt to subsidiaries and affiliates	13,839	20,173
Provision for directors' bonuses	50	50
Other current liabilities	12,668	8,308
Total current liabilities	81,923	76,795
Total liabilities	204,293	214,865
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	8,027	8,027
Retained earnings		
Legal retained earnings	8,779	8,779
Other retained earnings		
Reserve for advanced depreciation of non-current assets	311	311
Reserve for overseas investment loss	3,319	2,997
Reserve for adjustment of cost fluctuations	23,000	23,000
General reserve	52,703	52,703
Retained earnings brought forward	120,158	125,185
Total retained earnings	208,271	212,977
Treasury stock	-11	-40
Total shareholders' equity	249,360	254,037
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	27,588	41,630
Deferred gains or losses on hedges	-3,217	6,441
Total valuation and translation adjustments	24,371	48,071
Total net assets	273,731	302,109
Total liabilities and net assets	478,024	516,974

2. Statements of income

(Unit: million yen)

	FY2019 (April 2019-March 2020)	FY2020 (April 2020-March 2021)
Sales from gas business		
Gas sales	289,147	240,243
Gas transportation service revenue	7,764	10,240
Revenue from interoperator settlement	1,376	1,380
Total sales from gas business	298,288	251,864
Cost of sales		
Beginning inventories	25	38
Cost of products manufactured	181,869	138,261
Purchase of finished goods	-	35
Costs of gas for own use	845	664
Ending inventories	38	24
Total cost of sales	181,010	137,647
Gross profit	117,277	114,217
Selling, general and administrative expenses		
Supply and sales expenses	83,180	86,723
General and administrative expenses	19,819	19,048
Total Selling, general and administrative expenses	102,999	105,771
Income on core business	14,277	8,446
Miscellaneous operating revenue		
Revenue from installation work	11,509	9,484
Other miscellaneous operating revenue	25,293	20,810
Total miscellaneous operating revenue	36,802	30,294
Miscellaneous operating expenses		
Expenses of installation work	11,171	9,438
Other miscellaneous operating expenses	24,444	20,282
Total miscellaneous operating expenses	35,615	29,720
Revenue for incidental businesses	37,925	57,680
Expenses for incidental businesses	37,600	60,264
Operating income	15,789	6,435

(Unit: million yen)

	FY2019 (April 2019-March 2020)	FY2020 (April 2020-March 2021)
Non-operating income		
Interest income	30	14
Interest on securities	0	0
Dividends income	1,709	1,733
Dividends from subsidiaries and affiliates	1,103	2,434
Rent income	1,941	1,988
Miscellaneous income	1,412	1,210
Total non-operating income	6,197	7,381
Non-operating expenses		
Interest expenses	380	323
Interest on bonds	386	377
Amortization of bond issuance cost	111	-
Commission expenses	94	126
Miscellaneous expenses	175	269
Total non-operating expenses	1,148	1,096
Ordinary income	20,838	12,720
Extraordinary income		
Gain on sales of investment securities	-	1,440
Total extraordinary income	-	1,440
Extraordinary loss		
Impairment loss	2,526	663
Loss on valuation of investment securities	263	-
Total extraordinary loss	2,790	663
Income before income taxes	18,048	13,496
Income taxes-current	4,355	2,880
Income taxes-deferred	-93	102
Total income taxes	4,261	2,982
Net income	13,786	10,514