



FY2007 ended March 2008
 Consolidated Results Bulletin
 Hokkaido Gas Co., Ltd

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Shares listed on:

(URL <http://www.hokkaido-gas.co.jp>)

Tokyo Stock Exchange

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Date of regular general meeting of stockholders: June 27, 2008

Commencement of dividend payments: June 30, 2008

Date of submission of financial report: June 30, 2008

1. Consolidated results for FY2007 (April 1, 2007–March 31, 2008)

(1) Consolidated business results

(Rounded down to the nearest million yen)

	Sales		Operating income		Ordinary income		Net income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2007 ended March 2008	70,283	5.6	2,830	0.7	1,814	△9.0	754	36.9
FY2006 ended March 2007	66,575	7.0	2,811	30.8	1,994	35.3	551	5.7

	Net earnings Per share	Diluted earnings per share	Net rate of return on net assets	Ratio of ordinary income to total assets	Ratio of operating income to sales
	(Unit: yen)	(Unit: yen)	(%)	(%)	(%)
FY2007 ended March 2008	10.85	9.78	2.7	1.8	4.0
FY2006 ended March 2007	7.92	7.31	2.0	1.9	4.2

Note: Profit or loss on investment accounted for by equity method:

FY2007 ended March 2008: -103 million yen

FY2006 ended March 2007: -294 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2007 ended March 2008	98,606	27,984	28.3	401.99
FY2006 ended March 2007	101,934	28,351	27.8	406.99

Note: Net assets

FY2007 ended March 2008: 27,941 million yen

FY2006 ended March 2007: 28,309 million yen

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from 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)
FY2007 ended March 2008	13,084	△7,818	△5,500	503
FY2006 ended March 2007	9,905	△8,580	△1,691	737

2. Dividends

	Annual dividend per share		Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend rate for net assets (Consolidated)
	Year-end dividend	total			
	(Unit:yen)	(Unit:yen)	(Unit:million yen)	(%)	(%)
FY2006 ended March 2007	6.00	6.00	417	75.8	1.5
FY2007 ended March 2008	6.00	6.00	417	55.3	1.5
FY2008 ended March 2009 (forecast)	6.00	6.00		46.3	

3. Results forecast for FY2007 ending March 2008 (April 1, 2007-March 31, 2008)

	Sales		Operating income		Ordinary income		Net income		Net earnings per share
	(Unit:million yen)	(%)	(Unit:million yen)	(%)	(Unit:million yen)	(%)	(Unit:million yen)	(%)	(Unit:yen)
Mid-term	30,000	4.7	500	△66.3	200	△80.8	130	△57.0	1.87
Full-term	72,000	2.4	2,350	△17.0	1,700	△6.3	900	19.3	12.95

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

4. Other

(1) Change in significant subsidiaries and affiliates: None

(2) Scope of subsidiaries and affiliates and application of equity method

Consolidated subsidiaries: 6

• Newly added: None

• Excluded: None

Non-consolidated subsidiaries accounted for by equity method: 8

• Newly added: None

• Excluded: None

Affiliates accounted for by equity method: None

(3) Number of outstanding shares as of:

Fy2007 ended March 2008: 69,869,637 shares Fy2006 ended March 2007: 69,869,637 shares

Number of treasury stock as of:

Fu2007 ended March 2008: 361,609 shares Fy2006 ended March 2007: 311,744 shares

Non-Consolidated Results Bulletin

1. Results for FY2007 (April 1, 2007–March 31, 2008)

(1) Business results

(Rounded down to the nearest million yen)

	Sales		Operating income		Ordinary income		Net income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2007 ended March 2008	52,391	5.2	2,200	3.2	1,181	△15.0	478	58.1
FY2006 ended March 2007	49,785	5.8	2,132	16.6	1,390	36.6	302	△29.2

	Net earnings per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
FY2007 ended March 2008	6.88	6.41
FY2006 ended March 2007	4.35	4.28

(2) Financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2007 ended March 2008	89,708	23,395	26.1	336.59
FY2006 ended March 2007	93,273	23,997	25.7	345.00

Note: Net assets

FY2007 ended March 2008: 23,395 million yen

FY2006 ended March 2007: 23,997 million yen

2. Results forecast for FY2008 ending March 2009 (April 1, 2008–March 31, 2009)

	Sales		Operating income		Ordinary income		Net income		Net earnings per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Mid-term	22,500	5.7	330	△71.9	150	△81.2	100	△52.9	1.44
Full-term	52,600	0.4	1,900	△13.7	1,100	△6.9	600	25.4	8.63

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

Consolidated Statements

1. Consolidated Balance Sheets

(Unit : thousand yen)

Account	FY2006 (Mar.31, 2007)	FY2007 (Mar.31, 2008)	Change
(Assets)			
Fixed assets	83,316,157	81,524,469	△ 1,791,688
Tangible fixed assets	70,864,945	69,872,547	△ 992,397
Production facilities	2,941,499	2,709,384	△ 232,114
Distribution facilities	48,988,922	47,761,396	△ 1,227,526
Service and maintenance facilities	9,542,662	9,569,862	27,199
Other facilities	8,827,579	8,379,779	△ 447,800
Construction in progress	564,281	1,452,125	887,844
Intangible fixed assets	1,956,957	1,537,528	△ 419,429
Other intangible fixed assets	1,956,957	1,537,528	△ 419,429
Investments and other non-current assets	10,494,254	10,114,392	△ 379,861
Investment securities	6,928,595	6,067,935	△ 860,660
Deferred tax assets	802,074	1,206,136	404,061
Other investments and non-current assets	2,869,907	3,052,138	182,230
Allowances for doubtful accounts	△ 106,323	△ 211,817	△ 105,493
Current assets	14,230,998	14,177,420	△ 53,577
Cash and deposits	737,805	503,401	△ 234,404
Trade notes receivable and accounts receivable	7,483,909	7,705,032	221,122
Inventories	1,811,485	2,142,984	331,498
Deferred tax assets	426,297	661,006	234,708
Other current assets	3,909,799	3,272,006	△ 637,792
Allowances for doubtful accounts	△ 138,299	△ 107,010	31,289
Deferred charges	4,387,745	2,904,256	△ 1,483,488
Business development expenses	4,376,707	2,896,299	△ 1,480,408
Other	11,037	7,957	△ 3,080
Total assets	101,934,900	98,606,146	△ 3,328,754

(Unit : thousand yen)

Account	FY2006 (Mar.31,2007)	FY2007 (Mar.31,2008)	Change
(Liabilities)			
Long-term liabilities	40,985,558	42,375,435	1,389,876
Straight bonds	10,000,000	18,000,000	8,000,000
Convertible bonds	6,799,000	—	△ 6,799,000
Long-term bank loans payable	18,748,160	18,422,080	△ 326,080
Deferred tax liabilities	248,958	—	△ 248,958
Deferred tax liabilities on revaluation	1,318,034	1,317,402	△ 631
Employees' retirement allowances reserve	2,542,954	2,567,765	24,810
Allowance for repairs of gas holders	376,574	364,079	△ 12,494
Reserve for safety measures	—	1,025,450	1,025,450
Other non-current liabilities	951,876	678,657	△ 273,219
Current liabilities	32,598,062	28,245,879	△ 4,352,183
Long-term liabilities due within one year	9,413,880	12,999,580	3,585,700
Trade Notes and accounts payable	3,513,686	4,047,666	533,979
Short-term bank loans payable	12,772,000	3,286,000	△ 9,486,000
Other current liabilities	6,898,495	7,912,632	1,014,136
Total liabilities	73,583,621	70,621,314	△ 2,962,307
(Net assets)			
Capital stock	27,763,532	28,043,920	280,388
Common stock	5,039,330	5,039,330	—
Capital surplus	2,799,417	2,799,396	△ 21
Retained earnings	20,013,293	20,308,186	294,892
Treasury stock	△ 88,510	△ 102,993	△ 14,483
Valuation and translation adjustments	545,490	△ 102,401	△ 647,891
Valuation difference on available-for-sale securities	1,603,694	859,732	△ 743,961
Deferred gains or losses on hedges	△ 169,407	△ 115,538	53,869
Revaluation reserve for land, net of taxes	△ 888,796	△ 846,596	42,200
Minority interests	42,257	43,313	1,056
Total Net assets	28,351,279	27,984,832	△ 366,447
Total liabilities, minority interests, and Net assets	101,934,900	98,606,146	△ 3,328,754

2. Consolidated Statements of Income

(Unit: thousand yen)

Account	FY2006 (Mar.31,2007)	FY2007 (Mar.31,2008)	Change
Sales	66,575,415	70,283,258	3,707,843
Cost of sales	35,931,343	37,749,177	1,817,834
(Gross income)	(30,644,072)	(32,534,081)	(1,890,008)
Selling, general and administrative expenses	27,832,505	29,703,730	1,871,225
Supply and sales expenses	24,892,062	26,475,704	1,583,641
General and administrative expenses	2,940,442	3,228,026	287,583
(Operating income)	(2,811,566)	(2,830,350)	(18,783)
Non-operating income	1,367,722	2,148,672	780,950
Interest income	13,327	17,494	4,167
Dividend income	42,194	53,207	11,013
Gain on sale of help for natural gas conversion	784,687	1,781,266	996,579
Miscellaneous revenues	527,513	296,704	△230,809
Non-operating expense:	2,184,757	3,164,375	979,617
Interest expense	929,846	931,594	1,747
Payment on sale of help for natural gas conversion	642,567	1,680,850	1,038,283
Expenses on employees working on loan	238,877	—	△238,877
Equity in losses of affiliates	294,097	—	△294,097
Miscellaneous expenses	79,368	551,930	472,562
(Ordinary income)	(1,994,531)	(1,814,647)	(△179,884)
Extraordinary loss	710,846	448,000	△262,846
Expenses on environmental improvement	—	448,000	448,000
Expenses on measures against gas leaks in Kitami	413,715	—	△413,715
Expenses on retirement of fixed assets	297,130	—	△297,130
Net income before adjustment for tax, etc.	1,283,685	1,366,647	82,961
Income tax, residence tax and business tax	456,356	1,101,726	645,370
Adjustment for income taxes etc.	274,867	△490,574	△765,442
Minority shareholder income	1,453	1,056	△396
Net income	551,009	754,440	203,431

3. Consolidated statement of changes in net asset

Current period (Apr.2006-Mar.2007)

(Unit : thousand yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at Mar.31, 2006	5,037,827	2,797,778	19,881,948	△ 70,579	27,646,975
Changes					
Stock issuance due to change of convertible bonds	1,503	1,496			2,999
Dividends			△ 417,663		△ 417,663
Bonuses to directors			△ 2,000		△ 2,000
Net income			551,009		551,009
Purchase of treasury stock				△ 20,022	△ 20,022
Disposal of treasury stock		142		2,092	2,234
Net changes of items other than shareholders' equity					
Total changes	1,503	1,639	131,345	△ 17,930	116,556
Balance at Mar.31.2007	5,039,330	2,799,417	20,013,293	△ 88,510	27,763,532

	Value adjustments of securities				Minority interests	Total net asset
	Unrealized gains on other securities	Deferred gain/loss on hedging instruments	Land revaluation reserve	Total		
Balance at Mar.31, 2006	1,404,299	—	△ 888,796	515,503	40,804	28,203,282
Changes						
Stock issuance due to change of convertible bonds						2,999
Dividends						△ 417,663
Bonuses to directors						△ 2,000
Net income						551,009
Purchase of treasury stock						△ 20,022
Disposal of treasury stock						2,234
Net changes of items other than shareholders' equity	199,394	△ 169,407	—	29,987	1,453	31,440
Total changes	199,394	△ 169,407	—	29,987	1,453	147,997
Balance at Mar.31.2007	1,603,694	△ 169,407	△ 888,796	545,490	42,257	28,351,279

Current period (Apr.2007-Mar.2008)

(Unit : thousand yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at Mar.31, 2007	5,039,330	2,799,417	20,013,293	△ 88,510	27,763,532
Changes					
Dividends			△ 417,347		△ 417,347
Net income			754,440		754,440
Purchase of treasury stock				△ 16,005	△ 16,005
Disposal of treasury stock		△ 21		1,522	1,501
Transfer from land revaluation reserve			△ 42,200		△ 42,200
Net changes of items other than shareholders' equity					
Total changes	—	△ 21	294,892	△ 14,483	280,388
Balance at Mar.31.2007	5,039,330	2,799,396	20,308,186	△ 102,993	28,043,920

	Value adjustments of securities				Minority interests	Total net asset
	Unrealized gains on other securities	Deferred gain/loss on hedging instruments	Land revaluation reserve	Total		
Balance at Mar.31, 2007	1,603,694	△ 169,407	△ 888,796	545,490	42,257	28,351,279
Changes						
Dividends						△ 417,347
Net income						754,440
Purchase of treasury stock						△ 16,005
Disposal of treasury stock						1,501
Transfer from land revaluation reserve						△ 42,200
Net changes of items other than shareholders' equity	△ 743,961	53,869	42,200	△ 647,891	1,056	△ 646,835
Total changes	△ 743,961	53,869	42,200	△ 647,891	1,056	△ 366,447
Balance at Mar.31.2007	859,732	△ 115,538	△ 846,596	△ 102,401	43,313	27,984,832

5.Consolidated Statement of Cash Flows

(Unit: thousand yen)

Account	FY2006 〔 Mar.31,2007 〕	FY2007 〔 Mar.31,2008 〕	Change
I Cash flows from operating activities			
Net income before adjustment for tax, etc.	1,283,685	1,366,647	82,961
Depreciation	7,939,679	8,330,601	390,921
Amortization of business development expenses	2,236,908	1,856,906	△ 380,001
Increase in reserve for safety measures	—	1,025,450	1,025,450
Change in employees' service and retirement benefits (△ decrease)	△ 60,668	24,810	85,478
Change in allowance for doubtful accounts(△ decrease)	△ 156,261	74,204	230,465
Interest and dividend income	△ 55,521	△ 70,701	△ 15,180
Interest expense	929,846	931,594	1,747
Loss on write-down of investment securities	1,345	—	△ 1,345
Increase in notes and accounts receivable(△ increase)	△ 1,734,118	234,916	1,969,035
Change in inventories(△ increase)	140,701	△ 343,004	△ 483,706
Change in accounts payable(△ decrease)	△ 134,129	974,341	1,108,471
Change in consumption taxes payable(△ decrease)	215,383	△ 22,664	△ 238,048
Bonuses paid to directors	△ 2,000	—	2,000
Other	540,425	△ 1,506	△ 541,931
Subtotal	11,145,276	14,381,594	3,236,318
Cash received for interest and dividends	55,521	70,701	15,180
Cash paid for interest	△ 973,441	△ 864,182	109,259
Cash paid for income taxes	△ 321,881	△ 503,933	△ 182,052
Net cash provided by operating activities	9,905,474	13,084,180	3,178,705
II Cash flows from investing activities			
Purchases of tangible fixed assets	△ 6,087,688	△ 6,579,847	△ 492,158
Proceeds from sale of tangible fixed assets	46,282	213,091	166,808
Purchases of intangible fixed assets	△ 540,933	△ 474,231	66,701
Proceeds from sale of intangible fixed assets	51	—	△ 51
Purchases of investment securities	△ 79,300	△ 257,214	△ 177,914
Proceeds from sale of investment securities	87,479	7,020	△ 80,459
Long-term prepayments	△ 184,759	△ 349,096	△ 164,336
Purchases of business development expenses	△ 1,849,212	△ 373,418	1,475,794
Net increase repayments of short-term loans	△ 50,000	△ 20,000	30,000
Expenditure of long-term loans receivable	△ 94,000	△ 181,000	△ 87,000
Proceeds from long-term loans	—	164,000	164,000
Other	171,572	32,622	△ 138,950
Net cash used in investing activities	△ 8,580,507	△ 7,818,075	762,432
III Cash flows from financing activities			
Net change in short-term bank loans (△ decrease)	10,895,590	△ 9,486,000	△ 20,381,590
Net decrease in commercial paper	△ 2,000,000	—	2,000,000
Proceeds from long-term bank loans	3,500,000	6,230,000	2,730,000
Payments for long-term bank loans	△ 8,651,380	△ 6,769,380	1,882,000
Proceeds from new bonds issues	—	7,956,722	7,956,722
Payments for redemption of bonds	△ 5,000,000	△ 3,000,000	2,000,000
Dividend payments	△ 417,663	△ 417,347	316
Other	△ 17,788	△ 14,504	3,283
Net cash used in financing activities	△ 1,691,242	△ 5,500,509	△ 3,809,267
IV Net decrease in cash and cash equivalents	△ 366,275	△ 234,404	131,870
V Cash and cash equivalents at beginning of year	1,104,080	737,805	△ 366,275
VI Cash and cash equivalents at end of year	737,805	503,401	△ 234,404

Non-Consolidated Statements

1 Non-consolidated balance sheet

(Unit : thousand yen)

Account	FY2006 (Mar.31,2007)	FY2007 (Mar.31,2008)	Change
(Assets)			
Fixed assets	76,936,537	75,245,323	△ 1,691,214
Tangible fixed assets	63,551,321	62,876,484	△ 674,837
Production facilities	2,941,499	2,709,384	△ 232,114
Distribution facilities	49,517,750	48,255,742	△ 1,262,008
Service and maintenance facilities	9,571,690	9,651,440	79,750
Other facilities	957,097	823,009	△ 134,087
Construction in progress	563,284	1,436,906	873,622
Intangible fixed assets	1,793,361	1,391,654	△ 401,707
Goodwill	35,611	23,741	△ 11,870
Software	1,714,275	1,325,542	△ 388,732
Other intangible fixed assets	43,474	42,370	△ 1,103
Investments and other non-current assets	11,591,853	10,977,183	△ 614,669
Investment securities	4,396,531	3,250,407	△ 1,146,123
Investments in affiliates	2,643,317	2,877,204	233,887
Long-term loans against affiliates	2,047,500	1,835,000	△ 212,500
Long-term prepaid expenses	213,999	302,513	88,513
Deffered tax assets	—	466,867	466,867
Prepaid pension cost	1,782,374	1,760,152	△ 22,222
Other investments and non-current assets	583,848	702,350	118,502
Allowances for doubtful accounts	△ 75,716	△ 171,485	△ 95,768
Allowances for loss on investments in affiliates	—	△ 45,827	△ 45,827
Current assets	11,960,645	11,567,344	△ 393,300
Cash and deposits	96,109	141,092	44,983
Trade notes receivable	384,269	551,275	167,006
Accounts receivable	4,116,094	3,862,823	△ 253,270
Accounts receivable from affiliates	588,038	628,583	40,545
Uncollected accounts	927,705	641,906	△ 285,798
Finished products	11,752	11,635	△ 117
Raw materials	163,803	180,555	16,752
Supplies	370,939	329,781	△ 41,157
Prepaid expenses	66,149	81,104	14,954
Short-term loans to affiliates	4,352,459	3,973,387	△ 379,072
Short-term credits against affiliates	27,106	29,382	2,275
Deferred tax assets	386,165	624,275	238,110
Cost of construction in process	671,866	799,996	128,130
Other current assets	81,303	89,520	8,217
Allowances for doubtful accounts	△ 283,118	△ 377,978	△ 94,860
Deferred charges	4,376,707	2,896,299	△ 1,480,408
Business development expenses	4,376,707	2,896,299	△ 1,480,408
Total assets	93,273,890	89,708,966	△ 3,564,923

(Unit : thousand yen)

Account	FY2006 (Mar.31,2007)	FY2007 (Mar.31,2008)	Change
(Liabilities)			
Long-term liabilities	39,389,573	41,026,283	1,636,710
Straight bonds	10,000,000	18,000,000	8,000,000
Convertible bonds	6,799,000	—	△ 6,799,000
Long-term bank loans payable	18,430,400	18,336,100	△ 94,300
Deferred tax liabilities	248,958	—	△ 248,958
Deferred tax liabilities on revaluation	1,318,034	1,317,402	△ 631
Employees' retirement allowances reserve	1,437,618	1,417,473	△ 20,145
Allowance for repairs of gas holders	376,574	364,079	△ 12,494
Reserve for safety measures	—	980,443	980,443
Other non-current liabilities	778,987	610,785	△ 168,202
Current liabilities	29,886,564	25,287,209	△ 4,599,354
Long-term liabilities due within one year	9,047,600	12,767,800	3,720,200
Trade Notes and accounts payable	1,916,708	1,826,022	△ 90,686
Short-term bank loans payable	12,772,000	3,286,000	△ 9,486,000
Other accounts payable	1,964,320	2,032,221	67,900
Accrued expenses	1,948,636	2,361,668	413,031
Income taxes payable	325,431	1,030,903	705,471
Advances received	221,933	348,087	126,154
Deposits received	82,935	66,223	△ 16,712
Short-term obligations to affiliates	1,588,520	1,553,925	△ 34,595
Other current liabilities	18,477	14,357	△ 4,119
Total liabilities	69,276,137	66,313,493	△ 2,962,644
(Net assets)			
Capital stock	23,497,190	23,501,632	4,442
Common stock	5,039,330	5,039,330	—
Capital surplus	2,799,417	2,799,396	△ 21
Capital reserve	2,799,095	2,799,095	—
Other capital surplus	322	301	△ 21
Retained earnings	15,746,952	15,765,898	18,946
Earned reserve	775,775	775,775	—
Other retained earnings	14,971,177	14,990,123	18,946
General reserves	13,600,000	13,600,000	—
Deferred retained earnings	1,371,177	1,390,123	18,946
Treasury stock	△ 88,510	△ 102,993	△ 14,483
Valuation and translation adjustments	500,562	△ 106,158	△ 606,721
Valuation difference on available-for-sale securities	1,594,396	855,211	△ 739,185
Deferred gains or losses on hedges	△ 205,037	△ 114,773	90,264
Revaluation reserve for land, net of taxes	△ 888,796	△ 846,596	42,200
Total Net assets	23,997,752	23,395,473	△ 602,278
Total liabilities, minority interest, and Net assets	93,273,890	89,708,966	△ 3,564,923

2.Non-consolidated statement of income

(Unit : thousand yen)

Account	FY2006 (Mar.31,2007)	FY2007 (Mar.31,2008)	Change
Product sales	39,893,684	41,518,345	1,624,660
Gas sales	39,893,684	41,518,345	1,624,660
Cost of sales	14,084,504	13,539,611	△544,892
(Gross income)	(25,809,180)	(27,978,733)	(2,169,553)
Selling, general and administrative expenses	24,130,711	26,068,852	1,938,140
Supply and sales expenses	21,942,782	23,587,030	1,644,247
General and administrative expenses	2,187,929	2,481,822	293,893
(Income on core business)	(1,678,468)	(1,909,881)	(231,412)
Miscellaneous operating revenues	8,722,823	9,742,752	1,019,929
Revenues from installation work	2,313,838	1,966,427	△347,411
Revenues from sales of appliances	6,379,289	7,714,798	1,335,509
Other miscellaneous operating revenues	29,694	61,526	31,831
Miscellaneous operating expenses	8,449,091	9,610,860	1,161,769
Cost of installation work	2,157,562	1,897,921	△259,641
Cost of sales of appliances	6,291,528	7,712,939	1,421,411
Revenues from associated business	1,169,223	1,130,093	△39,129
Expenses for associated business	989,197	971,044	△18,152
(Operating income)	(2,132,226)	(2,200,821)	(68,595)
Non-operating income	1,237,773	2,185,221	947,447
Interest income	54,787	76,110	21,322
Interest on securities	600	600	—
Dividend income	51,711	62,667	10,955
Gain on sale of help for natural gas conversion	784,687	1,781,266	996,579
Miscellaneous revenues	345,987	264,577	△81,410
Non-operating expenses	1,979,430	3,204,495	1,225,064
Interest expense	582,948	626,213	43,264
Interest on bonds	339,759	306,214	△33,544
Amortization of bond issue costs	—	43,277	43,277
Payment on sale of help for natural gas conversion	642,567	1,680,850	1,038,283
Provision of allowance for loss on investments in affiliates	—	45,827	45,827
Miscellaneous expenses	414,154	502,112	87,957
(Ordinary income)	(1,390,569)	(1,181,548)	(△209,021)
Extraordinary loss	799,079	448,000	△351,079
Expenses on environmental improvement	—	448,000	448,000
Expenses on measures against gas leaks in Kitami	427,949	—	△427,949
Expenses on retirement of fixed assets	297,130	—	△297,130
Loss on write-down of investment securities in affiliates	74,000	—	△74,000
Net income before income tax	591,490	733,548	142,058
Income tax etc.	90,683	843,176	752,493
Adjustment for income taxes etc.	198,104	△588,122	△786,227
Net income	302,702	478,494	175,791

3. Non-consolidated statement of changes in net assets

Current period (Apr.2006-Mar.2007)

(Unit: thousand yen)

	Shareholders' equity							Total shareholders' equity
	Common stock	Capital surplus		Retained earnings			Treasury stock	
		Capital reserve	Other capital surplus	Retained earnings	Other retained earnings			
					General reserves	Deferred retained earnings		
Balance at Mar.31, 2006	5,037,827	2,797,598	179	775,775	13,600,000	1,486,138	△ 70,579	23,626,940
Changes								
Stock issuance due to change of convertible bonds	1,503	1,496						2,999
Dividends from surplus						△ 417,663		△ 417,663
Net income						302,702		302,702
Purchase of treasury stock							△ 20,022	△ 20,022
Disposal of treasury stock			142				2,092	2,234
Items other than changes in shareholders' equity								
Total changes	1,503	1,496	142	-	-	△ 114,961	△ 17,930	△ 129,749
Balance at Mar.31,2007	5,039,330	2,799,095	322	775,775	13,600,000	1,371,177	△ 88,510	23,497,190

	Revaluation and translation adjustments				Total net assets
	Net unrealized gains on available-for-sale securities	Gain/Loss on deferred hedges	Land revaluation reserve	Total	
Balance at Mar.31, 2006	1,393,440	-	△ 888,796	504,644	24,131,584
Changes					
Stock issuance due to change of convertible bonds					2,999
Dividends from surplus					△ 417,663
Net income					302,702
Purchase of treasury stock					△ 20,022
Disposal of treasury stock					2,234
Items other than changes in shareholders' equity	200,955	△ 205,037	-	△ 4,081	△ 4,081
Total changes	200,955	△ 205,037	-	△ 4,081	△ 133,831
Balance at Mar.31,2007	1,594,396	△ 205,037	△ 888,796	500,562	23,997,752

Current period (Apr.2007-Mar.2008)

(Unit : thousand yen)

	Shareholders' equity							Total shareholders' equity
	Common stock	Capital surplus		Retained earnings			Treasury stock	
		Capital reserve	Other capital surplus	Retained earnings	Other retained earnings			
					General reserves	Deferred retained earnings		
Balance at Mar.31, 2006	5,039,330	2,799,095	322	775,775	13,600,000	1,371,177	△ 88,510	23,497,190
Changes								
Dividends from surplus						△ 417,347		△ 417,347
Net income						478,494		478,494
Purchase of treasury stock							△ 16,005	△ 16,005
Disposal of treasury stock			△ 21				1,522	1,501
Transfer from land revaluation reserve						△ 42,200		△ 42,200
Items other than changes in shareholders' equity								
Total changes	—	—	△ 21	—	—	18,946	△ 14,483	4,442
Balance at Sept.30,2006	5,039,330	2,799,095	301	775,775	13,600,000	1,390,123	△ 102,993	23,501,632

	Revaluation and translation adjustments				Total net assets
	Net unrealized gains on available-for-sale securities	Gain/Loss on deferred hedges	Land revaluation reserve	Total	
Balance at Mar.31, 2006	1,594,396	△ 205,037	△ 888,796	500,562	23,997,752
Changes					
Dividends from surplus					△ 417,347
Net income					478,494
Purchase of treasury stock					△ 16,005
Disposal of treasury stock					1,501
Transfer from land revaluation reserve					△ 42,200
Items other than changes in shareholders' equity	△ 739,185	90,264	42,200	△ 606,721	△ 606,721
Total changes	△ 739,185	90,264	42,200	△ 606,721	△ 602,278
Balance at Sept.30,2006	855,211	△ 114,773	△ 846,596	△ 106,158	23,395,473