



FY2011 ended March 2012

Consolidated Results Bulletin

Hokkaido Gas Co., Ltd

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Shares listed on:

Tokyo Stock Exchange

Sapporo Stock Exchange

Location of head office(prefecture):hokkaido

Date of regular general meeting of stockholders:June 28, 2012

Commencement of dividend payments:June6, 2012

Date of submission of financial report:June 29, 2012

1. Consolidated results for FY2011 (April, 2011–March31, 2012)

(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)	(%)
FY2011 ended March 2012	77,294	6.6	4,548	5.1	4,074	9.3	1,690	18.3
FY2010 ended March 2011	72,500	5.1	4,328	△7.6	3,727	1.7	1,429	△9.8

Note:Comprehensive income

FY2011 ended March 2012: 1,924 million yen

FY2010 ended March 2011: 1,432 million yen

	Net earnings	Diluted	Net rate of	Ratio of	Ratio of
	Per share	earnings	return on	ordinary	operating
	(Unit:yen)	per share	net assets	income to	income to
			(%)	total assets	sales
		(Unit:yen)		(%)	(%)
FY2011 ended March 2012	24.37	—	5.5	3.5	5.9
FY2010 ended March 2011	20.59	—	4.8	3.2	6.0

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

FY2011 ended March 2012: 121 million yen

FY2010 ended March 2011: △24 million yen

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit:million yen)	(Unit:million yen)	(%)	(Unit:yen)
FY2011 ended March 2012	118,860	34,391	26.3	450.21
FY2010 ended March 2011	115,127	32,991	26.0	430.83

Note:Net assets

FY2011 ended March 2012: 31,231 million yen

FY2010 ended March 2011: 29,893 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)
FY2011 ended March 2012	12,065	△12,853	981	791
FY2010 ended March 2011	11,373	△12,654	△3,111	598

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			
	(Unit:yen)	(Unit:yen)	(Unit:yen)	(Unit:yen)	(Unit:yen)	(Unit:millionyen)	%	%
Fy2010 ended March 2011	-	3.50	-	3.50	7.00	485	34.0	1.6
Fy2011 ended March 2012	-	4.00	-	4.00	8.00	555	32.8	1.8
Fy2012 ended March 2013 (forecast)	-	4.00	-	4.00	8.00	-	37.0	-

3. Consolidated Results Forecast for the Year Ending March 2013(April 1, 2012-March 31, 2013)

	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	33,500	8.3	1,700	29.3	1,350	44.5	900	3.4	12.97
Full-term	80,500	4.1	3,000	△34.0	2,600	△36.2	1,500	△11.3	21.62

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

- Newly added: None
- Excluded: None

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

- Changes accompanied by reform of accounting standards: None
- Other Changes: None
- Changes in accounting estimates: None
- Retrospective restatements: None

(3) Number of outstanding shares as of:

Fy2011 ended March 2012: 69,869,637 shares Fy2010 ended March 2011: 69,869,637 shares

Number of treasury stock as of:

Fy2011 ended March 2012: 498,972 shares Fy2010 ended March 2011: 483,881 shares

Average number of outstanding shares during the term

Fy2011 ended March 2012: 69,379,006 shares Fy2010 ended March 2011: 69,405,754 shares

Non-Consolidated Results Bulletin

1. Results for FY2011 (April 1, 2011–March 31, 2012)

(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)	(%)
FY2011 ended March 2012	60,958	8.1	3,953	14.2	3,320	18.3	1,386	45.5
FY2010 ended March 2011	56,385	5.6	3,461	△4.0	2,806	7.8	952	△0.3

	Net earnings per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
FY2011 ended March 2012	19.98	–
FY2010 ended March 2011	13.73	–

(2) Financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2011 ended March 2012	102,507	24,791	24.2	357.38
FY2010 ended March 2011	98,452	23,760	24.1	342.45

Note: Net assets

FY2011 ended March 2012: 24,791 million yen

FY2010 ended March 2011: 23,760 million yen

2. Results Forecast for the Year Ending March 2012 (April 1, 2012–March 31, 2013)

	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	27,000	10.9	1,650	41.9	1,300	63.8	850	18.0	12.25
Full-term	64,500	5.8	2,800	△29.2	2,200	△33.7	1,350	△2.6	19.46

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

1 【Consolidated Statements】
 ① 【Consolidated balance sheet】

(Unit : thousand yen)

	FY20010 (Mar. 31, 2011)	FY2011 (Mar. 31, 2012)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	3,357,825	2,851,468
Distribution facilities	48,353,846	47,988,287
Service and maintenance facilities	8,459,758	8,251,368
Other facilities	17,852,713	16,731,123
Construction in progress	14,545,404	19,171,733
Total property, plant and equipment	92,569,547	94,993,981
Intangible assets		
Other	2,041,294	2,082,308
Total intangible assets	2,041,294	2,082,308
Investments and other assets		
Investment securities	3,067,639	3,404,022
Deferred tax assets	1,545,313	1,330,567
Other	3,589,858	3,677,579
Allowance for doubtful accounts	△ 99,563	△ 87,057
Total investments and other assets	8,103,247	8,325,111
Total noncurrent assets	102,714,089	105,401,401
Current assets		
Cash and deposits	598,612	791,698
Notes and accounts receivable-trade	7,126,032	9,097,186
Merchandise and finished goods	470,192	459,136
Raw materials and supplies	503,668	496,934
Deferred tax assets	550,451	660,898
Other	2,443,091	1,748,487
Allowance for doubtful accounts	△ 205,160	△ 306,079
Total current assets	11,486,887	12,948,262
Deferred assets		
Development expenses	926,966	511,295
Total deferred assets	926,966	511,295
Total assets	115,127,944	118,860,959

(Unit : thousand yen)

	FY2010 (Mar. 31, 2011)	FY2011 (Mar. 31, 2012)
Liabilities		
Noncurrent liabilities		
Bonds payable	19,000,000	24,000,000
Long-term loans payable	25,487,290	24,382,214
Deferred tax liabilities for land revaluation	1,284,782	1,108,271
Provision for retirement benefits	3,192,605	3,255,144
Provision for gas holder repairs	151,775	141,988
Provision for safety measures	1,050,900	645,820
Provision for environmental improvement	614,015	-
Provision for loss on liquidation of subsidiaries and affiliates	450,476	-
Reserve for repairs of heat supply facilities	94,451	201,946
Other	878,320	745,197
Total noncurrent liabilities	52,204,616	54,480,582
Current liabilities		
Current portion of noncurrent liabilities	13,800,091	11,018,368
Notes and accounts payable-trade	5,605,624	5,149,008
Short-term loans payable	1,019,540	1,318,887
Commercial papers	2,000,000	2,000,000
Provision for loss on liquidation of subsidiaries and affiliates	-	177,100
Other	7,507,037	10,325,590
Total current liabilities	29,932,294	29,988,955
Total liabilities	82,136,911	84,469,538
Net assets		
Shareholders' equity		
Capital stock	5,039,330	5,039,330
Capital surplus	2,799,095	2,799,095
Retained earnings	21,173,096	22,199,955
Treasury stock	△ 131,642	△ 135,514
Total shareholders' equity	28,879,880	29,902,867
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	489,691	489,485
Deferred gains or losses on hedges	28,030	2,643
Revaluation reserve for land	496,027	836,527
Total accumulated other comprehensive income	1,013,749	1,328,657
Minority interests	3,097,402	3,159,896
Total net assets	32,991,032	34,391,421
Total liabilities and net assets	115,127,944	118,860,959

② 【Consolidated statements of income】

(Unit : thousand yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Net sales	72,500,676	77,294,223
Cost of sales	37,459,212	40,754,200
Gross profit	35,041,464	36,540,023
Selling, general and administrative expenses		
Supply and sales expenses	27,154,979	28,346,150
General and administrative expenses	3,557,723	3,645,440
Total selling, general and administrative expenses	30,712,703	31,991,590
Operating income	4,328,761	4,548,432
Non-operating income		
Interest income	6,753	8,640
Dividends income	46,321	50,745
Rent income	152,597	138,185
Gain on sale of help for natural gas conversion	266,068	-
Amortization of negative goodwill	91,571	91,571
Equity in earnings of affiliates	-	121,610
Other	475,233	380,468
Total non-operating income	1,038,546	791,222
Non-operating expenses		
Interest expenses	950,293	877,581
Payment on sale of help for natural gas	146,711	-
Personnel transfer expenses	226,590	286,081
Equity in earnings of affiliates	24,720	-
Other	291,875	101,151
Total non-operating expenses	1,640,191	1,264,814
Ordinary income	3,727,117	4,074,840
Extraordinary income		
Gain on revision of retirement benefit plan	340,106	349,051
Total extraordinary income	340,106	349,051
Extraordinary loss		
Impairment loss	753,623	992,162
Provision for loss on liquidation of subsidiaries and affiliates	388,266	126,878
Contribution for withdrawal from employees' pension fund	-	115,811
Total extraordinary losses	1,141,889	1,234,851
Income before income taxes and minority interests	2,925,334	3,189,040
Income taxes-current	838,099	1,266,436
Income taxes-deferred	597,864	169,371
Total income taxes	1,435,964	1,435,807
Income before minority interests	1,489,370	1,753,233
Minority interests in income	60,289	62,493
Net income	1,429,080	1,690,739

② 【Consolidated statements of comprehensive income】

(Unit : thousand yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Income before minority interests	1,489,370	1,753,233
Other comprehensive income		
Revaluation reserve for land	-	197,095
Valuation difference on available-for-sale securities	△ 47,985	△ 2,892
Deferred gains or losses on hedges	△ 8,772	△ 25,387
Share of other comprehensive income of associates accounted for using equity method	114	2,686
Total other comprehensive income	△ 56,644	171,502
Comprehensive income	1,432,725	1,924,735
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,372,436	1,862,242
Comprehensive income attributable to minority interests	60,289	62,493

③ 【Consolidated statements of changes in net assets】

(Unit : thousand yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	5,039,330	5,039,330
Balance at the end of current period	5,039,330	5,039,330
Capital surplus		
Balance at the end of previous period	2,799,095	2,799,095
Balance at the end of current period	2,799,095	2,799,095
Retained earnings		
Balance at the end of previous period	21,495,956	21,173,096
Changes of items during the period		
Dividends from surplus	△ 520,619	△ 520,378
Net income	1,429,080	1,690,739
Disposal of treasury stock	△ 367	△ 98
Change of scope of equity method	7,406	-
Reversal of revaluation reserve for land	△ 1,238,360	△ 143,404
Total changes of items during the period	△ 322,859	1,026,858
Balance at the end of current period	21,173,096	22,199,955
Treasury stock		
Balance at the end of previous period	△ 123,625	△ 131,642
Changes of items during the period		
Purchase of treasury stock	△ 9,978	△ 4,894
Disposal of treasury stock	1,960	1,023
Total changes of items during the period	△ 8,017	△ 3,871
Balance at the end of current period	△ 131,642	△ 135,514
Total shareholders' equity		
Balance at the end of previous period	29,210,757	28,879,880
Changes of items during the period		
Dividends from surplus	△ 520,619	△ 520,619
Net income	1,429,080	1,690,739
Purchase of treasury stock	△ 9,978	△ 4,894
Disposal of treasury stock	1,593	925
Change of scope of equity method	7,406	-
Reversal of revaluation reserve for land	△ 1,238,360	△ 143,404
Total changes of items during the period	△ 330,877	1,022,987
Balance at the end of current period	28,879,880	29,902,867

(Unit : thousand yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	538,833	489,691
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 49,141	△ 205
Total changes of items during the period	△ 49,141	△ 205
Balance at the end of current period	489,691	489,485
Deferred gains or losses on hedges		
Balance at the end of previous period	36,803	28,030
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 8,772	△ 25,387
Total changes of items during the period	△ 8,772	△ 25,387
Balance at the end of current period	28,030	2,643
Revaluation reserve for land		
Balance at the end of previous period	△ 742,333	496,027
Changes of items during the period		
Net changes of items other than shareholders' equity	1,238,360	340,500
Total changes of items during the period	1,238,360	340,500
Balance at the end of current period	496,027	836,527
Total accumulated other comprehensive income		
Balance at the end of previous period	△ 166,696	1,013,749
Changes of items during the period		
Net changes of items other than shareholders' equity	1,180,445	314,907
Total changes of items during the period	1,180,445	314,907
Balance at the end of current period	1,013,749	1,328,657
Minority interests		
Balance at the end of previous period	3,037,113	3,097,402
Changes of items during the period		
Net changes of items other than shareholders' equity	60,289	62,493
Total changes of items during the period	60,289	62,493
Balance at the end of current period	3,097,402	3,159,896
Total net assets		
Balance at the end of previous period	32,081,175	32,991,032
Changes of items during the period		
Dividends from surplus	△ 520,619	△ 520,378
Net income	1,429,080	1,690,739
Purchase of treasury stock	△ 9,978	△ 4,894
Disposal of treasury stock	1,593	925
Change of scope of equity method	7,406	-
Reversal of revaluation reserve for land	△ 1,238,360	△ 143,404
Net changes of items other than shareholders' equity	1,240,734	377,401
Total changes of items during the period	909,857	1,400,388
Balance at the end of current period	32,991,032	34,391,421

④ 【Consolidated statement of cash flows】

(Unit : thousand yen)

	FY2010 (Mar. 31, 2011)	FY2011 (Mar. 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,925,334	3,189,040
Depreciation and amortization	9,717,918	10,181,376
Impairment loss	753,623	992,162
Amortization of deferred assets	785,513	415,671
Increase (decrease) in provision for safety measures	△ 325,150	△ 405,079
Increase (decrease) in provision for environmental improvement	△ 421,161	△ 614,015
Increase (decrease) in provision for loss on liquidation of subsidiaries and affiliates	218,834	△ 273,375
Increase (decrease) in provision for retirement benefits	112,436	62,539
Increase (decrease) in allowance for doubtful accounts	△ 3,200	88,413
Interest and dividends income	△ 53,075	△ 59,385
Interest expenses	950,293	877,581
Decrease (increase) in notes and accounts receivable-trade	△ 353,445	△ 2,240,463
Decrease (increase) in inventories	122,949	375,678
Increase (decrease) in notes and accounts payable-trade	1,348,505	96,933
Increase (decrease) in accrued consumption taxes	△ 205,822	142,695
Other, net	△ 1,291,578	633,854
Subtotal	14,281,973	13,463,628
Interest and dividends income received	53,075	59,385
Interest expenses paid	△ 963,079	△ 870,131
Income taxes (paid) refund	△ 1,998,206	△ 587,744
Net cash provided by (used in) operating activities	11,373,762	12,065,137
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	△ 11,808,174	△ 11,544,918
Proceeds from sales of property, plant and equipment	131,220	196,113
Purchase of intangible assets	△ 758,276	△ 685,528
Purchase of investment securities	△ 8,125	-
Proceeds from sales of investment securities	183	5,020
Purchase of investments in subsidiaries	△ 20,400	△ 300,000
Proceeds from liquidation of subsidiaries	-	7,000
Purchase of long-term prepaid expenses	△ 237,290	△ 283,376
Net decrease (increase) in short-term loans receivable	△ 87,000	△ 305,000
Collection of long-term loans receivable	-	18,500
Other, net	133,681	38,472
Net cash provided by (used in) investing activities	△ 12,654,182	△ 12,853,716

(Unit : thousand yen)

	FY2010 (Mar. 31, 2011)	FY2011 (Mar. 31, 2012)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,019,540	549,347
Proceeds from long-term loans payable	2,000,000	4,900,000
Repayment of long-term loans payable	△ 7,538,626	△ 8,804,706
Proceeds from issuance of bonds	-	9,949,353
Redemption of bonds	-	△ 5,000,000
Net increase (decrease) in commercial papers	2,000,000	-
Cash dividends paid	△ 520,619	△ 520,378
Other, net	△ 72,099	△ 91,951
Net cash provided by (used in) financing activities	△ 3,111,805	981,665
Net increase (decrease) in cash and cash equivalents	△ 4,392,224	193,086
Cash and cash equivalents at beginning of period	4,990,836	598,612
Cash and cash equivalents at end of period	598,612	791,698

2 【Non-Consolidated Statements】
 ① 【Non-Consolidated balance sheet】

(Unit : thousand yen)

	FY2010 (Mar. 31, 2011)	FY2011 (Mar. 31, 2012)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	3,357,825	2,851,468
Distribution facilities	48,986,133	48,570,221
Service and maintenance facilities	8,555,497	8,339,223
Facilities for incidental businesses	969,908	540,998
Construction in progress	14,219,634	18,826,951
Total property, plant and equipment	76,088,999	79,128,862
Intangible assets		
Software	1,752,120	1,757,273
Other intangible assets	41,724	41,500
Total intangible assets	1,793,845	1,798,774
Investments and other assets		
Investment securities	2,715,039	2,644,198
Investments in subsidiaries and affiliates	3,057,404	3,350,404
Long-term loans receivable from subsidiaries and affiliates	1,697,500	975,000
Long-term prepaid expenses	275,252	300,579
Deferred tax assets	733,879	461,406
Prepaid pension cost	2,286,675	2,552,711
Other investments and other assets	469,421	410,923
Allowance for doubtful accounts	△ 55,279	△ 37,660
Total investments and other assets	11,179,893	10,657,563
Total noncurrent assets	89,062,738	91,585,201
Current assets		
Cash and deposits	86,552	96,074
Notes receivable-trade	65,324	167,441
Accounts receivable-trade	3,806,426	4,353,456
Accounts receivable from subsidiaries and affiliates-trade	672,648	736,460
Accounts receivable-other	378,396	446,091
Finished goods	13,842	12,964
Raw materials	141,321	166,233
Supplies	247,901	206,356
Prepaid expenses	92,398	102,603
Short-term loans receivable from subsidiaries and affiliates	1,998,386	2,940,572
Short-term receivables from subsidiaries and affiliates	62,251	45,360
Deferred tax assets	355,201	448,622
Other current assets	688,967	428,670
Accounts receivable-trade for incidental businesses	519,152	1,325,396
Other current assets for incidental businesses	32	2,832
Allowance for doubtful accounts	△ 666,024	△ 1,068,555
Total current assets	8,462,778	10,410,581

(Unit : thousand yen)

	FY2010 (Mar. 31, 2011)	FY2011 (Mar. 31, 2012)
Deferred assets		
Development expenses	926,966	511,295
Total deferred assets	926,966	511,295
Total assets	98,452,483	102,507,077
Liabilities		
Noncurrent liabilities		
Bonds payable	19,000,000	24,000,000
Long-term loans payable	21,694,700	21,144,100
Long-term debt to subsidiaries and affiliates	14,723	6,663
Deferred tax liabilities for land revaluation	1,284,782	1,108,271
Provision for retirement benefits	1,671,382	1,704,590
Provision for gas holder repairs	151,775	141,988
Provision for safety measures	1,050,900	645,820
Provision for environmental improvement	614,015	-
Provision for loss on liquidation of subsidiaries and affiliates	450,476	-
Provision for loss on remove noncurrent assets	-	16,100
Other noncurrent liabilities	114,719	108,158
Total noncurrent liabilities	46,047,475	48,875,691
Current liabilities		
Current portion of noncurrent liabilities	13,108,960	10,394,260
Accounts payable-trade	3,843,998	3,369,294
Short-term loans payable	1,019,540	1,318,887
Accounts payable-other	2,857,507	4,498,769
Accrued expenses	1,947,641	2,503,246
Income taxes payable	250,097	745,116
Advances received	139,677	189,601
Deposits received	73,332	75,389
Short-term loans payable to subsidiaries and affiliates	2,034,605	2,267,821
Short-term debt to subsidiaries and affiliates	1,270,343	1,188,669
Provision for loss on construction contracts	47,187	104,184
Provision for loss on liquidation of subsidiaries and affiliates	-	177,100
Provision for loss on remove noncurrent assets	47,000	3,980
Commercial papers	2,000,000	2,000,000
Other current liabilities	4,169	3,459
Total current liabilities	28,644,063	28,839,782
Total liabilities	74,691,538	77,715,473

(Unit : thousand yen)

	FY2010 (Mar. 31, 2011)	FY2011 (Mar. 31, 2012)
Net assets		
Shareholders' equity		
Capital stock	5,039,330	5,039,330
Capital surplus		
Legal capital surplus	2,799,095	2,799,095
Total capital surpluses	2,799,095	2,799,095
Retained earnings		
Legal retained earnings	775,775	775,775
Other retained earnings		
General reserve	13,600,000	13,600,000
Retained earnings brought forward	663,137	1,385,601
Total retained earnings	15,038,912	15,761,376
Treasury stock	△ 131,642	△ 135,514
Total shareholders' equity	22,745,695	23,464,288
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	491,191	488,143
Deferred gains or losses on hedges	28,030	2,643
Revaluation reserve for land	496,027	836,527
Total valuation and translation adjustments	1,015,249	1,327,315
Total net assets	23,760,945	24,791,604
Total liabilities and net assets	98,452,483	102,507,077

② 【Non-consolidated statement of income】

(Unit : thousand yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Product sales		
Gas sales	45,670,868	47,153,545
Total product sales	45,670,868	47,153,545
Cost of sales		
Beginning inventories	13,373	13,842
Cost of products manufactured	16,885,276	17,085,327
Costs of gas for own use	68,283	73,581
Ending inventories	13,842	12,964
Total cost of sales	16,816,524	17,012,623
Gross profit	28,854,344	30,140,921
Supply and sales expenses	23,619,333	24,708,445
General and administrative expenses	2,629,488	2,723,301
Income on core business	2,605,522	2,709,174
Miscellaneous operating revenue		
Revenue from installation work	1,885,686	2,116,960
Revenue from gas appliance sales	5,202,456	6,095,750
Other miscellaneous operating revenue	72,190	69,851
Total miscellaneous operating revenue	7,160,333	8,282,562
Miscellaneous operating expenses		
Expenses of installation work	1,827,028	2,053,596
Expenses of gas appliance sales	4,757,588	5,573,247
Total operating miscellaneous expenses	6,584,616	7,626,844
Revenue for incidental businesses	3,554,540	5,522,556
Expenses for incidental businesses	3,273,911	4,934,032
Operating income	3,461,868	3,953,417
Non-operating income		
Interest income	27,306	24,916
Dividends income	62,437	53,452
Rent income	192,606	197,402
Gain on sale of help for natural gas conversion	266,068	-
Subsidy income	700	59,432
Miscellaneous income	280,888	203,676
Total non-operating income	830,008	538,880
Non-operating expenses		
Interest expenses	476,539	404,356
Interest on bonds	390,670	405,212
Amortization of bond issuance cost	-	50,646
Payment on sale of help for natural gas	146,711	-
Personnel transfer expenses	216,713	268,583
Miscellaneous expenses	255,009	43,064
Total non-operating expenses	1,485,645	1,171,862
Ordinary income	2,806,231	3,320,435

(Unit : thousand yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Extraordinary income		
Gain on revision of retirement benefit plan	340,106	340,106
Total extraordinary income	340,106	340,106
Extraordinary loss		
Impairment loss	753,623	992,162
Provision for loss on liquidation of subsidiaries and affiliates	388,266	126,878
Total extraordinary losses	1,141,889	1,119,040
Income before income taxes	2,004,448	2,541,501
Income taxes-current	466,993	880,033
Income taxes-deferred	584,648	275,122
Total income taxes	1,051,642	115,156
Net income	952,806	1,386,345

③ 【Non-consolidated statements of changes in net assets】

(Unit : thousand yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	5,039,330	5,039,330
Balance at the end of current period	5,039,330	5,039,330
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	2,799,095	2,799,095
Balance at the end of current period	2,799,095	2,799,095
Total capital surplus		
Balance at the end of previous period	2,799,095	2,799,095
Balance at the end of current period	2,799,095	2,799,095
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	775,775	775,775
Balance at the end of current period	775,775	775,775
Other retained earnings		
General reserve		
Balance at the end of previous period	13,600,000	13,600,000
Balance at the end of current period	13,600,000	13,600,000
Retained earnings brought forward		
Balance at the end of previous period	1,469,678	663,137
Changes of items during the period		
Dividends from surplus	△ 520,619	△ 520,378
Net income	952,806	1,386,345
Disposal of treasury stock	△ 367	△ 98
Reversal of revaluation reserve for land	△ 1,238,360	△ 143,404
Total changes of items during the period	△ 806,540	722,464
Balance at the end of current period	663,137	1,385,601
Total retained earnings		
Balance at the end of previous period	15,845,453	15,038,912
Changes of items during the period		
Dividends from surplus	△ 520,619	△ 520,378
Net income	952,806	1,386,345
Disposal of treasury stock	△ 367	△ 98
Reversal of revaluation reserve for land	△ 1,238,360	△ 143,404
Total changes of items during the period	△ 806,540	722,464
Balance at the end of current period	15,038,912	15,761,376

(Unit : thousand yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Treasury stock		
Balance at the end of previous period	△ 123,625	△ 131,642
Changes of items during the period		
Purchase of treasury stock	△ 9,978	△ 4,894
Disposal of treasury stock	1,960	1,023
Total changes of items during the period	△ 8,017	△ 3,871
Balance at the end of current period	△ 131,642	△ 135,514
Total shareholders' equity		
Balance at the end of previous period	23,560,254	22,745,695
Changes of items during the period		
Dividends from surplus	△ 520,619	△ 520,378
Net income	952,806	1,386,345
Purchase of treasury stock	△ 9,978	△ 4,894
Disposal of treasury stock	1,593	925
Reversal of revaluation reserve for land	△ 1,238,360	△ 143,404
Total changes of items during the period	△ 814,558	718,592
Balance at the end of current period	22,745,695	23,464,288
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	538,438	491,191
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 47,246	△ 3,047
Total changes of items during the period	△ 47,246	△ 3,047
Balance at the end of current period	491,191	488,143
Deferred gains or losses on hedges		
Balance at the end of previous period	36,803	28,030
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 8,772	△ 25,387
Total changes of items during the period	△ 8,772	△ 25,387
Balance at the end of current period	28,030	2,643
Revaluation reserve for land		
Balance at the end of previous period	△ 742,333	496,027
Changes of items during the period		
Net changes of items other than shareholders' equity	1,238,360	340,500
Total changes of items during the period	1,238,360	340,500
Balance at the end of current period	496,027	836,527
Total valuation and translation adjustments		
Balance at the end of previous period	△ 167,091	1,015,249
Changes of items during the period		
Net changes of items other than shareholders' equity	1,182,340	312,065
Total changes of items during the period	1,182,340	312,065
Balance at the end of current period	1,015,249	1,327,315

(Unit : thousand yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Total net assets		
Balance at the end of previous period	23,393,162	23,760,945
Changes of items during the period		
Dividends from surplus	△ 520,619	△ 520,378
Net income	952,806	1,386,345
Purchase of treasury stock	△ 9,978	△ 4,894
Disposal of treasury stock	1,593	925
Reversal of revaluation reserve for land	△ 1,238,360	△ 143,404
Net changes of items other than shareholders' equity	1,182,340	312,065
Total changes of items during the period	367,782	1,030,658
Balance at the end of current period	23,760,945	24,791,604