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## Consolidated Financial Summary for the Fiscal Year Ended March 31, 2023

May 12, 2023

Company name: Sinanen Holdings Co., Ltd.

Shares listed: Tokyo Stock Exchange

Securities code: 8132 URL: <https://sinanengroup.co.jp/en/>

Representative (Position) President and CEO (Name) Masaki Yamazaki

Contact: (Position) Finance and Accounting Manager (Name) Yutaka Hoshino Tel: +81-3-6478-7811

Scheduled date of Ordinary General Meeting of Shareholders: June 27, 2023

Scheduled date of start of dividend payment: June 28, 2023

Scheduled date of filing of securities report: June 27, 2023

Preparation of supplementary materials: Yes

Convening of a results meeting: Yes

(Note: Amounts are rounded to nearest million yen.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

#### (1) Consolidated operating results (Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY 2022	342,254	18.3	895	(63.9)	1,227	(62.5)	478	(80.8)
FY 2021	289,340	—	2,480	—	3,272	—	2,487	—

(Note) Comprehensive income FY 2022 -44 million yen (-%) FY 2021 2,557 million yen (-%)

	Profit per share	Diluted profit per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to sales
	yen	yen	%	%	%
FY 2022	43.82	—	0.9	1.2	0.3
FY 2021	228.33	—	4.7	3.2	0.9

(Reference) Gains and losses on equity-method investments FY 2022 -256 million yen FY 2021 -23 million yen

Note: The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of the previous fiscal year. Figures for the year ended March 31, 2022 have been restated to reflect application of the standard, and year-on-year changes have been omitted.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
FY 2022	101,350	53,631	52.9	4,902.63
FY 2021	104,908	54,381	51.2	4,922.46

(Reference) Shareholders' equity FY 2022 53,616 million yen FY 2021 53,687 million yen

#### (3) Status of consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
FY 2022	389	(698)	435	9,927
FY 2021	1,133	2,154	(3,120)	9,948

### 2. Dividends

	Dividend per share					Total dividend amount (total)	Dividend payout ratio (consolidated)	Net payout ratio (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FY 2021	—	—	—	75.00	75.00	817	32.8	1.6
FY 2022	—	—	—	75.00	75.00	820	171.2	1.5
FY 2023 (forecast)	—	—	—	75.00	75.00		63.0	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)  
(Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	360,000	5.2	2,000	123.2	2,300	87.3	1,300	171.5	118.98

\* Notice:

(1) Changes in main subsidiaries during the period (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None  
New: - company(ies) (Company name(s)) Excluded: - company(ies) (Company name(s))

(2) Changes in accounting policies, accounting estimates, and restatements

(a) Changes in accounting policies due to revision of accounting standards: Yes

(b) Changes in accounting policies other than those in (a): None

(c) Changes in accounting estimates: None

(d) Restatements: None

Note: See "(5) Explanation concerning consolidated financial statements (Changes in accounting policies)" under "4. Consolidated Financial Statements and Main Notes" on page 18 of the attachment for details.

(3) Number of shares issued (common stock)

(a) Number of shares issued (including treasury shares)

FY 2022	13,046,591 shares	FY 2021	13,046,591 shares
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(b) Number of treasury shares

FY 2022	2,110,406 shares	FY 2021	2,139,955 shares
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(c) Average number of shares during the period

FY 2022	10,926,588 shares	FY 2021	10,895,036 shares
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(Reference) Summary of non-consolidated financial results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(1) Non-consolidated operating results (Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY 2022	2,869	(8.2)	(324)	—	484	(36.4)	2,535	144.5
FY 2021	3,126	5.7	101	(67.4)	761	(25.1)	1,037	(42.7)

	Profit per share	Diluted profit per share
	yen	yen
FY 2022	232.09	—
FY 2021	95.21	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
FY 2022	36,926	26,297	71.2	2,404.61
FY 2021	33,546	24,234	72.2	2,222.03

(Reference) Shareholders' equity FY 2022 26,297 million yen FY 2021 24,234 million yen

\* Financial results summaries are not subject to audit by certified public accountant or auditing firm.

\* Cautionary statement regarding business results forecasts and special notes

(Caution regarding forward-looking statements)

The financial forecasts and other forward-looking statements contained herein are based on currently available information and assumptions considered by the Company to be reasonable and do not represent a commitment from the Company that they will be achieved. Actual results may differ materially due to various factors. See "(4) Outlook" under "1. Overview of Operating Results" on page 5 of the attachment for the underlying assumptions of and precautions for using the forecasts.

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## 1. Overview of Operating Results

### (1) Overview of operating results in this fiscal year

During the fiscal year under review, the Japanese economy showed signs of recovery from COVID-19, however the situation remains unpredictable due to factors including soaring resource prices worldwide, the manifestation of geopolitical risks stemming from the prolonged conflict in Ukraine, and rapid fluctuations in exchange rates.

In the domestic energy industry, crude oil prices and propane contract prices, which affect the purchasing prices in our mainstay area of petroleum and LP gas, have dropped somewhat in response to a decrease in demand due to concerns of a recession due to global inflation since the summer. However, there is still a strong sense of uncertainty over the supply of Russian crude oil, which has continued to keep these prices at a high level. In the electric power industry, the supply-demand situation remains tight in line with government-issued requests to conserve power in summer and winter, with prices in the wholesale electricity market remaining at a high level until December. However, despite the winter demand months after the new year, the situation remains opaque with a nearly 40% drop in spot prices year on year due to sluggish demand. From a long-term view as well, the business environment surrounding the Company is changing significantly with the adoption of the “necessity for immediate reduction of greenhouse effect gases in a rapid, sweeping fashion” in the Sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) in March 2023.

In the midst of this environment, the Group reached the final year of the 2nd Medium-Term Management Plan, which is positioned as the foundation for a leap toward the centennial anniversary in 2027. During this plan, we have focused on selection and concentration among existing businesses and improving capital efficiency through utilizing and selling off low-efficiency assets. In addition, we have made strategic investments in new business such as the bicycle sharing business. As in the previous fiscal year, we also continued to accelerate human resources investment and IT-related investment to promote digital transformation (DX) according to plan.

As a result, unit selling prices for the fiscal year under review increased owing to a sharp rise in the price of crude oil and propane contract prices. This resulted in net sales of 342,254 million yen (up 18.3% year on year). As procurement costs remain high in the mainstay of the electric power business, due to a delay in passing prices in regard to procured power at relatively higher prices in anticipation of increased demand in the winter, gross profits were 33,336 million yen (down 3.1% year on year). Due to a decrease in gross profit and an increase of 513 million yen in selling, general and administrative expenses due to increased personnel expenses and commission expenses including IT-related investment, operating profits were 895 million yen (down 63.9% year on year), and ordinary profits were 1,227 million yen (down 62.5% year on year). Also, the Company recorded extraordinary losses of 2,762 million yen in the large-scale onshore wind power generation business in South Korea under way since 2020 resulting from revisions to the city planning ordinance for the proposed construction site making the initial expected plans and development considerably difficult, and impairment loss on non-current assets. Therefore, profit attributable to owners of parent showed a significant decrease in profit of 478 million yen (down 80.8% year on year).

The circumstances and results of each business field are as follows.

#### [Retail/Wholesale Energy & Related Business (B to C Business)]

The sales volume was up owing to significantly higher unit selling prices in conjunction with soaring crude oil and propane contract prices in the mainstay area of LP gas and kerosene.

Significantly impacted gross profit due to substantial rises in procurement costs affecting the sales of electric power resulted in a decrease in profit despite an increase in sales of housing equipment, etc.

As an effort to secure new revenue streams, during the fiscal year under review, we launched a business related to building maintenance and management for housing complexes in the Tohoku area and a real estate business involving buying, selling, and management of real estate in the Kanto area.

As a result of the above, net sales for the fiscal year under review in the Retail/Wholesale Energy & Related Business (B to C Business) were 81,419 million yen (up 11.3% year on year) and operating profit was 150 million yen (down 85.5% year on year).

#### [Energy Solution Business (B to B Business)]

In our mainstay petroleum business, like the B to C Business, the sales volume increased as unit selling prices went up substantially owing primarily to the sharp increase in crude oil prices.

An operating loss was recorded due to severely deteriorating gross profit in the electric power business due to the impact of the same rising procurement costs as B to C Business despite securing long-term contracts in the marine fuel sector and an increase in gross profits for sales of petroleum products centered on Oil Square, which has improved light oil sales capacity.

Also, the initial expected plans and development were judged to be considerably difficult at the large-scale onshore wind power generation business in South Korea, and Company will continue to negotiate with all parties concerned including the possibility of selling the shares.

As a result of the above, net sales for the fiscal year under review in the Energy Solution Business (B to B Business) were 241,251 million yen (up 22.0% year on year) and operating loss was 346 million yen (operating profit for the previous fiscal year was 573 million yen).

## [Non-energy Business]

Overall, both sales and profits were up for Non-energy Businesses thanks to the bicycle sharing business and system business performing well despite a lull in demand in the antimicrobial business.

The circumstances of each business are outlined below.

Both sales and profits were up for the bicycle business operator Sinanen Bike Co., Ltd. thanks to promotion of developing new corporations in addition to price revisions to deal with soaring global transportation costs and raw material prices in line with eliminating the global parts shortage.

Bicycle sharing business operator Sinanen Mobility Plus Co., Ltd. promoted development of bicycle sharing service DAICHARI locations, primarily in highly profitable target areas. It also launched field tests together with new municipalities, and as of March 31, 2023, the scale of the business has grown to more than 3,100 stations and more than 10,000 bicycles. This is the first time since its establishment that full-year profitability has been achieved, supported by advances in operational efficiency based on usage data and price revisions made in April 2022.

Environmental and recycling business operator Sinanen Ecowork Co., Ltd. saw lower sales and profit due to a decrease in the volume of construction waste associated with sluggishness in new housing starts.

Antimicrobial business operator Sinanen Zeomic Co., Ltd. saw decreased sales and profits due to a lull in demand for antimicrobial products associated with the spread of COVID-19. As a new growth strategy, it is also working to grow sales in the Chinese and Taiwanese markets and to expand our absorbent agents business.

Systems business operator Minos Co., Ltd. saw steady demand for its flagship LP gas backbone operation system. Power CIS\*, its customer information system supporting liberalization of electricity retail sales, also grew and performed well, expanding to encompass more than 8.7 million customer houses under management. During the fiscal year under review, it also commenced the development of a next-generation system targeting a FY 2027 release.

Core building management and maintenance business operator Takara Building Maintenance Co., Ltd. saw steady contributions from regular management operations at sites including condominiums and funeral halls, while efforts to expand the area of its management operations for housing complexes also proceeded smoothly, resulting in an increase in both sales and profits. Results show that we are on track to secure stable revenue for the next fiscal year, including a new contract to operate a municipal funeral hall. The four group companies in the building management and maintenance business commenced full-scale integration operations in October 2022 aiming to leverage group synergies and the advantage of scale, finally completing integration in October 2023 with plans to offer service as a general building maintenance company going forward.

As a result of the above, net sales for the fiscal year under review in the Non-energy Business were 19,354 million yen (up 6.9% year on year) and operating profit was 856 million yen (up 324.9% year on year).

From the fiscal year under review, the Non-energy/Global Business has been renamed as the Non-energy Business. This change is in name only and does not affect segment information.

\*CIS stands for Customer Information System. It is a system allowing centralized management of everything from customer information management to fee calculation and invoicing according to contract type.

## (2) Overview of financial status for this fiscal year

### (Assets)

Current assets as of the end of the fiscal year under review for the Company and its group companies were 58,760 million yen, a decrease of 3,037 million yen compared to the previous fiscal year. The decrease was primarily due to a decrease of 2,352 million yen in trade receivables as notes and accounts receivable.

Non-current assets as of the end of the fiscal year under review were 42,589 million yen, a decrease of 520 million yen compared to the previous fiscal year. The main reason for this was an impairment in non-current assets related to the large-scale onshore wind power generation business in South Korea despite an increase in construction in progress of the new building in Higashishinagawa.

As a result, total assets were 101,350 million yen, down 3,558 million yen compared to the previous fiscal year.

### (Net assets)

Net assets for the fiscal year under review were 53,631 million yen due to a decrease of 817 million yen according to payment of dividends despite recording a profit attributable to owners of parent of 478 million yen, resulting in drop of 749 million yen compared to the previous fiscal year.

As a result of the above, the equity ratio increased 1.7 percentage points compared to the previous fiscal year to 52.9%.

### (3) Overview of cash flow in this fiscal year

Cash and cash equivalents on a consolidated basis for the fiscal year under review were 9,927 million yen (down 0.2% year on year). Status of cash flows and their major reasons are as follows.

#### (Cash flow from operating activities)

During the fiscal year under review, capital gained as a result of operating activities was 389 million yen (inflow of 1,133 million yen in the previous fiscal year). The main reason for this was 1,789 million yen in net income before taxes, 2,714 million yen in depreciation expenses, 2,543 million yen in impairment losses, 968 million in gain on sale of investment securities, 2,354 million yen in gain on sale of non-current assets, a 2,336 million yen decrease in trade receivables, and a 5,169 million yen decrease in trade payables.

#### (Cash flow from investing activities)

During the fiscal year under review, capital gained as a result of investing activities was 698 million yen (inflow of 2,154 million yen in the previous fiscal year). The main reasons for this were 2,340 million yen in proceeds from sale and redemption of investment securities, 1,302 million yen in purchase of investment securities, 2,436 million yen in proceeds from sale of non-current assets, and 4,096 million yen in expenditures for the acquisition of non-current assets.

#### (Cash flow from financing activities)

During the fiscal year under review, capital gained as a result of financing activities was 435 million yen (outflow of 3,120 million yen in the previous fiscal year). The main reason for this was a 2,185 million yen increase in short-term borrowings, 664 million yen in repayments of long-term borrowings, and 818 million yen paid as dividends.

#### (Reference) Trends in cash flow-related indices

	FY 2019	FY 2020	FY 2021	FY 2022
Equity ratio (%)	53.1	52.9	51.2	52.9
Equity ratio (%) on market capitalization basis	31.4	34.2	34.3	34.6
Debt-to-cash flow ratio (years)	18.2	0.7	3.4	13.9
Interest coverage ratio (multiples)	5.1	65.4	12.3	4.6

Equity ratio: Shareholders' equity/total assets

Equity ratio (%) on market value basis: Share market capitalization/total assets

Debt-to-cash flow ratio: Interest-bearing liabilities/operating cash flow

Interest coverage ratio: Operating cash flow/interest payments

- Indices are calculated based on financial figures on consolidated basis.
- Share market capitalization is calculated by multiplying closing share price at the end of fiscal year by the total number of issued shares at the end of the fiscal year (excluding treasury shares).
- Operating cash flow uses cash flow from operating activities on the consolidated cash flow statement. Interest payments use the amount of interest paid on the same statement. Interest-bearing liabilities are the total amount of loans, corporate bonds, and commercial paper booked on the consolidated balance sheet.

#### (4) Outlook

The environment surrounding the oil and gas businesses, which are the mainstay businesses of the Group, remains harsh as energy demand continues to decline in the face of a decreasing population in Japan, the spread of energy-saving equipment, and changes to lifestyles. Furthermore, in addition to heightened awareness of global decarbonization and SDGs, efforts to achieve carbon neutrality by 2050 are picking up steam in Japan. Demand will rise significantly for us to take responsible action as a general energy service group.

In order to respond to these changes in the business environment and the trend of the times, the Group has moved forward on developing a business foundation for a leap toward the centennial anniversary with the 2nd Medium-Term Management Plan up to the fiscal year under review. The 3rd Medium-Term Management Plan heralds a new start April 2023 as part of our evolution into a comprehensive energy life creation group that contributes to achieving a decarbonized society. To achieve the vision set forth in the 3rd Medium-Term Management Plan, we will accelerate the shift to a stronger management foundation and implement growth strategies.

The full-year financial results forecasts for the next fiscal year are net sales of 360,000 million yen (up 5.2% year on year), operating profit of 2,000 million yen (up 123.2% year on year), ordinary profit of 2,300 million yen (up 87.3% year on year), and profit attributable to owners of parent of 1,300 million yen (up 171.5% year on year).

In terms of profits, personnel expenses and commission expenses including IT-related investment are expected to continue increasing while the petroleum business, which has performed well in the fiscal year under review, is expected to level out and push profits down, whereas LP gas business price revisions centered on improved profitability in the electric power business, which stagnated significantly in the fiscal year under review, will drive profits up, resulting in expectations of significant profit increases overall.

However, for the electric power business, the situation in the first half of the next fiscal year is expected to remain severe. Regarding power procured in the fiscal year under review, during the first quarter, position adjustments are planned for electricity supply and demand such as selling in the wholesale electricity market where prices remain at a low level. In response to this situation, significant recovery is expected in the second half thanks to anticipated effects of price revisions which will be implemented at the beginning of the term.

The business results forecast are calculated based on information currently available to us and assumptions considered by the Company to be reasonable. If a revision of the forecast becomes necessary due to developing circumstances and business progress, such information will be disclosed without delay.

#### (5) Basic policy regarding distribution of profits and dividend for this year and following year

The Company considers returning profit to shareholders the most important management policy. Our basic policy is to provide stable dividends with a consolidated payout ratio of 30% or more, and a minimum of 75 yen per share. We plan to allocate internal reserves to expanding our business domains and capital expenditures to strengthen our business foundation.

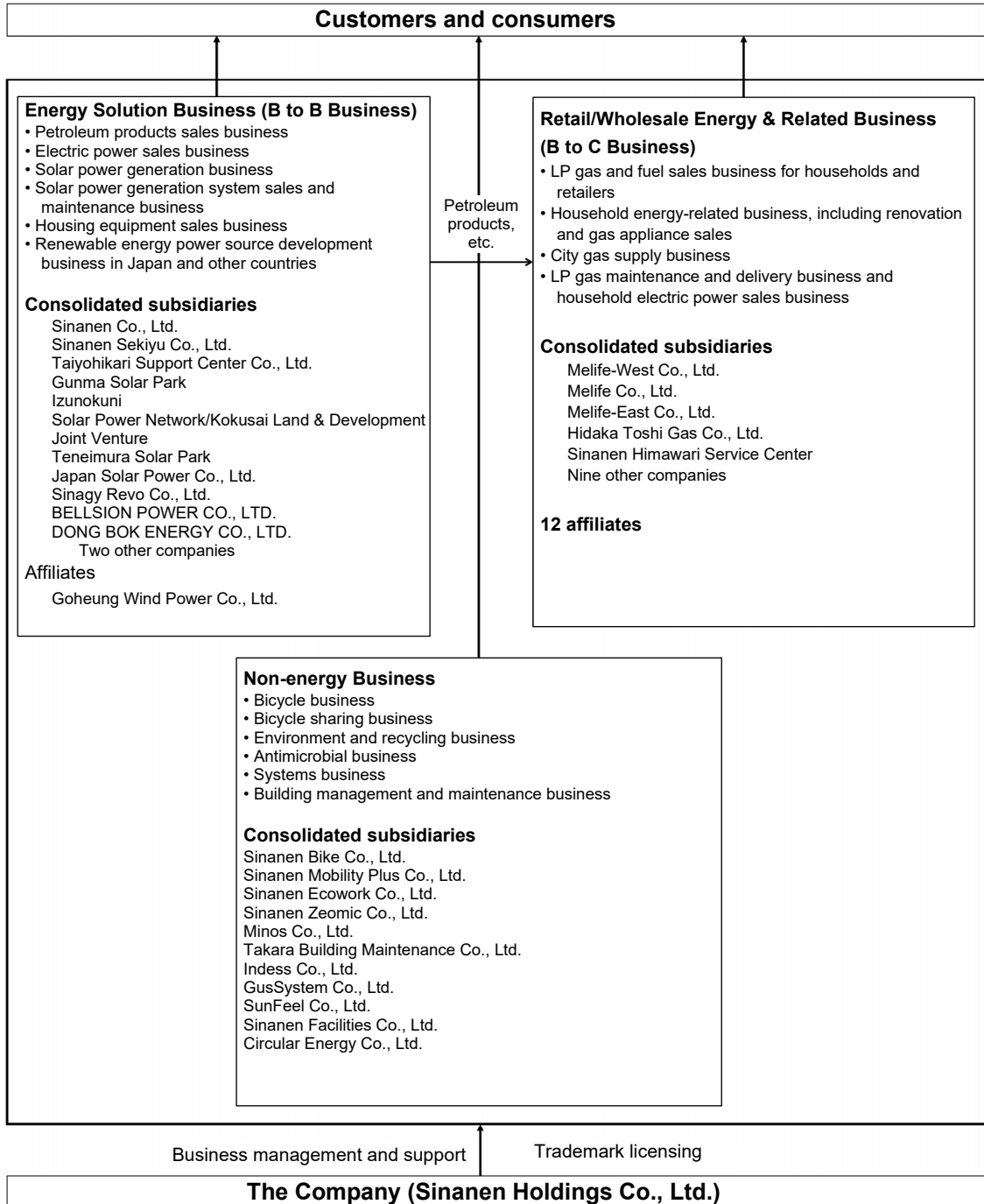
We plan to provide a dividend of 75 yen per share during the fiscal year under review. We plan to provide a dividend of 75 yen per share during the following fiscal year.

## 2. Corporate Group

The Sinanen corporate group is comprised of the Company, 38 consolidated subsidiaries, and 13 affiliates. Descriptions of the main businesses and their respective positioning are provided below.

### <Business Diagram>

The arrows in the diagram represent the sale of products and the provision of services.



Note: Ishikawa Gas Co., Ltd. is included in the scope of consolidation due to acquisition of shares by Melife-East Co., Ltd.



<Affiliates>

Name	Address	Share capital (million yen)	Description of main business	Percentage of voting rights held (%)	Description of relationship
(Consolidated subsidiaries)					
Melife-West Co., Ltd.	Nishi-ku, Osaka City	90	Retail/Wholesale Energy & Related Business (B to C Business)	100.0	A business management contract has been concluded with the Company. Interlocking officers: Yes Financial support: Yes
Melife Co., Ltd.	Minato-ku, Tokyo	300	Retail/Wholesale Energy & Related Business (B to C Business)	100.0	A business management contract has been concluded with the Company. Subleases part of the Company's leased building as its office. Interlocking officers: Yes Financial support: Yes
Melife-East Co., Ltd.	Aoba-ku, Sendai City	200	Retail/Wholesale Energy & Related Business (B to C Business)	100.0	A business management contract has been concluded with the Company. Interlocking officers: Yes Financial support: Yes
Hidaka Toshi Gas Co., Ltd.	Hidaka City, Saitama	80	Retail/Wholesale Energy & Related Business (B to C Business)	100.0	A business management contract has been concluded with the Company. Financial support: Yes
Sinanen Co., Ltd.	Minato-ku, Tokyo	100	Energy Solution Business (B to B Business)	100.0	A business management contract has been concluded with the Company. Subleases part of the Company's leased building as its office. Interlocking officers: Yes Financial support: Yes
Sinanen Bike Co., Ltd.	Minato-ku, Tokyo	100	Non-energy Business	100.0	Subleases part of the Company's leased building as its office. Financial support: Yes
Sinanen Ecowork Co., Ltd.	Minato-ku, Tokyo	30	Non-energy Business	100.0	A business management contract has been concluded with the Company. Subleases part of the Company's leased building as its office. Leases the Company's plants and equipment.
Sinanen Zeomic Co., Ltd.	Minato-ku, Nagoya City	50	Non-energy Business	100.0	A business management contract has been concluded with the Company. Leases the Company's plants and equipment. Interlocking officers: Yes
Minos Co., Ltd.	Minato-ku, Tokyo	95	Non-energy Business	100.0	Provides a sales management system for LP gas and other products to the Group. Interlocking officers: Yes Financial support: Yes
Takara Building Maintenance Co., Ltd.	Ryugasaki City, Ibaraki	10	Non-energy Business	100.0	Interlocking officers: Yes
Sinanen Mobility Plus Co., Ltd.	Minato-ku, Tokyo	30	Non-energy Business	100.0	Subleases part of the Company's leased building as its office. Interlocking officers: Yes Financial support: Yes
27 other companies					
(Equity method affiliates) 1 company					
(Other affiliates) 1 company Note 5					

Notes: 1. Segment names are provided in the "Description of main business" section.

2. Melifé Co., Ltd. and Sinanen Co., Ltd. are categorized as specified subsidiaries.

3. Melifé Co., Ltd. net sales (excluding internal sales between consolidated companies) account for more than 10% of consolidated sales.

Principal profit and loss information

(1) Net sales:	41,763 million yen
(2) Ordinary profit:	355 million yen
(3) Net income:	145 million yen
(4) Net assets:	12,886 million yen
(5) Total assets:	18,771 million yen

4. Sinanen Co., Ltd. net sales (excluding internal sales between consolidated companies) account for more than 10% of consolidated sales.

Principal profit and loss information

(1) Net sales:	257,819 million yen
(2) Ordinary profit:	-122 million yen
(3) Net income:	-2,363 million yen
(4) Net assets:	9,385 million yen
(5) Total assets:	37,298 million yen

5. We are filing a securities report.

### 3. Basic Approach to Selecting Accounting Standards

Considering the necessity of preparing consolidated financial statements based on international accounting standards and the burden of maintaining such a system, we prepare consolidated financial statements based on Japanese standards.

#### 4. Consolidated Financial Statements and Main Notes

##### (1) Consolidated balance sheet

(Unit: Millions of yen)

	Previous fiscal year (March 31, 2022)	Current fiscal year (March 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	10,245	10,227
Notes receivable - trade	457	374
Accounts receivable - trade	38,325	36,055
Contract assets	4	21
Merchandise and finished goods	6,801	5,898
Work in process	2,146	2,114
Raw materials and supplies	54	50
Other	3,806	4,069
Allowance for doubtful accounts	(42)	(50)
Total current assets	61,798	58,760
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,611	16,716
Accumulated depreciation	(10,196)	(10,380)
Buildings and structures, net	6,415	6,335
Machinery, equipment and vehicles	16,805	18,043
Accumulated depreciation	(11,359)	(11,924)
Machinery, equipment and vehicles, net	5,446	6,118
Land	11,038	11,075
Leased assets	3,068	3,140
Accumulated depreciation	(1,291)	(1,461)
Leased assets, net	1,777	1,678
Construction in process	2,658	2,364
Other	2,179	2,325
Accumulated depreciation	(1,413)	(1,592)
Other, net	766	732
Total property, plant and equipment	28,102	28,306
Intangible assets		
Goodwill	2,407	1,732
Other	963	933
Total intangible assets	3,371	2,665
Investments and other assets		
Investment securities	7,601	7,399
Long-term loans receivable	52	42
Long-term prepaid expenses	1,487	1,425
Deferred tax assets	436	541
Other	3,687	3,742
Allowance for doubtful accounts	(1,628)	(1,534)
Total investments and other assets	11,636	11,616
Total non-current assets	43,110	42,589
<b>Total assets</b>	<b>104,908</b>	<b>101,350</b>

(Unit: Millions of yen)

	Previous fiscal year (March 31, 2022)	Current fiscal year (March 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	32,354	27,196
Short-term borrowings	964	2,949
Accounts payable - other	2,057	2,082
Lease liabilities	285	278
Income taxes payable	1,260	959
Accrued consumption taxes	337	394
Contract liabilities	901	1,127
Provision for bonuses	1,282	873
Other	2,934	3,208
<b>Total current liabilities</b>	<b>42,377</b>	<b>39,071</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,922	2,472
Lease liabilities	1,358	1,240
Deferred tax liabilities	1,009	1,745
Provision for retirement benefits for directors (and other officers)	26	19
Retirement benefit liability	505	555
Long-term guarantee deposits	1,103	1,405
Asset retirement obligations	535	619
Other	689	589
<b>Total non-current liabilities</b>	<b>8,149</b>	<b>8,646</b>
<b>Total liabilities</b>	<b>50,527</b>	<b>47,718</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	15,630	15,630
Capital surplus	7,726	7,753
Retained earnings	34,401	34,062
Treasury shares	(5,555)	(5,473)
<b>Total shareholders' equity</b>	<b>52,201</b>	<b>51,973</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,402	1,489
Deferred gains or losses on hedges	88	49
Foreign currency translation adjustment	(5)	104
<b>Total accumulated other comprehensive   income</b>	<b>1,485</b>	<b>1,642</b>
Non-controlling interests	693	15
<b>Total net assets</b>	<b>54,381</b>	<b>53,631</b>
<b>Total liabilities and net assets</b>	<b>104,908</b>	<b>101,350</b>

## (2) Consolidated profit or loss and comprehensive income statement

(Unit: Millions of yen)

	Previous fiscal year (April 1, 2021 - March 31, 2022)	Current fiscal year (April 1, 2022 - March 31, 2023)
Net sales	289,340	342,254
Cost of sales	254,933	308,918
Gross profit	34,406	33,336
Selling, general and administrative expenses	31,926	32,440
Operating profit	2,480	895
Non-operating income		
Interest income	42	34
Dividend income	177	217
Insurance return	203	49
Recoveries of written off receivables	98	98
Other	453	369
Total non-operating income	974	768
Non-operating expenses		
Interest expenses	90	83
Derivative loss	—	45
Share of loss of entities accounted for using equity method	23	256
Provision of allowance for doubtful accounts	19	—
Other	48	50
Total non-operating expenses	182	436
Ordinary profit	3,272	1,227
Extraordinary income		
Gain on sales of non-current assets	1,493	2,356
Gain on sales of investment securities	732	968
Other	19	—
Total extraordinary income	2,245	3,324
Extraordinary losses		
Loss on sales of non-current assets	5	1
Loss on retirement of non-current assets	165	98
Loss on sale of shares of subsidiaries	21	—
Impairment losses	328	2,543
Amortization of goodwill	503	—
Other	30	119
Total extraordinary losses	1,055	2,762
Profit before income taxes	4,462	1,789
Income taxes - current	1,936	1,447
Income taxes - deferred	55	598
Total income taxes	1,991	2,046
Profit (loss)	2,470	(256)
Profit attributable to		
Profit attributable to owners of parent	2,487	478
Profit (loss) attributable to non-controlling interests	(17)	(734)

(Unit: Millions of yen)

	Previous fiscal year (April 1, 2021 - March 31, 2022)	Current fiscal year (April 1, 2022 - March 31, 2023)
Other comprehensive income		
Valuation difference on available-for-sale securities	(463)	86
Deferred gains or losses on hedges	96	(39)
Foreign currency translation adjustment	447	143
Share of other comprehensive income of entities accounted for using equity method	6	20
Total other comprehensive income	86	211
Comprehensive income	2,557	(44)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,566	636
Comprehensive income attributable to non-controlling interests	(9)	(680)

## (3) Statement of changes in consolidated equity

Previous fiscal year (April 1, 2021 - March 31, 2022)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,630	7,709	32,090	(5,635)	49,794
Cumulative effects of changes in accounting policies			639		639
Restated balance	15,630	7,709	32,729	(5,635)	50,434
Changes during period					
Dividends of surplus			(815)		(815)
Profit attributable to owners of parent			2,487		2,487
Disposal of treasury shares		13		81	94
Purchase of treasury shares				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		3			3
Net changes of items other than shareholders' equity					—
Total changes during period	—	16	1,672	79	1,767
Year-end balance	15,630	7,726	34,401	(5,555)	52,201

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,866	(7)	(451)	1,406	703	51,905
Cumulative effects of changes in accounting policies						639
Restated balance	1,866	(7)	(451)	1,406	703	52,544
Changes during period						
Dividends of surplus						(815)
Profit attributable to owners of parent						2,487
Disposal of treasury shares						94
Purchase of treasury shares						(1)
Change in ownership interest of parent due to transactions with non-controlling interests						3
Net changes of items other than shareholders' equity	(463)	96	445	78	(9)	68
Total changes during period	(463)	96	445	78	(9)	1,836
Year-end balance	1,402	88	(5)	1,485	693	54,381



Current fiscal year (April 1, 2022 - March 31, 2023)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,630	7,726	34,401	(5,555)	52,201
Cumulative effects of changes in accounting policies					—
Restated balance	15,630	7,726	34,401	(5,555)	52,201
Changes during period					
Dividends of surplus			(817)		(817)
Profit attributable to owners of parent			478		478
Disposal of treasury shares		27		84	111
Purchase of treasury shares				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes of items other than shareholders' equity					—
Total changes during period	—	27	(339)	82	(228)
Year-end balance	15,630	7,753	34,062	(5,473)	51,973

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,402	88	(5)	1,485	693	54,381
Cumulative effects of changes in accounting policies						—
Restated balance	1,402	88	(5)	1,485	693	54,381
Changes during period						
Dividends of surplus						(817)
Profit attributable to owners of parent						478
Disposal of treasury shares						111
Purchase of treasury shares						(1)
Change in ownership interest of parent due to transactions with non-controlling interests						(0)
Net changes of items other than shareholders' equity	86	(39)	110	157	(678)	(520)
Total changes during period	86	(39)	110	157	(678)	(749)
Year-end balance	1,489	49	104	1,642	15	53,631

## (4) Consolidated statement of cash flows

(Unit: Millions of yen)

	Previous fiscal year (April 1, 2021 - March 31, 2022)	Current fiscal year (April 1, 2022 - March 31, 2023)
<b>Cash flow from operating activities</b>		
Profit before income taxes	4,462	1,789
Depreciation	2,886	2,714
Impairment losses	328	2,543
Amortization of goodwill	1,031	362
Increase (decrease) in allowance for doubtful accounts	(24)	(87)
Increase (decrease) in retirement benefit liability	30	47
Increase (decrease) in other provisions	210	(415)
Foreign exchange losses (gains)	(28)	168
Interest and dividend income	(219)	(252)
Interest expenses	90	83
Share of loss (profit) of entities accounted for using equity method	23	256
Loss (gain) on sales of investment securities	(725)	(968)
Loss (gain) on sale of shares of subsidiaries	21	—
Loss on retirement of non-current assets	165	98
Loss (gain) on sales of non-current assets	(1,488)	(2,354)
Decrease (increase) in trade receivables	(10,085)	2,336
Decrease (increase) in inventories	(641)	957
Increase (decrease) in trade payables	8,690	(5,169)
Increase (decrease) in guarantee deposits received	(196)	298
Decrease (increase) in long-term prepaid expenses	(674)	(497)
Other	(641)	187
<b>Subtotal</b>	<b>3,215</b>	<b>2,099</b>
Interest and dividends received	247	251
Interest paid	(92)	(84)
Income taxes refund (paid)	(2,236)	(1,876)
<b>Net cash provided by (used in) operating activities</b>	<b>1,133</b>	<b>389</b>
<b>Cash flow from investing activities</b>		
Proceeds from withdrawal of time deposits	25	38
Payments into time deposits	(7)	(2)
Proceeds from sale and redemption of investment securities	1,698	2,340
Purchase of investment securities	(1,382)	(1,302)
Proceeds from sale of non-current assets	3,751	2,436
Purchase of non-current assets	(1,977)	(4,096)
Proceeds from collection of long-term loans receivable	10	19
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(102)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(1)	—
Other	37	(28)
<b>Net cash provided by (used in) investing activities</b>	<b>2,154</b>	<b>(698)</b>

(Unit: Millions of yen)

	Previous fiscal year (April 1, 2021 - March 31, 2022)	Current fiscal year (April 1, 2022 - March 31, 2023)
<b>Cash flow from financing activities</b>		
Net increase (decrease) in short-term borrowings	(1,500)	2,185
Repayments of long-term borrowings	(527)	(664)
Proceeds from sale of treasury shares	—	0
Purchase of treasury shares	(1)	(1)
Dividends paid	(815)	(818)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(0)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	3	—
Other	(278)	(266)
Net cash provided by (used in) financing activities	(3,120)	435
Effect of exchange rate change on cash and cash equivalents	14	(147)
Net increase (decrease) in cash and cash equivalents	182	(20)
Cash and cash equivalents at beginning of period	9,765	9,948
Cash and cash equivalents at end of period	9,948	9,927

(5) Notes related to consolidated financial statements  
(Notes related to the assumptions of a going concern)  
N/A

(Changes in accounting policies)

(Application of Accounting Standard for Fair Value Measurement)

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) has been applied from the beginning of the fiscal year under review. Following the transitional treatment set forth in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policy set forth in the Implementation Guidance on Accounting Standard for Fair Value Measurement will be applied into the future. This has no impact on the consolidated financial statements.

(Changes in method of presentation)

(Consolidated profit or loss and comprehensive income statement)

During the previous fiscal year, "Commission income" and "Rental income" in non-operating income presented on its own has been included in "Other" in the fiscal year under review as these items became 10/100 or lower in non-operating income. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

(Segment information)

[Segment information]

1. Overview of reporting segments

(1) Method of determining reporting segments

The reporting segments of the Company are constituent units for which separate financial information is available and that are subject to periodic review by the Board of Directors to determine the allocation of management resources and assess their respective operating results.

The Group plans comprehensive strategies for the products and services of each operating company based on a holding company structure and engages in business activities accordingly.

As such, the Company is comprised of segments by product and service based on operating companies. The reporting segments are the Retail/Wholesale Energy & Related Business (B to C Business), the Energy Solution Business (B to B Business), and the Non-energy Business.

The Retail/Wholesale Energy & Related Business (B to C Business) includes the LP gas and fuel sales business for households and retailers, the household energy-related business, including renovation and gas appliance sales, the city gas supply business, the LP gas maintenance and delivery business, and the household electric power sales business.

The Energy Solution Business (B to B Business) handles petroleum products sales business, electric power sales business, solar power generation business, solar power generation system sales and maintenance business, housing equipment sales business, and renewable energy power source development business in Japan and other countries.

The Non-energy Business includes the bicycle business, the bicycle sharing business, the environment and recycling business, the antimicrobial business, the system business, and the building management and maintenance business.

2. Method used for calculating net sales, profit, loss, assets, and other items for each reporting segment

Accounting treatment of the reported business segments is, for the most part, as set forth in "Notes - Significant accounting policies for preparation of consolidated financial statements." Figures for reporting segment profit or loss are based on operating profit. Internal net sales and transfers between segments are based on market prices.

3. Net sales, profit, loss, assets, and other items in each reporting segment

Previous fiscal year (April 1, 2021 - March 31, 2022)

(Unit: Millions of yen)

	Reporting segment				Adjustment Note 1 Note 2	Total shown in consolidated financial statement Note 3
	Retail/ Wholesale Energy & Related Business (B to C Business)	Energy Solution Business (B to B Business)	Non-energy Business	Total		
Net sales						
Net sales to unaffiliated customers	73,152	197,715	18,097	288,965	374	289,340
Internal net sales and transfers between segments	113	13,958	413	14,485	(14,485)	—
Total	73,265	211,674	18,511	303,451	(14,110)	289,340
Segment profit	1,039	573	201	1,814	665	2,480
Segment assets	36,444	47,432	13,569	97,445	7,463	104,908
Other items						
Depreciation	1,160	722	811	2,693	192	2,886
Amortization of goodwill	223	36	267	527	—	527
Investment in equity method affiliates	—	236	—	236	—	236
Increase in property, plant and equipment and intangible assets	606	448	789	1,844	115	1,959

Notes: 1. The adjusted amount of net sales to unaffiliated customers of 374 million yen is sales related to leasing income from real estate managed by the Company.

2. The adjusted amounts are as follows:

- (1) The adjusted amount of segment profit of 665 million yen includes 3,243 million yen in elimination of transactions between segments and -2,951 million yen in company-wide expenses not allocated to reporting segments in addition to 1 above.
- (2) The adjusted amount of segment assets of 7,463 million yen includes -25,258 million yen in elimination of transactions between segments and 32,721 million yen in company-wide assets not allocated to reporting segments.
- (3) The adjusted amount of depreciation of 192 million yen is the company-wide expense of 192 million yen not allocated to reporting segments.
- (4) The adjusted amount of property, plant and equipment of 115 million yen is company-wide assets amounting to 115 million yen not allocated to reporting segments.

3. Segment profit is reconciled to operating profit presented in the consolidated profit or loss and comprehensive income statement.

Current fiscal year (April 1, 2022 - March 31, 2023)

(Unit: Millions of yen)

	Reporting segment				Adjustment Note 1 Note 2	Total shown in consolidated financial statement Note 3
	Retail/ Wholesale Energy & Related Business (B to C Business)	Energy Solution Business (B to B Business)	Non-energy Business	Total		
Net sales						
Net sales to unaffiliated customers	81,419	241,251	19,354	342,026	228	342,254
Internal net sales and transfers between segments	434	15,898	555	16,888	(16,888)	—
Total	81,854	257,149	19,910	358,914	(16,660)	342,254
Segment profit or loss	150	(346)	856	660	235	895
Segment assets	36,055	41,622	16,645	94,323	7,026	101,350
Other items						
Depreciation	1,167	685	660	2,512	202	2,714
Amortization of goodwill	98	25	238	362	—	362
Investment in equity method affiliates	—	0	—	0	—	0
Increase in property, plant and equipment and intangible assets	733	1,231	793	2,758	1,372	4,130

Notes: 1. The adjusted amount of net sales to unaffiliated customers of 228 million yen is sales related to leasing income from real estate managed by the Company.

2. The adjusted amounts are as follows:

- (1) The adjusted amount of segment profit of 235 million yen includes 3,307 million yen in elimination of transactions between segments and -3,300 million yen in company-wide expenses not allocated to reporting segments in addition to 1 above.
- (2) The adjusted amount of segment assets of 7,026 million yen includes -29,220 million yen in elimination of transactions between segments and 36,247 million yen in company-wide assets not allocated to reporting segments.
- (3) The adjusted amount of depreciation of 202 million yen is the company-wide expense of 202 million yen not allocated to reporting segments.
- (4) The adjusted amount of property, plant and equipment of 1,372 million yen is company-wide assets amounting to 1,372 million yen not allocated to reporting segments.

3. Segment profit is reconciled to operating profit presented in the consolidated profit or loss and comprehensive income statement.

4. Information on reporting segment changes

(Reporting segments name change)

From the fiscal year under review, the Non-energy/Global Business as it was referred to in reporting segments, is referred to as the Non-energy Business. The applicable change is in name only and does not affect segment information. Also, segment information from the previous fiscal year is presented using the new reporting segment name.

[Related Information]

Previous fiscal year (April 1, 2021 - March 31, 2022)

1. Information for each product or service

(Unit: Millions of yen)

	Petroleum division	Gas division	Lifestyle-related division	Electric power division	Other	Total
Net sales to unaffiliated customers	174,892	56,790	9,322	27,848	20,485	289,340

2. Information for each region

(1) Net sales

Net sales to unaffiliated customers in Japan account for more than 90% of net sales in the consolidated profit or loss and comprehensive income statement, so this information has been omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment owned in Japan accounts for more than 90% of property, plant and equipment on the consolidated balance sheet, so this information has been omitted.

3. Information for each major customer

Within net sales to unaffiliated customers, there are no customers that account for more than 10% of net sales in the consolidated profit or loss and comprehensive income statement, so this information has been omitted.

Current fiscal year (April 1, 2022 - March 31, 2023)

1. Information for each product or service

(Unit: Millions of yen)

	Petroleum division	Gas division	Lifestyle-related division	Electric power division	Other	Total
Net sales to unaffiliated customers	182,242	67,911	10,979	59,976	21,145	342,254

2. Information for each region

(1) Net sales

Net sales to unaffiliated customers in Japan account for more than 90% of net sales in the consolidated profit or loss and comprehensive income statement, so this information has been omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment owned in Japan accounts for more than 90% of property, plant and equipment on the consolidated balance sheet, so this information has been omitted.

3. Information for each major customer

Within net sales to unaffiliated customers, there are no customers that account for more than 10% of net sales in the consolidated profit or loss and comprehensive income statement, so this information has been omitted.



[Information regarding impairment loss on non-current assets in each reporting segment]

Previous fiscal year (April 1, 2021 - March 31, 2022)

(Unit: Millions of yen)

	Retail/Wholesale Energy & Related Business (B to C Business)	Energy Solution Business (B to B Business)	Non-energy Business	Company- wide/Elimination	Total
Impairment losses	4	270	53	—	328

Current fiscal year (April 1, 2022 - March 31, 2023)

(Unit: Millions of yen)

	Retail/Wholesale Energy & Related Business (B to C Business)	Energy Solution Business (B to B Business)	Non-energy Business	Company- wide/Elimination	Total
Impairment losses	19	2,523	—	—	2,543

[Information regarding amortization and unamortized balance of goodwill in each reporting segment]

Previous fiscal year (April 1, 2021 - March 31, 2022)

(Unit: Millions of yen)

	Retail/Wholesale Energy & Related Business (B to C Business)	Energy Solution Business (B to B Business)	Non-energy Business	Company- wide/Elimination	Total
Amortization of goodwill for the year	223	36	771	—	1,031
Year-end balance	425	484	1,497	—	2,407

Note: Amortization of goodwill in the Non-energy Business includes 503 million yen in amortization of goodwill that was recorded under extraordinary losses in the consolidated profit or loss and comprehensive income statement.

Current fiscal year (April 1, 2022 - March 31, 2023)

(Unit: Millions of yen)

	Retail/Wholesale Energy & Related Business (B to C Business)	Energy Solution Business (B to B Business)	Non-energy Business	Company- wide/Elimination	Total
Amortization of goodwill for the year	98	25	238	—	362
Year-end balance	406	66	1,259	—	1,732

(Per share information)

Previous fiscal year (April 1, 2021 - March 31, 2022)		Current fiscal year (April 1, 2022 - March 31, 2023)	
Net assets per share	4,922.46 yen	Net assets per share	4,902.63 yen
Profit per share	228.33 yen	Profit per share	43.82 yen

Notes: 1. Diluted profit per share is not provided as there are no diluted shares.

2. The basis for calculating profit per share is provided below.

	Previous fiscal year (April 1, 2021 - March 31, 2022)	Current fiscal year (April 1, 2022 - March 31, 2023)
Profit attributable to owners of parent (Millions of yen)	2,487	478
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common stock owners of parent (Millions of yen)	2,487	478
Average number of shares during period (Thousands of shares)	10,895	10,926

(Significant subsequent events)

N/A