

# Consolidated Financial Summary for the Fiscal Year Ended March 31, 2018

## SINANEN HOLDINGS CO., LTD.

May 11, 2018

Securities code: 8132 URL: <http://www.sinanengroup.co.jp/> Shares listed: Tokyo Stock Exchange  
 Representative: Tadashi Sakimura, President and CEO  
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 Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2018  
 Scheduled date of start of dividend payment: June 27, 2018  
 Scheduled date of filing of securities report: June 26, 2018

### Consolidated Financial Highlights

(As of and for the fiscal years ended March 31, 2017 and 2018)

#### 1. Consolidated Performance

Fiscal years ended March 31	2017	2018	2018/2017	2018
	(Millions of yen)		(Percentage change)	(Thousands of U.S. dollars)
<b>(1) Consolidated financial results:</b>				
Net sales	¥218,242	¥244,370	12.0%	\$2,305,377
Operating profit	2,934	3,348	14.1%	31,585
Ordinary profit	3,424	3,948	15.3%	37,245
Profit attributable to owners of parent	2,584	2,867	10.9%	27,047
Profit per share (yen)	200.26	231.13		
Profit per share (diluted) (yen)	—	—		
Return on equity (ROE)	5.2%	5.9%		
Return on assets (ROA)	3.5%	4.0%		
Operating profit to net sales	1.3%	1.4%		

(Notes)

1. Comprehensive income

Fiscal year ended March 31, 2018: ¥2,882 million (-10.6%)

Fiscal year ended March 31, 2017: ¥3,224 million (61.8%)

2. The Company carried out a reverse stock split on a one for five common stock basis effective as of October 1, 2016. Profit per share was calculated on the assumption that the reverse stock split was implemented at the beginning of the previous fiscal year.

(Reference) Equity in (earnings) losses of affiliates

Fiscal year ended March 31, 2018: ¥0 million      Fiscal year ended March 31, 2017: -¥90 million

As of	Mar. 31, 2017	Mar. 31, 2018	Mar. 31, 2018
	(Millions of yen)		(Thousands of U.S. dollars)
<b>(2) Consolidated financial condition:</b>			
Total assets	¥104,836	¥93,614	\$883,151
Net assets	50,685	46,863	442,104
Equity ratio	48.3%	50.0%	
Net assets per share (yen)	¥3,903.27	¥4,307.24	

(Reference) Shareholders' equity

As of March 31, 2018: ¥46,850 million

As of March 31, 2017: ¥50,672 million

(Note) The Company carried out a reverse stock split on a one for five common stock basis effective as of October 1, 2016. Net assets per share were calculated on the assumption that the reverse stock split was implemented at the beginning of the previous fiscal year.

Fiscal years ended March 31	2017	2018	2018
	(Millions of yen)		(Thousands of U.S. dollars)
<b>(3) Consolidated cash flows:</b>			
Cash flow from operating activities	¥2,449	¥5,433	\$51,255
Cash flow from investing activities	(6,268)	(1,282)	(12,094)
Cash flow from financing activities	2,113	(15,227)	(143,651)
Cash and cash equivalents at end of year	¥18,340	¥7,217	\$68,085

## 2. Dividends

	Dividends per Share					Total Dividends	Payout Ratio (Consolidated)	Dividend on Net Assets Ratio (Consolidated)
	1Q end	2Q end	3Q end	Year end	Total			
	(Yen)							
2017	—	—	—	¥100.00	¥100.00	¥1,298	49.9%	2.6%
2018	—	—	—	75.00	75.00	815	32.4%	1.8%
2019 (Forecast)	—	—	—	¥75.00	¥75.00		31.4%	

(Note) The breakdown of the year-end dividends for the fiscal year ended March 31, 2017

Ordinary dividends: ¥75.00      Commemorative dividends: ¥25.00 (90th anniversary commemorative dividends)

## 3. Consolidated Results Forecast for Fiscal Year Ending March 31, 2019

	2019	2019
	Full year	Full year
	(Millions of yen)	(Thousands of U.S. dollars)
Net sales	¥260,000	\$2,452,830
Operating profit	3,300	31,132
Ordinary profit	3,500	33,019
Profit attributable to owners of parent	2,600	24,528
Profit per share (yen)	¥239.03	

Notes:

- U.S. dollar amounts are translated from Japanese yen, for readers' convenience only, at the exchange rate of 106 yen per U.S. dollar, the approximate exchange rate of TTM of The Bank of Tokyo-Mitsubishi UFJ, Ltd., on March 31, 2018.
- Return on equity (ROE) = Profit attributable to owners of parent / Average shareholders' equity
- Return on assets (ROA) = Ordinary profit / Average total assets

## 4. Other

- Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in change in scope of consolidation): None
- Changes in accounting policies and accounting estimates and retrospective restatement
  - Changes in accounting policies resulting from revision of accounting standards, etc.: No
  - Changes in accounting policies other than (i): No
  - Change in accounting estimates: No
  - Retrospective restatements: No
- Number of shares issued (common stock)
  - Number of shares issued (including treasury shares)
 

As of March 31, 2018	13,046,591 shares
As of March 31, 2017	15,150,591 shares
  - Number of shares of treasury shares
 

As of March 31, 2018	2,169,519 shares
As of March 31, 2017	2,168,538 shares
  - Average number of shares
 

Fiscal year ended March 31, 2018	12,405,225 shares
Fiscal year ended March 31, 2017	12,905,170 shares

## Non-consolidated Financial Highlights

(As of and for the fiscal years ended March 31, 2017 and 2018)

### Non-consolidated Performance

Fiscal years ended March 31	2017	2018	2018 / 2017	2018
	(Millions of yen)		(Percentage change)	(Thousands of U.S. dollars)
<b>(1) Non-consolidated financial results:</b>				
Net sales and operating revenue	¥10,309	¥2,725	-73.6%	\$25,707
Operating profit	8,042	383	-95.2%	3,613
Ordinary profit	8,893	1,108	-87.5%	10,453
Profit	8,802	1,267	-85.6%	11,953
Profit per share (yen)	682.05	102.20		
Profit per share (diluted) (yen)	—	—		

(Note) The Company carried out a reverse stock split on a one for five common stock basis effective as of October 1, 2016. Profit per share was calculated on the assumption that the reverse stock split was implemented at the beginning of the previous fiscal year.

As of	Mar. 31, 2017	Mar. 31, 2018	Mar. 31, 2018
	(Millions of yen)		(Thousands of U.S. dollars)
<b>(2) Non-consolidated financial condition:</b>			
Total assets	¥41,869	¥32,077	\$302,613
Net assets	27,736	22,356	210,906
Equity ratio	66.2%	69.7%	
Net assets per share (yen)	¥2,136.50	¥2,055.38	

(Reference) Shareholders' equity

As of March 31, 2018:	¥22,356 million	As of March 31, 2017:	¥27,736 million
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Notes:

- The Company carried out a reverse stock split on a one for five common stock basis effective as of October 1, 2016. Net assets per share were calculated on the assumption that the reverse stock split was implemented at the beginning of the previous fiscal year.
- U.S. dollar amounts are translated from Japanese yen, for readers' convenience only, at the exchange rate of 106 yen per U.S. dollar, the approximate exchange rate of TTM of The Bank of Tokyo-Mitsubishi UFJ, Ltd., on March 31, 2018.

\* The auditing procedure by certified public accountants or audit firms does not apply to these Financial Results

\* Explanations about the appropriate use of the consolidated results forecast and other noteworthy points:

The earnings forecasts contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

## Consolidated Balance Sheets

(As of March 31, 2017 and 2018)

	2017	2018	2018
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
<b>Assets</b>			
Current assets			
Cash and deposits	¥18,661	¥7,548	\$71,208
Notes and accounts receivable-trade	25,677	25,245	238,160
Merchandise and finished goods	5,351	7,478	70,547
Work in process	4,254	1,988	18,755
Raw materials and supplies	68	45	425
Deferred tax assets	769	721	6,802
Other	3,691	3,702	34,925
Allowance for doubtful accounts	(56)	(48)	(453)
Total current assets	58,418	46,680	440,377
Non-current assets			
Property, plant and equipment			
Buildings and structures	18,420	17,890	168,774
Accumulated depreciation	(10,322)	(10,006)	(94,396)
Buildings and structures, net	8,097	7,883	74,368
Machinery, equipment and vehicles	16,251	16,447	155,160
Accumulated depreciation	(8,805)	(9,198)	(86,774)
Machinery, equipment and vehicles, net	7,445	7,249	68,387
Land	11,324	11,394	107,491
Leased assets	2,952	3,270	30,849
Accumulated depreciation	(648)	(811)	(7,651)
Leased assets, net	2,304	2,458	23,189
Construction in progress	129	556	5,245
Other	1,400	1,519	14,330
Accumulated depreciation	(820)	(920)	(8,679)
Other, net	579	598	5,642
Total property, plant and equipment	29,882	30,141	284,349
Intangible assets			
Goodwill	3,583	3,807	35,915
Other	1,618	1,354	12,774
Total intangible assets	5,201	5,161	48,689
Investments and other assets			
Investment securities	7,994	7,872	74,264
Long-term loans receivable	147	70	660
Long-term prepaid expenses	1,205	1,531	14,443
Deferred tax assets	272	221	2,085
Other	2,158	2,294	21,642
Allowance for doubtful accounts	(443)	(361)	(3,406)
Total investments and other assets	11,334	11,630	109,717
Total non-current assets	46,418	46,933	442,764
Total assets	¥104,836	¥93,614	\$883,151

	2017	2018	2018
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable-trade	¥20,340	¥20,740	\$195,660
Short-term loans payable	12,663	5,782	54,547
Accounts payable-other	1,466	2,072	19,547
Lease obligations	343	355	3,349
Income taxes payable	295	1,141	10,764
Accrued consumption taxes	330	441	4,160
Provision for bonuses	1,125	1,378	13,000
Provision for contingent loss	—	53	500
Other	5,878	3,187	30,066
Total current liabilities	42,444	35,152	331,623
Non-current liabilities			
Long-term loans payable	5,323	4,876	46,000
Lease obligations	1,960	2,083	19,651
Deferred tax liabilities	1,214	1,606	15,151
Provision for directors' retirement benefits	23	18	170
Net defined benefit liability	454	471	4,443
Long-term guarantee deposited	1,324	1,301	12,274
Asset retirement obligations	502	435	4,104
Other	903	805	7,594
Total non-current liabilities	11,706	11,598	109,415
Total liabilities	54,151	46,750	441,038
Net assets			
Shareholders' equity			
Capital stock	15,630	15,630	147,453
Capital surplus	11,537	7,717	72,802
Retained earnings	27,315	27,243	257,009
Treasury shares	(5,687)	(5,631)	(53,123)
Total shareholders' equity	48,795	44,959	424,142
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,968	2,010	18,962
Deferred gains or losses on hedges	(10)	2	19
Foreign currency translation adjustment	(88)	(127)	(1,198)
Remeasurements of defined benefit plans	7	4	38
Total accumulated other comprehensive income	1,876	1,890	17,830
Non-controlling interests	13	13	123
Total net assets	50,685	46,863	442,104
Total liabilities and net assets	¥104,836	¥93,614	\$883,151

**Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**  
(For the fiscal years ended March 31, 2017 and 2018)

	2017	2018	2018
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Net sales	¥218,242	¥244,370	\$2,305,377
Cost of sales	188,368	212,772	2,007,283
Gross profit	29,874	31,598	298,094
Selling, general and administrative expenses	26,939	28,249	266,500
Operating profit	2,934	3,348	31,585
Non-operating income			
Interest income	114	79	745
Dividend income	146	173	1,632
Commission fee	53	45	425
Diesel oil delivery tax subsidies	94	80	755
Insurance return	175	69	651
Gain on derivatives	12	—	—
Gain on transfer of rights	92	138	1,302
Other	386	429	4,047
Total non-operating income	1,074	1,017	9,594
Non-operating expenses			
Interest expenses	148	125	1,179
Share of loss of entities accounted for using equity method	90	—	—
Derivative losses	—	105	991
Foreign exchange losses	29	52	491
Withholding tax unqualified for deduction	188	—	—
Other	127	134	1,264
Total non-operating expenses	584	417	3,934
Ordinary profit	3,424	3,948	37,245
Extraordinary income			
Gain on sales of non-current assets	676	12	113
Gain on sales of investment securities	25	1,246	11,755
Compensation income for expropriation	230	—	—
Gain on bargain purchase	4	—	—
Other	—	16	151
Total extraordinary income	937	1,274	12,019
Extraordinary losses			
Loss on sales of non-current assets	56	41	387
Loss on retirement of non-current assets	291	128	1,208
Impairment loss	114	99	934
Loss on valuation of investment securities	79	1	9
Loss on compensation for damage	—	93	877
Provision for contingent loss	—	53	500
Other	4	45	425
Total extraordinary losses	¥546	¥461	\$4,349

	2017	2018	2018
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Income before income taxes	¥3,815	¥4,762	\$44,925
Income taxes-current	928	1,461	13,783
Income taxes-deferred	301	431	4,066
Total income taxes	1,229	1,893	17,858
Profit	2,585	2,868	27,057
(Profit attributable to)			
Profit attributable to owners of parent	2,584	2,867	27,047
Profit attributable to non-controlling interests	1	1	9
Other comprehensive income			
Valuation difference on available-for-sale securities	549	41	387
Deferred gains or losses on hedges	(11)	14	132
Foreign currency translation adjustment	98	(38)	(358)
Share of other comprehensive income of entities accounted for using equity method	1	(3)	(28)
Total other comprehensive income	638	14	132
Comprehensive income	3,224	2,882	27,189
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of parent	3,223	2,881	27,179
Comprehensive income attributable to non-controlling interests	¥1	¥1	\$9

## Consolidated Statement of Changes in Equity

(For the fiscal year ended March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,630	11,624	25,695	(6,026)	46,923
Changes of items during the period					
Dividends of surplus			(964)		(964)
Profit attributable to owners of parent			2,584		2,584
Disposal of treasury shares		(87)		342	254
Purchase of treasury shares				(2)	(2)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(87)	1,619	339	1,872
Balance at end of current period	15,630	11,537	27,315	(5,687)	48,795

(Millions of yen)

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,418	(0)	(186)	6	1,237	11	48,173
Changes of items during the period							
Dividends of surplus							(964)
Profit attributable to owners of parent							2,584
Disposal of treasury shares							254
Purchase of treasury shares							(2)
Net changes of items other than shareholders' equity	549	(10)	98	1	638	1	640
Total changes of items during the period	549	(10)	98	1	638	1	2,512
Balance at end of current period	1,968	(10)	(88)	7	1,876	13	50,685



## Consolidated Statement of Changes in Equity

(For the fiscal year ended March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,630	11,537	27,315	(5,687)	48,795
Changes of items during the period					
Dividends of surplus			(1,298)		(1,298)
Profit attributable to owners of parent			2,867		2,867
Retirement of treasury shares		(3,820)	(1,641)	5,461	—
Purchase of treasury shares				(5,405)	(5,405)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(3,820)	(72)	55	(3,836)
Balance at end of current period	15,630	7,717	27,243	(5,631)	44,959

(Millions of yen)

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,968	(10)	(88)	7	1,876	13	50,685
Changes of items during the period							
Dividends of surplus							(1,298)
Profit attributable to owners of parent							2,867
Retirement of treasury shares							—
Purchase of treasury shares							(5,405)
Net changes of items other than shareholders' equity	41	13	(38)	(2)	14	0	14
Total changes of items during the period	41	13	(38)	(2)	14	0	(3,822)
Balance at end of current period	2,010	2	(127)	4	1,890	13	46,863

## Consolidated Statement of Changes in Equity

(For the fiscal year ended March 31, 2018)

(Thousands of U.S. dollars)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	147,453	108,840	257,689	(53,651)	460,330
Changes of items during the period					
Dividends of surplus			(12,245)		(12,245)
Profit attributable to owners of parent			27,047		27,047
Retirement of treasury share		(36,038)	(15,481)	51,519	—
Purchase of treasury shares				(50,991)	(50,991)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(36,038)	(679)	519	(36,189)
Balance at end of current period	147,453	72,802	257,009	(53,123)	424,142

(Thousands of U.S. dollars)

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	18,566	(94)	(830)	66	17,698	123	478,160
Changes of items during the period							
Dividends of surplus							(12,245)
Profit attributable to owners of parent							27,047
Retirement of treasury share							—
Purchase of treasury shares							(50,991)
Net changes of items other than shareholders' equity	387	123	(358)	(19)	132	0	132
Total changes of items during the period	387	123	(358)	(19)	132	0	(36,057)
Balance at end of current period	18,962	19	(1,198)	38	17,830	123	442,104

## Consolidated Statement of Cash Flows

(For the fiscal years ended March 31, 2017 and 2018)

	2017	2018	2018
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
<b>Cash flows from operating activities</b>			
Income before income taxes	¥3,815	¥4,762	\$44,925
Depreciation	3,025	2,855	26,934
Amortization of goodwill	317	538	5,075
Increase (decrease) in allowance for doubtful accounts	(6)	(96)	(906)
Increase (decrease) in net defined benefit liability	(2,160)	16	151
Increase (decrease) in other provision	(27)	296	2,792
Foreign exchange losses (gains)	97	12	113
Interest and dividend income	(260)	(253)	(2,387)
Interest expenses	148	125	1,179
Share of (profit) loss of entities accounted for using equity method	90	(0)	(0)
Loss (gain) on sales of investment securities	(72)	(1,245)	(11,745)
Loss (gain) on valuation of investment securities	79	1	9
Loss on retirement of non-current assets	291	128	1,208
Loss (gain) on sales of non-current assets	(619)	28	264
Decrease (increase) in notes and accounts receivable-trade	(5,797)	492	4,642
Decrease (increase) in inventories	(2,405)	1,343	12,670
Increase (decrease) in notes and accounts payable-trade	7,164	153	1,443
Increase (decrease) in guarantee deposits received	535	(84)	(792)
Decrease (increase) in long-term prepaid expenses	(236)	(756)	(7,132)
Increase (decrease) in advances received	2,310	(3,193)	(30,123)
Other, net	(573)	(509)	(4,802)
<b>Subtotal</b>	<b>5,716</b>	<b>4,614</b>	<b>43,528</b>
Interest and dividend income received	372	193	1,821
Interest expenses paid	(147)	(125)	(1,179)
Income taxes (paid) refund	(3,492)	751	7,085
<b>Net cash provided by (used in) operating activities</b>	<b>2,449</b>	<b>5,433</b>	<b>51,255</b>
<b>Cash flows from investing activities</b>			
Proceeds from withdrawal of time deposits	139	177	1,670
Payments into time deposits	(97)	(112)	(1,057)
Payments into deposits as collateral	(183)	(0)	(0)
Proceeds from sales of securities	47	—	—
Proceeds from sales and redemption of investment securities	95	1,732	16,340
Purchase of investment securities	(848)	(303)	(2,858)
Proceeds from sales of non-current assets	970	378	3,566
Purchase of non-current assets	(3,438)	(1,771)	(16,708)
Decrease (increase) in short-term loans receivable	(206)	—	—
Collection of long-term loans receivable	135	117	1,104
Proceeds from purchase of shares of subsidiaries and investments in capital resulting in change in scope of consolidation	6	—	—
Purchase of shares of subsidiaries and investments in capital resulting in change in scope of consolidation	(2,714)	(1,300)	(12,264)
Other, net	(175)	(200)	(1,887)
<b>Net cash provided by (used in) investing activities</b>	<b>(¥6,268)</b>	<b>(¥1,282)</b>	<b>(\$12,094)</b>

	2017	2018	2018
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	¥3,848	¥(6,870)	\$ (64,811)
Proceeds from long-term loans payable	350	394	3,717
Repayments of long-term loans payable	(1,583)	(1,746)	(16,472)
Proceeds from sales of treasury shares	254	—	—
Purchase of treasury shares	(2)	(5,405)	(50,991)
Cash dividends paid	(963)	(1,300)	(12,264)
Dividends paid to non-controlling interests	(0)	(0)	(0)
Proceeds from sales and leasebacks	591	—	—
Other, net	(382)	(299)	(2,821)
Net cash provided by (used in) financing activities	2,113	(15,227)	(143,651)
Effect of exchange rate change on cash and cash equivalents	(12)	(46)	(434)
Net increase (decrease) in cash and cash equivalents	(1,718)	(11,123)	(104,934)
Cash and cash equivalents at beginning of period	20,059	18,340	173,019
Cash and cash equivalents at end of period	¥18,340	¥7,217	\$68,085

## **Segment Information**

(As of and for the fiscal years ended March 31, 2017 and 2018)

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### ***Segment Information***

For the fiscal year ended March 31, 2018

#### 1. Overview of reporting segments

The reporting segments of the Company are constituent units of the Company for which separate financial information can be obtained, and the Board of Directors examines such information on a regular basis to determine the allocation of management resources and evaluate business performance.

Each operating company of the Sinanen Group formulates a comprehensive strategy for the products and services it handles to develop its respective business activities under a holding company structure.

Accordingly, the Company is comprised of segments by product and service based on operating companies. The Company's reporting segments are Energy Wholesale, Retail and Surrounding Business (B to C Business), Energy Solution Business (B to B Business) and Non-energy and Global Business.

The Energy Wholesale, Retail and Surrounding Business (B to C Business) is engaged in the sales of various fuels such as liquefied petroleum gas for households and retailers, surrounding businesses related to household energy such as renovation services and sales of gas appliances, the supply of city gas and the preservation and distribution of liquefied petroleum gas.

The Energy Solution Business (B to B Business) is engaged in the sales of various fuels such as petroleum products for large-scale customers, the management of gas stations, the development of electric power and the sales of electric power to corporate customers, the sales of solar power generation systems and its surrounding services, the energy saving solution business and the housing equipment business.

The Non-energy and Global Business is engaged in the antimicrobial business, the environment/ recycling business, the import and sales of bicycles and other products, the computer systems services business, the building maintenance and management business and the biomass business.

#### 2. Methods of calculating net sales, income or loss, assets, and other items by reporting segment

Methods of accounting treatment for reported business segments are generally the same as those for statements in "Basis of Presenting the Consolidated Financial Statements" (available in Japanese only).

Income or loss of reporting segments is a figure based on operating profit. Intersegment net sales and transfer amount is based on market prices.

**Net Sales, Income/Loss, Assets and Other Information**  
As of and for the fiscal year ended March 31, 2017

	Reporting Segment			Total	Adjustments Note 1 Note 2	Consolidated Total Note 3
	Energy Wholesale, Retail and Surrounding Business (B to C Business)	Energy Solution Business (B to B Business)	Non-energy and Global Business			
<i>(Millions of yen)</i>						
<b>Net sales</b>						
Net sales to external customers	¥69,115	¥141,908	¥7,054	¥218,078	¥164	¥218,242
Intersegment net sales or transfer amount	188	19,118	319	19,626	(19,626)	—
<b>Total</b>	<b>69,304</b>	<b>161,026</b>	<b>7,374</b>	<b>237,704</b>	<b>(19,462)</b>	<b>218,242</b>
<b>Segment income or loss</b>	<b>1,537</b>	<b>225</b>	<b>(178)</b>	<b>1,585</b>	<b>1,349</b>	<b>2,934</b>
<b>Segment assets</b>	<b>34,816</b>	<b>36,549</b>	<b>12,173</b>	<b>83,540</b>	<b>21,296</b>	<b>104,836</b>
<b>Others:</b>						
Depreciation	1,380	669	441	2,491	534	3,025
Amortization of goodwill	118	198	—	317	—	317
Investment in entities accounted for using equity method	—	—	72	72	—	72
Increase in property, plant and equipment and intangible assets	¥1,890	¥385	¥940	¥3,216	¥852	¥4,068

Notes:

- Adjustments of net sales to external customers of ¥164 million are rental income of real estate property managed by the Company.
- Adjustments are as follows:
  - Adjustment of segment income or loss, ¥1,349 million, includes the amount stated in Note 1, intersegment transaction elimination of ¥3,374 million and corporate expenses not allocated to each reporting segment of -¥2,188 million.
  - Adjustment of segment assets, ¥21,296 million, includes intersegment transaction elimination of -¥19,852 million and corporate assets not allocated to each reporting segment of ¥41,148 million.
  - Adjustment of depreciation, ¥534 million, is corporate expenses not allocated to each reporting segment.
  - Adjustment of increase in property, plant and equipment and intangible assets, ¥852 million, is corporate assets not allocated to each reporting segment.
- Segment income or loss is adjusted with operating profit in the Consolidated Statement of Income and the Consolidated Statement of Comprehensive Income.

*As of and for the fiscal year ended March 31, 2018*

	Reporting Segment			Total	Adjustments Note 1 Note 2	Consolidated Total Note 3
	Energy Wholesale, Retail and Surrounding Business (B to C Business)	Energy Solution Business (B to B Business)	Non-energy and Global Business			
<i>(Millions of yen)</i>						
<b>Net sales</b>						
Net sales to external customers	¥83,465	¥148,687	¥12,029	¥244,183	¥187	¥244,370
Intersegment net sales or transfer amount	202	17,684	330	18,217	(18,217)	—
<b>Total</b>	<b>83,667</b>	<b>166,372</b>	<b>12,360</b>	<b>262,400</b>	<b>(18,030)</b>	<b>244,370</b>
<b>Segment income</b>	<b>2,011</b>	<b>175</b>	<b>79</b>	<b>2,266</b>	<b>1,082</b>	<b>3,348</b>
<b>Segment assets</b>	<b>36,854</b>	<b>36,131</b>	<b>14,165</b>	<b>87,151</b>	<b>6,462</b>	<b>93,614</b>
<b>Others:</b>						
Depreciation	1,249	586	469	2,304	550	2,855
Amortization of goodwill	234	161	142	538	—	538
Investment in entities accounted for using equity method	—	—	69	69	—	69
Increase in property, plant and equipment and intangible assets	¥1,587	¥354	¥830	¥2,773	¥219	¥2,992

Notes:

- Adjustments of net sales to external customers of ¥187 million are rental income of real estate property managed by the Company.
- Adjustments are as follows:
  - Adjustment of segment income, ¥1,082 million, includes the amount stated in Note 1, intersegment transaction elimination of ¥3,178 million and corporate expenses not allocated to each reporting segment of -¥2,283 million.
  - Adjustment of segment assets, ¥6,462 million, includes intersegment transaction elimination of -¥24,886 million and corporate assets not allocated to each reporting segment of ¥31,349 million.
  - Adjustment of depreciation, ¥550 million, is corporate expenses not allocated to each reporting segment.
  - Adjustment of increase in property, plant and equipment and intangible assets, ¥219 million, is corporate assets not allocated to each reporting segment.
- Segment income is adjusted with operating profit in the Consolidated Statement of Income and the Consolidated Statement of Comprehensive Income.