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April 30, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: HOKKAIDO GAS CO., LTD.
 Listing: Tokyo, Sapporo
 Securities code: 9534
 URL: <https://www.hokkaido-gas.co.jp/english/>
 Representative: Chisato Kawamura, President and Representative Director
 Inquiries: Takahiro Horita, General Manager Finance Dept
 Telephone: +81-11-792-8312
 Scheduled date of annual general meeting of shareholders: June 24, 2026
 Scheduled date to commence dividend payments: June 10, 2026
 Scheduled date to file annual securities report: June 23, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	174,519	2.5	16,437	14.7	16,495	14.3	11,525	10.8
March 31, 2025	170,295	(2.1)	14,328	(8.1)	14,428	(9.2)	10,404	(10.5)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥12,671 million [14.7%]
 For the fiscal year ended March 31, 2025: ¥11,050 million [(10.3)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	130.62	130.09	12.6	8.4	9.4
March 31, 2025	118.07	117.57	12.8	7.6	8.4

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥58 million
 For the fiscal year ended March 31, 2025: ¥74 million

* The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. "Basic earnings per share" and "diluted earnings per share" are calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	198,198	99,710	49.1	1,102.53
March 31, 2025	195,431	88,486	44.1	978.72

Reference: Equity
 As of March 31, 2026: ¥97,323 million
 As of March 31, 2025: ¥86,268 million

* The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. “Net assets per share” is calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	27,028	(16,532)	(12,027)	9,799
March 31, 2025	29,832	(20,059)	(7,918)	11,324

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	45.00	—	10.00	—	1,674	16.1	2.1
Fiscal year ended March 31, 2026	—	11.50	—	13.00	24.50	2,162	18.8	2.4
Fiscal year ending March 31, 2027 (Forecast)	—	13.50	—	13.50	27.00		—	

* The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. The year-end dividends per share for the fiscal year ended March 31, 2025 are stated in consideration of the stock split, and the total dividends for the year are stated as “-.” The year-end dividends per share for the fiscal year ended March 31, 2025, converted on a pre-split basis, is ¥50.00.

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	190,200	9.0	12,800	(22.1)	13,000	(21.2)	9,392	(18.5)	106.40

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 companies (Company name) Kitagas Lifront Co., Ltd., Muroran Gas Co., Ltd.

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	88,689,030 shares
As of March 31, 2025	88,689,030 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	415,700 shares
As of March 31, 2025	544,745 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	88,233,864 shares
Fiscal year ended March 31, 2025	88,121,755 shares

Note: The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. “Total number of issued shares at the end of the period,” “number of treasury shares at the end of the period,” and “average number of shares outstanding during the period” are calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	150,797	1.6	14,871	11.5	14,710	13.5	10,636	13.2
March 31, 2025	148,475	(1.8)	13,341	(5.2)	12,965	(6.6)	9,397	(7.0)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2026	120.55	120.06
March 31, 2025	106.65	106.20

* The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. “Basic earnings per share” and “diluted earnings per share” are calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	165,753	73,091	44.0	826.94
March 31, 2025	174,945	71,481	40.8	810.02

Reference: Equity

As of March 31, 2026: ¥72,996 million
As of March 31, 2025: ¥71,398 million

* The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. “Net assets per share” is calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. Non-consolidated financial results forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	165,300	9.6	11,000	(25.2)	7,986	(24.9)	90.47

- * Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.
- * Proper use of earnings forecasts and other special matters
 1. The forward-looking statements, including forecasts for financial results, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to a variety of factors. Please see page 5 of the attachments, “1. Overview of Operating Results, etc. (4) Future Outlook” concerning the assumptions used as the basis for the forecasts for financial results and matters to note before using the earnings forecasts.
 2. The supplementary material on financial results will be posted on the Company’s website.
- * Each item is calculated in accordance with the procedures for preparing financial statements by the Tokyo Stock Exchange.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the business environment surrounding our group was characterized by a gradual recovery of the domestic economy due to factors such as improvements in income conditions driven by ongoing wage increases, high levels of capital investment, and robust demand from foreign visitors to Japan. On the other hand, the outlook remains uncertain due to rising costs caused by persistently high energy prices and labor shortages, changes in U.S. trade policies, escalating geopolitical risks, including those in the Middle East, and moves toward tighter regulations aimed at realizing a decarbonized society.

Under these circumstances, our group has been working on further expanding the adoption of natural gas, standardizing our energy management system, expanding local production and consumption of energy in collaboration with local governments in Hokkaido, and undertaking fundamental business structure reforms through the use of an information sharing platform, with the aim of “Creating a Comfortable Society through Optimization of Energy and Environment.”

Net sales for the fiscal year under review were ¥174,519 million, a 2.5% increase compared to the previous corresponding period, due to an increase in gas sales volume and an increase in sales volumes of LNG and cooling and heating energy.

Ordinary profit was ¥16,495 million, a 14.3% increase compared to the previous corresponding period, mainly due to an increase in sales volume, and profit attributable to owners of parent was ¥11,525 million, a 10.8% increase compared to the previous corresponding period.

The consolidated results of our group are subject to seasonal fluctuation factors in that a large amount of sales are recorded from winter to early spring due to the high demand for energy-related products.

Gas sales, etc.

Item		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	Change (%)
Number of customers	Number of retail customers	488,500	487,990	(510)	(0.1)
	Number of meters installed	604,618	606,177	1,559	0.3
	Number after integration of heating and cooking meters*	565,805	573,240	7,435	1.3
Sales volume (thousand m ³)	Residential use	219,165	234,054	14,888	6.8
	Business use	395,948	416,282	20,333	5.1
	Supply for other businesses	32,086	34,293	2,207	6.9
	Total	647,200	684,628	37,428	5.8

* In the event that customers with two meters installed, one each for heating and cooking, are treated as a single customer

Electricity sales, etc.

Item		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	Change (%)
Number of customers	Number of retail customers	256,609	257,271	662	0.3
Sales volume (thousand kWh)	Low voltage	668,265	684,573	16,308	2.4
	High voltage	129,331	130,778	1,447	1.1
	Wholesale	48,476	46,579	(1,897)	(3.9)
	Total	846,071	861,929	15,858	1.9

Crude oil price and exchange rate

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	Change (%)
Crude oil price (All Japan CIF) (\$/bbl)	82.68	71.48	(11.20)	(13.5)
Exchange rate (Yen/\$)	152.60	150.39	(2.21)	(1.4)

<Overview by segment>

1) Gas

As of the end of the fiscal year under review, the number of meters installed increased by 1,559 to 606,177 compared to the end of the previous fiscal year, due to an increase in mainly residential rental properties. Excluding the impact of the conversion to single meters for heating and cooking, the increase was 7,435 compared to the end of the previous fiscal year, and the number of retail customers decreased by 510 to 487,990 compared to the end of the previous fiscal year.

City gas sales volume increased by 6.8% to 234 million cubic meters for residential use compared to the previous corresponding period, mainly due to an increase in new installations and increased heating demand during the early spring and early winter due to low temperatures and record snowfalls. For business use, the sales volume increased by 5.1% to 416 million cubic meters compared to the previous corresponding period due to increased demand for air conditioning during the high temperatures of summer and improved operations in commercial and industrial sectors, among other factors. As a result, the total sales volume, including wholesale supplies to other gas companies, increased by 5.8% to 685 million cubic meters compared to the previous corresponding period.

Gas sales increased by 3.1% to ¥108,064 million compared to the previous corresponding period, mainly due to an increase in sales volume, despite a decrease in unit selling prices under the fuel cost adjustment system.

Segment profit increased by 19.8% to ¥15,129 million compared to the previous corresponding period, mainly due to an increase in sales volume.

2) Electricity

As of the end of the fiscal year under review, the number of customers increased by 662 compared to the end of the previous fiscal year to 257,271 due to increased low-voltage residential customers as a result of mass publicity and campaign initiatives aimed at expanding combined contracts for gas and electricity. Additionally, electricity sales volume increased by 1.9% to 862 million kWh compared to the previous corresponding period, primarily due to increased demand for residential cooling and heating as a result of temperature fluctuations.

Net sales decreased by 2.1% to ¥28,528 million compared to the previous corresponding period, mainly due to lower unit selling prices under the fuel cost adjustment system, despite increases in both the number of customers and sales volumes.

Segment profit decreased by 19.3% to ¥2,911 million compared to the previous corresponding period, primarily due to an increase in repair costs.

3) Energy-related

Net sales increased by 4.6% compared to the previous corresponding period to ¥41,428 million, mainly due to an increase in appliance sales and installation work resulting from orders received for new rental properties, etc. and an increase in sales volume of cooling and heating energy. Segment profit increased by 31.4% compared to the previous corresponding period to ¥1,398 million.

4) Other

Net sales increased by 28.3% compared to the previous corresponding period to ¥4,271 million due to system sales and the consolidation of Kitagas Lifront Co., Ltd. as a subsidiary, among other factors. Segment profit increased by 215.3% compared to the previous corresponding period to ¥464 million.

(Note) In this document, gas volume is expressed as 45 megajoules (10,750 kilocalories) per cubic meter.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets as of the end of the fiscal year under review increased by ¥2,766 million to ¥198,198 million compared to the end of the previous fiscal year, primarily due to an increase in non-current assets resulting from capital investments. Liabilities decreased by ¥8,457 million to ¥98,487 million compared to the end of the previous fiscal year, primarily due to a decrease in interest-bearing liabilities such as bonds payable and long-term borrowings. Net assets increased by ¥11,224 million to ¥99,710 million compared to the end of the previous fiscal year, primarily due to an increase in retained earnings.

(3) Overview of Cash Flows for the Fiscal Year under Review

For the fiscal year under review, cash flows from operating activities decreased by ¥2,803 million compared to the previous corresponding period, resulting in an inflow of ¥27,028 million, primarily due to an increase in payments for raw materials. Cash flows from investing activities decreased by ¥3,526 million in expenditure compared to the previous corresponding period, resulting in an outflow of ¥16,532 million, primarily due to a decrease in loan advances to subsidiaries and associates. The free cash flow for the current fiscal year was positive ¥10,496 million.

Cash flows from financing activities resulted in an expenditure of ¥12,027 million, mainly due to the redemption of bonds and repayments of long-term borrowings.

Capital investment

(Millions of yen)

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Amount of capital investment	18,168	17,546

(4) Future Outlook

In the fiscal year ending March 31, 2027, gas sales volume is expected to be 687 million cubic meters, assuming that temperatures remain at normal levels, due to an increase in the number of residential customers, etc. Electricity sales volume is expected to be 927 million kWh mainly due to the conclusion of combined contracts for gas and electricity. Regarding our performance forecast, net sales are projected to increase by 9.0% to ¥190,200 million due to expanded sales volumes of gas, electricity, and LNG, as well as an increase in unit selling prices as a result of soaring crude oil prices under the fuel cost adjustment system. In terms of profit, despite sales volume growth, ordinary profit is forecasted to decrease by 21.2% to ¥13,000 million, taking into account DX and renewable energy-related investments aimed at sustainable growth, an increase in strategic expenses related to smart meters and DX, and a deterioration in electricity business profitability due to surging electricity wholesale market prices caused by the instability in the Middle East. However, in case disparities arise in assumptions used for the calculation of performance forecast, the actual results may significantly differ from the forecasted figures. We shall take into account future performance trends and make a swift disclosure in case a revision to the performance forecast is required.

We estimate the following crude oil prices and exchange rates with regard to the economic frame used as the premise for the performance forecast at this point.

(Millions of yen)

Item	Fiscal year ending March 31, 2027	Fiscal year ended March 31, 2026	Change	Change (%)
Net sales	190,200	174,519	15,680	9.0
Operating profit	12,800	16,437	(3,637)	(22.1)
Ordinary profit	13,000	16,495	(3,495)	(21.2)
Profit attributable to owners of parent	9,392	11,525	(2,133)	(18.5)

<Crude oil price and exchange rate assumptions (April 1, 2026 – March 31, 2027)>

Crude oil price (All Japan CIF price) : 90 dollars per barrel

Exchange rate : 155 yen per dollar

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year under Review

Regarding dividends of surplus for the fiscal year under review, we paid an interim dividend of ¥11.50 per share as decided at the Board of Directors meeting held on October 31, 2025. We will set the year-end dividend at ¥13 per share at the Board of Directors meeting scheduled for May 25, 2026, with a view to providing continuous and stable dividends, based on our dividend policy of adopting progressive dividends while targeting a dividend on equity ratio (DOE) of 2.5%, and taking into account steady performance partly owing to an increase in sales volume. Consequently, the annual dividends for the current fiscal year will be ¥24.50 per share, up ¥5.50 year on year.

(Note) On October 1, 2024, we conducted a 5-for-1 stock split of our common shares. The dividend amount per share and the increase in dividends have been calculated based on the assumption that this stock split took place at the beginning of the previous fiscal year.

The Company provides dividends twice a year, an interim and year-end dividend. Articles of incorporation of the Company stipulate that the standard date for dividend payment is September 30 for the interim dividend and March 31 for the year-end dividend every year, based on the resolution of the Board of Directors.

2. Basic Policy on Selection of Accounting Standards

As the business foundations of our group are in Japan, Japanese GAAP has been applied.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	20,236	19,067
Distribution facilities	42,856	44,750
Service and maintenance facilities	12,735	12,902
Other facilities	41,645	46,839
Construction in progress	4,784	4,452
Total property, plant and equipment	122,258	128,011
Intangible assets		
Other	5,377	5,628
Total intangible assets	5,377	5,628
Investments and other assets		
Investment securities	9,435	10,434
Retirement benefit asset	1,059	1,026
Deferred tax assets	2,292	2,836
Other	3,937	4,221
Allowance for doubtful accounts	(14)	(16)
Total investments and other assets	16,709	18,502
Total non-current assets	144,345	152,142
Current assets		
Cash and deposits	11,324	9,799
Notes and accounts receivable - trade, and contract assets	19,922	19,630
Merchandise and finished goods	517	515
Raw materials and supplies	10,338	10,823
Other	9,043	5,368
Allowance for doubtful accounts	(59)	(81)
Total current assets	51,086	46,055
Total assets	195,431	198,198

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Non-current liabilities		
Bonds payable	35,000	31,120
Long-term borrowings	13,654	9,360
Provision for retirement benefits for directors (and other officers)	—	10
Deferred tax liabilities for land revaluation	548	565
Retirement benefit liability	4,443	4,704
Provision for gas holder repairs	152	246
Provision for repairs	183	372
Provision for safety measures	744	712
Provision for appliance warranties	1,335	1,413
Lease liabilities	2,604	2,467
Other	2,637	2,585
Total non-current liabilities	61,303	53,560
Current liabilities		
Current portion of non-current liabilities	11,345	9,664
Notes and accounts payable - trade	10,291	7,349
Provision for loss on compensation for accident and damage	—	460
Income taxes payable	2,417	3,211
Other	21,587	24,241
Total current liabilities	45,641	44,927
Total liabilities	106,945	98,487
Net assets		
Shareholders' equity		
Share capital	7,515	7,515
Capital surplus	5,256	5,299
Retained earnings	69,672	79,551
Treasury shares	(148)	(113)
Total shareholders' equity	82,296	92,253
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,268	4,476
Revaluation reserve for land	236	268
Remeasurements of defined benefit plans	466	324
Total accumulated other comprehensive income	3,971	5,070
Share acquisition rights	83	94
Non-controlling interests	2,134	2,293
Total net assets	88,486	99,710
Total liabilities and net assets	195,431	198,198

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	170,295	174,519
Cost of sales	119,928	119,513
Gross profit	50,367	55,005
Selling, general and administrative expenses		
Supply and sales expenses	31,272	33,119
General and administrative expenses	4,765	5,448
Total selling, general and administrative expenses	36,038	38,568
Operating profit	14,328	16,437
Non-operating income		
Gain on sale of securities	—	113
Dividend income	180	207
Rental income	273	224
Other	459	574
Total non-operating income	913	1,119
Non-operating expenses		
Interest expenses	401	387
Personnel transfer expenses	216	200
Impairment losses	140	378
Other	55	95
Total non-operating expenses	813	1,061
Ordinary profit	14,428	16,495
Extraordinary income		
Gain on bargain purchase	—	479
Total extraordinary income	—	479
Extraordinary losses		
Loss on step acquisitions	—	493
Loss on compensation for accident and damage	—	460
Total extraordinary losses	—	954
Profit before income taxes	14,428	16,020
Income taxes - current	4,448	5,116
Income taxes - deferred	(449)	(703)
Total income taxes	3,999	4,413
Profit	10,428	11,607
Profit attributable to non-controlling interests	24	81
Profit attributable to owners of parent	10,404	11,525

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	10,428	11,607
Other comprehensive income		
Valuation difference on available-for-sale securities	70	1,206
Remeasurements of defined benefit plans, net of tax	553	(141)
Share of other comprehensive income of entities accounted for using equity method	(2)	—
Total other comprehensive income	622	1,064
Comprehensive income	11,050	12,671
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,026	12,590
Comprehensive income attributable to non-controlling interests	24	81

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,515	5,256	60,844	(157)	73,458
Changes during period					
Dividends of surplus			(1,586)		(1,586)
Profit attributable to owners of parent			10,404		10,404
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares			(1)	11	9
Revaluation reserve for land			11		11
Change in scope of consolidation					—
Additional purchase of shares of consolidated subsidiaries					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	8,828	9	8,837
Balance at end of period	7,515	5,256	69,672	(148)	82,296

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,199	248	(86)	3,361	70	2,110	79,001
Changes during period							
Dividends of surplus							(1,586)
Profit attributable to owners of parent							10,404
Purchase of treasury shares							(1)
Disposal of treasury shares							9
Revaluation reserve for land							11
Change in scope of consolidation							—
Additional purchase of shares of consolidated subsidiaries							—
Net changes in items other than shareholders' equity	68	(11)	553	610	13	24	647
Total changes during period	68	(11)	553	610	13	24	9,485
Balance at end of period	3,268	236	466	3,971	83	2,134	88,486

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,515	5,256	69,672	(148)	82,296
Changes during period					
Dividends of surplus			(1,896)		(1,896)
Profit attributable to owners of parent			11,525		11,525
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		17		35	52
Revaluation reserve for land			(49)		(49)
Change in scope of consolidation			300		300
Additional purchase of shares of consolidated subsidiaries		25			25
Net changes in items other than shareholders' equity					
Total changes during period	—	42	9,879	34	9,957
Balance at end of period	7,515	5,299	79,551	(113)	92,253

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,268	236	466	3,971	83	2,134	88,486
Changes during period							
Dividends of surplus							(1,896)
Profit attributable to owners of parent							11,525
Purchase of treasury shares							(0)
Disposal of treasury shares							52
Revaluation reserve for land							(49)
Change in scope of consolidation							300
Additional purchase of shares of consolidated subsidiaries							25
Net changes in items other than shareholders' equity	1,208	31	(141)	1,098	10	158	1,267
Total changes during period	1,208	31	(141)	1,098	10	158	11,224
Balance at end of period	4,476	268	324	5,070	94	2,293	99,710

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	14,428	16,020
Depreciation	14,983	15,939
Impairment losses	140	378
Gain on bargain purchase	—	(479)
Loss (gain) on step acquisitions	—	493
Increase (decrease) in provision for safety measures	(146)	(32)
Increase (decrease) in provision for appliance warranties	(8)	78
Increase (decrease) in retirement benefit liability	310	13
Increase (decrease) in provision for loss on compensation for accident and damage	—	460
Increase (decrease) in allowance for doubtful accounts	7	20
Interest and dividend income	(207)	(222)
Interest expenses	401	387
Decrease (increase) in trade receivables	1,007	(7)
Decrease (increase) in inventories	(1,477)	(252)
Increase (decrease) in trade payables	6,734	(2,368)
Increase (decrease) in accrued consumption taxes	(1,112)	510
Other, net	(31)	592
Subtotal	35,027	31,531
Interest and dividends received	211	227
Interest paid	(410)	(391)
Income taxes paid	(5,051)	(4,394)
Income taxes refund	55	55
Net cash provided by (used in) operating activities	29,832	27,028
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,098)	(14,412)
Proceeds from sale of property, plant and equipment	72	210
Purchase of intangible assets	(1,669)	(1,717)
Purchase of long-term prepaid expenses	(709)	(1,022)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	104
Purchase of investments in unconsolidated subsidiaries	(1,111)	—
Loan advances to subsidiaries and associates	(1,734)	(55)
Other, net	191	359
Net cash provided by (used in) investing activities	(20,059)	(16,532)
Cash flows from financing activities		
Net increase (decrease) in commercial papers	—	2,000
Repayments of long-term borrowings	(2,936)	(3,151)
Redemption of bonds	(3,500)	(8,515)
Dividends paid	(1,590)	(1,902)
Other, net	108	(458)
Net cash provided by (used in) financing activities	(7,918)	(12,027)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net increase (decrease) in cash and cash equivalents	1,854	(1,530)
Cash and cash equivalents at beginning of period	9,469	11,324
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	5
Cash and cash equivalents at end of period	11,324	9,799

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant changes in the scope of consolidation)

Kitagas Lifront Co., Ltd., which was an unconsolidated subsidiary at the end of the previous fiscal year, has been newly included in the scope of consolidation from the beginning of the fiscal year under review due to its increased materiality.

Muroran Gas Co., Ltd., which was an entity accounted for using the equity method at the end of the previous fiscal year, has been newly included in the scope of consolidation from the fiscal year under review as it became a subsidiary through the additional acquisition of shares during the fiscal year under review.

(Changes in accounting estimates)

The Group has newly recorded the estimated amount of future obligations relating to expenses for periodic inspections and dredging work at the Ishikari Power Plant as provision for repairs as of the fiscal year under review since future obligations for the fiscal year under review have been reasonably projected. As a result of this change in estimates, operating profit, ordinary profit, and profit before income taxes have each decreased by ¥113 million compared with the previous method.

(Segment information, etc.)

1. Overview of reportable segments

Our group's reportable segments are components of the group whose separate financial information is available. These segments are subject to periodic examinations to enable the Board of Directors to decide how to allocate resources and assess performance.

Our group offers a new energy model combining energy sources such as gas, electricity and heat throughout Hokkaido as a total energy service business, aiming for the achievement of a compact and efficient energy society based on distributed energy and energy management.

Based on this business development, we define three reportable segments: "Gas," which is an energy business centered on natural gas, the core of our business; "Electricity," an important business for covering the entire Hokkaido; and "Energy-related," including LPG, heat supply, the supply of other kinds of energy, construction works, and equipment.

The main products and services of each reportable segment are as follows.

"Gas":	Sale of city gas and LNG
"Electricity":	Electric power
"Energy-related":	LPG, heat supply, oil products, gas construction works, gas equipment, energy services, etc.

2. Calculation method for net sales, profit (loss), assets, liabilities and other items for each reportable segment

The accounting method for reported business segments is generally the same as the one described in important matters for preparing consolidated financial statements in the recent Annual Securities Report (submitted on June 19, 2025).

The profit of reportable segments is based on operating profit. Inter-segment sales and transfers are based on prevailing market prices.

3. Information on the amounts of net sales, profit (loss), assets, liabilities and other items for each reportable segment

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Gas	Electricity	Energy-related	Total				
Net sales								
Sales to outside customers	102,465	28,914	37,807	169,187	1,108	170,295	—	170,295
Inter-segment sales or transfers	2,391	217	1,796	4,406	2,221	6,627	(6,627)	—
Total	104,856	29,131	39,604	173,593	3,329	176,923	(6,627)	170,295
Segment profit	12,626	3,607	1,063	17,297	147	17,445	(3,116)	14,328
Segment assets	116,622	21,897	44,565	183,085	682	183,767	11,664	195,431
Other items								
Depreciation (Note 4)	10,632	1,454	2,719	14,806	13	14,819	163	14,983
Increase in property, plant and equipment and intangible assets (Note 5)	10,377	3,816	3,157	17,351	55	17,406	762	18,168

- (Notes)
- The “Others” section is a business segment that is not included in the reportable segments and includes IT solution, real estate, and insurance agency businesses, etc.
 - The ¥(3,116) million adjustment in segment profit includes ¥74 million in the elimination of intersegment transactions, ¥(74) million in share of profit (loss) of entities accounted for using the equity method, and ¥(3,116) million in corporate expenses not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segments.
 - The ¥11,664 million adjustment in segment assets consists primarily of corporate assets not attributable to reportable segments. Corporate assets consist mainly of funds for long-term investments and assets pertaining to administrative departments.
 - Segment profit is adjusted with the operating profit in the consolidated statements of income.
 - Depreciation includes the amortization of long-term prepaid expenses, and the adjustment consists mainly of depreciation for corporate assets not allocated to any reportable segment.
 - The increase in property, plant and equipment and intangible assets includes long-term prepaid expenses, and the adjustment consists mainly of corporate assets not allocated to any reportable segment.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Gas	Electricity	Energy-related	Total				
Net sales								
Sales to outside customers	105,658	27,530	39,543	172,732	1,787	174,519	—	174,519
Inter-segment sales or transfers	2,406	997	1,884	5,288	2,484	7,772	(7,772)	—
Total	108,064	28,528	41,428	178,021	4,271	182,292	(7,772)	174,519
Segment profit	15,129	2,911	1,398	19,439	464	19,904	(3,466)	16,437
Segment assets	115,263	23,656	46,781	185,701	5,925	191,627	6,570	198,198
Other items								
Depreciation (Note 4)	10,942	1,613	3,096	15,652	129	15,781	157	15,939
Increase in property, plant and equipment and intangible assets (Note 5)	11,663	1,508	2,671	15,843	1,559	17,403	142	17,546

- (Notes)
- The “Others” section is a business segment that is not included in the reportable segments and includes IT solution, real estate, and insurance agency businesses, etc.
 - The ¥(3,466) million adjustment in segment profit includes ¥151 million in the elimination of intersegment transactions, ¥(58) million in share of profit (loss) of entities accounted for using the equity method, and ¥(3,559) million in corporate expenses not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segments.
 - The ¥6,570 million adjustment in segment assets consists primarily of corporate assets not attributable to reportable segments. Corporate assets consist mainly of funds for long-term investments and assets pertaining to administrative departments.
 - Segment profit is adjusted with the operating profit in the consolidated statements of income.
 - Depreciation includes the amortization of long-term prepaid expenses, and the adjustment consists mainly of depreciation for corporate assets not allocated to any reportable segment.
 - The increase in property, plant and equipment and intangible assets includes long-term prepaid expenses, and the adjustment consists mainly of corporate assets not allocated to any reportable segment.

[Related information]

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by product and service

As the same information is disclosed in segment information, this part has been omitted.

2. Information by region

(1) Net sales

As there are no sales to outside customers in countries other than Japan, there is nothing to mention.

(2) Property, plant and equipment

As there are no property, plant and equipment located in countries other than Japan, there is nothing to mention.

3. Information by major customers

As no customer in sales to outside customers accounts for 10% or more of net sales on the consolidated statements of income, this information has been omitted.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information by product and service

As the same information is disclosed in segment information, this part has been omitted.

2. Information by region

(1) Net sales

As there are no sales to outside customers in countries other than Japan, there is nothing to mention.

(2) Property, plant and equipment

As there are no property, plant and equipment located in countries other than Japan, there is nothing to mention.

3. Information by major customers

As no customer in sales to outside customers accounts for 10% or more of net sales on the consolidated statements of income, this information has been omitted.

[Information on impairment losses on non-current assets by reportable segment]

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Omitted due to its immateriality.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Omitted due to its immateriality.

[Information on amortization of goodwill and balance of unamortized goodwill by reportable segment]

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Omitted due to its immateriality.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Omitted due to its immateriality.

[Information on gain on negative goodwill by reportable segment]

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Due to the inclusion of Muroran Gas Co., Ltd. in the scope of consolidation from the fiscal year under review, a gain on bargain purchase of ¥479 million has been recorded.

As the gain on bargain purchase arising from this event is an extraordinary income, it is not included in segment profit.

(Per share information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	978.72 yen	1,102.53 yen
Basic earnings per share	118.07 yen	130.62 yen
Diluted earnings per share	117.57 yen	130.09 yen

- (Notes) 1. The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. “Net assets per share,” “Basic earnings per share,” and “diluted earnings per share” are calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.
2. The basis for calculating basic earnings per share and diluted earnings per share is outlined below.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	10,404	11,525
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent for common shares (Millions of yen)	10,404	11,525
Average number of common shares outstanding during the period (Thousand shares)	88,121	88,233
Diluted earnings per share		
Profit attributable to owners of parent (Millions of yen)	—	—
[Of which, interest expenses (after tax exemption) (Millions of yen)]	[—]	[—]
Increase in common shares (Thousand shares)	371	360
[Of which, convertible bonds (Thousand shares)]	[—]	[—]
[Of which, stock acquisition rights (Thousand shares)]	[371]	[360]

3. The basis for calculating net assets per share is outlined below.

	As of March 31, 2025	As of March 31, 2026
Total amount of net assets (Millions of yen)	88,486	99,710
Amount deducted from total amount of net assets (Millions of yen)	2,217	2,387
[Of which, stock acquisition rights (Millions of yen)]	[83]	[94]
[Of which, non-controlling interests (Millions of yen)]	[2,134]	[2,293]
Net assets related to common shares at the end of the period (Millions of yen)	86,268	97,323
Number of common shares at the end of the period used in the calculation of net assets per share (Thousand shares)	88,144	88,273

(Significant subsequent events)

Not applicable.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	18,317	17,298
Distribution facilities	44,610	45,755
Service and maintenance facilities	12,250	12,050
Facilities for incidental businesses	20,718	13,136
Construction in progress	4,184	2,902
Total property, plant and equipment	100,082	91,143
Intangible assets		
Other intangible assets	5,297	5,606
Total intangible assets	5,297	5,606
Investments and other assets		
Investment securities	6,728	8,381
Investments in subsidiaries and associates	5,820	5,909
Long-term loans receivable from subsidiaries and associates	1,607	3,842
Long-term prepaid expenses	1,081	1,297
Prepaid pension costs	941	1,045
Deferred tax assets	1,478	1,230
Other investments	1,116	1,002
Allowance for doubtful accounts	(2)	(4)
Total investments and other assets	18,772	22,705
Total non-current assets	124,152	119,455
Current assets		
Cash and deposits	10,229	7,935
Notes receivable - trade	163	67
Accounts receivable - trade	16,039	15,470
Accounts receivable from subsidiaries and associates - trade	841	1,015
Accounts receivable - other	1,473	783
Finished goods	29	25
Raw materials	9,151	9,575
Supplies	1,038	1,010
Prepaid expenses	619	691
Short-term receivables from subsidiaries and associates	8,014	6,891
Other current assets	3,241	2,895
Allowance for doubtful accounts	(48)	(63)
Total current assets	50,793	46,298
Total assets	174,945	165,753

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Non-current liabilities		
Bonds payable	35,000	31,000
Long-term borrowings	13,540	8,553
Deferred tax liabilities for land revaluation	548	565
Provision for retirement benefits	3,857	3,937
Asset retirement obligations	456	840
Provision for gas holder repairs	152	184
Provision for repairs	–	127
Provision for safety measures	744	712
Provision for appliance warranties	1,335	1,402
Provision for loss on remove noncurrent assets	169	59
Other noncurrent liabilities	746	837
Total non-current liabilities	56,551	48,221
Current liabilities		
Current portion of non-current liabilities	10,913	9,004
Accounts payable - trade	8,244	5,153
Accounts payable - other	4,284	3,393
Accrued expenses	4,266	4,831
Income taxes payable	2,242	2,630
Advances received	1,167	733
Deposits received	77	52
Short-term debt to subsidiaries and associates	7,335	8,802
Provision for loss on construction contracts	265	115
Provision for loss on remove noncurrent assets	136	236
Provision for repairs	267	–
Other current liabilities	7,711	9,486
Total current liabilities	46,912	44,441
Total liabilities	103,464	92,662
Net assets		
Shareholders' equity		
Share capital	7,515	7,515
Capital surplus		
Legal capital surplus	5,275	5,275
Other capital surplus	–	17
Total capital surplus	5,275	5,293
Retained earnings		
Legal retained earnings	775	775
Other retained earnings		
General reserve	13,600	13,600
Retained earnings brought forward	40,876	41,181
Total retained earnings	55,252	55,557
Treasury shares	(148)	(113)
Total shareholders' equity	67,895	68,252
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,265	4,475
Revaluation reserve for land	236	268
Total valuation and translation adjustments	3,502	4,744
Share acquisition rights	83	94

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Total net assets	71,481	73,091
Total liabilities and net assets	174,945	165,753

(2) Non-Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Sales from gas business		
Gas sales	83,473	83,569
Revenue from interoperator settlement	134	134
Total sales on gas business	83,608	83,703
Cost of sales		
Beginning inventories	29	29
Cost of products manufactured	49,783	46,475
Costs of gas for own use	1,708	1,475
Ending inventories	29	25
Total cost of sales	48,075	45,003
Gross profit	35,533	38,700
Supply and sales expenses	26,510	28,202
General and administrative expenses	3,121	3,563
Profit on core business	5,901	6,934
Miscellaneous operating revenue		
Revenue from installation work	3,857	3,927
Other miscellaneous operating revenue	9,208	10,374
Total miscellaneous operating revenue	13,065	14,301
Miscellaneous operating expenses		
Installation work expenses	3,678	3,725
Other miscellaneous operating expenses	8,659	9,644
Total miscellaneous operating expenses	12,338	13,370
Revenue from incidental businesses	51,800	52,791
Expenses for incidental businesses	45,088	45,785
Operating profit	13,341	14,871
Non-operating income		
Interest income	61	102
Dividend income	193	219
Rental income	317	280
Gain on sale of investment securities	–	113
Miscellaneous income	204	413
Total non-operating income	778	1,130
Non-operating expenses		
Interest expenses	119	130
Interest expenses on bonds	305	291
Personnel transfer expenses	408	456
Impairment losses	140	378
Miscellaneous expenses	180	34
Total non-operating expenses	1,154	1,291
Ordinary profit	12,965	14,710
Profit before income taxes	12,965	14,710
Income taxes - current	4,012	4,375
Income taxes - deferred	(444)	(302)
Total income taxes	3,567	4,073

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	9,397	10,636

5. Other Information

(1) Changes in Officers

New board composition (from June 24, 2026)

Chairperson and Representative Director	Hiroshi Otsuki
President and Representative Director	Chisato Kawamura
Director	Fumitoshi Izawa
Director	Hiroki Maeya
Director	Wataru Yagi (newly appointed)
Outside Director	Miyako Okada
Outside Director	Shuji Koiso
Outside Director	Yasuyuki Watanuki
Corporate Auditor	Hiroaki Tsuchiya
Outside Corporate Auditor	Kazufusa Matsushima
Outside Corporate Auditor	Azumi Honma
Outside Corporate Auditor	Masayuki Nakata (newly appointed)

* The above-mentioned Directors and Mr. Masayuki Nakata, Corporate Auditor, are candidates for election as Directors and Corporate Auditor at the Annual General Meeting of Shareholders scheduled for June 24, 2026.

* Decisions regarding the election of Representative Directors and Executive Directors shall be made at the Board of Directors meeting following the conclusion of the Annual General Meeting of Shareholders.