

Consolidated Financial Summary for the Fiscal Year Ended March 31, 2017

SINANEN HOLDINGS CO., LTD.

May 12, 2017

Securities code: 8132 URL: <http://www.sinanengroup.co.jp/> Shares listed: Tokyo Stock Exchange
 Representative: Tadashi Sakimura, President and CEO
 Contact: Yutaka Hoshino, Finance and Accounting Manager Tel: +81-3-5470-7105
 Scheduled date of Ordinary General Meeting of Shareholders: June 27, 2017
 Scheduled date of start of dividend payment: June 28, 2017
 Scheduled date of filing of securities report: June 27, 2017

Consolidated Financial Highlights

(As of and for the fiscal years ended March 31, 2016 and 2017)

1. Consolidated Performance

Fiscal years ended March 31	2016	2017	2017/2016	2017
	(Millions of yen)		(Percentage change)	(Thousands of U.S. dollars)
(1) Consolidated financial results:				
Net sales	¥209,112	¥218,242	4.4%	\$1,945,289
Operating income	3,504	2,934	-16.3%	26,152
Ordinary income	4,274	3,424	-19.9%	30,520
Profit attributable to owners of parent	2,219	2,584	16.4%	23,032
Profit per share (yen)	172.79	200.26		
Profit per share (diluted) (yen)	—	—		
Return on equity (ROE)	4.7%	5.2%		
Return on assets (ROA)	4.7%	3.5%		
Operating income to net sales	1.7%	1.3%		

(Notes)

- Comprehensive income
 - Fiscal year ended March 31, 2017: ¥3,224 million (61.8%)
 - Fiscal year ended March 31, 2016: ¥1,993 million (-6.2%)
- 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, 2017: -¥90 million Fiscal year ended March 31, 2016: -¥114 million

As of	Mar. 31, 2016	Mar. 31, 2017	Mar. 31, 2017
	(Millions of yen)		(Thousands of U.S. dollars)

(2) Consolidated financial condition:			
Total assets	¥92,985	¥104,836	\$934,450
Net assets	48,173	50,685	451,778
Equity ratio	51.8%	48.3%	
Net assets per share (yen)	¥3,745.40	¥3,903.27	

(Reference) Shareholders' equity

As of March 31, 2017: ¥50,672 million As of March 31, 2016: ¥48,161 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	2016	2017	2017
	(Millions of yen)		(Thousands of U.S. dollars)
(3) Consolidated cash flows:			
Cash flow from operating activities	¥3,356	¥2,449	\$21,829
Cash flow from investing activities	(4,020)	(6,268)	(55,870)
Cash flow from financing activities	(997)	2,113	18,834
Cash and cash equivalents at end of year	¥20,059	¥18,340	\$163,473

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)					(Millions of yen)	(%)	(%)
2016	—	—	—	¥15.00	¥15.00	¥973	43.4%	2.0%
2017	—	—	—	100.00	100.00	1,298	49.9%	2.6%
2018 (Forecast)	—	—	—	¥75.00	¥75.00		42.3%	

(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)

*The Company carried out a reverse stock split on a one for five common stock basis effective as of October 1, 2016. Annual dividends per share calculated after taking effect of the reverse stock split is ¥75.00 for the fiscal year ended March 31, 2016.

3. Consolidated Results Forecast for Fiscal Year Ending March 31, 2018

	2018	2018
	Full year	Full year
	(Millions of yen)	(Thousands of U.S. dollars)
Net sales	¥256,000	\$2,281,843
Operating income	3,600	32,088
Ordinary income	3,800	33,871
Profit attributable to owners of parent	2,300	20,501
Profit per share (yen)	¥177.17	

Notes:

- U.S. dollar amounts are translated from Japanese yen, for readers' convenience only, at the exchange rate of 112.19 yen per U.S. dollar, the approximate exchange rate of TTM of The Bank of Tokyo-Mitsubishi UFJ, Ltd., on March 31, 2017.
- Return on equity (ROE) = Profit attributable to owners of parent / Average shareholders' equity
- Return on assets (ROA) = Ordinary income / Average total assets

4. Other

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates and retrospective restatement

- Changes in accounting policies resulting from revision of accounting standards, etc.: Yes
- Changes in accounting policies other than (i): No
- Change in accounting estimates: No
- Retrospective restatements: No

(3) Number of shares issued (common stock)

- Number of shares issued (including treasury shares)

As of March 31, 2017	15,150,591 shares
As of March 31, 2016	15,150,591 shares
- Number of shares of treasury shares

As of March 31, 2017	2,168,538 shares
As of March 31, 2016	2,291,708 shares
- Average number of shares

Fiscal year ended March 31, 2017	12,905,170 shares
Fiscal year ended March 31, 2016	12,845,883 shares

(Note) The Company carried out a reverse stock split on a one for five common stock basis effective as of October 1, 2016.

Number of shares issued (common stock) was calculated on the assumption that the reverse stock split was implemented at the beginning of the previous fiscal year.

Non-consolidated Financial Highlights

(As of and for the fiscal years ended March 31, 2016 and 2017)

Non-consolidated Performance

Fiscal years ended March 31	2016	2017	2017 / 2016	2017
	(Millions of yen)		(Percentage change)	(Thousands of U.S. dollars)
(1) Non-consolidated financial results:				
Net sales and operating revenue	¥64,892	¥10,309	-84.1%	\$91,889
Operating income	(1,411)	8,042	—	71,682
Ordinary income	169	8,893	—	79,267
Profit	(643)	8,802	—	78,456
Profit per share (yen)	(50.11)	682.05		
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, 2016	Mar. 31, 2017	Mar. 31, 2017
	(Millions of yen)		(Thousands of U.S. dollars)
(2) Non-consolidated financial condition:			
Total assets	¥35,178	¥41,869	\$373,197
Net assets	19,117	27,736	247,223
Equity ratio	54.3%	66.2%	
Net assets per share (yen)	¥1,486.74	¥2,136.50	

(Reference) Shareholders' equity

As of March 31, 2017: ¥27,736 million

As of March 31, 2016: ¥19,117 million

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 112.19 yen per U.S. dollar, the approximate exchange rate of TTM of The Bank of Tokyo-Mitsubishi UFJ, Ltd., on March 31, 2017.

* The auditing procedure 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, 2016 and 2017)

	2016	2017	2017
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Assets			
Current assets			
Cash and deposits	¥20,183	¥18,661	\$166,334
Notes and accounts receivable-trade	19,339	25,677	228,871
Merchandise and finished goods	6,916	5,351	47,696
Work in process	276	4,254	37,918
Raw materials and supplies	51	68	606
Deferred tax assets	792	769	6,854
Other	2,587	3,691	32,900
Allowance for doubtful accounts	(57)	(56)	(499)
Total current assets	50,091	58,418	520,706
Non-current assets			
Property, plant and equipment			
Buildings and structures	17,590	18,420	164,186
Accumulated depreciation	(10,558)	(10,322)	(92,005)
Buildings and structures, net	7,031	8,097	72,172
Machinery, equipment and vehicles	15,835	16,251	144,852
Accumulated depreciation	(8,417)	(8,805)	(78,483)
Machinery, equipment and vehicles, net	7,417	7,445	66,361
Land	10,940	11,324	100,936
Leased assets	2,346	2,952	26,313
Accumulated depreciation	(589)	(648)	(5,776)
Leased assets, net	1,757	2,304	20,537
Construction in progress	1,866	129	1,150
Other	1,173	1,400	12,479
Accumulated depreciation	(717)	(820)	(7,309)
Other, net	455	579	5,161
Total property, plant and equipment	29,468	29,882	266,352
Intangible assets			
Goodwill	1,210	3,583	31,937
Leased assets	4	—	—
Other	1,728	1,618	14,422
Total intangible assets	2,943	5,201	46,359
Investments and other assets			
Investment securities	6,466	7,994	71,254
Long-term loans receivable	226	147	1,310
Long-term prepaid expenses	1,449	1,205	10,741
Deferred tax assets	299	272	2,424
Other	2,478	2,158	19,235
Allowance for doubtful accounts	(436)	(443)	(3,949)
Total investments and other assets	10,481	11,334	101,025
Total non-current assets	42,894	46,418	413,745
Total assets	¥92,985	¥104,836	\$934,450

	2016	2017	2017
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Liabilities			
Current liabilities			
Notes and accounts payable-trade	¥12,893	¥20,340	\$181,300
Short-term loans payable	9,031	12,663	112,871
Accounts payable-other	1,985	1,466	13,067
Lease obligations	308	343	3,057
Income taxes payable	1,430	295	2,629
Accrued consumption taxes	775	330	2,941
Provision for bonuses	1,030	1,125	10,028
Provision for loss on disaster	51	—	—
Other	3,862	5,878	52,393
Total current liabilities	31,369	42,444	378,322
Non-current liabilities			
Long-term loans payable	6,185	5,323	47,446
Lease obligations	1,588	1,960	17,470
Deferred tax liabilities	730	1,214	10,821
Provision for directors' retirement benefits	57	23	205
Net defined benefit liability	2,615	454	4,047
Long-term guarantee deposited	883	1,324	11,801
Asset retirement obligations	532	502	4,475
Liabilities from application of equity method	105	—	—
Other	744	903	8,049
Total non-current liabilities	13,442	11,706	104,341
Total liabilities	44,812	54,151	482,672
Net assets			
Shareholders' equity			
Capital stock	15,630	15,630	139,317
Capital surplus	11,624	11,537	102,834
Retained earnings	25,695	27,315	243,471
Treasury shares	(6,026)	(5,687)	(50,691)
Total shareholders' equity	46,923	48,795	434,932
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,418	1,968	17,542
Deferred gains or losses on hedges	(0)	(10)	(89)
Foreign currency translation adjustment	(186)	(88)	(784)
Remeasurements of defined benefit plans	6	7	62
Total accumulated other comprehensive income	1,237	1,876	16,722
Non-controlling interests	11	13	116
Total net assets	48,173	50,685	451,778
Total liabilities and net assets	¥92,985	¥104,836	\$934,450

**Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**
(For the fiscal years ended March 31, 2016 and 2017)

	2016	2017	2017
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Net sales	¥209,112	¥218,242	\$1,945,289
Cost of sales	179,897	188,368	1,679,009
Gross profit	29,215	29,874	266,280
Selling, general and administrative expenses	25,710	26,939	240,119
Operating income	3,504	2,934	26,152
Non-operating income			
Interest income	85	114	1,016
Dividend income	117	146	1,301
Commission fee	77	53	472
Diesel oil delivery tax subsidies	114	94	838
Insurance return	100	175	1,560
Gain on derivatives	380	12	107
Other	289	478	4,261
Total non-operating income	1,166	1,074	9,573
Non-operating expenses			
Interest expenses	65	148	1,319
Loss on valuation of investment securities	4	—	—
Share of loss of entities accounted for using equity method	114	90	802
Foreign exchange losses	53	29	258
Bad debts expenses	75	—	—
Withholding tax unqualified for deduction	—	188	1,676
Other	82	127	1,132
Total non-operating expenses	396	584	5,205
Ordinary income	4,274	3,424	30,520
Extraordinary income			
Gain on sales of non-current assets	82	676	6,025
Gain on sales of investment securities	48	25	223
Compensation income for expropriation	214	230	2,050
Gain on bargain purchase	—	4	36
Total extraordinary income	345	937	8,352
Extraordinary losses			
Loss on sales of non-current assets	9	56	499
Loss on retirement of non-current assets	323	291	2,594
Impairment loss	131	114	1,016
Amortization of goodwill	17	—	—
Loss on valuation of investment securities	2	79	704
Restructuring expenses	403	—	—
Loss on transfer to defined contribution pension plan	341	—	—
Other	—	4	36
Total extraordinary losses	¥1,229	¥546	\$4,867

	2016	2017	2017
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Income before income taxes	¥3,391	¥3,815	\$34,005
Income taxes-current	1,548	928	8,272
Income taxes-deferred	(379)	301	2,683
Total income taxes	1,169	1,229	10,955
Profit	2,221	2,585	23,041
(Profit attributable to)			
Profit attributable to owners of parent	2,219	2,584	23,032
Profit attributable to non-controlling interests	1	1	9
Other comprehensive income			
Valuation difference on available-for-sale securities	(377)	549	4,893
Deferred gains or losses on hedges	0	(11)	(98)
Foreign currency translation adjustment	(267)	98	874
Remeasurements of defined benefit plans, net of tax	413	—	—
Share of other comprehensive income of entities accounted for using equity method	3	1	9
Total other comprehensive income	(228)	638	5,687
Comprehensive income	1,993	3,224	28,737
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of parent	1,991	3,223	28,728
Comprehensive income attributable to non-controlling interests	¥1	¥1	\$9

Consolidated Statement of Changes in Equity

(For the fiscal year ended March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,630	11,638	24,437	(6,107)	45,599
Changes of items during the period					
Dividends of surplus			(962)		(962)
Profit attributable to owners of parent			2,219		2,219
Disposal of treasury shares		(13)		91	77
Purchase of treasury shares				(10)	(10)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(13)	1,257	80	1,324
Balance at end of current period	15,630	11,624	25,695	(6,026)	46,923

(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	1,796	0	80	(411)	1,466	10	47,075
Changes of items during the period							
Dividends of surplus							(962)
Profit attributable to owners of parent							2,219
Disposal of treasury shares							77
Purchase of treasury shares							(10)
Net changes of items other than shareholders' equity	(377)	(0)	(267)	417	(228)	1	(226)
Total changes of items during the period	(377)	(0)	(267)	417	(228)	1	1,097
Balance at end of current period	1,418	(0)	(186)	6	1,237	11	48,173

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, 2017)

(Thousands of U.S. dollars)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	139,317	103,610	229,031	(53,712)	418,246
Changes of items during the period					
Dividends of surplus			(8,593)		(8,593)
Profit attributable to owners of parent			23,032		23,032
Disposal of treasury shares		(775)		3,048	2,264
Purchase of treasury shares				(18)	(18)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(775)	14,431	3,022	16,686
Balance at end of current period	139,317	102,834	243,471	(50,691)	434,932

(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	12,639	(0)	(1,658)	53	11,026	98	429,388
Changes of items during the period							
Dividends of surplus							(8,593)
Profit attributable to owners of parent							23,032
Disposal of treasury shares							2,264
Purchase of treasury shares							(18)
Net changes of items other than shareholders' equity	4,893	(89)	874	9	5,687	9	5,705
Total changes of items during the period	4,893	(89)	874	9	5,687	9	22,391
Balance at end of current period	17,542	(89)	(784)	62	16,722	116	451,778

Consolidated Statement of Cash Flows

(For the fiscal years ended March 31, 2016 and 2017)

	2016	2017	2017
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Cash flows from operating activities			
Income before income taxes	¥3,391	¥3,815	\$34,005
Depreciation	2,420	3,025	26,963
Amortization of goodwill	175	317	2,826
Increase (decrease) in allowance for doubtful accounts	(144)	(6)	(53)
Increase (decrease) in net defined benefit liability	112	(2,160)	(19,253)
Increase (decrease) in other provision	10	(27)	(241)
Foreign exchange losses (gains)	8	97	865
Interest and dividend income	(203)	(260)	(2,317)
Interest expenses	65	148	1,319
Share of (profit) loss of entities accounted for using equity method	114	90	802
Loss (gain) on sales of investment securities	(57)	(72)	(642)
Loss (gain) on valuation of investment securities	7	79	704
Loss on retirement of non-current assets	323	291	2,594
Loss (gain) on sales of non-current assets	(73)	(619)	(5,517)
Decrease (increase) in notes and accounts receivable-trade	5,065	(5,797)	(51,671)
Decrease (increase) in inventories	(1,975)	(2,405)	(21,437)
Increase (decrease) in notes and accounts payable-trade	(5,563)	7,164	63,856
Increase (decrease) in guarantee deposits received	170	535	4,769
Decrease (increase) in long-term prepaid expenses	(1,008)	(236)	(2,104)
Other, net	1,157	1,736	15,474
Subtotal	3,997	5,716	50,949
Interest and dividend income received	132	372	3,316
Interest expenses paid	(66)	(147)	(1,310)
Income taxes paid	(706)	(3,492)	(31,126)
Net cash provided by (used in) operating activities	3,356	2,449	21,829
Cash flows from investing activities			
Proceeds from withdrawal of time deposits	175	139	1,239
Payments into time deposits	(132)	(97)	(865)
Payments into deposits as collateral	—	(183)	(1,631)
Proceeds from sales of securities	—	47	419
Proceeds from sales and redemption of investment securities	59	95	847
Purchase of investment securities	(42)	(848)	(7,559)
Proceeds from sales of non-current assets	139	970	8,646
Purchase of non-current assets	(3,357)	(3,438)	(30,644)
Decrease (increase) in short-term loans receivable	—	(206)	(1,836)
Collection of long-term loans receivable	74	135	1,203
Proceeds from purchase of shares of subsidiaries and investments in capital resulting in change in scope of consolidation	40	6	53
Purchase of shares of subsidiaries and investments in capital resulting in change in scope of consolidation	(696)	(2,714)	(24,191)
Proceeds from maturity of insurance funds	0	3	27
Purchase of insurance funds	(85)	(1)	(9)
Other, net	(196)	(176)	(1,569)
Net cash provided by (used in) investing activities	(¥4,020)	(¥6,268)	(\$55,870)

	2016	2017	2017
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(¥403)	¥3,848	\$34,299
Proceeds from long-term loans payable	470	350	3,120
Repayments of long-term loans payable	(537)	(1,583)	(14,110)
Proceeds from sales of treasury shares	77	254	2,264
Purchase of treasury shares	(10)	(2)	(18)
Cash dividends paid	(962)	(963)	(8,584)
Dividends paid to non-controlling interests	—	(0)	(0)
Proceeds from sales and leasebacks	753	591	5,268
Other, net	(384)	(382)	(3,405)
Net cash provided by (used in) financing activities	(997)	2,113	18,834
Effect of exchange rate change on cash and cash equivalents	(254)	(12)	(107)
Net increase (decrease) in cash and cash equivalents	(1,915)	(1,718)	(15,313)
Cash and cash equivalents at beginning of period	21,974	20,059	178,795
Cash and cash equivalents at end of period	¥20,059	¥18,340	\$163,473

Segment Information

(As of and for the fiscal years ended March 31, 2016 and 2017)

Segment Information

For the fiscal year ended March 31, 2017

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 income. 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, 2016

	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>						
Net sales						
Net sales to external customers	¥70,202	¥132,277	¥6,558	¥209,038	¥74	¥209,112
Intersegment net sales or transfer amount	174	19,748	329	20,252	(20,252)	—
Total	70,376	152,026	6,888	229,291	(20,178)	209,112
Segment income	3,327	68	105	3,500	4	3,504
Segment assets	34,211	33,000	8,164	75,376	17,609	92,985
Others:						
Depreciation	1,419	301	308	2,029	391	2,420
Amortization of goodwill	87	16	53	157	—	157
Investment in entities accounted for using equity method	—	—	62	62	—	62
Increase in property, plant and equipment and intangible assets	¥2,205	¥1,692	¥825	¥4,723	¥930	¥5,654

Notes:

1. Adjustments of net sales to external customers of ¥74 million are rental income of real estate property managed by the Company.
2. Adjustments are as follows:
 - (1) Adjustment of segment income, ¥4 million, includes the amount stated in Note 1, intersegment transaction elimination of ¥2,066 million and corporate expenses not allocated to each reporting segment of -¥2,136 million.
 - (2) Adjustment of segment assets, ¥17,609 million, includes intersegment transaction elimination of -¥16,721 million and corporate assets not allocated to each reporting segment of ¥34,330 million.
 - (3) Adjustment of depreciation, ¥391 million, is corporate expenses not allocated to each reporting segment.
 - (4) Adjustment of increase in property, plant and equipment and intangible assets, ¥930 million, is corporate assets not allocated to each reporting segment.
3. Segment income is adjusted with operating income in the Consolidated Statement of Income and the Consolidated Statement of Comprehensive Income.

As of and for the fiscal year ended March 31, 2017

	Reporting Segment				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	Total		
<i>(Millions of yen)</i>						
Net sales						
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)	—
Total	69,304	161,026	7,374	237,704	(19,462)	218,242
Segment income or loss	1,537	225	(178)	1,585	1,349	2,934
Segment assets	34,816	36,549	12,173	83,540	21,296	104,836
Others:						
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:

1. Adjustments of net sales to external customers of ¥164 million are rental income of real estate property managed by the Company.
2. Adjustments are as follows:
 - (1) 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.
 - (2) 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.
 - (3) Adjustment of depreciation, ¥534 million, is corporate expenses not allocated to each reporting segment.
 - (4) Adjustment of increase in property, plant and equipment and intangible assets, ¥852 million, is corporate assets not allocated to each reporting segment.
3. Segment income or loss is adjusted with operating income in the Consolidated Statement of Income and the Consolidated Statement of Comprehensive Income.