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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 7, 2023

Company name: IWATANI CORPORATION
 Stock exchange listing: Tokyo
 Code number: 8088
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 Scheduled date of filing quarterly securities report: August 10, 2023
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2023	201,909	(0.9)	8,512	(3.6)	10,614	(6.3)	7,172	(12.3)
June 30, 2022	203,803	40.1	8,828	12.7	11,330	21.5	8,180	36.0

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 15,445 million [28.4%]
 Three months ended June 30, 2022: ¥ 12,031 million [103.7%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	124.69	-
June 30, 2022	142.23	-

(Note) In the fiscal year ended March 31, 2023, we finalized provisional accounting treatment for a business combination. The finalization has been reflected in the figures for the three months ended June 30, 2022.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2023	654,672	321,919	47.6
March 31, 2023	656,003	312,230	46.0

(Reference) Equity: As of June 30, 2023: ¥ 311,592 million
 As of March 31, 2023: ¥ 301,976 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	-	-	95.00	95.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		-	-	95.00	95.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	907,000	0.1	45,000	12.4	50,300	7.0	33,500	4.6	582.36

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023
(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

June 30, 2023: 58,561,649 shares

March 31, 2023: 58,561,649 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 1,037,664 shares

March 31, 2023: 1,037,177 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 57,524,159 shares

Three months ended June 30, 2022: 57,515,964 shares

*1. This document is unaudited by certified public accountants or audit firms.

*2. Earnings forecasts in this release are based on currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

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Qualitative Information of the Quarterly Consolidated Results

(1) Operating Results

During the cumulative first quarter of the current fiscal year, the Japanese economy showed a gradual recovery as consumer spending and corporate earnings improved due to the revitalization of socioeconomic activities following the downgrading of COVID-19 to Category 5, despite rising prices and uncertainty over the outlook for overseas economies.

Under these circumstances, Iwatani announced its five-year medium-term management plan “PLAN27,” which would begin in the fiscal year ending March 31, 2024, and has been working to expand its business to achieve its basic policies of “Solutions to social issues” and “Sustained growth.”

With the aim of realizing a hydrogen energy-based society, we promoted the construction of CO₂-free hydrogen supply chains utilizing Australian lignite coal and began basic design work on a project for large-scale production of green hydrogen derived from renewable energy in Queensland, Australia. We also strived for the realization of a large-capacity hydrogen supply system for power generation and other large-volume demand and promoted collaboration with other companies, signing a memorandum of understanding with Mitsubishi Heavy Industries, Ltd. for the development and sale of liquid hydrogen cryopumps and a joint development agreement with Sumitomo Precision Products Co., Ltd. for a large-scale liquid hydrogen vaporizer.

In the Integrated Energy Business, we began constructing a cylinder filling station at NEGISHI LIQUEFIED GAS TERMINAL CORPORATION as part of its efforts to strengthen and streamline the LPG supply system in the Kanto and Tokyo metropolitan areas. We started a project certified under the government's J-Credit Scheme to generate credits (environmental value) from the CO₂ reduction effect achieved by installing high-efficiency gas water heaters in ordinary homes, etc. We also started a demonstration test of a 100% hydrogen combustion water heater in Kitakyushu Hydrogen Town to promote the low-/zero-carbonization of households.

In the Industrial Gases & Machinery Business, we expanded its air-separation gas production facilities, in addition to hydrogen plants, to further expand its business in response to strong demand in the East China region.

In the Materials Business, the metal processing business in Thailand steadily expanded manufacturing and sales in response to increased demand for air-conditioning equipment.

As a result, for the first quarter of the current fiscal year, net sales were 201.909 billion yen (-1.894 billion yen year-on-year), operating profit was 8.512 billion yen (-0.315 billion yen year-on-year), ordinary profit was 10.614 billion yen (-0.715 billion yen year-on-year), and profit attributable to owners of parent was 7.172 billion yen (-1.007 billion yen year-on-year).

(2) Segment Information

Effective from the first quarter of FY2023, the business segmentation changed in accordance with changes in the organization of the Company, and comparisons and analyses for the first quarter of FY2023 are based on the new segmentation.

Integrated Energy

In the Integrated Energy Business, sales decreased due to such factors as falling LPG import prices and higher temperatures. Profits decreased significantly due to negative LPG import price fluctuation (-3.773 billion yen year-on-year), despite an improvement in the profitability of the LPG retail sector.

As a result, net sales in this segment were 76.961 billion yen (-14.551 billion yen year-on-year), and operating profit was 1.600 billion yen (-3.662 billion yen year-on-year).

Industrial Gases & Machinery

In the Industrial Gases & Machinery Business, sales volumes of air-separation gas and hydrogen gas decreased mainly for the semiconductor and electronic components industries, but profitability improved due to efforts to cope with increased production costs. In addition, sales of hydrogen-related equipment remained strong. Regarding specialty gases, we strove to maintain steady supply of helium amid rising market prices due to the global tight supply-demand balance. Sales of machinery and equipment increased, especially automobile-related equipment and gas supply facilities.

As a result, net sales in this segment were 62.183 billion yen (+13.771 billion yen year-on-year) and operating profit was 4.899 billion yen (+3.422 billion yen year-on-year).

Materials

In the Materials Business, sales volumes of mineral sands and rechargeable battery materials for next-generation automobiles decreased due in part to inventory adjustments at sales destinations. Meanwhile, sales of biomass fuels and PET resin for beverage bottles grew, and sales of processed metal products mainly for air conditioners and imported stainless steel were also strong.

As a result, net sales in this segment were 55.320 billion yen (-0.963 billion yen year-on-year), and operating profit was 2.769 billion yen (+0.054 billion yen year-on-year).

Others, Adjustments

Net sales were 7.443 billion yen (-0.150 billion yen year-on-year), and operating profit was 0.610 billion yen (+0.290 billion yen year-on-year).

(3) Financial Position

Total Assets

Total assets at the end of the first quarter of the current fiscal year decreased by 1.331 billion yen from the end of the previous consolidated fiscal year to 654.672 billion yen. This was mainly due to a decrease of 23.256 billion yen in notes and accounts receivable - trade, and contract assets, despite increases of 9.223 billion yen in investment securities, 8.081 billion yen in merchandise and finished goods, 3.702 billion yen in “Other” current assets such as derivative assets, and 1.317 billion yen in raw materials and supplies, respectively.

Total Liabilities

Total liabilities at the end of the first quarter of the current fiscal year decreased by 11.020 billion yen from the end of the previous fiscal year to 332.752 billion yen. This was mainly due to decreases of 9.669 billion yen in notes and accounts payable - trade, 4.829 billion yen in income taxes payable, and 2.359 billion yen in provision for bonuses, respectively, despite an increase of 4.107 billion yen in “Other” long-term liabilities such as deferred tax liabilities.

Interest-bearing debt, including lease liabilities, etc., at the end of the first quarter increased 0.159 billion yen to 139.613 billion yen from the end of the previous fiscal year.

Total Net Assets

Total net assets at the end of the first quarter of the current fiscal year increased by 9.689 billion yen from the end of the previous fiscal year to 321.919 billion yen. This was mainly due to increases of 6.484 billion yen in valuation difference on available-for-sale securities, 1.702 billion yen in retained earnings, and 1.366 billion yen in deferred gains or losses on hedges, respectively.

(4) Consolidated Financial Results Forecasts

Although economic trends, fluctuations in LPG import prices, and other factors may affect our business performance, we have not changed our consolidated earnings forecast announced on May 15, 2023, for the first quarter of the current fiscal year.

Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	33,730	29,502
Notes and accounts receivable - trade, and contract assets	150,389	127,132
Electronically recorded monetary claims - operating	23,903	24,976
Merchandise and finished goods	55,751	63,832
Work in process	6,106	7,258
Raw materials and supplies	7,753	9,071
Other	25,732	29,435
Allowance for doubtful accounts	(177)	(180)
Total current assets	303,189	291,028
Non-current assets		
Property, plant and equipment		
Land	73,910	72,981
Other, net	133,532	135,665
Total property, plant and equipment	207,442	208,647
Intangible assets		
Goodwill	23,958	23,379
Other	12,909	13,285
Total intangible assets	36,868	36,665
Investments and other assets		
Investment securities	85,689	94,913
Other	23,325	23,942
Allowance for doubtful accounts	(512)	(525)
Total investments and other assets	108,502	118,331
Total non-current assets	352,814	363,643
Total assets	656,003	654,672

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	73,071	63,401
Electronically recorded obligations - operating	40,801	39,825
Short-term borrowings	25,747	26,357
Income taxes payable	8,362	3,533
Contract liabilities	10,500	12,121
Provision for bonuses	6,434	4,074
Other	47,551	48,581
Total current liabilities	212,469	197,897
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	68,457	67,884
Provision for retirement benefits for directors (and other officers)	1,280	1,255
Retirement benefit liability	6,892	6,934
Other	24,673	28,780
Total non-current liabilities	131,303	134,854
Total liabilities	343,773	332,752
Net assets		
Shareholders' equity		
Share capital	35,096	35,096
Capital surplus	31,904	31,904
Retained earnings	203,801	205,503
Treasury shares	(1,530)	(1,533)
Total shareholders' equity	269,271	270,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,148	30,632
Deferred gains or losses on hedges	2,730	4,097
Foreign currency translation adjustment	5,764	5,847
Remeasurements of defined benefit plans	61	42
Total accumulated other comprehensive income	32,704	40,620
Non-controlling interests	10,254	10,327
Total net assets	312,230	321,919
Total liabilities and net assets	656,003	654,672

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	203,803	201,909
Cost of sales	153,254	150,258
Gross profit	50,549	51,651
Selling, general and administrative expenses		
Transportation costs	7,344	7,131
Provision of allowance for doubtful accounts	0	19
Salaries, allowances and bonuses	9,985	10,497
Provision for bonuses	2,722	2,900
Retirement benefit expenses	515	440
Provision for retirement benefits for directors (and other officers)	34	37
Other	21,117	22,112
Total selling, general and administrative expenses	41,721	43,138
Operating profit	8,828	8,512
Non-operating income		
Interest income	86	130
Dividend income	613	628
Foreign exchange gains	291	125
Share of profit of entities accounted for using equity method	515	469
Subsidy income	428	469
Other	946	798
Total non-operating income	2,881	2,622
Non-operating expenses		
Interest expenses	229	414
Other	149	105
Total non-operating expenses	379	520
Ordinary profit	11,330	10,614
Extraordinary income		
Gain on sale of non-current assets	47	950
Gain on receipt of donated non-current assets	-	49
Gain on sale of investment securities	144	0
Gain on bargain purchase	465	-
Subsidy income	2	0
Total extraordinary income	659	1,000
Extraordinary losses		
Loss on sale of non-current assets	3	312
Loss on retirement of non-current assets	67	94
Loss on sale of investment securities	-	0
Loss on valuation of investment securities	-	1
Loss on tax purpose reduction entry of non-current assets	2	43
Total extraordinary losses	73	451
Profit before income taxes	11,916	11,163
Income taxes	3,419	3,719
Profit	8,497	7,443
Profit attributable to non-controlling interests	316	271
Profit attributable to owners of parent	8,180	7,172

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	8,497	7,443
Other comprehensive income		
Valuation difference on available-for-sale securities	(718)	6,420
Deferred gains or losses on hedges	1,240	1,369
Foreign currency translation adjustment	3,066	52
Remeasurements of defined benefit plans, net of tax	(152)	(15)
Share of other comprehensive income of entities accounted for using equity method	99	174
Total other comprehensive income	3,534	8,001
Comprehensive income	12,031	15,445
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,598	15,089
Comprehensive income attributable to non-controlling interests	432	356

(3) Explanatory Notes to Quarterly Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

None

(Notes in the Event of Significant Changes in Shareholders' Equity)

None

(Segment Information)

I. First Quarter of FY2022 (April 1, 2022 - June 30, 2022)

a) Information related to sales, operating income (loss) by reportable segment

(million yen)

	Reportable Segments				Others *1	Total	Adjustments *2	Quarterly Consolidated Statements of Income *3
	Integrated Energy	Industrial Gases & Machinery	Materials	Subtotal				
Net sales								
Outside customers	91,513	48,411	56,284	196,209	7,594	203,803	–	203,803
Intersegment	1,077	649	483	2,210	6,155	8,366	(8,366)	–
Total	92,591	49,061	56,767	198,419	13,750	212,170	(8,366)	203,803
Segment income	5,263	1,477	2,715	9,455	319	9,775	(947)	8,828

(Note) *1. “Others” is an operating segment not included in reportable segments. “Others” represents businesses in foods, livestock industry, finance, insurance, transportation, information processing, etc.

*2. Adjustments for segment income include companywide expenses not allocated to each segment and the elimination of intersegment transactions.

*3. Segment income is adjusted with operating income of the quarterly consolidated statements of income.

*4. In FY2022, we finalized provisional accounting treatment for a business combination. The finalization has been reflected in the figures for the first quarter of FY2022.

b) Information on impairment loss on fixed assets and goodwill by reportable segment

The Industrial Gases & Machinery segment acquired all shares of Tokico System Solutions, Ltd. The increase in goodwill caused by the acquisition amounted to 9,424 million yen in the first quarter of FY2022. The amount of goodwill reflects a significant revision of the initial allocation of acquisition costs after the finalization of the provisional accounting treatment for the business combination.

II. First Quarter of FY2023 (April 1, 2023 - June 30, 2023)

a) Information related to sales, operating income (loss) by reportable segment

(million yen)

	Reportable Segments				Others *1	Total	Adjustments *2	Quarterly Consolidated Statements of Income *3
	Integrated Energy	Industrial Gases & Machinery	Materials	Subtotal				
Net sales								
Outside customers	76,961	62,183	55,320	194,465	7,443	201,909	–	201,909
Intersegment	1,097	1,471	408	2,976	6,265	9,242	(9,242)	–
Total	78,058	63,654	55,729	197,442	13,709	211,151	(9,242)	201,909
Segment income	1,600	4,899	2,769	9,269	610	9,880	(1,367)	8,512

(Note) *1. “Others” is an operating segment not included in reportable segments. “Others” represents businesses in foods, livestock industry, finance, insurance, transportation, information processing, etc.

*2. Adjustments for segment income include companywide expenses not allocated to each segment and the elimination of intersegment transactions.

*3. Segment income is adjusted with operating income of the quarterly consolidated statements of income.

b) Matters related to changes in reportable segments, etc.

Effective from the first quarter of FY2023, the business segmentation changed in accordance with changes in the organization of the Company. As a result, the four business segments of the Integrated Energy Business, the Industrial Gases & Machinery Business, the Materials Business and the Agri-bio & Foods Business were reorganized into three business segments of the Integrated Energy Business, the Industrial Gases & Machinery Business and the Materials Business.

The segment information for the first quarter of FY2022 is presented based on the new segmentation.

c) Information on impairment loss on fixed assets and goodwill by reportable segment

None

(Business Combination)

Significant revision of the initial allocation of acquisition costs in comparative information

The business combination with Tokico System Solutions, Ltd., which was effected on April 1, 2022, and the business combination with Tokyo Gas Energy Co., Ltd. (currently, ENELIFE CORPORATION), which was effected on June 1, 2022, were provisionally accounted for in the first quarter of FY2022, and were then finalized in FY2022. With the finalization of the provisional accounting treatment, the comparative information included in the quarterly consolidated financial statements for the first quarter of FY2023 reflects a significant revision in the initial allocation of acquisition costs.

As a result, the quarterly consolidated financial statements for the first quarter of FY2022 indicates that operating profit and ordinary profit each decreased by 85 million yen due to an increase of 85 million yen in selling, general and administrative expenses and that profit before income taxes increased by 380 million yen, income taxes decreased by 56 million yen, and net income and net income attributable to owners of parent each increased by 436 million yen due to the recording of gain on bargain purchase of 465 million yen.

In the consolidated fiscal year ended March 31, 2023, the Company finalized the provisional accounting treatment for a business combination. The figures for the first quarter of FY2022 reflect the finalization of the provisional accounting treatment.

(1) Consolidated Statements of Income

(Unit: 100 million yen)

	1Q FY2022 Apr-Jun 2022	1Q FY2023 Apr-Jun 2023	Change	Rate	FY2023 (Forecast)	Overview
Net sales	2,038	2,019	(18)	(0.9%)	9,070	
Gross profit	505	516	11	2.2%	—	Sales decreased due to lower LPG import prices despite steady sales in mainstay products for industrial sectors.
Operating profit	88	85	(3)	(3.6%)	450	And decrease in profits due to a significant decline in the impact of LPG import price fluctuation (-3.7 billion yen year-on-year)
Ordinary profit	113	106	(7)	(6.3%)	503	
Profit attributable to owners of parent	81	71	(10)	(12.3%)	335	

* Figures for fiscal year ending March 31, 2024 (forecast) were announced on May 15, 2023.

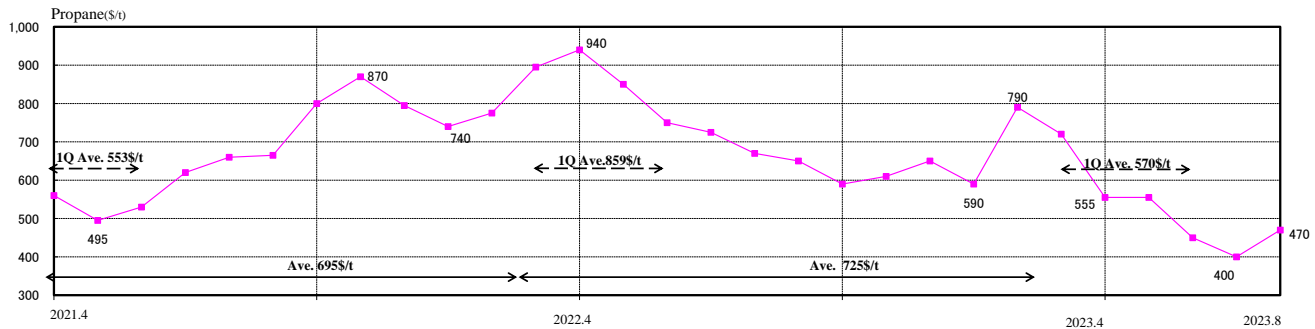
(2) Operating Profit Except for Impact of LPG Import Price Fluctuation

(Unit: 100 million yen)

	1Q FY2022 Apr-Jun 2022	1Q FY2023 Apr-Jun 2023	Change	Rate	FY2023 (Forecast)	Overview
Operating profit	88	85	(3)	(3.6%)	450	<ul style="list-style-type: none"> • Impact of LPG import price fluctuation in current period was -1.7 billion yen, which decreased the profit by 3.7 billion yen year-on-year • Operating profit except for impact of LPG import price fluctuation was 10.2 billion yen, which is a record high
Impact of LPG import price fluctuation	20	(17)	(37)	—	—	
Operating profit except for impact of LPG import price fluctuation	67	102	34	50.9%	450	

* For more detailed information, please see a slide of "Impact of LPG Import Prices" in Iwatani Corporation Business Overview. (https://www.iwatani.co.jp/eng/ir/pdf/about_iwatani.pdf)

(3) LPG Import Price (CP)



(4) Segment Information

(Unit: 100 million yen)

	1Q FY2022 Apr-Jun 2022	1Q FY2023 Apr-Jun 2023	Change	Rate	Overview	
Integrated Energy	Net sales	915	769	(145)	(15.9%)	<ul style="list-style-type: none"> • Sales decreased due to falling LPG import prices and higher temperatures • Negative impact of LPG import price fluctuation
	Operating profit	52	16	(36)	(69.6%)	
Industrial Gases & Machinery	Net sales	484	621	137	28.4%	<ul style="list-style-type: none"> • Sales of air-separation gas and hydrogen gas decreased while we coped with increased production cost • Sales of hydrogen-related equipment remained strong • Steady supply of helium was maintained • In machinery and equipment, sales of automobile-related equipment and gas supply facilities increased
	Operating profit	14	48	34	231.7%	
Materials	Net sales	562	553	(9)	(1.7%)	<ul style="list-style-type: none"> • Sales of mineral sands and rechargeable battery materials for next-generation automobiles decreased • Sales of biomass fuels and PET resin for beverage bottles increased • Sales of processed metal products mainly for air conditioners and imported stainless steel also remained strong
	Operating profit	27	27	0	2.0%	
Others, Adjustments	Net sales	75	74	(1)	(2.0%)	
	Operating profit	(6)	(7)	(1)	—	

* Effective from the first quarter of FY2023, the business segment categorization method changed in accordance with changes in the corporate organization. The segment information for the first quarter of FY2022 has been prepared based on the new categorization method, and comparisons of increases and decreases have been made.

* Net sales represent sales to third parties.

(5) LPG and Industrial Gases Net Sales · Sales Volume

	Sales volume (thousand tons)				Net sales (100 million yen)			
	1Q FY2022 Apr-Jun 2022	1Q FY2023 Apr-Jun 2023	Change	Rate	1Q FY2022 Apr-Jun 2022	1Q FY2023 Apr-Jun 2023	Change	Rate
Domestic residential use	290	275	(15)	(5.3%)	489	397	(91)	(18.7%)
Domestic industrial use	101	73	(28)	(27.9%)	130	75	(54)	(42.1%)
LPG sub total (except for overseas)	392	348	(43)	(11.1%)	620	473	(146)	(23.7%)
LPG total	396	351	(44)	(11.2%)	624	477	(147)	(23.6%)
Various Industrial gases	—	—	—	—	288	367	79	27.6%

(6) Financial Position

(Unit: 100 million yen)

	FY2022 end	1Q FY2023 end	Change
Total assets	6,560	6,546	(13)
Equity	3,019	3,115	96
Interest-bearing debt, gross	1,394	1,396	1
Interest-bearing debt, net	1,057	1,101	43
Equity ratio	46.0%	47.6%	1.6pt
Ratio of interest-bearing debt to total assets	21.2%	21.3%	0.1pt
Debt-to-equity ratio, gross	0.46	0.44	(0.02pt)
Debt-to-equity ratio, net	0.35	0.35	—

(7) Capital Expenditure

(Unit: 100 million yen)

	1Q FY2023 Apr-Jun 2023	FY2023 (Forecast)
Integrated Energy	27	131
Industrial Gases & Machinery	34	313
Materials	17	55
Others, Adjustments	14	221
Capital expenditure	93	720
Depreciation	63	278

* Presented here are figures for property, plant and equipment, intangible assets (including goodwill), and investments securities, etc. (which include ¥7.1 billion yen invested in property, plant and equipment in the current period.)

(8) Non-consolidated**Non-consolidated Statements of Income**

(Unit: 100 million yen)

	1Q FY2022 Apr-Jun 2022	1Q FY2023 Apr-Jun 2023	Change	Rate
Net sales	1,322	1,203	(118)	(9.0%)
Operating profit	41	16	(25)	(60.7%)
Ordinary profit	101	90	(10)	(10.4%)
Profit	83	78	(4)	(5.0%)

Financial Position

(Unit: 100 million yen)

	FY2022 end	1Q FY2023 end	Change
Total assets	4,403	4,443	39
Equity capital	2,082	2,181	99
Equity capital ratio	47.3%	49.1%	1.8pt