

## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2019

Name of Company: Hiroshima Gas Co., Ltd.  
 Stock Code: 9535 URL: [http://www.hiroshima-gas.co.jp/english/index\\_e.htm](http://www.hiroshima-gas.co.jp/english/index_e.htm)  
 Stock Exchange Listing: Tokyo Stock Exchange, First Section  
 Representative: Title: President Name: Kensuke Matsufuji  
 Contact Person: Title: Executive Officer and Manager of General Affair Department Name: Hirofumi Ikegami  
 Tel: +81-(82) 252-3000  
 Scheduled date of filing of quarterly securities report: August 13, 2018  
 Scheduled date of commencement of dividend payment: -  
 Supplementary materials for quarterly financial report: None  
 Information meeting for quarterly financial report: None

(Yen in millions, rounded down)

### 1. Financial results for the first quarter of the fiscal year ending March 2019 (April 1, 2018 – June 30, 2018)

(1) Results of operations (Consolidated, year-to-date)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of FY3/2019	19,148	10.0	615	(51.5)	724	(50.2)	427	(53.1)
First quarter of FY3/2018	17,408	1.6	1,270	(37.3)	1,453	(34.5)	910	(77.9)

Note: Comprehensive income: First quarter of FY3/2019: 558 million yen [(56.9)%], First quarter of FY3/2018: 1,296 million yen [(55.8)%]

	Net income per share (basic)		Net income per share (diluted)	
	Yen	Yen	Yen	Yen
First quarter of FY3/2019	6.32	-	-	-
First quarter of FY3/2018	13.41	-	-	-

(2) Financial position (Consolidated)

	Total assets		Net assets		Equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of June 30, 2018	101,312	51,237	51,237	50,960	47.9	47.1
As of March 31, 2018	102,656	50,960	50,960	48,332	47.1	47.1

Reference: Shareholders' equity As of June 30, 2018: 48,535 million yen As of March 31, 2018: 48,332 million yen

### 2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2018	-	4.00	-	4.00	8.00
Fiscal year ended March 2019	-	-	-	-	-
Fiscal year ended March 2019 (forecast)	-	4.00	-	4.00	8.00

Note: Change in the estimation of dividend from the latest announcement: None

### 3. Forecast for the fiscal year ending March 2019 (Consolidated, April 1, 2018 – March 31, 2019)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	79,000	7.2	3,100	6.1	3,600	2.7	2,400	(4.0)	35.51

Note: Change in the forecast from the latest announcement: None

\* Notes

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: Yes
- (3) Changes in accounting principles and estimates, and retrospective restatements
- (a) Changes due to revision of accounting standards: None
  - (b) Changes other than in (a): None
  - (c) Changes in accounting estimates: None
  - (d) Retrospective restatements: None
- (4) Number of shares outstanding (common stock)
- (a) Shares outstanding (including treasury shares)

As of June 30, 2018: 67,998,590	As of March 31, 2018: 67,998,590
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  - (b) Treasury shares

As of June 30, 2018: 405,105	As of March 31, 2018: 419,205
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  - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended June 30, 2018: 67,585,962	Period ended June 30, 2017: 67,878,769
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\*Quarterly financial results are exempt from quarterly review.

\*Cautionary statement regarding forecasts of operating results and special notes

Forecasts regarding future performance in these materials are based on judgments made in accordance with information available at the time this report was prepared. Actual results may differ significantly from these forecasts for a number of factors.

Reference: Non-consolidated forecast

Forecast for the fiscal year ending March 2019 (Non-consolidated, April 1, 2018 – March 31, 2019)

(Percentage figures represent year on year changes)

	Net sales		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	61,000	10.0	2,700	12.3	2,000	(4.3)	29.59

Note: Change in the forecast from the latest announcement: None

Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	As of March 31, 2018	As of June 30, 2018
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	16,913	16,591
Distribution facilities	30,212	31,764
Service and maintenance facilities	4,071	4,217
Other facilities	7,723	7,572
Construction in progress	4,022	2,350
Total property, plant and equipment	62,942	62,497
Intangible assets	1,119	1,058
Investments and other assets		
Investment securities	9,309	9,391
Long-term loans receivable	50	50
Deferred tax assets	1,455	1,450
Other investments and other assets	5,727	5,654
Allowance for doubtful accounts	(214)	(214)
Total investments and other assets	16,327	16,330
Total non-current assets	80,389	79,886
Current assets		
Cash and deposits	10,766	10,368
Notes and accounts receivable - trade	6,485	5,632
Merchandise and finished goods	882	801
Raw materials and supplies	2,666	3,185
Other current assets	1,508	1,455
Allowance for doubtful accounts	(41)	(17)
Total current assets	22,267	21,425
Total assets	102,656	101,312

	As of March 31, 2018	As of June 30, 2018
<b>LIABILITIES</b>		
Non-current liabilities		
Bonds payable	15,000	15,000
Long-term loans payable	12,284	12,197
Provision for directors' retirement benefits	416	327
Provision for gas holder repairs	358	373
Provision for safety measures	638	603
Provision for appliances warranties	194	191
Net defined benefit liability	2,574	2,428
Asset retirement obligations	112	113
Other non-current liabilities	350	355
Total non-current liabilities	31,930	31,589
Current liabilities		
Current portion of non-current liabilities	6,924	4,921
Notes and accounts payable - trade	7,354	6,244
Short-term loans payable	-	50
Income taxes payable	805	361
Commercial papers	-	3,500
Other current liabilities	4,681	3,407
Total current liabilities	19,766	18,485
Total liabilities	51,696	50,074
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	5,181	5,181
Capital surplus	1,141	1,141
Retained earnings	40,102	40,258
Treasury shares	(162)	(157)
Total shareholders' equity	46,262	46,423
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,782	2,792
Deferred gains or losses on hedges	3	5
Remeasurements of defined benefit plans	(717)	(686)
Total accumulated other comprehensive income	2,069	2,111
Non-controlling interests	2,628	2,701
Total net assets	50,960	51,237
Total liabilities and net assets	102,656	101,312

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statements of income

(First quarter ended June 2018)

(Million yen)

	First quarter ended June 2017 (Apr. 1, 2017 – June 30, 2017)	First quarter ended June 2018 (Apr. 1, 2018 – June 30, 2018)
Net sales	17,408	19,148
Cost of sales	9,992	12,260
Gross profit	7,416	6,888
Selling, general and administrative expenses	6,146	6,272
Operating income	1,270	615
Non-operating income		
Interest income	1	1
Dividends income	90	94
Share of profit of entities accounted for using equity method	68	50
Miscellaneous income	168	90
Total non-operating income	327	236
Non-operating expenses		
Interest expenses	57	54
Miscellaneous expenses	86	72
Total non-operating expenses	144	126
Ordinary income	1,453	724
Income before income taxes and minority interests	1,453	724
Income taxes-current	278	199
Income taxes-deferred	152	8
Total income taxes	431	207
Profit	1,022	516
Profit attributable to non-controlling interests	111	89
Profit attributable to owners of parent	910	427

Quarterly consolidated statements of comprehensive income  
(First quarter ended June 2018)

(Million yen)

	First quarter ended June 2017 (Apr. 1, 2017 – June 30, 2017)	First quarter ended June 2018 (Apr. 1, 2018 – June 30, 2018)
Profit	1,022	516
Other comprehensive income		
Valuation difference on available-for-sale securities	317	9
Deferred gains or losses on hedges	(108)	2
Remeasurements of defined benefit plans	65	30
Total other comprehensive income	274	42
Comprehensive income	1,296	558
Comprehensive income attributable to owners of parent	1,185	469
Comprehensive income attributable to non-controlling interests	111	89