

## Summary of Consolidated Financial Results for the Second 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: November 8, 2018  
 Scheduled date of commencement of dividend payment: December 3, 2018  
 Supplementary materials for quarterly financial report: None  
 Information meeting for quarterly financial report: Yes

(Yen in millions, rounded down)

### 1. Financial results for the second quarter of the fiscal year ending March 2019 (April 1, 2018 – September 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	%
Second quarter of FY3/2019	36,156	11.2	(354)	-	(173)	-	(285)	-
Second quarter of FY3/2018	32,512	2.2	780	(62.3)	1,051	(54.4)	481	(88.4)

Note: Comprehensive income: Second quarter of FY3/2019: (270) million yen[ (—)%], Second quarter of FY3/2018: 1,183 million yen [(66.6)%]

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Second quarter of FY3/2019	(4.22)	-
Second quarter of FY3/2018	7.09	-

#### (2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2018	105,391	50,390	45.2
As of March 31, 2018	102,656	50,960	47.1

Reference: Shareholders' equity As of September 30, 2018: 47,682 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	-	4.00			
Fiscal year ended March 2019 (forecast)			-	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	81,000	9.9	2,300	(21.3)	2,700	(23.0)	1,700	(32.0)	25.13

Note: Change in the forecast from the latest announcement: Yes

\* Notes

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Use of 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 September 30, 2018: 67,998,590	As of March 31, 2018: 67,998,590
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  - (b) Treasury shares

As of September 30, 2018: 348,729	As of March 31, 2018: 419,205
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  - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended September 30, 2018: 67,610,623	Period ended September 30, 2017: 67,749,179
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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	63,000	13.6	2,000	(16.8)	1,500	(28.2)	22.17

Note: Change in the forecast from the latest announcement: Yes

Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	As of March 31, 2018	As of September 30, 2018
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	16,913	16,250
Distribution facilities	30,212	31,384
Service and maintenance facilities	4,071	4,289
Other facilities	7,723	7,913
Construction in progress	4,022	2,819
Total property, plant and equipment	62,942	62,658
Intangible assets	1,119	1,073
Investments and other assets		
Investment securities	9,309	9,123
Long-term loans receivable	50	5
Deferred tax assets	1,455	1,864
Other investments and other assets	5,727	5,534
Allowance for doubtful accounts	(214)	(214)
Total investments and other assets	16,327	16,312
Total non-current assets	80,389	80,045
Current assets		
Cash and deposits	10,766	10,628
Notes and accounts receivable - trade	6,485	5,670
Merchandise and finished goods	882	834
Raw materials and supplies	2,666	4,141
Other current assets	1,508	4,105
Allowance for doubtful accounts	(41)	(34)
Total current assets	22,267	25,346
Total assets	102,656	105,391

	As of March 31, 2018	As of September 30, 2018
<b>LIABILITIES</b>		
Non-current liabilities		
Bonds payable	15,000	23,000
Long-term loans payable	12,284	11,715
Provision for directors' retirement benefits	416	326
Provision for gas holder repairs	358	351
Provision for safety measures	638	539
Provision for appliances warranties	194	187
Net defined benefit liability	2,574	2,291
Asset retirement obligations	112	113
Other non-current liabilities	350	336
Total non-current liabilities	31,930	38,861
Current liabilities		
Current portion of non-current liabilities	6,924	2,428
Notes and accounts payable - trade	7,354	6,611
Income taxes payable	805	442
Commercial papers	-	2,500
Other current liabilities	4,681	4,155
Total current liabilities	19,766	16,139
Total liabilities	51,696	55,000
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	5,181	5,181
Capital surplus	1,141	1,149
Retained earnings	40,102	39,545
Treasury shares	(162)	(135)
Total shareholders' equity	46,262	45,740
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,782	2,593
Deferred gains or losses on hedges	3	4
Remeasurements of defined benefit plans	(717)	(656)
Total accumulated other comprehensive income	2,069	1,941
Non-controlling interests	2,628	2,708
Total net assets	50,960	50,390
Total liabilities and net assets	102,656	105,391

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

Quarterly consolidated statements of income  
(Second quarter ended September 2018)

(Million yen)

	Second quarter ended September 2017 (Apr. 1, 2017 – September 30, 2017)	Second quarter ended September 2018 (Apr. 1, 2018 – September 30, 2018)
Net sales	32,512	36,156
Cost of sales	19,684	24,341
Gross profit	12,827	11,814
Selling, general and administrative expenses	12,047	12,169
Operating income	780	(354)
Non-operating income		
Interest income	1	1
Dividends income	93	99
Share of profit of entities accounted for using equity method	99	65
Miscellaneous income	283	232
Total non-operating income	477	399
Non-operating expenses		
Interest expenses	115	102
Amortization of bond issue expenses	-	45
Miscellaneous expenses	91	70
Total non-operating expenses	207	218
Ordinary income	1,051	(173)
Income before income taxes and minority interests	1,051	(173)
Income taxes-current	361	336
Income taxes-deferred	65	(368)
Total income taxes	427	(31)
Profit	624	(142)
Profit attributable to non-controlling interests	142	143
Profit attributable to owners of parent	481	(285)

Quarterly consolidated statements of comprehensive income  
(Second quarter ended September 2018)

(Million yen)

	Second quarter ended September 2017 (Apr. 1, 2017– September 30, 2017)	Second quarter ended September 2018 (Apr. 1, 2018 – September 30, 2018)
Profit	624	(142)
Other comprehensive income		
Valuation difference on available-for-sale securities	404	(189)
Deferred gains or losses on hedges	24	0
Remeasurements of defined benefit plans	130	60
Total other comprehensive income	558	(128)
Comprehensive income	1,183	(270)
Comprehensive income attributable to owners of parent	1,040	(413)
Comprehensive income attributable to non-controlling interests	142	142