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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 2, 2023

Company name: HIROSHIMA GAS CO.,LTD.

Stock exchange listing: Tokyo

Code number: 9535

URL: <https://www.hiroshima-gas.co.jp/>

Representative: Kensuke Matsufuji

President

Contact: Yasutaka Okita

Director, Senior Executive Officer and Manager of General Affair
Department

Phone: +81-82-252-3000

Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: December 1, 2023

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	42,724	5.3	1,907	32.1	2,057	24.2	1,303	10.7
September 30, 2022	40,592	20.0	1,443	96.6	1,657	2.3	1,177	(31.2)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 2,281 million [71.2%]
Six months ended September 30, 2022: ¥ 1,332 million [(46.2)%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2023	Yen 19.06	Yen -
September 30, 2022	17.25	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2023	Millions of yen 131,613	Millions of yen 69,692	50.3
March 31, 2023	141,996	67,860	45.5

(Reference) Equity: As of September 30, 2023: ¥ 66,244 million
As of March 31, 2023: ¥ 64,539 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	-	5.00		7.00	12.00
Fiscal year ending March 31, 2024	-	6.00			
Fiscal year ending March 31, 2024 (Forecast)				6.00	12.00

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

(Note) Breakdown of the 2nd 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	90,000	(5.5)	2,800	(60.1)	3,000	(59.5)	2,000	(61.7)	29.24

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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: Yes

(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):

September 30, 2023: 68,490,018 shares

March 31, 2023: 68,373,036 shares

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

September 30, 2023: 1,766 shares

March 31, 2023: 1,766 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 68,399,879 shares

Six months ended September 30, 2022: 68,271,172 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	16,102	15,710
Distribution facilities	30,917	30,739
Service and maintenance facilities	4,116	4,075
Other facilities	7,776	9,443
Construction in progress	5,694	5,641
Total property, plant and equipment	64,608	65,611
Intangible assets	141	142
Investments and other assets		
Investment securities	12,922	13,928
Deferred tax assets	1,182	948
Other investments	4,417	4,306
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	18,504	19,164
Total non-current assets	83,254	84,918
Current assets		
Cash and deposits	35,637	27,826
Notes and accounts receivable - trade, and contract assets	9,644	6,408
Merchandise and finished goods	1,061	883
Raw materials and supplies	8,382	7,928
Other current assets	4,038	3,651
Allowance for doubtful accounts	(22)	(2)
Total current assets	58,741	46,695
Total assets	141,996	131,613

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Non-current liabilities		
Bonds payable	16,000	16,000
Long-term borrowings	28,123	28,253
Provision for retirement benefits for directors (and other officers)	315	320
Provision for gas holder repairs	532	565
Provision for safety measures	423	349
Provision for gas appliance warranties	233	220
Retirement benefit liability	499	470
Asset retirement obligations	234	236
Other noncurrent liabilities	1,016	964
Total non-current liabilities	47,378	47,380
Current liabilities		
Current portion of non-current liabilities	2,761	832
Notes and accounts payable - trade	4,847	5,093
Income taxes payable	1,845	697
Commercial papers	12,000	4,000
Other current liabilities	5,303	3,916
Total current liabilities	26,757	14,540
Total liabilities	74,135	61,921
Net assets		
Shareholders' equity		
Share capital	5,246	5,268
Capital surplus	1,216	1,238
Retained earnings	55,430	56,255
Treasury shares	(0)	(0)
Total shareholders' equity	61,893	62,762
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,271	1,873
Deferred gains or losses on hedges	860	816
Foreign currency translation adjustment	527	780
Remeasurements of defined benefit plans	(13)	11
Total accumulated other comprehensive income	2,646	3,482
Non-controlling interests	3,320	3,447
Total net assets	67,860	69,692
Total liabilities and net assets	141,996	131,613

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	40,592	42,724
Cost of sales	27,106	28,421
Gross profit	13,486	14,303
Selling, general and administrative expenses	12,042	12,396
Operating profit	1,443	1,907
Non-operating income		
Interest income	0	2
Dividend income	98	105
Share of profit of entities accounted for using equity method	75	6
Miscellaneous income	183	203
Total non-operating income	359	318
Non-operating expenses		
Interest expenses	88	98
Miscellaneous expenses	56	69
Total non-operating expenses	145	167
Ordinary profit	1,657	2,057
Extraordinary income		
Gain on sale of investment securities	62	57
Total extraordinary income	62	57
Profit before income taxes	1,719	2,115
Income taxes - current	384	614
Income taxes - deferred	39	55
Total income taxes	424	670
Profit	1,295	1,444
Profit attributable to non-controlling interests	117	141
Profit attributable to owners of parent	1,177	1,303

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,295	1,444
Other comprehensive income		
Valuation difference on available-for-sale securities	(108)	601
Deferred gains or losses on hedges	(422)	(46)
Remeasurements of defined benefit plans, net of tax	26	25
Share of other comprehensive income of entities accounted for using equity method	542	254
Total other comprehensive income	36	836
Comprehensive income	1,332	2,281
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,214	2,139
Comprehensive income attributable to non-controlling interests	117	141