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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 9, 2024

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: February 9, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	63,791	0.3	1,329	(34.1)	1,805	(29.7)	1,187	(34.4)
December 31, 2022	63,590	22.6	2,018	301.3	2,569	42.4	1,810	2.7

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 2,045 million [135.2%]
Nine months ended December 31, 2022: ¥ 869 million [(65.8)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	17.36	-
December 31, 2022	26.51	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	134,341	69,046	48.8
March 31, 2023	141,996	67,860	45.5

(Reference) Equity: As of December 31, 2023: ¥ 65,611 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 3rd 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: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2023: 68,490,018 shares

March 31, 2023: 68,373,036 shares

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

December 31, 2023: 1,848 shares

March 31, 2023: 1,766 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 68,429,333 shares

Nine months ended December 31, 2022: 68,304,542 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	16,102	15,482
Distribution facilities	30,917	31,068
Service and maintenance facilities	4,116	4,017
Other facilities	7,776	10,866
Construction in progress	5,694	4,516
Total property, plant and equipment	64,608	65,952
Intangible assets	141	126
Investments and other assets		
Investment securities	12,922	14,463
Deferred tax assets	1,182	900
Other investments	4,417	4,223
Allowance for doubtful accounts	(17)	(18)
Total investments and other assets	18,504	19,569
Total non-current assets	83,254	85,647
Current assets		
Cash and deposits	35,637	27,360
Notes and accounts receivable - trade, and contract assets	9,644	8,526
Merchandise and finished goods	1,061	1,081
Raw materials and supplies	8,382	7,204
Other current assets	4,038	4,543
Allowance for doubtful accounts	(22)	(22)
Total current assets	58,741	48,693
Total assets	141,996	134,341

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Non-current liabilities		
Bonds payable	16,000	16,000
Long-term borrowings	28,123	27,654
Provision for retirement benefits for directors (and other officers)	315	321
Provision for gas holder repairs	532	581
Provision for safety measures	423	307
Provision for gas appliance warranties	233	212
Retirement benefit liability	499	454
Asset retirement obligations	234	236
Other noncurrent liabilities	1,016	947
Total non-current liabilities	47,378	46,716
Current liabilities		
Current portion of non-current liabilities	2,761	1,320
Notes and accounts payable - trade	4,847	6,982
Short-term borrowings	-	40
Income taxes payable	1,845	283
Commercial papers	12,000	6,000
Other current liabilities	5,303	3,951
Total current liabilities	26,757	18,578
Total liabilities	74,135	65,295
Net assets		
Shareholders' equity		
Share capital	5,246	5,268
Capital surplus	1,216	1,238
Retained earnings	55,430	55,729
Treasury shares	(0)	(0)
Total shareholders' equity	61,893	62,236
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,271	2,005
Deferred gains or losses on hedges	860	471
Foreign currency translation adjustment	527	874
Remeasurements of defined benefit plans	(13)	24
Total accumulated other comprehensive income	2,646	3,375
Non-controlling interests	3,320	3,434
Total net assets	67,860	69,046
Total liabilities and net assets	141,996	134,341

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	63,590	63,791
Cost of sales	43,611	43,844
Gross profit	19,979	19,947
Selling, general and administrative expenses	17,961	18,617
Operating profit	2,018	1,329
Non-operating income		
Interest income	1	4
Dividend income	163	179
Share of profit of entities accounted for using equity method	333	245
Miscellaneous income	260	265
Total non-operating income	760	695
Non-operating expenses		
Interest expenses	142	143
Miscellaneous expenses	66	77
Total non-operating expenses	209	220
Ordinary profit	2,569	1,805
Extraordinary income		
Gain on sale of investment securities	62	58
Total extraordinary income	62	58
Profit before income taxes	2,631	1,863
Income taxes - current	631	367
Income taxes - deferred	58	180
Total income taxes	690	547
Profit	1,941	1,315
Profit attributable to non-controlling interests	130	128
Profit attributable to owners of parent	1,810	1,187

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	1,941	1,315
Other comprehensive income		
Valuation difference on available-for-sale securities	(53)	733
Deferred gains or losses on hedges	(1,805)	(390)
Remeasurements of defined benefit plans, net of tax	39	38
Share of other comprehensive income of entities accounted for using equity method	748	347
Total other comprehensive income	(1,071)	729
Comprehensive income	869	2,045
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	739	1,917
Comprehensive income attributable to non-controlling interests	130	128