

## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2020

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: Takaaki Funaki  
 Tel: +81-(82) 252-3000  
 Scheduled date of filing of quarterly securities report: August 9, 2019  
 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 2020 (April 1, 2019 – June 30, 2019)

#### (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 FY3/2020	20,490	7.0	1,511	145.6	1,650	127.7	1,041	143.8
First quarter of FY3/2019	19,148	10.0	615	(51.5)	724	(50.2)	427	(53.1)

Note: Comprehensive income: First quarter of FY3/2020: 1,147 million yen [105.4%], First quarter of FY3/2019: 558 million yen [(56.9)%]

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
First quarter of FY3/2020	15.38	-
First quarter of FY3/2019	6.32	-

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

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2019	102,113	51,578	47.8
As of March 31, 2019	104,935	50,712	45.8

Reference: Shareholders' equity As of June 30, 2019: 48,799 million yen As of March 31, 2019: 48,019 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 2019	-	4.00	-	4.00	8.00
Fiscal year ended March 2020	-				
Fiscal year ended March 2020 (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 2020 (Consolidated, April 1, 2019 – March 31, 2020)

(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	86,000	5.1	2,700	40.1	3,100	23.5	2,000	1.5
								29.53

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, 2019: 67,998,590	As of March 31, 2019: 67,998,590
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  - (b) Treasury shares

As of June 30, 2019: 253,070	As of March 31, 2019: 268,301
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  - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended June 30, 2019: 67,737,202	Period ended June 30, 2018: 67,585,962
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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 2020 (Non-consolidated, April 1, 2019 – March 31, 2020)

(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	66,000	5.8	2,500	44.0	1,800	5.6	26.58

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, 2019	As of June 30, 2019
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	15,680	15,711
Distribution facilities	31,994	31,697
Service and maintenance facilities	4,130	4,007
Other facilities	7,913	8,043
Construction in progress	3,294	2,986
Total property, plant and equipment	63,012	62,447
Intangible assets	988	954
Investments and other assets		
Investment securities	7,835	7,598
Long-term loans receivable	4	4
Deferred tax assets	1,951	1,780
Other investments and other assets	5,258	5,186
Allowance for doubtful accounts	(143)	(143)
Total investments and other assets	14,906	14,426
Total non-current assets	78,907	77,827
Current assets		
Cash and deposits	10,436	9,738
Notes and accounts receivable - trade	8,029	6,566
Merchandise and finished goods	863	768
Raw materials and supplies	4,419	4,905
Other current assets	2,304	2,325
Allowance for doubtful accounts	(25)	(19)
Total current assets	26,028	24,285
Total assets	104,935	102,113

	As of March 31, 2019	As of June 30, 2019
<b>LIABILITIES</b>		
Non-current liabilities		
Bonds payable	23,000	23,000
Long-term loans payable	11,458	11,381
Provision for directors' retirement benefits	337	306
Provision for gas holder repairs	365	381
Provision for safety measures	600	560
Provision for appliances warranties	280	275
Net defined benefit liability	2,082	1,939
Asset retirement obligations	114	115
Other non-current liabilities	307	297
Total non-current liabilities	38,546	38,257
Current liabilities		
Current portion of non-current liabilities	1,623	1,610
Notes and accounts payable - trade	7,806	5,724
Income taxes payable	330	321
Other current liabilities	5,916	4,620
Total current liabilities	15,676	12,277
Total liabilities	54,223	50,534
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	5,181	5,181
Capital surplus	1,149	1,149
Retained earnings	41,529	42,299
Treasury shares	(104)	(98)
Total shareholders' equity	47,756	48,532
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,700	1,509
Deferred gains or losses on hedges	(784)	(611)
Remeasurements of defined benefit plans	(651)	(629)
Total accumulated other comprehensive income	263	267
Non-controlling interests	2,693	2,778
Total net assets	50,712	51,578
Total liabilities and net assets	104,935	102,113

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

Quarterly consolidated statements of income

(First quarter ended June 2019)

(Million yen)

	First quarter ended June 2018 (Apr. 1, 2018 – June 30, 2018)	First quarter ended June 2019 (Apr. 1, 2019 – June 30, 2019)
Net sales	19,148	20,490
Cost of sales	12,260	12,743
Gross profit	6,888	7,746
Selling, general and administrative expenses	6,272	6,235
Operating income	615	1,511
Non-operating income		
Interest income	1	0
Dividends income	94	84
Share of profit of entities accounted for using equity method	50	50
Miscellaneous income	90	104
Total non-operating income	236	240
Non-operating expenses		
Interest expenses	54	43
Miscellaneous expenses	72	57
Total non-operating expenses	126	101
Ordinary income	724	1,650
Extraordinary losses		
Loss on valuation of investment securities	-	39
Total extraordinary losses	-	39
Income before income taxes and minority interests	724	1,610
Income taxes-current	199	326
Income taxes-deferred	8	141
Total income taxes	207	467
Profit	516	1,143
Profit attributable to non-controlling interests	89	101
Profit attributable to owners of parent	427	1,041

Quarterly consolidated statements of comprehensive income  
(First quarter ended June 2019)

(Million yen)

	First quarter ended June 2018 (Apr. 1, 2018 – June 30, 2018)	First quarter ended June 2019 (Apr. 1, 2019 – June 30, 2019)
Profit	516	1,143
Other comprehensive income		
Valuation difference on available-for-sale securities	9	(190)
Deferred gains or losses on hedges	2	173
Remeasurements of defined benefit plans	30	21
Total other comprehensive income	42	4
Comprehensive income	558	1,147
Comprehensive income attributable to owners of parent	469	1,046
Comprehensive income attributable to non-controlling interests	89	101