

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2021

Name of Company: Hiroshima Gas Co., Ltd.
 Stock Code: 9535 URL: https://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 12, 2020
 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 2021 (April 1, 2020 – June 30, 2020)

(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 FY3/2021	17,694	(13.6)	877	(41.9)	1,013	(38.6)	627	(39.8)
First quarter of FY3/2020	20,490	7.0	1,511	145.6	1,650	127.7	1,041	143.8

Note: Comprehensive income: First quarter of FY3/2021: 693 million yen [(39.6)%], First quarter of FY3/2020: 1,147 million yen [105.4%]

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
First quarter of FY3/2021	9.23	-
First quarter of FY3/2020	15.38	-

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2020	103,968	52,516	47.7
As of March 31, 2020	107,139	52,136	46.0

Reference: Shareholders' equity As of June 30, 2020: 49,568 million yen As of March 31, 2020: 49,274 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 2020	-	4.50	-	4.50	9.00
Fiscal year ended March 2021	-				
Fiscal year ended March 2021 (forecast)		4.50	-	4.50	9.00

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

3. Forecast for the fiscal year ending March 2021 (Consolidated, April 1, 2020 – March 31, 2021)

(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	74,900	(9.0)	2,700	(9.1)	3,000	(13.2)	1,900	(11.8)
								27.99

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 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, 2020: 67,998,590	As of March 31, 2020: 67,998,590
---------------------------------	----------------------------------
 - (b) Treasury shares

As of June 30, 2020: 91,953	As of March 31, 2020: 107,405
-----------------------------	-------------------------------
 - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended June 30, 2020: 67,899,158	Period ended June 30, 2019: 67,737,202
--	--

*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 2021 (Non-consolidated, April 1, 2020 – March 31, 2021)

(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	56,100	(11.5)	2,200	(9.7)	1,600	(11.8)	23.57

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, 2020	As of June 30, 2020
ASSETS		
Non-current assets		
Property, plant and equipment		
Production facilities	15,238	14,949
Distribution facilities	31,408	31,191
Service and maintenance facilities	3,925	3,843
Other facilities	7,918	7,801
Construction in progress	3,913	3,963
Total property, plant and equipment	62,404	61,749
Intangible assets	773	704
Investments and other assets		
Investment securities	7,424	10,218
Long-term loans receivable	3	3
Deferred tax assets	1,952	1,912
Other investments and other assets	4,920	4,869
Allowance for doubtful accounts	(64)	(64)
Total investments and other assets	14,235	16,939
Total non-current assets	77,413	79,394
Current assets		
Cash and deposits	14,158	12,722
Notes and accounts receivable - trade	6,906	4,696
Merchandise and finished goods	782	615
Raw materials and supplies	5,463	4,203
Other current assets	2,439	2,347
Allowance for doubtful accounts	(24)	(11)
Total current assets	29,726	24,574
Total assets	107,139	103,968

	As of March 31, 2020	As of June 30, 2020
LIABILITIES		
Non-current liabilities		
Bonds payable	18,000	18,000
Long-term loans payable	11,291	13,715
Provision for directors' retirement benefits	307	311
Provision for gas holder repairs	345	362
Provision for safety measures	640	593
Provision for appliances warranties	290	286
Net defined benefit liability	1,848	1,707
Asset retirement obligations	117	117
Other non-current liabilities	265	254
Total non-current liabilities	33,108	35,348
Current liabilities		
Current portion of non-current liabilities	6,152	6,149
Notes and accounts payable - trade	5,511	2,660
Short term borrowings	-	50
Income taxes payable	674	291
Commercial papers	3,000	1,500
Other current liabilities	6,555	5,451
Total current liabilities	21,894	16,103
Total liabilities	55,003	51,452
NET ASSETS		
Shareholders' equity		
Capital stock	5,181	5,181
Capital surplus	1,149	1,149
Retained earnings	43,104	43,425
Treasury shares	(41)	(35)
Total shareholders' equity	49,394	49,721
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,392	1,592
Deferred gains or losses on hedges	(704)	(968)
Remeasurements of defined benefit plans	(807)	(776)
Total accumulated other comprehensive income	(119)	(152)
Non-controlling interests	2,862	2,947
Total net assets	52,136	52,516
Total liabilities and net assets	107,139	103,968

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

Quarterly consolidated statements of income

(First quarter ended June 2020)

(Million yen)

	First quarter ended June 2019 (Apr. 1, 2019 – June 30, 2019)	First quarter ended June 2020 (Apr. 1, 2020 – June 30, 2020)
Net sales	20,490	17,694
Cost of sales	12,743	10,696
Gross profit	7,746	6,997
Selling, general and administrative expenses	6,235	6,119
Operating income	1,511	877
Non-operating income		
Interest income	0	0
Dividends income	84	94
Share of profit of entities accounted for using equity method	50	54
Miscellaneous income	104	75
Total non-operating income	240	224
Non-operating expenses		
Interest expenses	43	42
Miscellaneous expenses	57	46
Total non-operating expenses	101	88
Ordinary income	1,650	1,013
Extraordinary losses		
Loss on valuation of investment securities	39	-
Total extraordinary losses	39	-
Income before income taxes and minority interests	1,610	1,013
Income taxes-current	326	233
Income taxes-deferred	141	53
Total income taxes	467	286
Profit	1,143	726
Profit attributable to non-controlling interests	101	99
Profit attributable to owners of parent	1,041	627

Quarterly consolidated statements of comprehensive income
(First quarter ended June 2020)

(Million yen)

	First quarter ended June 2019 (Apr. 1, 2019 – June 30, 2019)	First quarter ended June 2020 (Apr. 1, 2020 – June 30, 2020)
Profit	1,143	726
Other comprehensive income		
Valuation difference on available-for-sale securities	(190)	199
Deferred gains or losses on hedges	173	(263)
Remeasurements of defined benefit plans	21	31
Total other comprehensive income	4	(32)
Comprehensive income	1,147	693
Comprehensive income attributable to owners of parent	1,046	594
Comprehensive income attributable to non-controlling interests	101	99