

Summary of Consolidated Financial Results for the Second 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: November 12, 2020
 Scheduled date of commencement of dividend payment: December 1, 2020
 Supplementary materials for quarterly financial report: None
 Information meeting for quarterly financial report: None

(Yen in millions, rounded down)

1. Financial results for the second quarter of the fiscal year ending March 2021 (April 1, 2020 – September 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	%
Second quarter of FY3/2021	34,115	(11.2)	1,182	37.5	1,433	33.8	838	50.9
Second quarter of FY3/2020	38,427	6.3	860	-	1,071	-	555	-

Note: Comprehensive income: Second quarter of FY3/2021: 1,256 million yen[27.7%], Second quarter of FY3/2020: 983 million yen [(—)%]

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Second quarter of FY3/2021	12.34	-
Second quarter of FY3/2020	8.20	-

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2020	105,282	53,147	47.6
As of March 31, 2020	107,139	52,136	46.0

Reference: Shareholders' equity As of September 30, 2020: 50,123 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	-	4.50			
Fiscal year ended March 2021 (forecast)			-	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)

(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: 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 September 30, 2020: 68,120,955	As of March 31, 2020: 67,998,590
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 - (b) Treasury shares

As of September 30, 2020: 29,878	As of March 31, 2020: 107,405
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 - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended September 30, 2020: 67,973,490	Period ended September 30, 2019: 67,765,595
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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 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: None

Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	As of March 31, 2020	As of September 30, 2020
ASSETS		
Non-current assets		
Property, plant and equipment		
Production facilities	15,238	15,283
Distribution facilities	31,408	31,088
Service and maintenance facilities	3,925	3,854
Other facilities	7,918	7,746
Construction in progress	3,913	3,699
Total property, plant and equipment	62,404	61,673
Intangible assets	773	608
Investments and other assets		
Investment securities	7,424	10,227
Long-term loans receivable	3	2
Deferred tax assets	1,952	1,820
Other investments and other assets	4,920	4,778
Allowance for doubtful accounts	(64)	(64)
Total investments and other assets	14,235	16,764
Total non-current assets	77,413	79,046
Current assets		
Cash and deposits	14,158	15,352
Notes and accounts receivable - trade	6,906	4,711
Merchandise and finished goods	782	558
Raw materials and supplies	5,463	3,573
Other current assets	2,439	2,060
Allowance for doubtful accounts	(24)	(19)
Total current assets	29,726	26,236
Total assets	107,139	105,282

	As of March 31, 2020	As of September 30, 2020
LIABILITIES		
Non-current liabilities		
Bonds payable	18,000	13,000
Long-term loans payable	11,291	13,266
Provision for directors' retirement benefits	307	323
Provision for gas holder repairs	345	378
Provision for safety measures	640	556
Provision for appliances warranties	290	281
Net defined benefit liability	1,848	1,569
Asset retirement obligations	117	118
Other non-current liabilities	265	245
Total non-current liabilities	33,108	29,740
Current liabilities		
Current portion of non-current liabilities	6,152	11,114
Notes and accounts payable - trade	5,511	2,651
Income taxes payable	674	472
Commercial papers	3,000	3,000
Other current liabilities	6,555	5,156
Total current liabilities	21,894	22,395
Total liabilities	55,003	52,135
NET ASSETS		
Shareholders' equity		
Capital stock	5,181	5,203
Capital surplus	1,149	1,171
Retained earnings	43,104	43,637
Treasury shares	(41)	(11)
Total shareholders' equity	49,394	50,001
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,392	1,578
Deferred gains or losses on hedges	(704)	(712)
Foreign currency translation adjustment	-	(0)
Remeasurements of defined benefit plans	(807)	(744)
Total accumulated other comprehensive income	(119)	121
Non-controlling interests	2,862	3,024
Total net assets	52,136	53,147
Total liabilities and net assets	107,139	105,282

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

Quarterly consolidated statements of income

(Second quarter ended September 2020)

(Million yen)

	Second quarter ended September 2019 (Apr. 1, 2019 – September 30, 2019)	Second quarter ended September 2020 (Apr. 1, 2020 – September 30, 2020)
Net sales	38,427	34,115
Cost of sales	25,430	21,043
Gross profit	12,996	13,072
Selling, general and administrative expenses	12,136	11,889
Operating income	860	1,182
Non-operating income		
Interest income	1	0
Dividends income	88	97
Share of profit of entities accounted for using equity method	63	79
Miscellaneous income	232	208
Total non-operating income	385	386
Non-operating expenses		
Interest expenses	87	84
Miscellaneous expenses	86	51
Total non-operating expenses	174	135
Ordinary income	1,071	1,433
Extraordinary losses		
Loss on valuation of investment securities	37	-
Total extraordinary losses	37	-
Income before income taxes and minority interests	1,033	1,433
Income taxes-current	335	384
Income taxes-deferred	(9)	33
Total income taxes	325	418
Profit	708	1,015
Profit attributable to non-controlling interests	152	176
Profit attributable to owners of parent	555	838

Quarterly consolidated statements of comprehensive income
(Second quarter ended September 2020)

(Million yen)

	Second quarter ended September 2019 (Apr. 1, 2019 – September 30, 2019)	Second quarter ended September 2020 (Apr. 1, 2020 – September 30, 2020)
Profit	708	1,015
Other comprehensive income		
Valuation difference on available-for-sale securities	(100)	185
Deferred gains or losses on hedges	332	(7)
Remeasurements of defined benefit plans	43	63
Share of other comprehensive income of entities accounted for using equity method	-	(0)
Total other comprehensive income	275	241
Comprehensive income	983	1,256
Comprehensive income attributable to owners of parent	830	1,080
Comprehensive income attributable to non-controlling interests	152	176