

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2022

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, 2021
 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 2022 (April 1, 2021– June 30, 2021)

(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 FY3/2022	18,214	2.9	1,310	49.3	1,819	79.5	1,530	144.1
First quarter of FY3/2021	17,694	(13.6)	877	(41.9)	1,013	(38.6)	627	(39.8)

Note: Comprehensive income: First quarter of FY3/2022: 1,997 million yen [187.9%], First quarter of FY3/2021: 693 million yen [(39.6)%]

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
First quarter of FY3/2022	22.47	-
First quarter of FY3/2021	9.23	-

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	112,636	61,653	51.9
As of March 31, 2021	115,477	59,805	49.2

Reference: Shareholders' equity As of June 30, 2021: 58,467 million yen As of March 31, 2021: 56,769 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 2021	-	4.50	-	5.50	10.00
Fiscal year ended March 2022	-				
Fiscal year ended March 2022(forecast)		5.00	-	5.00	10.00

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

3. Forecast for the fiscal year ending March 2022 (Consolidated, April 1, 2021 – March 31, 2022)

(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	74,500	1.7	2,600	(21.1)	3,600	3.8	3,000	(43.1)
								44.04

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: Yes
 - (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, 2021: 68,120,955	As of March 31, 2021: 68,120,955
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 - (b) Treasury shares

As of June 30, 2021: 1,578	As of March 31, 2021: 1,578
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 - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended June 30, 2021: 68,119,377	Period ended June 30, 2020: 67,899,158
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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 2022 (Non-consolidated, April 1, 2021 – March 31, 2022)

(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	55,900	0.3	2,000	(14.0)	2,000	(57.9)	29.36

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, 2021	As of June 30, 2021
ASSETS		
Non-current assets		
Property, plant and equipment		
Production facilities	14,729	14,375
Distribution facilities	32,392	32,106
Service and maintenance facilities	4,152	4,110
Other facilities	7,502	7,442
Construction in progress	3,287	3,330
Total property, plant and equipment	62,063	61,365
Intangible assets	468	410
Investments and other assets		
Investment securities	13,881	13,911
Long-term loans receivable	1	1
Deferred tax assets	808	691
Other investments and other assets	4,716	4,678
Allowance for doubtful accounts	(65)	(65)
Total investments and other assets	19,343	19,217
Total non-current assets	81,876	80,993
Current assets		
Cash and deposits	15,568	17,214
Notes and accounts receivable - trade	5,529	-
Notes and accounts receivable - trade, and contact assets	-	6,015
Securities	10	10
Merchandise and finished goods	877	491
Raw materials and supplies	3,837	3,800
Other current assets	7,795	4,126
Allowance for doubtful accounts	(17)	(14)
Total current assets	33,601	31,643
Total assets	115,477	112,636

	As of March 31, 2021	As of June 30, 2021
LIABILITIES		
Non-current liabilities		
Bonds payable	21,000	21,000
Long-term loans payable	12,884	12,807
Provision for directors' retirement benefits	333	301
Provision for gas holder repairs	401	417
Provision for safety measures	561	512
Provision for appliances warranties	288	281
Net defined benefit liability	866	836
Asset retirement obligations	119	120
Other non-current liabilities	332	559
Total non-current liabilities	36,787	36,836
Current liabilities		
Current portion of non-current liabilities	5,947	5,946
Notes and accounts payable - trade	5,357	4,313
Short term borrowings	-	30
Income taxes payable	1,966	370
Asset retirement obligations	37	-
Other current liabilities	5,574	3,485
Total current liabilities	18,884	14,146
Total liabilities	55,671	50,983
NET ASSETS		
Shareholders' equity		
Capital stock	5,203	5,203
Capital surplus	1,171	1,171
Retained earnings	47,765	49,106
Treasury shares	(0)	(0)
Total shareholders' equity	54,139	55,480
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,931	1,481
Deferred gains or losses on hedges	1,079	1,710
Foreign currency translation adjustment	(95)	62
Remeasurements of defined benefit plans	(286)	(266)
Total accumulated other comprehensive income	2,629	2,987
Non-controlling interests	3,035	3,185
Total net assets	59,805	61,653
Total liabilities and net assets	115,477	112,636

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

Quarterly consolidated statements of income

(First quarter ended June 2021)

(Million yen)

	First quarter ended June 2020 (Apr. 1, 2020 – June 30, 2020)	First quarter ended June 2021 (Apr. 1, 2021 – June 30, 2021)
Net sales	17,694	18,214
Cost of sales	10,696	10,697
Gross profit	6,997	7,517
Selling, general and administrative expenses	6,119	6,206
Operating income	877	1,310
Non-operating income		
Interest income	0	0
Dividends income	94	90
Share of profit of entities accounted for using equity method	54	404
Miscellaneous income	75	106
Total non-operating income	224	602
Non-operating expenses		
Interest expenses	42	44
Miscellaneous expenses	46	49
Total non-operating expenses	88	93
Ordinary income	1,013	1,819
Extraordinary income		
Gain on sale of non-current assets	-	312
Total extraordinary income	-	312
Income before income taxes and minority interests	1,013	2,131
Income taxes-current	233	339
Income taxes-deferred	53	152
Total income taxes	286	492
Profit	726	1,639
Profit attributable to non-controlling interests	99	109
Profit attributable to owners of parent	627	1,530

Quarterly consolidated statements of comprehensive income
(First quarter ended June 2021)

(Million yen)

	First quarter ended June 2020 (Apr. 1, 2020 – June 30, 2020)	First quarter ended June 2021 (Apr. 1, 2021 – June 30, 2021)
Profit	726	1,639
Other comprehensive income		
Valuation difference on available-for-sale securities	199	(450)
Deferred gains or losses on hedges	(263)	602
Remeasurements of defined benefit plans	31	19
Share of other comprehensive income of entities accounted for using equity method	-	185
Total other comprehensive income	(32)	358
Comprehensive income	693	1,997
Comprehensive income attributable to owners of parent	594	1,888
Comprehensive income attributable to non-controlling interests	99	109