

Summary of Consolidated Financial Results for the Second 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: November 11, 2021
 Scheduled date of commencement of dividend payment: December 1, 2021
 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 2022 (April 1, 2021 – September 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	%
Second quarter of FY3/2022	33,835	(0.8)	734	(37.9)	1,620	13.1	1,712	104.2
Second quarter of FY3/2021	34,115	(11.2)	1,182	37.5	1,433	33.8	838	50.9

Note: Comprehensive income: Second quarter of FY3/2022: 2,474 million yen[96.9%], Second quarter of FY3/2021: 1,256 million yen [27.7%]

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Second quarter of FY3/2022	25.14	-
Second quarter of FY3/2021	12.34	-

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2021	108,534	62,174	54.3
As of March 31, 2021	115,477	59,805	49.2

Reference: Shareholders' equity As of September 30, 2021: 58,961 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	-	5.00			
Fiscal year ended March 2022 (forecast)			-	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)

(Percentage figures represent year-on-year changes)									
	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	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 September 30, 2021: 68,242,319	As of March 31, 2021: 68,120,955
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 - (b) Treasury shares

As of September 30, 2021: 1,602	As of March 31, 2021: 1,578
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 - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended September 30, 2021: 68,147,073	Period ended September 30, 2020: 67,973,490
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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 September 30, 2021
ASSETS		
Non-current assets		
Property, plant and equipment		
Production facilities	14,729	14,104
Distribution facilities	32,392	31,880
Service and maintenance facilities	4,152	4,148
Other facilities	7,502	7,334
Construction in progress	3,287	4,117
Total property, plant and equipment	62,063	61,585
Intangible assets	468	363
Investments and other assets		
Investment securities	13,881	14,328
Long-term loans receivable	1	1
Deferred tax assets	808	779
Other investments and other assets	4,716	4,595
Allowance for doubtful accounts	(65)	(62)
Total investments and other assets	19,343	19,641
Total non-current assets	81,876	81,591
Current assets		
Cash and deposits	15,568	11,695
Notes and accounts receivable - trade	5,529	-
Notes and accounts receivable - trade, and contact assets	-	5,684
Securities	10	10
Merchandise and finished goods	877	722
Raw materials and supplies	3,837	4,409
Other current assets	7,795	4,433
Allowance for doubtful accounts	(17)	(11)
Total current assets	33,601	26,943
Total assets	115,477	108,534

	As of March 31, 2021	As of September 30, 2021
LIABILITIES		
Non-current liabilities		
Bonds payable	21,000	21,000
Long-term loans payable	12,884	12,501
Provision for directors' retirement benefits	333	303
Provision for gas holder repairs	401	434
Provision for safety measures	561	472
Provision for appliances warranties	288	275
Net defined benefit liability	866	804
Asset retirement obligations	119	120
Other non-current liabilities	332	591
Total non-current liabilities	36,787	36,503
Current liabilities		
Current portion of non-current liabilities	5,947	805
Notes and accounts payable - trade	5,357	3,824
Income taxes payable	1,966	525
Asset retirement obligations	37	—
Commercial papers	—	1,500
Other current liabilities	5,574	3,200
Total current liabilities	18,884	9,856
Total liabilities	55,671	46,360
NET ASSETS		
Shareholders' equity		
Capital stock	5,203	5,225
Capital surplus	1,171	1,193
Retained earnings	47,765	49,288
Treasury shares	(0)	(0)
Total shareholders' equity	54,139	55,707
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,931	1,539
Deferred gains or losses on hedges	1,079	1,901
Foreign currency translation adjustment	(95)	59
Remeasurements of defined benefit plans	(286)	(246)
Total accumulated other comprehensive income	2,629	3,253
Non-controlling interests	3,035	3,213
Total net assets	59,805	62,174
Total liabilities and net assets	115,477	108,534

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

Quarterly consolidated statements of income

(Second quarter ended September 2021)

(Million yen)

	Second quarter ended September 2020 (Apr. 1, 2020 – September 30, 2020)	Second quarter ended September 2021 (Apr. 1, 2021 – September 30, 2021)
Net sales	34,115	33,835
Cost of sales	21,043	21,023
Gross profit	13,072	12,812
Selling, general and administrative expenses	11,889	12,078
Operating income	1,182	734
Non-operating income		
Interest income	0	1
Dividends income	97	95
Share of profit of entities accounted for using equity method	79	746
Miscellaneous income	208	184
Total non-operating income	386	1,027
Non-operating expenses		
Interest expenses	84	87
Miscellaneous expenses	51	53
Total non-operating expenses	135	141
Ordinary income	1,433	1,620
Extraordinary income		
Gain on sale of non-current assets	-	358
Compensation income	-	312
Total extraordinary income	-	671
Income before income taxes and minority interests	1,433	2,292
Income taxes-current	384	446
Income taxes-deferred	33	(4)
Total income taxes	418	441
Profit	1,015	1,850
Profit attributable to non-controlling interests	176	137
Profit attributable to owners of parent	838	1,712

Quarterly consolidated statements of comprehensive income
(Second quarter ended September 2021)

(Million yen)

	Second quarter ended September 2020 (Apr. 1, 2020 – September 30, 2020)	Second quarter ended September 2021 (Apr. 1, 2021 – September 30, 2021)
Profit	1,015	1,850
Other comprehensive income		
Valuation difference on available-for-sale securities	185	(391)
Deferred gains or losses on hedges	(7)	800
Remeasurements of defined benefit plans	63	39
Share of other comprehensive income of entities accounted for using equity method	(0)	175
Total other comprehensive income	241	624
Comprehensive income	1,256	2,474
Comprehensive income attributable to owners of parent	1,080	2,337
Comprehensive income attributable to non-controlling interests	176	137