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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 8, 2024

Company name: HIROSHIMA GAS CO.,LTD.

Listing: Tokyo

Securities code: 9535

URL: <https://www.hiroshima-gas.co.jp/>

Representative: Tomohiko Nakagawa

President

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Scheduled date to file semi-annual securities report: November 12, 2024

Scheduled date to commence dividend payments: December 2, 2024

Preparation of supplementary material on financial results: None

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--|-----------------|-------|------------------|------|-----------------|--------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended September 30, 2024 | 41,442 | (3.0) | (102) | - | 103 | (95.0) | (105) | - |
| September 30, 2023 | 42,724 | 5.3 | 1,907 | 32.1 | 2,057 | 24.2 | 1,303 | 10.7 |

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 123 million [(94.6)%]
Six months ended September 30, 2023: ¥ 2,281 million [71.2%]

| | Basic earnings per share | Diluted earnings per share |
|--|--------------------------|----------------------------|
| Six months ended September 30, 2024 | Yen (1.53) | Yen - |
| September 30, 2023 | 19.06 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|-----------------------------|----------------------------|---------------------------|------------------------|
| As of September 30, 2024 | Millions of yen 130,152 | Millions of yen 70,179 | 51.3 |
| March 31, 2024 | 137,628 | 70,512 | 48.8 |

(Reference) Equity: As of September 30, 2024: ¥ 66,814 million
As of March 31, 2024: ¥ 67,128 million

2. Dividends

| | Annual dividends | | | | |
|---|--------------------|--------------------|--------------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | - | 6.00 | - | 6.00 | 12.00 |
| Fiscal year ending March 31, 2025 | - | 6.00 | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | | - | 6.00 | 12.00 |

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2025 :

| | |
|------------------------|-------|
| Commemorative dividend | - yen |
| Special dividend | - yen |

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|-----|------------------|--------|-----------------|--------|--|--------|-----------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 93,600 | 3.2 | 2,100 | (34.1) | 2,300 | (31.9) | 1,500 | (35.6) | 21.90 |

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

| | | | |
|-----------------|---|----------------|---|
| Newly included: | - | (Company name: |) |
| Excluded: | - | (Company name: |) |

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

| | |
|---------------------|-------------------|
| September 30, 2024: | 68,603,372 shares |
| March 31, 2024: | 68,490,018 shares |

2) Number of treasury shares at the end of the period:

| | |
|---------------------|--------------|
| September 30, 2024: | 1,856 shares |
| March 31, 2024: | 1,848 shares |

3) Average number of shares outstanding during the period:

| | |
|--------------------------------------|-------------------|
| Six months ended September 30, 2024: | 68,516,508 shares |
| Six months ended September 30, 2023: | 68,399,879 shares |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | | |
| Production facilities | 15,543 | 15,057 |
| Distribution facilities | 31,202 | 30,835 |
| Service and maintenance facilities | 4,066 | 4,099 |
| Other facilities | 10,918 | 10,797 |
| Construction in progress | 5,475 | 5,951 |
| Total property, plant and equipment | 67,206 | 66,742 |
| Intangible assets | 106 | 100 |
| Investments and other assets | | |
| Investment securities | 14,476 | 14,507 |
| Long-term loans receivable | - | 22 |
| Retirement benefit asset | 530 | 564 |
| Deferred tax assets | 819 | 973 |
| Other investments | 4,119 | 4,009 |
| Allowance for doubtful accounts | (20) | (21) |
| Total investments and other assets | 19,925 | 20,055 |
| Total non-current assets | 87,238 | 86,897 |
| Current assets | | |
| Cash and deposits | 27,706 | 24,245 |
| Notes and accounts receivable - trade, and contract assets | 9,388 | 6,635 |
| Merchandise and finished goods | 953 | 906 |
| Raw materials and supplies | 9,395 | 8,406 |
| Other current assets | 2,981 | 3,081 |
| Allowance for doubtful accounts | (35) | (20) |
| Total current assets | 50,389 | 43,255 |
| Total assets | 137,628 | 130,152 |

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| Liabilities | | |
| Non-current liabilities | | |
| Bonds payable | 16,000 | 16,000 |
| Long-term borrowings | 27,994 | 24,118 |
| Provision for retirement benefits for directors (and other officers) | 322 | - |
| Provision for gas holder repairs | 598 | 630 |
| Provision for safety measures | 420 | 334 |
| Provision for gas appliance warranties | 200 | 191 |
| Retirement benefit liability | 310 | 303 |
| Asset retirement obligations | 237 | 219 |
| Other noncurrent liabilities | 933 | 1,235 |
| Total non-current liabilities | 47,017 | 43,033 |
| Current liabilities | | |
| Current portion of non-current liabilities | 2,731 | 6,240 |
| Notes and accounts payable - trade | 10,945 | 6,817 |
| Income taxes payable | 179 | 305 |
| Asset retirement obligations | - | 12 |
| Other current liabilities | 6,241 | 3,562 |
| Total current liabilities | 20,098 | 16,939 |
| Total liabilities | 67,115 | 59,973 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,268 | 5,291 |
| Capital surplus | 1,239 | 1,271 |
| Retained earnings | 56,870 | 56,354 |
| Treasury shares | (0) | (0) |
| Total shareholders' equity | 63,378 | 62,917 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,406 | 2,155 |
| Deferred gains or losses on hedges | 121 | 133 |
| Foreign currency translation adjustment | 719 | 1,102 |
| Remeasurements of defined benefit plans | 503 | 506 |
| Total accumulated other comprehensive income | 3,750 | 3,897 |
| Non-controlling interests | 3,384 | 3,364 |
| Total net assets | 70,512 | 70,179 |
| Total liabilities and net assets | 137,628 | 130,152 |

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|---|--|--|
| Net sales | 42,724 | 41,442 |
| Cost of sales | 28,421 | 29,170 |
| Gross profit | 14,303 | 12,272 |
| Selling, general and administrative expenses | 12,396 | 12,374 |
| Operating profit (loss) | 1,907 | (102) |
| Non-operating income | | |
| Interest income | 2 | 2 |
| Dividend income | 105 | 123 |
| Share of profit of entities accounted for using equity method | 6 | - |
| Miscellaneous income | 203 | 282 |
| Total non-operating income | 318 | 408 |
| Non-operating expenses | | |
| Interest expenses | 98 | 94 |
| Share of loss of entities accounted for using equity method | - | 16 |
| Miscellaneous expenses | 69 | 91 |
| Total non-operating expenses | 167 | 202 |
| Ordinary profit | 2,057 | 103 |
| Extraordinary income | | |
| Gain on sale of investment securities | 57 | - |
| Total extraordinary income | 57 | - |
| Profit before income taxes | 2,115 | 103 |
| Income taxes - current | 614 | 200 |
| Income taxes - deferred | 55 | (72) |
| Total income taxes | 670 | 127 |
| Profit (loss) | 1,444 | (24) |
| Profit attributable to non-controlling interests | 141 | 80 |
| Profit (loss) attributable to owners of parent | 1,303 | (105) |

(Millions of yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|--|--|--|
| Profit (loss) | 1,444 | (24) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 601 | (251) |
| Deferred gains or losses on hedges | (46) | (0) |
| Remeasurements of defined benefit plans, net of tax | 25 | 2 |
| Share of other comprehensive income of entities accounted for using equity method | 254 | 396 |
| Total other comprehensive income | 836 | 147 |
| Comprehensive income | 2,281 | 123 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,139 | 42 |
| Comprehensive income attributable to non-controlling interests | 141 | 81 |