

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 2021

Name of Company: Hiroshima Gas Co., Ltd.  
 Stock Code: 9535 URL: [https://www.hiroshima-gas.co.jp/english/index\\_e.htm](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  
 Annual general meeting of shareholders: June 24, 2021  
 Scheduled date of commencement of dividend payment: June 4, 2021  
 Scheduled date of filing of securities report: June 25, 2021  
 Supplementary materials for financial report: None  
 Information meeting for financial report: None

(Yen in millions, rounded down)

### 1. Financial results for the year ended March 2021 (April 1, 2020 – March 31, 2021)

#### (1) Result of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2021	73,250	(11.0)	3,293	10.9	3,467	0.4	5,272	144.9
Fiscal year ended March 2020	82,268	0.5	2,971	54.2	3,454	37.7	2,153	9.2

Note: Comprehensive income: FY ended March 31, 2021: 8,210million yen [319.8%], FY ended March 31, 2020: 1,955 million yen [569.3%],

	Net income per share (basic)	Net income per share (diluted)	Return on Equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2021	77.50	-	9.9	3.1	4.5
Fiscal year ended March 2020	31.76	-	4.4	3.3	3.6

Reference: Equity in earnings of affiliates: FY ended March 31, 2021: (78)million yen FY ended March 31, 2020: 68 million yen

#### (2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	115,477	59,805	49.2	833.38
As of March 31, 2020	107,139	52,136	46.0	725.78

Reference: Shareholders' equity: As of March 31, 2021: 56,769 million yen As of March 31, 2020: 49,274 million yen

#### (3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 2021	13,967	(13,316)	715	13,439
Fiscal year ended March 2020	8,586	(6,722)	1,786	12,091

### 2. Dividends

	Dividends per share					Aggregate amount (Annual)	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 2020	-	4.50	-	4.50	9.00	611	28.3	1.3
Fiscal year ended March 2021	-	4.50	-	5.50	10.00	681	12.9	1.3
Fiscal year ending March 2022 (Forecast)	-	5.00	-	5.00	10.00		27.2	

Note:

It can be put in March, 2021, it's changed to 5.50 yen from 4.50 yen about a final dividend per 1 stock.

Please see the "news about" a dividend of a surplus that I announced it officially (on May 11, 2021) today about details.

### 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 the 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	2,500	(52.6)	36.70

\* **Notes**

(1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None

(2) Changes in accounting principles and estimates, and retrospective restatement

- (a) Changes due to revision of accounting standards: None
- (b) Changes other than in (a): None
- (c) Changes in accounting estimates: None
- (d) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

- (a) Shares outstanding (including treasury shares)
  - As of March 31, 2021: 68,120,955 shares      As of March 31, 2020: 67,998,590 shares
- (b) Treasury shares
  - As of March 31, 2021: 1,578 shares      As of March 31, 2020: 107,405 shares
- (c) Average number of shares outstanding during the year
  - Period ended March 31, 2021: 68,041,030 shares      Period ended March 31, 2020: 67,805,655 shares

**Reference: Non-consolidated Financial Results****Financial results for the year ended March 2021 (April 1, 2020 – March 31, 2021)**

## (1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2021	55,717	(12.1)	906	14.8	2,326	(4.5)
Fiscal year ended March 2020	63,358	1.6	789	-	2,435	40.2

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	%	Yen	Yen
Fiscal year ended March 2021	4,752	162.1	69.85	-
Fiscal year ended March 2020	1,813	6.4	26.74	-

## (2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	95,408	41,152	43.1	604.12
As of March 31, 2020	87,062	34,674	39.8	510.74

Notes: Shareholders' equity As of March 31, 2021: 41,152 million yen As of March 31, 2020: 34,674 million yen

## (3) 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)	1,500	(68.4)	22.02

\* This report is exempt from the audit procedure

\* Cautionary statement regarding forecasts of operating results and special notes

The forward-looking statements contained in this report are based on information currently available to the Company and certain assumptions which are regarded as legitimate. These statements are not promised by the Company regarding future performance. Actual results may differ significantly from these forecasts due to various factors.

## Consolidated Financial Statements

### (1) Consolidated balance sheets

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	15,238	14,729
Distribution facilities	31,408	32,392
Service and maintenance facilities	3,925	4,152
Other facilities	7,918	7,502
Construction in progress	3,913	3,287
Total property, plant and equipment	62,404	62,063
Intangible assets	773	468
Investments and other assets		
Investment securities	7,424	13,881
Long-term loans receivable	3	1
Deferred tax assets	1,952	808
Other investments and other assets	4,920	4,716
Allowance for doubtful accounts	(64)	(65)
Total investments and other assets	14,235	19,343
Total non-current assets	77,413	81,876
Current assets		
Cash and deposits	14,158	15,568
Notes and accounts receivable - trade	6,906	5,529
Securities	—	10
Merchandise and finished goods	782	877
Raw materials and supplies	5,463	3,837
Other current assets	2,439	7,795
Allowance for doubtful accounts	(24)	(17)
Total current assets	29,726	33,601
Total assets	107,139	115,477

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>LIABILITIES</b>		
Non-current liabilities		
Bonds payable	18,000	21,000
Long-term loans payable	11,291	12,884
Provision for directors' retirement benefits	307	333
Provision for gas holder repairs	345	401
Provision for safety measures	640	561
Provision for appliances warranties	290	288
Net defined benefit liability	1,848	866
Asset retirement obligations	117	119
Other non-current liabilities	265	332
Total non-current liabilities	33,108	36,787
Current liabilities		
Current portion of non-current liabilities	6,152	5,947
Notes and accounts payable - trade	5,511	5,357
Income taxes payable	674	1,966
Assets retirement obligation	—	37
Commercial papers	3,000	—
Other current liabilities	6,555	5,574
Total current liabilities	21,894	18,884
Total liabilities	55,003	55,671
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	5,181	5,203
Capital surplus	1,149	1,171
Retained earnings	43,104	47,765
Treasury shares	(41)	(0)
Total shareholders' equity	49,394	54,139
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,392	1,931
Deferred gains or losses on hedges	(704)	1,079
Foreign currency translation adjustment	—	(95)
Remeasurements of defined benefit plans	(807)	(286)
Total accumulated other comprehensive income	(119)	2,629
Non-controlling interests	2,862	3,035
Total net assets	52,136	59,805
Total liabilities and net assets	107,139	115,477

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

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	82,268	73,250
Cost of sales	54,257	44,997
Gross profit	28,010	28,252
Selling, general and administrative expenses		
Supply and sales expenses	19,718	19,626
General and administrative expenses	5,321	5,332
Total selling, general and administrative expenses	25,039	24,959
Operating income	2,971	3,293
Non-operating income		
Interest income	2	1
Dividend income	161	175
Share of profit of entities accounted for using equity method	68	—
Revenue from CNG sales	142	103
Miscellaneous income	333	242
Total non-operating income	709	523
Non-operating expenses		
Interest expenses	171	177
Share of loss of entities accounted for using equity method	—	78
Amortization of bond issuance cost	—	45
Miscellaneous expenses	53	48
Total non-operating expenses	225	348
Ordinary income	3,454	3,467
Extraordinary income		
Compensation income	—	4,400
Total extraordinary income	—	4,400
Extraordinary losses		
Impairment losse	—	98
Loss on valuation of investment securities	66	—
Total extraordinary losses	66	98
Income before income taxes and minority interests	3,388	7,769
Income taxes - current	929	2,256
Income taxes - deferred	120	51
Total income taxes	1,049	2,308
Net income	2,338	5,461
Profit attributable to non-controlling interests	185	188
Profit attributable to owners of the parent	2,153	5,272

## Consolidated statements of comprehensive income

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net income	2,338	5,461
Other comprehensive income		
Valuation difference on available-for-sale securities	(306)	538
Deferred gains or losses on hedges	80	1,773
Remeasurements of defined benefit plans	(156)	521
Share of other comprehensive income of entities accounted for using equity method	—	(84)
Total other comprehensive income	(382)	2,749
Comprehensive income	1,955	8,210
Comprehensive income attributable to owners of parent	1,770	8,022
Comprehensive income attributable to non-controlling interests	185	188

(3) Consolidated statement of changes in net assets  
Previous fiscal year (Apr. 1, 2019 –Mar. 31, 2020)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	5,181	1,149	41,529	(104)	47,756
Changes of items during the period					
Dividends from surplus			(577)		(577)
Profit attributable to owners of the parent			2,153		2,153
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				62	62
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	–	1,575	62	1,637
Balance at the end of current period	5,181	1,149	43,104	(41)	49,394

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,700	(784)	(651)	263	2,693	50,712
Changes of items during the period						
Dividends from surplus						(577)
Profit attributable to owners of the parent						2,153
Purchase of treasury shares						(0)
Disposal of treasury shares						62
Net changes of items other than shareholders' equity	(307)	80	(156)	(383)	169	(214)
Total changes of items during the period	(307)	80	(156)	(383)	169	1,423
Balance at the end of current period	1,392	(704)	(807)	(119)	2,862	52,136

(4) Current fiscal year (Apr. 1, 2020 –Mar. 31, 2021)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	5,181	1,149	43,104	(41)	49,394
Changes of items during the period					
Issuing of new shares	21	21			43
Dividends from surplus			(612)		(612)
Profit attributable to owners of the parent			5,272		5,272
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				41	41
Net changes of items other than shareholders' equity					
Total changes of items during the period	21	21	4,660	41	4,745
Balance at the end of current period	5,203	1,171	47,765	(0)	54,139

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	The translation adjustments bill	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,392	(704)	—	(807)	(119)	2,862	52,136
Changes of items during the period							
Issuing of new shares							43
Dividends from surplus							(612)
Profit attributable to owners of the parent							5,272
Purchase of treasury shares							(0)
Disposal of treasury shares							41
Net changes of items other than shareholders' equity	538	1,784	(95)	521	2,749	173	2,923
Total changes of items during the period	538	1,784	(95)	521	2,749	173	7,668
Balance at the end of current period	1,931	1,079	(95)	(286)	2,629	3,035	59,805

## (5) Consolidated statements of cash flows

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Income before income taxes	3,388	7,769
Depreciation	7,344	7,360
Impairment losses	—	98
Increase (decrease) in net defined benefit liability	(449)	(249)
Increase (decrease) in allowance for doubtful accounts	(79)	(6)
Interest and dividend income	(164)	(177)
Interest expenses	171	177
Loss (gain) on valuation of investment securities	66	—
Share of (profit) loss of entities accounted for using equity method	(68)	78
Decrease (increase) in notes and accounts receivable - trade	1,122	1,376
Decrease (increase) in inventories	(962)	1,531
Increase (decrease) in notes and accounts payable - trade	(2,294)	(154)
Increase (decrease) in accrued consumption taxes	430	353
Other, net	770	(3,207)
Subtotal	9,275	14,951
Interest and dividend income received	172	185
Interest expenses paid	(173)	(165)
Income taxes paid	(689)	(1,005)
Cash flows from operating activities	8,586	13,967
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(3)	(5,952)
Proceeds from sales of investment securities	29	62
Purchase of property, plant and equipment	(6,589)	(7,157)
Proceeds from sales of property, plant and equipment	41	6
Payments of loans receivable	(3)	(8)
Collection of loans receivable	51	7
Purchase of long-term prepaid expenses	(158)	(171)
Other, net	(90)	(104)
Cash flows from investing activities	(6,722)	(13,316)

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Increase (decrease) in commercial papers	3,000	(3,000)
Proceeds from long-term loans payable	1,000	2,500
Repayments of long-term loans payable	(1,627)	(1,109)
Proceeds from issuance of bonds	—	7,954
Redemption of bonds	—	(5,000)
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	62	41
Cash dividends paid	(577)	(612)
Cash dividends paid to non-controlling shareholders	(16)	(14)
Other, net	(54)	(45)
Cash flows from investing activities	1,786	715
Effect of exchange rate change on cash and cash equivalents	(9)	(17)
Net increase (decrease) in cash and cash equivalents	3,641	1,348
Cash and cash equivalents at beginning of period	8,449	12,091
Cash and cash equivalents at end of period	12,091	13,439