

Summary of Consolidated Financial Results for the Third 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: February 10, 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 third quarter of the fiscal year ending March 2021 (April 1, 2020 – December 31, 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	%
Third quarter of FY3/2021	51,418	(11.0)	1,830	93.2	2,078	54.8	1,251	80.9
Third quarter of FY3/2020	57,786	2.4	947	-	1,342	-	692	-

Note: Comprehensive income: Third quarter of FY3/2021: 2,296 million yen [28.1%], Third quarter of FY3/2020: 1,792 million yen [(—)%]

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Third quarter of FY3/2021	18.41	-
Third quarter of FY3/2020	10.21	-

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2020	109,198	53,890	46.6
As of March 31, 2020	107,139	52,136	46.0

Reference: Shareholders' equity As of December 31, 2020: 50,833 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)

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

As of December 31, 2020: 1,578	As of March 31, 2020: 107,405
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 - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended December 31, 2020: 68,015,482	Period ended December 31, 2019: 67,783,463
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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 December 31, 2020
ASSETS		
Non-current assets		
Property, plant and equipment		
Production facilities	15,238	14,988
Distribution facilities	31,408	31,046
Service and maintenance facilities	3,925	3,837
Other facilities	7,918	7,759
Construction in progress	3,913	3,904
Total property, plant and equipment	62,404	61,537
Intangible assets	773	521
Investments and other assets		
Investment securities	7,424	13,852
Long-term loans receivable	3	2
Deferred tax assets	1,952	1,464
Other investments and other assets	4,920	4,733
Allowance for doubtful accounts	(64)	(64)
Total investments and other assets	14,235	19,988
Total non-current assets	77,413	82,047
Current assets		
Cash and deposits	14,158	14,267
Notes and accounts receivable - trade	6,906	5,677
Merchandise and finished goods	782	735
Raw materials and supplies	5,463	3,630
Other current assets	2,439	2,862
Allowance for doubtful accounts	(24)	(22)
Total current assets	29,726	27,150
Total assets	107,139	109,198

	As of March 31, 2020	As of December 31, 2020
LIABILITIES		
Non-current liabilities		
Bonds payable	18,000	21,000
Long-term loans payable	11,291	13,190
Provision for directors' retirement benefits	307	330
Provision for gas holder repairs	345	385
Provision for safety measures	640	511
Provision for appliances warranties	290	276
Net defined benefit liability	1,848	1,423
Asset retirement obligations	117	119
Other non-current liabilities	265	305
Total non-current liabilities	33,108	37,542
Current liabilities		
Current portion of non-current liabilities	6,152	6,096
Notes and accounts payable - trade	5,511	5,164
Short-term loans payable	—	30
Income taxes payable	674	409
Commercial papers	3,000	1,000
Other current liabilities	6,555	5,063
Total current liabilities	21,894	17,764
Total liabilities	55,003	55,307
NET ASSETS		
Shareholders' equity		
Capital stock	5,181	5,203
Capital surplus	1,149	1,171
Retained earnings	43,104	43,744
Treasury shares	(41)	(0)
Total shareholders' equity	49,394	50,118
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,392	1,742
Deferred gains or losses on hedges	(704)	(270)
Foreign currency translation adjustment	—	(44)
Remeasurements of defined benefit plans	(807)	(712)
Total accumulated other comprehensive income	(119)	715
Non-controlling interests	2,862	3,057
Total net assets	52,136	53,890
Total liabilities and net assets	107,139	109,198

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

Quarterly consolidated statements of income
(Third quarter ended December 2020)

(Million yen)

	Third quarter ended December 2019 (Apr. 1, 2019 – December 31, 2019)	Third quarter ended December 2020 (Apr. 1, 2020 – December 31, 2020)
Net sales	57,786	51,418
Cost of sales	38,820	31,807
Gross profit	18,965	19,611
Selling, general and administrative expenses	18,018	17,780
Operating income	947	1,830
Non-operating income		
Interest income	2	1
Dividends income	149	163
Share of profit of entities accounted for using equity method	71	62
Miscellaneous income	390	259
Total non-operating income	613	486
Non-operating expenses		
Interest expenses	129	132
Miscellaneous expenses	89	107
Total non-operating expenses	219	239
Ordinary income	1,342	2,078
Extraordinary losses		
Loss on valuation of investment securities	37	—
Total extraordinary losses	37	—
Income before income taxes and minority interests	1,304	2,078
Income taxes-current	409	476
Income taxes-deferred	8	140
Total income taxes	418	617
Profit	886	1,461
Profit attributable to non-controlling interests	194	209
Profit attributable to owners of parent	692	1,251

Quarterly consolidated statements of comprehensive income
(Third quarter ended December 2020)

(Million yen)

	Third quarter ended December 2019 (Apr. 1, 2019 – December 31, 2019)	Third quarter ended December 2020 (Apr. 1, 2020 – December 31, 2020)
Profit	886	1,461
Other comprehensive income		
Valuation difference on available-for-sale securities	17	342
Deferred gains or losses on hedges	823	434
Remeasurements of defined benefit plans	65	95
Share of other comprehensive income of entities accounted for using equity method	—	(37)
Total other comprehensive income	905	835
Comprehensive income	1,792	2,296
Comprehensive income attributable to owners of parent	1,597	2,086
Comprehensive income attributable to non-controlling interests	194	209