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## Consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

April 28, 2021

Company name: HOKKAIDO GAS CO., LTD.  
 Stock exchange listing: Tokyo, Sapporo  
 Code number: 9534  
 URL: <https://www.hokkaido-gas.co.jp>  
 Representative: Hiroshi Otsuki, President  
 Contact: Toshiya Nishimura, General Manager Finance Dept  
 Phone: 011-792-8312  
 Scheduled date of Annual General Meeting of Shareholders: June 25, 2021  
 Scheduled date of commencing dividend payments: June 04, 2021  
 Scheduled date of filing annual securities report: June 28, 2021  
 Availability of supplementary briefing material on annual financial results: No  
 Schedule of annual financial results briefing session: No

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2021	118,161	(6.5)	5,086	10.4	5,456	5.0	4,289	8.5
March 31, 2020	126,375	4.3	4,606	13.4	5,194	23.0	3,954	12.9

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 4,696 million [ 8.5%]  
 Fiscal year ended March 31, 2020: ¥ 4,330 million [ 43.8%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	243.59	242.93	8.5	3.6	4.3
March 31, 2020	224.58	224.07	8.5	3.5	3.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ 89 million  
 Fiscal year ended March 31, 2020: ¥ 68 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2021	151,223	54,234	34.5	2,961.32
March 31, 2020	150,345	50,411	32.2	2,747.48

(Reference) Equity: As of March 31, 2021: ¥ 52,146 million  
 As of March 31, 2020: ¥ 48,378 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	22,399	(10,249)	(7,545)	6,141
March 31, 2020	15,405	(15,213)	(353)	1,537

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	-	25.00	-	25.00	50.00	880	22.3	1.9
March 31, 2021	-	25.00	-	25.00	50.00	880	20.5	1.8
Fiscal year ending March 31, 2022 (Forecast)	-	25.00	-	25.00	50.00		-	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	119,000	0.7	6,000	18.0	6,200	13.6	4,400	2.6	249.87

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2021: 17,737,806 shares

March 31, 2020: 17,737,806 shares

2) Total number of treasury shares at the end of the period:

March 31, 2021: 128,449 shares

March 31, 2020: 129,514 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021: 17,608,745 shares

Fiscal Year ended March 31, 2020: 17,608,762 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2021	99,933	(7.9)	3,456	16.3	3,761	14.6	3,112	27.3
March 31, 2020	108,535	3.7	2,972	1.3	3,283	13.6	2,444	(18.0)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2021	176.78	176.30
March 31, 2020	138.82	138.50

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2021	134,816	41,995	31.1	2,382.34
March 31, 2020	134,797	39,392	29.2	2,235.00

(Reference) Equity: As of March 31, 2021: ¥ 41,951 million  
As of March 31, 2020: ¥ 39,354 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	100,000	0.1	5,000	44.6	5,000	32.9	3,600	15.6	204.44

\*Auditing procedures do not apply to the Consolidated Financial Results.

\*Explanation related to appropriate use of results forecasts and other items warranting special mention

The above forecasts are based on the information available at the time this report was prepared, and Hokkaido Gas makes no guarantee that these figures will be achieved. Actual results may differ from these forecasts for a variety of reasons.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of March 31,2021
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	23,150,549	21,559,423
Distribution facilities	39,358,693	39,438,381
Service and maintenance facilities	12,216,640	11,696,313
Other facilities	34,691,555	35,753,733
Construction in progress	3,036,181	1,909,730
Total property, plant and equipment	112,453,619	110,357,582
Intangible assets		
Other	2,559,058	2,093,478
Total intangible assets	2,559,058	2,093,478
Investments and other assets		
Investment securities	5,501,451	6,002,963
Retirement benefit asset	1,003,973	929,492
Deferred tax assets	1,905,599	1,777,667
Other	3,564,470	3,492,831
Allowance for doubtful accounts	(23,340)	(16,047)
Total investments and other assets	11,952,155	12,186,907
Total non-current assets	126,964,833	124,637,968
Current assets		
Cash and deposits	1,537,027	6,141,036
Notes and accounts receivable - trade	12,920,032	12,554,850
Merchandise and finished goods	290,553	327,143
Raw materials and supplies	5,310,552	3,709,688
Other	3,375,384	3,902,845
Allowance for doubtful accounts	(53,199)	(50,157)
Total current assets	23,380,350	26,585,408
<b>Total assets</b>	<b>150,345,184</b>	<b>151,223,376</b>

(Thousand yen)

	As of March 31,2020	As of March 31,2021
<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	44,000,000	44,000,000
Long-term borrowings	27,910,146	24,001,172
Deferred tax liabilities for land revaluation	554,429	554,429
Retirement benefit liability	4,369,358	4,533,683
Provision for gas holder repairs	112,822	87,262
Provision for safety measures	673,245	699,192
Provision for appliance warranties	355,151	392,421
Reserve for repairs of heat supply facilities	213,984	239,008
Lease obligations	1,430,976	1,497,213
Other	574,300	689,008
Total non-current liabilities	80,194,413	76,693,391
Current liabilities		
Current portion of non-current liabilities	4,443,853	4,165,120
Notes and accounts payable - trade	2,835,428	3,576,003
Commercial papers	1,000,000	-
Other	11,459,624	12,554,120
Total current liabilities	19,738,906	20,295,244
Total liabilities	99,933,320	96,988,636
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,515,830	7,515,830
Capital surplus	5,256,582	5,256,569
Retained earnings	33,980,192	37,366,855
Treasury shares	(173,136)	(172,076)
Total shareholders' equity	46,579,468	49,967,179
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,727,922	2,090,924
Revaluation reserve for land	229,749	251,249
Remeasurements of defined benefit plans	(158,779)	(162,368)
Total accumulated other comprehensive income	1,798,892	2,179,805
Share acquisition rights	38,147	44,419
Non-controlling interests	1,995,353	2,043,336
Total net assets	50,411,863	54,234,740
Total liabilities and net assets	150,345,184	151,223,376

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	126,375,477	118,161,853
Cost of sales	92,241,753	83,872,280
Gross profit	34,133,724	34,289,572
Selling, general and administrative expenses		
Supply and sales expenses	25,630,243	25,407,019
General and administrative expenses	3,897,203	3,796,425
Total selling, general and administrative expenses	29,527,447	29,203,445
Operating profit	4,606,277	5,086,127
Non-operating income		
Interest income	18,638	16,693
Dividend income	227,639	262,709
Reversal of provision for repair	316,518	-
Share of profit of entities accounted for using equity method	68,763	89,977
Rental income	250,641	274,354
Other	471,251	289,762
Total non-operating income	1,353,454	933,497
Non-operating expenses		
Interest expenses	344,872	329,813
Loss on valuation of investment securities	-	60,311
Compensation expenses	87,738	-
Personnel transfer expenses	163,056	99,877
Other	169,347	72,935
Total non-operating expenses	765,014	562,938
Ordinary profit	5,194,716	5,456,687
Extraordinary income		
Compensation for expropriation	-	540,281
Total extraordinary income	-	540,281
Profit before income taxes	5,194,716	5,996,968
Income taxes - current	1,457,408	1,656,606
Income taxes - deferred	(279,304)	3,071
Total income taxes	1,178,104	1,659,678
Profit	4,016,612	4,337,290
Profit attributable to non-controlling interests	62,029	47,982
Profit attributable to owners of parent	3,954,582	4,289,308

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit	4,016,612	4,337,290
Other comprehensive income		
Valuation difference on available-for-sale securities	275,392	364,558
Remeasurements of defined benefit plans, net of tax	38,931	(3,588)
Share of other comprehensive income of entities accounted for using equity method	(391)	(1,556)
Total other comprehensive income	313,933	359,412
Comprehensive income	4,330,545	4,696,703
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,268,515	4,648,721
Comprehensive income attributable to non-controlling interests	62,029	47,982

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2020

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,515,830	5,256,569	30,419,602	(171,865)	43,020,137
Changes during period					
Dividends of surplus			(836,426)		(836,426)
Profit attributable to owners of parent			3,954,582		3,954,582
Purchase of treasury shares				(1,332)	(1,332)
Disposal of treasury shares		12		61	73
Reversal of revaluation reserve for land			442,433		442,433
Net changes in items other than shareholders' equity					-
Total changes during period	-	12	3,560,589	(1,271)	3,559,330
Balance at end of period	7,515,830	5,256,582	33,980,192	(173,136)	46,579,468

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,452,921	672,182	(197,710)	1,927,392	29,428	1,933,324	46,910,282
Changes during period							
Dividends of surplus							(836,426)
Profit attributable to owners of parent							3,954,582
Purchase of treasury shares							(1,332)
Disposal of treasury shares							73
Reversal of revaluation reserve for land							442,433
Net changes in items other than shareholders' equity	275,001	(442,433)	38,931	(128,499)	8,719	62,029	(57,750)
Total changes during period	275,001	(442,433)	38,931	(128,499)	8,719	62,029	3,501,580
Balance at end of period	1,727,922	229,749	(158,779)	1,798,892	38,147	1,995,353	50,411,863



For the fiscal year ended March 31,2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,515,830	5,256,582	33,980,192	(173,136)	46,579,468
Changes during period					
Dividends of surplus			(880,446)		(880,446)
Profit attributable to owners of parent			4,289,308		4,289,308
Purchase of treasury shares				(2,538)	(2,538)
Disposal of treasury shares		(12)	(698)	3,598	2,887
Reversal of revaluation reserve for land			(21,500)		(21,500)
Net changes in items other than shareholders' equity					-
Total changes during period	-	(12)	3,386,663	1,060	3,387,710
Balance at end of period	7,515,830	5,256,569	37,366,855	(172,076)	49,967,179

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,727,922	229,749	(158,779)	1,798,892	38,147	1,995,353	50,411,863
Changes during period							
Dividends of surplus							(880,446)
Profit attributable to owners of parent							4,289,308
Purchase of treasury shares							(2,538)
Disposal of treasury shares							2,887
Reversal of revaluation reserve for land							(21,500)
Net changes in items other than shareholders' equity	363,001	21,500	(3,588)	380,912	6,271	47,982	435,166
Total changes during period	363,001	21,500	(3,588)	380,912	6,271	47,982	3,822,876
Balance at end of period	2,090,924	251,249	(162,368)	2,179,805	44,419	2,043,336	54,234,740

## Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,194,716	5,996,968
Depreciation	13,058,788	13,642,123
Loss (gain) on valuation of investment securities	-	60,311
Loss (gain) on sale of property, plant and equipment	(7,849)	(10,740)
Increase (decrease) in provision for safety measures	49,020	25,947
Increase (decrease) in reserve for fixtures assurance	355,151	37,270
Increase (decrease) in retirement benefit liability	126,457	148,183
Increase (decrease) in allowance for doubtful accounts	2,431	(10,335)
Interest and dividend income	(246,278)	(279,402)
Interest expenses	344,872	329,813
Decrease (increase) in trade receivables	597,612	313,826
Decrease (increase) in inventories	(1,962,950)	1,584,529
Increase (decrease) in trade payables	(527,991)	986,231
Increase (decrease) in accrued consumption taxes	730,570	1,292,701
Other, net	(258,340)	(325,452)
Subtotal	17,456,208	23,791,974
Interest and dividends received	248,723	281,960
Interest paid	(336,341)	(331,151)
Income taxes paid	(1,975,733)	(1,351,681)
Income taxes refund	12,946	8,117
Net cash provided by (used in) operating activities	15,405,803	22,399,219
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(15,433,787)	(10,240,046)
Proceeds from sales of property, plant and equipment and expropriation	1,614,126	645,476
Purchase of intangible assets	(769,191)	(497,144)
Payments for asset retirement obligations	(275,610)	-
Purchase of long-term prepaid expenses	(583,426)	(353,035)
Purchase of shares of subsidiaries and associates	(1,580)	(12,800)
Other, net	235,749	208,207
Net cash provided by (used in) investing activities	(15,213,721)	(10,249,342)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	795,015	(1,116,017)
Net increase (decrease) in commercial papers	(7,200,000)	(1,000,000)
Proceeds from long-term borrowings	6,050,000	-
Repayments of long-term borrowings	(7,860,718)	(4,213,810)
Proceeds from issuance of bonds	11,937,508	-
Redemption of bonds	(3,000,000)	-
Dividends paid	(839,307)	(883,227)
Other, net	(235,546)	(332,812)
Net cash provided by (used in) financing activities	(353,048)	(7,545,867)
Net increase (decrease) in cash and cash equivalents	(160,965)	4,604,009
Cash and cash equivalents at beginning of period	1,697,992	1,537,027
Cash and cash equivalents at end of period	1,537,027	6,141,036

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of March 31,2021
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	18,626,730	17,976,839
Distribution facilities	40,840,455	40,894,886
Service and maintenance facilities	11,786,651	11,284,394
Facilities for incidental businesses	15,258,058	15,953,859
Construction in progress	2,030,947	1,753,797
Total property, plant and equipment	88,542,842	87,863,778
Intangible assets	2,337,517	1,858,934
Investments and other assets		
Investment securities	4,722,042	5,126,670
Investments in subsidiaries and associates	5,801,530	5,791,530
Long-term loans receivable from subsidiaries and associates	5,626,800	4,526,880
Long-term prepaid expenses	674,424	661,501
Prepaid pension costs	1,085,376	999,730
Deferred tax assets	916,875	824,425
Other investments	616,120	612,211
Allowance for doubtful accounts	(11,584)	(8,173)
Total investments and other assets	19,431,586	18,534,776
Total non-current assets	110,311,946	108,257,489
Current assets		
Cash and deposits	69,518	4,728,450
Notes receivable - trade	290,465	308,363
Accounts receivable - trade	9,370,653	8,707,132
Accounts receivable from subsidiaries and associates - trade	1,286,755	1,386,203
Accounts receivable - other	880,014	1,170,221
Finished goods	21,729	15,453
Raw materials	4,831,909	3,124,771
Supplies	395,850	490,418
Prepaid expenses	261,178	341,050
Short-term loans receivable from subsidiaries and associates	5,456,853	4,472,534
Short-term receivables from subsidiaries and associates	43,173	62,555
Other current assets	1,621,340	1,790,823
Allowance for doubtful accounts	(43,842)	(39,455)
Total current assets	24,485,600	26,558,522
Total assets	134,797,547	134,816,011

(Thousand yen)

	As of March 31,2020	As of March 31,2021
<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	44,000,000	44,000,000
Long-term borrowings	27,288,824	23,545,006
Deferred tax liabilities for land revaluation	554,429	554,429
Provision for retirement benefits	3,016,540	3,190,580
Provision for gas holder repairs	112,822	87,262
Provision for safety measures	673,245	699,192
Provision for appliance warranties	355,151	392,421
Other noncurrent liabilities	349,854	339,000
Total non-current liabilities	76,350,868	72,807,892
Current liabilities		
Current portion of non-current liabilities	3,991,293	3,750,982
Accounts payable - trade	1,607,947	1,812,882
Short-term borrowings	1,116,017	-
Accounts payable - other	2,101,422	3,228,890
Accrued expenses	2,961,268	2,976,767
Income taxes payable	853,091	1,074,578
Advances received	602,749	698,044
Deposits received	57,088	55,144
Short-term borrowings from subsidiaries and associates	3,129,091	3,921,161
Short-term debt to subsidiaries and associates	1,013,506	1,100,672
Provision for loss on construction contracts	80,326	75,320
Provision for loss on remove noncurrent assets	11,570	88,381
Commercial papers	1,000,000	-
Other current liabilities	528,681	1,229,425
Total current liabilities	19,054,054	20,012,252
Total liabilities	95,404,922	92,820,145
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,515,830	7,515,830
Capital surplus		
Legal capital surplus	5,275,595	5,275,595
Other capital surplus	12	-
Total capital surplus	5,275,608	5,275,595
Retained earnings		
Legal retained earnings	775,775	775,775
Other retained earnings		
General reserve	13,600,000	13,600,000
Retained earnings brought forward	10,405,558	12,615,762
Total retained earnings	24,781,333	26,991,537
Treasury shares	(173,136)	(172,076)
Total shareholders' equity	37,399,635	39,610,886
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,725,092	2,089,310
Revaluation reserve for land	229,749	251,249
Total valuation and translation adjustments	1,954,841	2,340,560
Share acquisition rights	38,147	44,419
Total net assets	39,392,625	41,995,866
Total liabilities and net assets	134,797,547	134,816,011

Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
<b>Sales from gas business</b>		
Gas sales	57,608,792	50,873,978
Revenue from interoperator settlement	109,758	116,944
Total sales on gas business	57,718,550	50,990,922
<b>Cost of sales</b>		
Beginning inventories	29,327	21,729
Cost of products manufactured	34,522,157	27,863,171
Costs of gas for own use	1,259,409	1,527,869
Ending inventories	21,729	15,453
Total cost of sales	33,270,346	26,341,578
Gross profit	24,448,204	24,649,344
Supply and sales expenses	21,382,314	21,193,344
General and administrative expenses	2,521,932	2,501,757
Profit on core business	543,957	954,241
<b>Miscellaneous operating revenue</b>		
Revenue from installation work	3,428,530	3,197,428
Other miscellaneous operating revenue	8,658,140	8,498,689
Total miscellaneous operating revenue	12,086,671	11,696,117
<b>Miscellaneous operating expenses</b>		
Installation work expenses	3,282,019	3,044,383
Other miscellaneous operating expenses	8,121,602	7,953,616
Total miscellaneous operating expenses	11,403,621	10,998,000
Revenue from incidental businesses	38,730,111	37,246,725
Expenses for incidental businesses	36,985,060	35,442,167
Operating profit	2,972,057	3,456,917
<b>Non-operating income</b>		
Interest income	76,259	62,463
Dividend income	239,352	274,530
Rental income	270,602	309,933
Miscellaneous income	410,140	260,708
Total non-operating income	996,355	907,635
<b>Non-operating expenses</b>		
Interest expenses	177,702	145,933
Interest on bonds	159,666	183,005
Loss on valuation of investment securities	-	60,311
Amortization of bond issuance costs	62,491	-
Personnel transfer expenses	240,161	183,118
Miscellaneous expenses	44,816	30,254
Total non-operating expenses	684,838	602,624
Ordinary profit	3,283,574	3,761,928
<b>Extraordinary income</b>		
Compensation for expropriation	-	540,281
Total extraordinary income	-	540,281
Profit before income taxes	3,283,574	4,302,209
Income taxes - current	1,029,394	1,227,711
Income taxes - deferred	(190,251)	(38,350)
Total income taxes	839,143	1,189,360
Profit	2,444,431	3,112,849