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July 31, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)



Company name: HOKKAIDO GAS CO., LTD.
 Listing: Tokyo, Sapporo
 Securities code: 9534
 URL: <https://www.hokkaido-gas.co.jp/english/>
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	38,296	4.8	5,811	17.0	5,984	16.7	4,303	17.2
June 30, 2024	36,533	(9.3)	4,968	(3.5)	5,126	(4.4)	3,672	(4.2)

Note: Comprehensive income For the three months ended June 30, 2025: ¥4,400 million [22.0%]
 For the three months ended June 30, 2024: ¥3,607 million [(11.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	48.82	48.61
June 30, 2024	41.68	41.51

* The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. “Basic earnings per share” and “diluted earnings per share” are calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	180,625	92,312	49.9
March 31, 2025	195,431	88,486	44.1

Reference: Equity
 As of June 30, 2025: ¥90,089 million
 As of March 31, 2025: ¥86,268 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	45.00	—	10.00	—
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		10.00	—	10.00	20.00

Note: Revisions to the forecast of cash dividends most recently announced: None

* The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. The year-end dividends per share for the fiscal year ended March 31, 2025 are stated in consideration of the stock split, and the total dividends for the year are stated as “-.” The year-end dividends per share for the fiscal year ended March 31, 2025, converted on a pre-split basis, is ¥50.00.

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	168,700	(0.9)	14,700	2.6	14,500	0.5	10,488	0.8	118.97

Note: Revisions to the forecast of financial results most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Company name) KITAGAS LIFRONT Corporation

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

Note: For details, please see page 8 of the attachments, “(4) Notes to Quarterly Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements).”

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2025	88,689,030 shares
As of March 31, 2025	88,689,030 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	508,760 shares
As of March 31, 2025	544,745 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	88,156,275 shares
Three months ended June 30, 2024	88,108,546 shares

* The Company conducted a 5-for-1 stock split of its common shares on October 1, 2024. “Total number of issued shares at the end of the period,” “number of treasury shares at the end of the period,” and “average number of shares outstanding during the period” are calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts for financial results, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to a variety of factors. Please see page 2 of the attachments, “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” concerning the assumptions used as the basis for the forecasts for financial results and matters to note before using the earnings forecasts.

* Each item is calculated in accordance with the procedures for preparing financial statements by the Tokyo Stock Exchange.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30, 2025 (April to June 2025), city gas sales volume increased by 5.1% in total compared to the previous corresponding period, as a result of an increase in residential use sales volume mainly due to increased demand for heating and hot water resulting from low temperatures in early spring, and an increase in business use sales volume mainly due to air conditioning demand. Gas sales were ¥24,171 million, a 6.0% increase compared to the previous corresponding period, due to an increase in sales volume, despite lower unit selling prices under the fuel cost adjustment system. Electricity sales were ¥6,288 million, a 4.2% decrease compared to the previous corresponding period, mainly due to a decrease in capacity market income, despite an increase in sales volume to low-voltage residential customers. As a result, consolidated net sales totaled ¥38,296 million, a 4.8% increase compared to the previous corresponding period.

Ordinary profit was ¥5,984 million, a 16.7% increase compared to the previous corresponding period, mainly due to an increase in gas sales volume, despite an increase in strategic expenses in the DX field, etc. Profit attributable to owners of parent was ¥4,303 million, a 17.2% increase compared to the previous corresponding period.

The consolidated results of our group are subject to seasonal fluctuation factors in that a large amount of sales are recorded from winter to early spring due to the high demand for gas and LPG sales and other energy-related products.

(2) Explanation of Financial Position

As of June 30, 2025, total assets decreased by ¥14,805 million year on year to ¥180,625 million. Net assets increased by ¥3,825 million year on year to ¥92,312 million.

As a result, the equity ratio increased from 44.1% at the end of the previous fiscal year to 49.9%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Full-year forecasts have not been revised from those announced at the time of the release of financial results for the fiscal year ended March 31, 2025 (April 28, 2025), as progress in all segments toward the full-year forecasts has been mostly as planned.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	20,236	19,494
Distribution facilities	42,856	43,280
Service and maintenance facilities	12,735	12,685
Other facilities	41,645	44,764
Construction in progress	4,784	5,352
Total property, plant and equipment	122,258	125,576
Intangible assets		
Other	5,377	5,268
Total intangible assets	5,377	5,268
Investments and other assets		
Investment securities	9,435	9,438
Retirement benefit asset	1,059	1,056
Deferred tax assets	2,292	2,203
Other	3,937	4,078
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	16,709	16,761
Total non-current assets	144,345	147,606
Current assets		
Cash and deposits	11,324	2,648
Notes and accounts receivable - trade, and contract assets	19,922	12,384
Merchandise and finished goods	517	612
Work in process	1,860	2,203
Raw materials and supplies	10,338	11,313
Other	7,182	3,911
Allowance for doubtful accounts	(59)	(54)
Total current assets	51,086	33,019
Total assets	195,431	180,625

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Non-current liabilities		
Bonds payable	35,000	35,000
Long-term borrowings	13,654	13,475
Deferred tax liabilities for land revaluation	548	565
Retirement benefit liability	4,443	4,451
Provision for gas holder repairs	152	159
Provision for safety measures	744	691
Provision for appliance warranties	1,335	1,354
Reserve for repairs of heat supply facilities	183	191
Lease liabilities	2,604	2,562
Other	2,637	2,633
Total non-current liabilities	61,303	61,084
Current liabilities		
Current portion of non-current liabilities	11,345	11,327
Notes and accounts payable - trade	10,291	2,099
Income taxes payable	2,417	1,828
Other	21,587	11,974
Total current liabilities	45,641	27,229
Total liabilities	106,945	88,313
Net assets		
Shareholders' equity		
Share capital	7,515	7,515
Capital surplus	5,256	5,256
Retained earnings	69,672	73,395
Treasury shares	(148)	(138)
Total shareholders' equity	82,296	86,028
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,268	3,405
Revaluation reserve for land	236	216
Remeasurements of defined benefit plans	466	439
Total accumulated other comprehensive income	3,971	4,060
Share acquisition rights	83	82
Non-controlling interests	2,134	2,140
Total net assets	88,486	92,312
Total liabilities and net assets	195,431	180,625

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Three months ended June 30

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	36,533	38,296
Cost of sales	23,371	23,724
Gross profit	13,161	14,572
Selling, general and administrative expenses		
Supply and sales expenses	7,183	7,634
General and administrative expenses	1,010	1,127
Total selling, general and administrative expenses	8,193	8,761
Operating profit	4,968	5,811
Non-operating income		
Dividend income	91	102
Share of profit of entities accounted for using equity method	60	68
Other	164	165
Total non-operating income	316	336
Non-operating expenses		
Interest expenses	97	94
Personnel transfer expenses	47	47
Other	13	21
Total non-operating expenses	158	163
Ordinary profit	5,126	5,984
Profit before income taxes	5,126	5,984
Income taxes	1,454	1,675
Profit	3,672	4,309
Profit (loss) attributable to non-controlling interests	(0)	5
Profit attributable to owners of parent	3,672	4,303

Quarterly Consolidated Statement of Comprehensive Income
Three months ended June 30

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	3,672	4,309
Other comprehensive income		
Valuation difference on available-for-sale securities	(61)	135
Revaluation reserve for land	—	(18)
Remeasurements of defined benefit plans, net of tax	(2)	(27)
Share of other comprehensive income of entities accounted for using equity method	(1)	1
Total other comprehensive income	(64)	90
Comprehensive income	3,607	4,400
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,607	4,394
Comprehensive income attributable to non-controlling interests	(0)	5

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	5,126	5,984
Depreciation	3,489	3,732
Increase (decrease) in provision for safety measures	(46)	(53)
Increase (decrease) in reserve for fixtures assurance	17	19
Increase (decrease) in retirement benefit liability	56	(1)
Increase (decrease) in allowance for doubtful accounts	(4)	(5)
Interest and dividend income	(96)	(106)
Interest expenses	97	94
Decrease (increase) in trade receivables	8,689	7,752
Decrease (increase) in inventories	(6,339)	(1,412)
Increase (decrease) in trade payables	2,122	(10,117)
Increase (decrease) in accrued consumption taxes	(2,063)	479
Other, net	(896)	(272)
Subtotal	10,152	6,094
Interest and dividends received	100	110
Interest paid	(155)	(147)
Income taxes refund (paid)	(2,677)	(2,156)
Net cash provided by (used in) operating activities	7,420	3,901
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,028)	(4,740)
Proceeds from sale of property, plant and equipment	33	42
Purchase of intangible assets	(407)	(250)
Purchase of long-term prepaid expenses	(136)	(249)
Purchase of shares of unconsolidated subsidiaries	(1,111)	—
Loan advances to subsidiaries and associates	(323)	—
Other, net	47	189
Net cash provided by (used in) investing activities	(5,926)	(5,009)
Cash flows from financing activities		
Net increase (decrease) in commercial papers	(6,000)	(6,000)
Repayments of long-term borrowings	(651)	(582)
Dividends paid	(792)	(880)
Other, net	290	(111)
Net cash provided by (used in) financing activities	(7,153)	(7,574)
Net increase (decrease) in cash and cash equivalents	(5,659)	(8,681)
Cash and cash equivalents at beginning of period	9,469	11,324
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	5
Cash and cash equivalents at end of period	3,810	2,648

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Significant changes in the scope of consolidation)

KITAGAS LIFRONT Corporation, which was an unconsolidated subsidiary at the end of the previous fiscal year, has been newly included in the scope of consolidation from the beginning of the first quarter of the fiscal year under review due to its increased materiality.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

Calculation of tax expenses

The Company calculates tax expenses by multiplying profit before income taxes for the period under review by a reasonably estimated effective tax rate for profit before income taxes for the fiscal year ending March 31, 2026 after the application of tax effect accounting.

(Segment information, etc.)

[Segment information]

I For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Gas	Electricity	Energy- related	Total				
Net sales								
Sales to outside customers	22,395	6,510	7,289	36,196	336	36,533	—	36,533
Inter-segment sales or transfers	404	54	466	924	548	1,473	(1,473)	—
Total	22,800	6,564	7,756	37,121	885	38,006	(1,473)	36,533
Segment profit	4,340	839	377	5,556	44	5,601	(633)	4,968

- (Notes) 1. The “Others” section is a business segment that is not included in the reportable segments and includes IT solution, real estate, and insurance agency businesses, etc.
2. The ¥(633) million adjustment in segment profit includes ¥28 million in the elimination of intersegment transactions, ¥(60) million in share of profit (loss) of entities accounted for using the equity method, and ¥(600) million in corporate expenses not allocated to each reportable segment.
Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segments.
3. Segment profit is adjusted with the operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

Not applicable.

II For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Gas	Electricity	Energy- related	Total				
Net sales								
Sales to outside customers	23,737	6,230	8,030	37,998	298	38,296	—	38,296
Inter-segment sales or transfers	434	58	547	1,039	458	1,497	(1,497)	—
Total	24,171	6,288	8,577	39,038	756	39,794	(1,497)	38,296
Segment profit	4,948	1,023	504	6,476	47	6,524	(713)	5,811

- (Notes) 1. The “Others” section is a business segment that is not included in the reportable segments and includes IT solution, real estate, and insurance agency businesses, etc.
2. The ¥(713) million adjustment in segment profit includes ¥47 million in the elimination of intersegment transactions, ¥(68) million in share of profit (loss) of entities accounted for using the equity method, and ¥(692) million in corporate expenses not allocated to each reportable segment.

Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segments.

3. Segment profit is adjusted with the operating profit in the quarterly consolidated statements of income.
2. Information on impairment loss on non-current assets and goodwill by reportable segment
Not applicable.

3. Supplemental information

(1) Summary of Quarterly Non-Consolidated Financial Results

Number of customers, etc.

(Cases)

Item		As of June 30, 2024	As of June 30, 2025	Change	Change (%)
Gas	Number of retail customers	490,097	489,304	(793)	(0.2)
	Number of meters installed	603,249	604,289	1,040	0.2
Electricity	Number of customers	259,541	257,898	(1,643)	(0.6)

Gas sales volume

(Thousand m³)

Item		Three months ended June 30, 2024	Three months ended June 30, 2025	Change	Change (%)
Residential use		45,604	49,841	4,237	9.3
Business use	Commercial use	37,843	37,998	155	0.4
	Industrial use	21,352	21,806	454	2.1
	Public use	12,100	12,841	740	6.1
	Medical use	9,031	9,613	582	6.4
	Total	80,326	82,258	1,931	2.4
Subtotal		125,930	132,099	6,169	4.9
Supply for other businesses		6,425	7,029	605	9.4
Total sales volume		132,355	139,128	6,773	5.1

Electricity sales volume

(Thousand kWh)

Item		Three months ended June 30, 2024	Three months ended June 30, 2025	Change	Change (%)
Low voltage		145,576	148,581	3,005	2.1
High voltage		30,724	28,926	(1,798)	(5.9)
Wholesale		12,795	10,460	(2,335)	(18.2)
Total sales volume		189,095	187,967	(1,128)	(0.6)

Net sales and profit

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	33,607	5.5	5,354	17.6	5,426	18.1	3,928	18.8
Three months ended June 30, 2024	31,866	(10.9)	4,552	(2.4)	4,595	(5.3)	3,305	(5.5)
Fiscal year ended March 31, 2025	148,475	(1.8)	13,341	(5.2)	12,965	(6.6)	9,397	(7.0)