

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2020  
(Based on Japanese GAAP)**

April 28, 2020

Company name: SAIBU GAS CO.,LTD.

Stock exchange listing: Tokyo, Fukuoka

Stock code: 9536 URL <http://www.saibugas.co.jp/>

Representative: President Yukinori Michinaga

Inquiries: General Manager, Consolidated Settlements Group Masayoshi Yamasaki TEL 092-633-2245

Scheduled date of ordinary general meeting of shareholders: June 25, 2020

Scheduled date to file Securities Report: June 25, 2020

Scheduled date to commence dividend payments: June 26, 2020

Preparation of supplementary material on financial results: No

Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

**(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	%
Year ended March 31, 2020	204,445	0.5	7,562	(25.1)	7,529	(22.9)	4,695	(14.6)
Year ended March 31, 2019	203,478	3.5	10,095	(5.7)	9,760	(9.8)	5,496	(7.3)

Note: Comprehensive income Year ended March 31, 2020 ¥1,169 million [(73.2)%]

Year ended March 31, 2019 ¥4,369 million [(54.8)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
Year ended March 31, 2020	Yen 126.70	Yen –	% 6.2	% 2.0	% 3.7
Year ended March 31, 2019	148.13	–	7.2	2.7	5.0

Reference: Investment profit (loss) on equity method Year ended March 31, 2020 ¥261 million  
Year ended March 31, 2019 ¥(201) million

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	375,765	80,604	19.9	2,020.44
As of March 31, 2019	370,423	82,557	20.8	2,074.76

Reference: Equity As of March 31, 2020 ¥74,804 million  
As of March 31, 2019 ¥76,988 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 end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	17,956	(25,489)	10,263	19,751
Year ended March 31, 2019	19,020	(22,946)	6,486	16,888

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Year ended March 31, 2019	Yen —	Yen 35.00	Yen —	Yen 35.00	Yen 70.00	2,597	47.3	3.4
Year ended March 31, 2020	—	35.00	—	35.00	70.00	2,597	55.2	3.4
Year ending March 31, 2021 (Forecast)	—	35.00	—	35.00	70.00		—	

## 3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Forecast of consolidated financial results for the year ending March 31, 2021 have not yet been determined as it is difficult to reasonably calculate the impact of the novel coronavirus disease (COVID-19) at this time. The Company will promptly disclose earnings forecasts when it becomes possible to do so.

## 4. Notes

### (1) Changes in significant subsidiaries during the year ended March 31, 2020

Yes

(changes in specified subsidiaries resulting in the change in scope of consolidation):

### (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: Yes

Changes in accounting estimates: No

Restatement of prior period financial statements: No

### (3) Number of issued shares (common shares)

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

As of March 31, 2020	37,187,567 shares	As of March 31, 2019	37,187,567 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	163,728 shares	As of March 31, 2019	80,402 shares
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Average number of shares during the period

Year ended March 31, 2020	37,059,093 shares	Year ended March 31, 2019	37,107,756 shares
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Note: Taking effect from the six months ended September 30, 2019, the “Board Benefit Trust (BBT),” a performance linked share-type remuneration plan, has been introduced by the Company. The number of treasury shares at the end of the period includes shares in the Company held by the trust account established for the “Board Benefit Trust (BBT)” (as of March 31, 2020: 82,200 shares). In addition, shares in the Company held by the trust account (average number of shares during the fiscal year ended March 31, 2020: 47,669 shares) are included in treasury shares that are deducted for the calculation of the average number of shares during the period.

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2020	125,354	(1.8)	2,911	(30.1)	4,281	(28.4)	1,621	(46.7)
Year ended March 31, 2019	127,711	5.2	4,167	(16.4)	5,975	(10.2)	3,040	1.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2020	43.75	—
Year ended March 31, 2019	81.93	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	207,396	54,404	26.2	1,469.45
As of March 31, 2019	200,475	58,468	29.2	1,575.67

Reference: Equity      As of March 31, 2020      ¥54,404 million  
                           As of March 31, 2019      ¥58,468 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Forecast of non-consolidated financial results for the year ending March 31, 2021 have not yet been determined as it is difficult to reasonably calculate the impact of the novel coronavirus disease (COVID-19) at this time. The Company will promptly disclose earnings forecasts when it becomes possible to do so.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of financial results forecast, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the financial results forecast shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantee by the Company of future performance. Actual performance and other results may differ materially due to various factors.

## Consolidated financial statements

### Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2019	As of March 31, 2020
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	49,485	43,668
Distribution facilities	57,950	54,963
Service and maintenance facilities	17,567	17,261
Other facilities	98,092	99,464
Construction in progress	16,217	20,727
Total property, plant and equipment	<u>239,314</u>	<u>236,086</u>
Intangible assets		
Goodwill	44	49
Other intangible assets	2,326	2,692
Total intangible assets	<u>2,371</u>	<u>2,741</u>
Investments and other assets		
Investment securities	34,150	38,494
Long-term loans receivable	1,702	2,237
Retirement benefit asset	3,781	3,723
Deferred tax assets	2,429	2,654
Other investments and other assets	6,979	7,180
Allowance for doubtful accounts	(731)	(856)
Allowance for investment loss of subsidiaries and affiliates	(88)	–
Total investments and other assets	<u>48,223</u>	<u>53,433</u>
Total non-current assets	<u>289,909</u>	<u>292,261</u>
Current assets		
Cash and deposits	18,405	20,758
Notes and accounts receivable - trade	24,337	21,168
Securities	50	50
Merchandise and finished goods	5,614	7,522
Work in process	14,767	18,132
Raw materials and supplies	10,672	8,001
Other current assets	6,824	8,013
Allowance for doubtful accounts	(158)	(143)
Total current assets	<u>80,513</u>	<u>83,503</u>
Total assets	<u>370,423</u>	<u>375,765</u>

	(Millions of yen)	
	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	65,000	55,560
Long-term borrowings	118,970	111,849
Deferred tax liabilities	1,090	299
Provision for gas holder repairs	332	338
Retirement benefit liability	1,979	2,042
Asset retirement obligations	361	367
Other noncurrent liabilities	9,774	11,150
Total non-current liabilities	<u>197,508</u>	<u>181,608</u>
Current liabilities		
Current portion of non-current liabilities	27,397	48,271
Notes and accounts payable - trade	17,893	12,658
Short-term borrowings	26,530	36,272
Income taxes payable	2,671	1,680
Provision for bonuses for directors (and other officers)	32	27
Other current liabilities	15,829	14,641
Total current liabilities	<u>90,356</u>	<u>113,552</u>
Total liabilities	<u>287,865</u>	<u>295,160</u>
Net assets		
Shareholders' equity		
Share capital	20,629	20,629
Capital surplus	6,070	5,837
Retained earnings	41,930	44,025
Treasury shares	(191)	(373)
Total shareholders' equity	<u>68,440</u>	<u>70,118</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,930	3,885
Foreign currency translation adjustment	–	8
Remeasurements of defined benefit plans	1,617	792
Total accumulated other comprehensive income	<u>8,548</u>	<u>4,685</u>
Non-controlling interests	5,569	5,800
Total net assets	<u>82,557</u>	<u>80,604</u>
Total liabilities and net assets	<u>370,423</u>	<u>375,765</u>

## Consolidated statements of income and consolidated statements of comprehensive income

### Consolidated statements of income

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	203,478	204,445
Cost of sales	126,096	128,294
Gross profit	77,381	76,151
Selling, general and administrative expenses	67,285	68,589
Operating profit	10,095	7,562
Non-operating income		
Interest income	4	7
Dividend income	787	859
Share of profit of entities accounted for using equity method	—	261
Miscellaneous rent	493	497
Miscellaneous income	977	779
Total non-operating income	2,262	2,405
Non-operating expenses		
Interest expenses	1,560	1,425
Share of loss of entities accounted for using equity method	201	—
Amortization of bond issuance costs	101	—
Miscellaneous expenses	734	1,013
Total non-operating expenses	2,597	2,438
Ordinary profit	9,760	7,529
Extraordinary income		
Gain on sales of non-current assets	—	572
Gain on termination of retirement benefit plan	1,015	—
Total extraordinary income	1,015	572
Extraordinary losses		
Loss on valuation of investment securities	908	944
Loss on valuation of investment securities of subsidiaries and associates	210	—
Provision of allowance for doubtful accounts	302	—
Total extraordinary losses	1,421	944
Profit before income taxes	9,354	7,157
Income taxes - current	2,702	1,753
Income taxes - deferred	522	373
Total income taxes	3,224	2,127
Profit	6,130	5,030
Profit attributable to non-controlling interests	633	334
Profit attributable to owners of parent	5,496	4,695

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	6,130	5,030
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,367)	(3,031)
Foreign currency translation adjustment	—	11
Remeasurements of defined benefit plans, net of tax	(357)	(825)
Share of other comprehensive income of entities accounted for using equity method	(35)	(15)
Total other comprehensive income	(1,761)	(3,860)
Comprehensive income	4,369	1,169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,736	832
Comprehensive income attributable to non-controlling interests	632	336

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,629	6,075	39,031	(188)	65,548
Changes during period					
Dividends of surplus			(2,597)		(2,597)
Profit attributable to owners of parent			5,496		5,496
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(4)			(4)
Change in scope of consolidation					—
Net changes in items other than shareholders' equity					
Total changes during period	—	(4)	2,899	(2)	2,891
Balance at end of period	20,629	6,070	41,930	(191)	68,440

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,334	—	1,975	10,309	5,150	81,009
Changes during period						
Dividends of surplus						(2,597)
Profit attributable to owners of parent						5,496
Purchase of treasury shares						(3)
Disposal of treasury shares						0
Change in ownership interest of parent due to transactions with non-controlling interests						(4)
Change in scope of consolidation						—
Net changes in items other than shareholders' equity	(1,403)	—	(357)	(1,761)	418	(1,342)
Total changes during period	(1,403)	—	(357)	(1,761)	418	1,548
Balance at end of period	6,930	—	1,617	8,548	5,569	82,557

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,629	6,070	41,930	(191)	68,440
Changes during period					
Dividends of surplus			(2,597)		(2,597)
Profit attributable to owners of parent			4,695		4,695
Purchase of treasury shares				(182)	(182)
Disposal of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests		(233)			(233)
Change in scope of consolidation			(2)		(2)
Net changes in items other than shareholders' equity					
Total changes during period	—	(233)	2,095	(182)	1,678
Balance at end of period	20,629	5,837	44,025	(373)	70,118

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,930	—	1,617	8,548	5,569	82,557
Changes during period						
Dividends of surplus						(2,597)
Profit attributable to owners of parent						4,695
Purchase of treasury shares						(182)
Disposal of treasury shares						—
Change in ownership interest of parent due to transactions with non-controlling interests						(233)
Change in scope of consolidation						(2)
Net changes in items other than shareholders' equity	(3,045)	8	(825)	(3,862)	230	(3,632)
Total changes during period	(3,045)	8	(825)	(3,862)	230	(1,953)
Balance at end of period	3,885	8	792	4,685	5,800	80,604

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,354	7,157
Depreciation	19,004	19,125
Amortization and retirement of long-term prepaid expenses	901	902
Increase (decrease) in allowance for doubtful accounts	339	22
Interest and dividend income	(791)	(867)
Interest expenses	1,560	1,425
Loss (gain) on valuation of investment securities	908	944
Loss(gain) on valuation of shares of subsidiaries and associates	210	—
Loss (gain) on sales of property, plant and equipment	—	(572)
Decrease (increase) in trade receivables	(2,879)	3,169
Decrease (increase) in inventories	(7,185)	(2,525)
Increase (decrease) in trade payables	188	(5,217)
Increase (decrease) in accrued consumption taxes	55	452
Other, net	1,045	(2,650)
<b>Subtotal</b>	<b>22,713</b>	<b>21,366</b>
Interest and dividends received	850	935
Interest paid	(1,571)	(1,433)
Income taxes paid	(2,971)	(2,912)
<b>Net cash provided by (used in) operating activities</b>	<b>19,020</b>	<b>17,956</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(17,608)	(16,772)
Proceeds from sales of property, plant and equipment and intangible assets	50	2,063
Purchase of long-term prepaid expenses	(1,058)	(1,010)
Purchase of investment securities	(2,344)	(9,737)
Proceeds from sales of investment securities	225	23
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(975)	—
Loan advances	(1,016)	(752)
Collection of loans receivable	30	256
Other, net	(247)	440
<b>Net cash provided by (used in) investing activities</b>	<b>(22,946)</b>	<b>(25,489)</b>

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,250	9,741
Proceeds from long-term borrowings	29,230	37,394
Repayments of long-term borrowings	(44,500)	(33,826)
Proceeds from issuance of bonds	19,898	700
Redemption of bonds	(188)	(80)
Net decrease (increase) in treasury shares	(2)	(182)
Purchase of treasury shares of subsidiaries	–	(189)
Proceeds from share issuance to non-controlling shareholders	1	329
Dividends paid	(2,597)	(2,595)
Dividends paid to non-controlling interests	(221)	(147)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(375)
Other, net	(383)	(505)
Net cash provided by (used in) financing activities	<u>6,486</u>	<u>10,263</u>
Effect of exchange rate change on cash and cash equivalents	–	12
Net increase (decrease) in cash and cash equivalents	<u>2,560</u>	<u>2,743</u>
Cash and cash equivalents at beginning of period	14,327	16,888
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	119
Cash and cash equivalents at end of period	<u>16,888</u>	<u>19,751</u>