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October 31, 2025

Consolidated Financial Results for the Six Months Ended September 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 file semi-annual securities report: November 13, 2025
 Scheduled date to commence dividend payments: December 1, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2025	71,367	4.9	6,673	39.2	6,863	40.3	4,899	40.6
September 30, 2024	68,024	(6.7)	4,792	(20.7)	4,892	(21.4)	3,485	(21.4)

Note: Comprehensive income For the six months ended September 30, 2025: ¥5,200 million [52.1%]
 For the six months ended September 30, 2024: ¥3,419 million [(30.4)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2025	55.54	55.31
September 30, 2024	39.56	39.39

* 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
	Millions of yen	Millions of yen	%
As of			
September 30, 2025	183,842	93,245	49.4
March 31, 2025	195,431	88,486	44.1

Reference: Equity
 As of September 30, 2025: ¥90,888 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	—	11.50			
Fiscal year ending March 31, 2026 (Forecast)			—	11.50	23.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Please refer to the “Notice Concerning Change in Dividend Policy, Dividends of Surplus (Interim Dividend), and Revision (Increase) to Year-End Dividend Forecast” announced today (October 31, 2025) for information on the interim dividend for the fiscal year ending March 31, 2026.

* 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: 2 companies (Company name) Kitagas Lifront Co., Ltd., Muroran Gas Co., Ltd.

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

Note: For details, please see page 8 of the attachments, “(4) Notes to Semi-annual Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of semi-annual 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 September 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 September 30, 2025	453,760 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)

Six months ended September 30, 2025	88,204,722 shares
Six months ended September 30, 2024	88,113,393 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.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

1. 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 Semi-annual 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.
2. The supplementary material on financial results will be posted on the Company’s website.

* 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 Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months ended September 30, 2025 (April to September 2025), city gas sales volume including wholesale increased by 4.4% in total compared to the previous corresponding period. This increase was mainly driven by increased demand for heating and hot water in residential use resulting from low temperatures in early spring, and in business use by increased demand for air conditioning during the high temperatures of summer, as well as expanded demand due to improved operation in tourism-related industries such as hotels.

Gas sales were ¥42,348 million, a 6.1% 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 ¥13,190 million, a 4.2% decrease compared to the previous corresponding period, mainly due to a decrease in the unit sales price under the fuel cost adjustment system, despite an increase in sales volume. As a result, consolidated net sales totaled ¥71,367 million, a 4.9% increase compared to the previous corresponding period.

Ordinary profit was ¥6,863 million, a 40.3% increase compared to the previous corresponding period, mainly due to an increase in gas and electricity sales volume, despite an increase in strategic expenses in the smart meters and DX field, etc. Profit attributable to owners of parent was ¥4,899 million, a 40.6% 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 September 30, 2025, total assets decreased by ¥11,588 million year on year to ¥183,842 million. Net assets increased by ¥4,759 million year on year to ¥93,245 million.

As a result, the equity ratio increased from 44.1% at the end of the previous fiscal year to 49.4%.

(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. Semi-annual Consolidated Financial Statements and Principal Notes
(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	20,236	18,763
Distribution facilities	42,856	44,559
Service and maintenance facilities	12,735	12,992
Other facilities	41,645	44,745
Construction in progress	4,784	6,065
Total property, plant and equipment	122,258	127,127
Intangible assets		
Other	5,377	5,158
Total intangible assets	5,377	5,158
Investments and other assets		
Investment securities	9,435	9,190
Retirement benefit asset	1,059	1,052
Deferred tax assets	2,292	2,489
Other	3,937	4,250
Allowance for doubtful accounts	(14)	(16)
Total investments and other assets	16,709	16,966
Total non-current assets	144,345	149,252
Current assets		
Cash and deposits	11,324	9,385
Notes and accounts receivable - trade, and contract assets	19,922	11,519
Merchandise and finished goods	517	642
Work in process	1,860	2,759
Raw materials and supplies	10,338	6,589
Other	7,182	3,749
Allowance for doubtful accounts	(59)	(55)
Total current assets	51,086	34,590
Total assets	195,431	183,842

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Non-current liabilities		
Bonds payable	35,000	35,150
Long-term borrowings	13,654	13,520
Deferred tax liabilities for land revaluation	548	565
Retirement benefit liability	4,443	4,654
Provision for gas holder repairs	152	216
Provision for safety measures	744	641
Provision for appliance warranties	1,335	1,387
Reserve for repairs of heat supply facilities	183	201
Lease liabilities	2,604	2,554
Other	2,637	2,672
Total non-current liabilities	61,303	61,565
Current liabilities		
Current portion of non-current liabilities	11,345	11,299
Notes and accounts payable - trade	10,291	2,546
Income taxes payable	2,417	2,223
Other	21,587	12,962
Total current liabilities	45,641	29,031
Total liabilities	106,945	90,597
Net assets		
Shareholders' equity		
Share capital	7,515	7,515
Capital surplus	5,256	5,266
Retained earnings	69,672	73,944
Treasury shares	(148)	(123)
Total shareholders' equity	82,296	86,603
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,268	3,609
Revaluation reserve for land	236	263
Remeasurements of defined benefit plans	466	411
Total accumulated other comprehensive income	3,971	4,284
Share acquisition rights	83	84
Non-controlling interests	2,134	2,272
Total net assets	88,486	93,245
Total liabilities and net assets	195,431	183,842

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	68,024	71,367
Cost of sales	46,064	46,890
Gross profit	21,960	24,476
Selling, general and administrative expenses		
Supply and sales expenses	15,149	15,480
General and administrative expenses	2,018	2,323
Total selling, general and administrative expenses	17,167	17,803
Operating profit	4,792	6,673
Non-operating income		
Dividend income	95	111
Rental income	127	126
Other	196	276
Total non-operating income	419	513
Non-operating expenses		
Interest expenses	193	186
Personnel transfer expenses	101	101
Other	23	34
Total non-operating expenses	318	322
Ordinary profit	4,892	6,863
Extraordinary income		
Gain on bargain purchase	–	479
Total extraordinary income	–	479
Extraordinary losses		
Loss on step acquisitions	–	493
Total extraordinary losses	–	493
Profit before income taxes	4,892	6,849
Income taxes	1,412	1,933
Profit	3,480	4,916
Profit (loss) attributable to non-controlling interests	(5)	16
Profit attributable to owners of parent	3,485	4,899

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	3,480	4,916
Other comprehensive income		
Valuation difference on available-for-sale securities	(53)	339
Remeasurements of defined benefit plans, net of tax	(5)	(55)
Share of other comprehensive income of entities accounted for using equity method	(1)	–
Total other comprehensive income	(60)	284
Comprehensive income	3,419	5,200
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,425	5,183
Comprehensive income attributable to non-controlling interests	(5)	16

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	4,892	6,849
Depreciation	7,185	7,596
Gain on bargain purchase	–	(479)
Loss (gain) on step acquisitions	–	493
Increase (decrease) in provision for safety measures	(97)	(103)
Increase (decrease) in reserve for fixtures assurance	24	52
Increase (decrease) in retirement benefit liability	88	8
Increase (decrease) in allowance for doubtful accounts	(10)	(6)
Interest and dividend income	(106)	(118)
Interest expenses	193	186
Decrease (increase) in trade receivables	9,291	8,593
Decrease (increase) in inventories	(2,072)	2,776
Increase (decrease) in trade payables	(1,978)	(8,441)
Increase (decrease) in accrued consumption taxes	(1,332)	523
Other, net	(868)	(1,091)
Subtotal	15,210	16,839
Interest and dividends received	110	122
Interest paid	(194)	(184)
Income taxes refund (paid)	(2,651)	(2,095)
Net cash provided by (used in) operating activities	12,475	14,681
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,126)	(7,702)
Proceeds from sale of property, plant and equipment	72	180
Purchase of intangible assets	(975)	(490)
Purchase of long-term prepaid expenses	(285)	(482)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	104
Purchase of shares of unconsolidated subsidiaries	(1,111)	–
Loan advances to subsidiaries and associates	(614)	(55)
Other, net	117	241
Net cash provided by (used in) investing activities	(10,924)	(8,203)
Cash flows from financing activities		
Net increase (decrease) in commercial papers	(6,000)	(6,000)
Repayments of long-term borrowings	(1,533)	(1,311)
Dividends paid	(794)	(883)
Other, net	178	(227)
Net cash provided by (used in) financing activities	(8,149)	(8,423)
Net increase (decrease) in cash and cash equivalents	(6,598)	(1,944)
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	2,871	9,385

(4) Notes to Semi-annual 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 Co., Ltd., 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 six months period ended September 30, 2025 due to its increased materiality.

Muroran Gas Co., Ltd., which was an entity accounted for using the equity method at the end of the previous fiscal year, has been newly included in the scope of consolidation from the end of the six months ended September 30, 2025 as it became a subsidiary through the additional acquisition of shares during the six months ended September 30, 2025.

(Adoption of accounting treatment specific to the preparation of semi-annual 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 six months ended September 30, 2024 (from April 1, 2024 to September 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	38,988	13,654	14,828	67,471	553	68,024	—	68,024
Inter-segment sales or transfers	921	111	893	1,926	1,064	2,991	(2,991)	—
Total	39,909	13,766	15,722	69,398	1,618	71,016	(2,991)	68,024
Segment profit	3,921	1,669	385	5,976	17	5,994	(1,202)	4,792

(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 ¥(1,202) million adjustment in segment profit includes ¥50 million in the elimination of intersegment transactions, ¥(33) million in share of profit (loss) of entities accounted for using the equity method, and ¥(1,219) 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 semi-annual consolidated statement of income.

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

Not applicable.

II For the six months ended September 30, 2025 (from April 1, 2025 to September 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	41,369	13,072	16,173	70,615	751	71,367	—	71,367
Inter-segment sales or transfers	978	118	960	2,057	967	3,024	(3,024)	—
Total	42,348	13,190	17,134	72,672	1,718	74,391	(3,024)	71,367
Segment profit	5,553	1,670	698	7,923	119	8,042	(1,369)	6,673

(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 ¥(1,369) million adjustment in segment profit includes ¥89 million in the elimination of intersegment transactions, ¥(12) million in share of profit (loss) of entities accounted for using the equity method, and ¥(1,446) 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
(Significant gain on bargain purchase)

Due to the inclusion of Muroran Gas Co., Ltd. in the scope of consolidation from the six months ended September 30, 2025, a gain on bargain purchase of ¥479 million has been recorded.

As the gain on bargain purchase arising from this event is an extraordinary income, it is not included in segment profit.

(Business combinations, etc.)

Business combination by acquisition

1. Outline of the business combination

(1) Name of the acquired company and outline of its business

Name of the acquired company: Muroran Gas Co., Ltd.

Outline of its business: City gas business and manufacturing, supply, and sales of LPG

(2) Main reason for the business combination

The Company determined that business combination will strengthen the expansion of city gas adoption in the Muroran area to enhance the Group's energy market share, and contribute to accelerating low-carbon and decarbonization initiatives within Hokkaido toward achieving carbon neutrality by 2050.

(3) Date of the business combination

September 30, 2025

(4) Legal form of the business combination

Acquisition of shares for cash consideration

(5) Name of the enterprise after the business combination

Muroran Gas Co., Ltd. *No change

(6) Acquired voting rights ratio

Voting rights ratio held immediately prior to the date of the business combination: 39.85%

Voting rights ratio additionally acquired on the date of business combination: 44.10%

Voting rights ratio after the acquisition: 83.95%

(7) Principal grounds for determining the acquiring company

The Company acquired the shares for cash consideration.

2. Period of performance of the acquired company included in the Semi-annual Consolidated Statement of Income for the six months ended September 30, 2025

As the acquisition of shares occurred at the end of the six months ended September 30, 2025, it is not included.

3. Acquisition costs of the acquired enterprise and the breakdown by type of consideration

Market value of shares owned immediately prior to the business combination on the date of the business combination: ¥72 million

Consideration (cash) for shares additionally acquired on the date of the business combination: ¥80 million

Acquisition cost: ¥153 million

4. Difference between the acquisition cost of the acquired company and the total amount of the acquisition costs of the respective acquisition transactions

Loss on step acquisitions: ¥493 million

5. Amount of gain on bargain purchase and the cause for the occurrence

(1) Amount of gain on bargain purchase

¥479 million

(2) Cause for the occurrence

Since the acquisition cost was less than the net amount of the assets acquired and liabilities assumed, the difference was recognized as extraordinary income as a gain on bargain purchase.

3. Supplemental information

(1) Summary of Semi-annual Non-Consolidated Financial Results

Number of customers, etc.

(Cases)

Item		As of September 30, 2024	As of September 30, 2025	Change	Change (%)
Gas	Number of retail customers	488,671	488,176	(495)	(0.1)
	Number of meters installed	602,666	605,311	2,645	0.4
Electricity	Number of customers	258,588	256,540	(2,048)	(0.8)

Gas sales volume

(Thousand m³)

Item		Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Change (%)
Residential use		63,286	66,966	3,680	5.8
Business use	Commercial use	77,686	80,139	2,453	3.2
	Industrial use	41,880	42,625	745	1.8
	Public use	20,527	21,942	1,415	6.9
	Medical use	17,454	18,716	1,262	7.2
	Total	157,547	163,422	5,876	3.7
Subtotal		220,832	230,388	9,556	4.3
Supply for other businesses		10,072	10,615	543	5.4
Total sales volume		230,904	241,003	10,099	4.4

Electricity sales volume

(Thousand kWh)

Item	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Change (%)
Low voltage	308,039	321,080	13,041	4.2
High voltage	63,820	61,898	(1,922)	(3.0)
Wholesale	25,079	21,588	(3,491)	(13.9)
Total sales volume	396,939	404,566	7,627	1.9

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	%
Six months ended September 30, 2025	62,330	5.0	6,081	38.3	6,196	42.5	4,485	43.4
Six months ended September 30, 2024	59,343	(7.7)	4,397	(15.6)	4,348	(15.6)	3,127	(15.8)
Fiscal year ended March 31, 2025	148,475	(1.8)	13,341	(5.2)	12,965	(6.6)	9,397	(7.0)