

FY2023 Financial Results



SHIZUOKA GAS CO.,LTD.

TSE:9543

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 Financial statements

- Forecasts are based on information available to the management when this was drafted.
- Actual financial results may significantly differ from these forecasts due to any unforeseen economic and business circumstances.

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I. Summary: Financial Results

FY2023 Financial Highlights



Results: Higher sales, Higher profits

City gas sales volume -6.9% year on year.
 (Wholesale/ Large-lot-sale) Decreased due to low operation in existing customers.
 (Small-lot-sale) Decreased due to higher temperature.

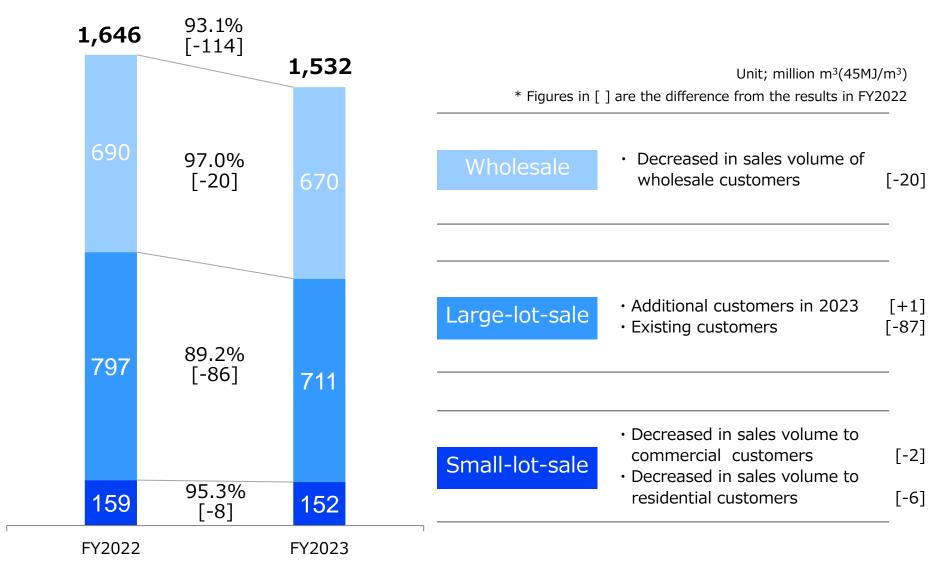
■ Net sales increased by 3.2% due to higher unit price of sale.

Ordinary profit increased by 111.4% due to adjustment of sliding time lag.

		FY2022	FY2023	Change	Change (%)
● City gas sales volui (Non-Consolidated)	me (million m³,45MJ)	1,646	1,532	-114	93.1
	Wholesale	690	670	-20	97.0
	Large-lot-sale	797	711	-86	89.2
	Small-lot-sale	159	152	-8	95.3
Net sales	(billion yen)	207.3	214.0	+6.6	103.2
Ordinary profit after sli adjustment	ding time lag (billion yen)	23.7	10.8	-12.9	45.7
	Ordinary profit	9.4	20.0	+10.5	211.4
	Sliding time lag	-14.2	+9.2	+23.4	_

Gas Sales Volume (Non-consolidated)

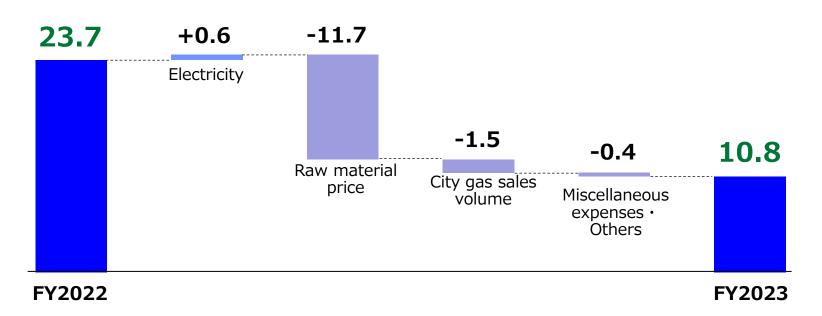




Breakdown of Consolidated Ordinary Profit (Year-on-Year comparison)



			Unit; billion yen
	FY2022	FY2023	Change
Ordinary profit after Sliding time lag adjustment	23.7	10.8	-12.9
Ordinary profit	9.4	20.0	+10.5
Sliding time lag	-14.2	+9.2	+23.4



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II. Medium-Term Management Plan FY2024 - FY2026

Medium-Term Management Plan FY2024 - FY2026



Direction of medium-term management plan

- The three-year period of this medium-term management plan is aimed at realizing the "local co-creation"stated in the Group's 2030 Vision, from "hop" (the "run-up" or Strengthening Our Trusted Brand) to "step" (major step forward, or Expansion of Business Domains).
- We will further advance the sophistication and efficiency of our core businesses, and accelerate the expansion and growth of our business areas.



Investment Plan

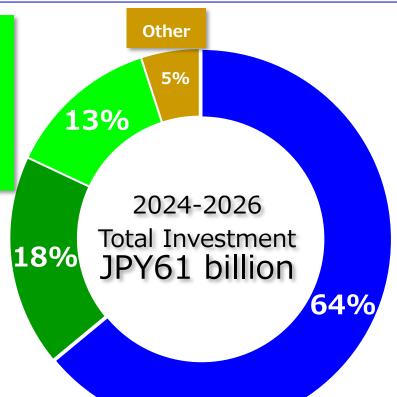


Ongoing Investment in Core Businesses and Accelerated Investment in Growth

- Continue to invest in sales and marketing to expand our core businesses.
- At the same time, accelerate investment in growth businesses, including renewable energy and businesses overseas.

Core Businesses
(Greater resilience of
LNG terminal, Highpressure Pipeline and
existing pipelines)

Core Business
Investment



Growth Businesses

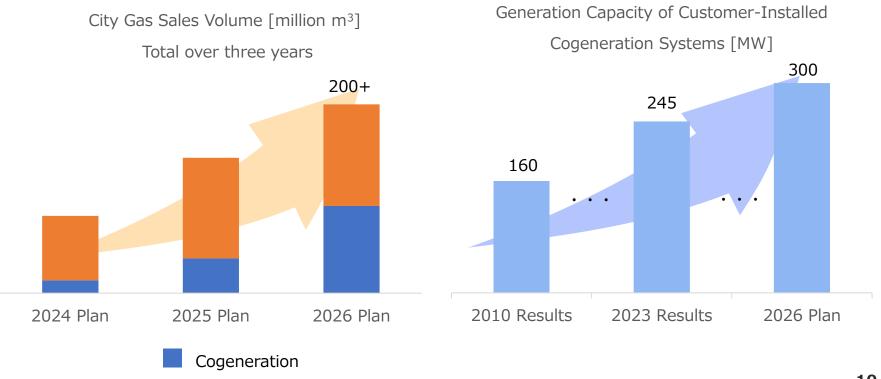
(E.g. renewables, overseas)

Sustainable Growth of Core Businesses (1)



Reducing CO₂ through Expanding Spread of Natural Gas and Promoting Advanced Utilization

- Expand cogeneration, promote advanced energy utilization
- Develop over 200 million m³ in total over three years (industrial + commercial use)

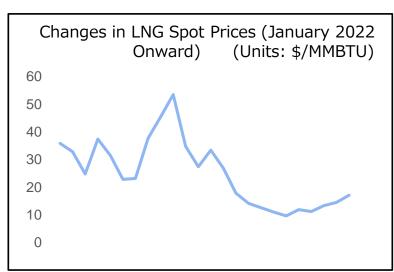


Sustainable Growth of Core Businesses (2)



Containing Raw Material Procurement Prices

- Growing uncertainty over LNG supply and demand
 - (Supply Side) Risk of LNG price hikes due to geopolitical risks and disruptions in LNG production and supply
 - (Demand Side) Increased demand of volatility factors, including economic slowdown overseas and decline in personal consumption due to rising energy and commodity prices
 - We will continue to work on optimizing the LNG supply and demand balance.
 - ✓ Adjust supply and demand using pipelines
 - ✓ Tanker operation innovations (reloading, inter-base coordination, etc.)
 - ✓ Respond flexibly to LNG through our Singapore subsidiary



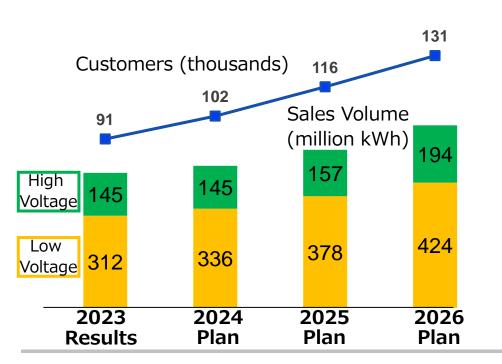
Electricity Sales Business



Expansion of customer base

- Acquire a new customer base by utilizing new rate menus, demand response, energysaving diagnostics, etc.
- Develops and provides storage battery and electric vehicle related services.
- Promote sales of CO2-free electricity that utilizes carbon credit.

Numerical value trends



Completion of expansion work on in-house power plant



Maximum output	Existing Expansion Total	17,010kW 15,600kW 32,610kW	
Fuel	Natural gas		

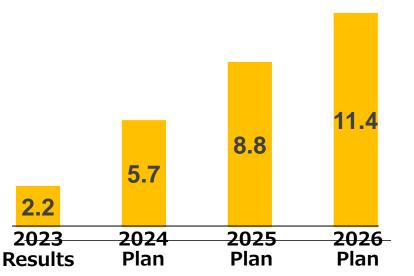
Initiatives Introduce Renewable Energy and Distributed Power Supply



Power Supply Development Toward 2030

- In parallel with FIT projects to date, engage in FIP projects (including integration of private power generation) and off-site PPA in connection with PV development.
- Move forward steadily with existing biomass PJ, while also engaging in new PJ, such as regional biomass.
- Making progress in distributed power that will contribute to electric power resilience.

Cumulative Renewable Energy Operating Capacity Plan* [10,000 kW].



Agricultural Solar Power Generation (Solar Sharing)



- <u>Development capacity (planned)</u> is the term used in our financial results presentation materials for the fiscal year ended December 2021.
- We will use the term operating capacity in this presentation and in future materials.

Overseas Business



Accelerate Business Development, Focusing on Southeast Asia and South Asia

- Continue to participate in and develop midstream and downstream natural gas projects that contribute to low carbon emissions.
- Expand renewable energy development.
- Create and procure carbon credits based on customer requests.



Other Initiatives

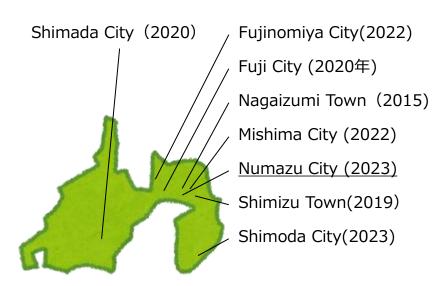


Regional cooperation/decarbonization

- Expand collaboration with local governments and local company for carbon neutral and regional co-creation.
- Utilize digital technology to improve customer analysis and strengthen customer contact points.

Expansion of collaboration agreements with local governments

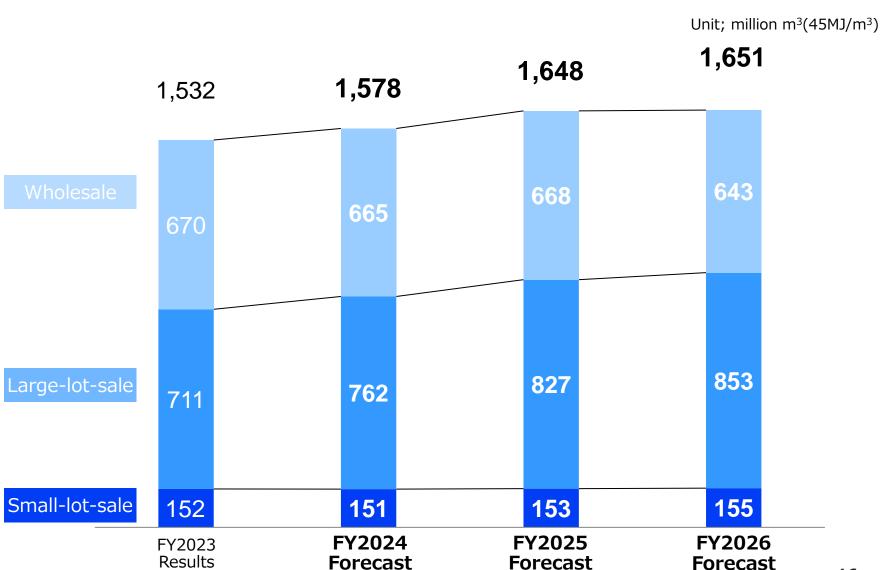
Started providing "SHIZGAS app" to support customers' power saving and energy conservation





Forecast: City gas Sales Volume (Non-consolidated)





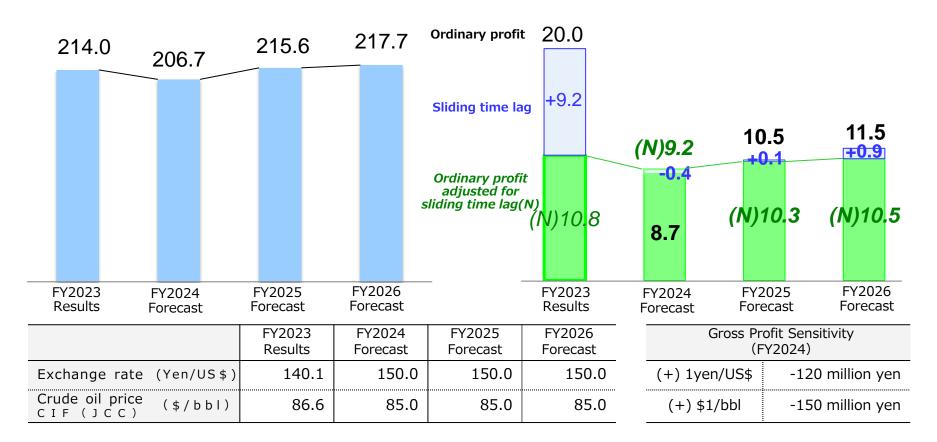
Forecast: Net Sales and Operating Profit



Net Sales

Ordinary profit & Sliding time lag

Unit; Billion yen Unit; Billion yen

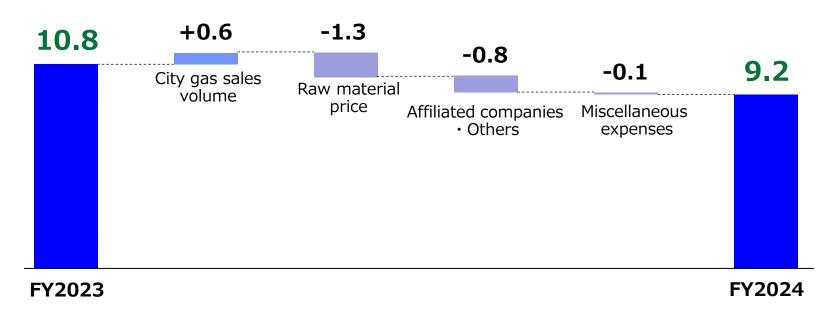


Breakdown of Consolidated Ordinary Profit (FY2024 plan comparison)



Unit; billion yen

	FY2023	FY2024	Change
Ordinary profit after Sliding time lag adjustment	10.8	9.2	-1.6
Ordinary profit	20	8.7	-11.2
Sliding time lag	+9.2	-0.4	-9.6

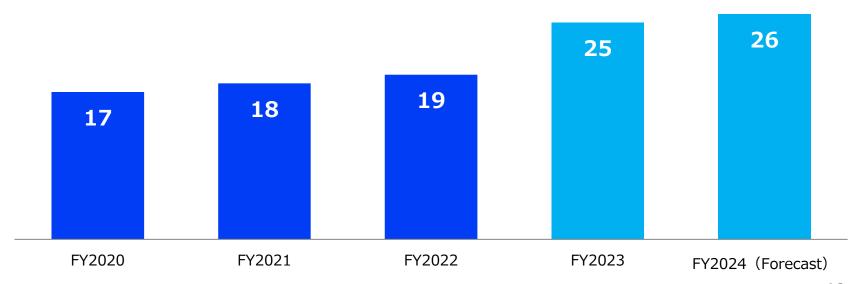


Returns to Shareholders



Dividend policy	 Stable dividend The target level of the dividend payout ratio is 30%. Based on performance and Dividend on Equity (DOE) FY2023 1.85% → FY2024(Forecast) 1.77% 		
Interim Dividend per share	JPY 13.0 (Forecast)		
Year-end Dividend per share	JPY 13.0 (Forecast)		

■ Dividend (JPY per share)



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III. Supplementary Information

Gas Sales Volume (Non-Consolidated)



Unit; million m3(45MJ/m3)

		2023 Results	FY2024	FY2025	FY2026
		2023 Results	Forecast	Forecast	Forecast
Gas	s sales volume	1,532	1,578	1,648	1,651
	Direct sale	863	913	980	1,008
	Residential	78	78	77	77
	Commercial	63	62	63	65
	Industrial	722	773	839	865
Wholesale		670	665	668	643
〈 Breakdown of Direct sale 〉					
Large-lot-sale		711	762	827	853
Small-lot-sale		152	151	153	155

Profit and Loss



Unit; billion yen

					offic, billion yen
		FY2023	FY2024	FY2025	FY2026
		Results	Forecast	Forecast	Forecast
Net	sales	214.0	206.7	215.6	217.7
Cost	of sales	166.4	169.1	176.6	177.6
Gros	ss Profit	47.5	37.5	39.0	40.0
	ng,general and administrative	29.2	29.5	29.8	30.0
	Salaries	12.0	11.9	12.1	12.3
	Other expenses	9.8	10.1	10.1	10.1
	Depreciation	7.2	7.5	7.4	7.5
Operating profit		18.3	8.0	9.1	10.0
Ordinary profit		20.0	8.7	10.5	11.5
Profi	attributable to owners of parent	14.1	5.4	7.1	7.8

Balance Sheets



Unit: billion yen

		FY2023	FY2024	FY2025	FY2026
		Results	Forecast	Forecast	Forecast
Assets		154.7	161.3	168.9	174.2
	Non-current assets	87.9	96.9	106.9	118.1
	Current assets	66.7	64.4	61.9	56.0
Liab	ilities	40.2	43.3	45.3	44.5
	Long-term loans payable	18.2	18.9	19.2	18.0
Net	assets	114.4	118.0	123.5	129.6

Statements of Cash Flows



Unit: billion yen

	FY2023	FY2024	FY2025	FY2026
	Results	Forecast	Forecast	Forecast
Cash flows from operating activities	37.7	13.3	21.3	18.1
Cash flows from investing activities	-14.1	-18.7	-19.3	-20.8
Cash flows from financing activities	-15.9	-1.8	-2.0	-3.5
Depreciation	9.3	9.7	9.3	9.7