

Flash Report for the First-Half Period Ended June 30, 2007

August 10, 2007

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Date for presentation of the interim report: September 21, 2007

Date of dividend payment: September 5, 2007 or after

1. Consolidated Business Results (January 1 to June 30, 2007)

(Amounts under one million yen are omitted; YoY % change)

(1) Operating Results

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)	
First-half period under review	¥45,938	16.6%	¥4,698	(30.0)%	¥4,549	(30.3)%
Previous first half	39,402	12.5	6,711	24.3	6,523	28.9
Previous full term (Jan. 1 to Dec. 31, 2006)	77,808		7,885		7,432	

	Net income (¥ million)		Earnings per share (¥)
First-half period under review	¥2,587	(33.5)%	¥33.98
Previous first half	3,888	34.9	51.06
Previous full term	4,359		57.25

(Note) Equity-method investment: not applicable

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Owners' equity per share (¥)
First-half period under review	¥117,318	¥52,045	39.9%	¥614.67
Previous first half	109,671	49,042	40.5	583.16
Previous full term	114,755	49,104	38.5	580.90

(Note) Owners' equity (¥ million)

First-half period: ¥46,806

Previous first half: ¥44,408

Previous full term: ¥44,235

(3) Cash Flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Cash and cash equivalents at term end (¥ million)
First-half period under review	¥9,082	¥(7,346)	¥ (428)	¥9,328
Previous first half	8,934	(5,461)	(5,970)	6,074
Previous full term	15,025	(10,725)	(4,851)	8,021

2. Dividend Payment

	Annual dividend per share (¥)		
	Interim	Term-end	Total
Fiscal 2006	¥3.50	¥4.00	¥7.50
Fiscal 2007	4.00	—	8.00
Fiscal 2007 (forecast)	—	4.00	

3. Consolidated Business Forecast for Current Term (January 1 to December 31, 2007)

(Amounts under one million yen are omitted; YoY % change)

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)		Net income (¥ million)		Earnings per share (¥)
Full term	¥93,880	20.7%	¥4,130	(47.6)%	¥3,710	(50.1)%	¥1,940	(55.5)%	¥25.47

4. Others

- (1) Changes in scope of consolidation: None
- (2) Changes in accounting policy
- a) Changes in accounting standards: applied
- b) Other: None
- (3) Number of issued shares (ordinary shares)
- a) Number of shares issued at end of the period (including shares in treasury)
- | | |
|----------------------|------------|
| First-half period: | 76,192,950 |
| Previous first half: | 76,192,950 |
| Previous full term: | 76,192,950 |
- b) Number of treasury shares at end of the period
- | | |
|----------------------|--------|
| First-half period: | 44,209 |
| Previous first half: | 41,609 |
| Previous full term: | 43,369 |

(For Reference)

1. Non-consolidated Business Performance (January 1 to June 30, 2007)

(Amounts under one million yen are omitted; YoY % change)

(1) Operating Results

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)	
First-half period under review	¥38,244	19.4%	¥2,466	(42.9)%	¥2,599	(41.6)%
Previous first half	32,018	18.0	4,321	60.9	4,452	44.3
Previous full term (Jan. 1 to Dec. 31, 2006)	63,813		4,115		4,195	

	Net income (¥ million)		Earnings per share (¥)
First-half period under review	¥1,680	(42.6)%	¥22.07
Previous first half	2,926	35.0	38.42
Previous full term	2,753		36.15

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Owners' equity per share (¥)
First-half period under review	¥91,424	¥35,922	39.3%	¥471.74
Previous first half	81,166	35,083	43.2	460.70
Previous full term	88,151	34,264	38.9	449.96

(Note) Owners' equity (¥ million)

First-half period:	¥35,922
Previous first half:	¥35,083
Previous full term:	¥34,264

2. Non-consolidated Business Forecast for Current Term (January 1 to December 31, 2007)

(Amounts under one million yen are omitted; YoY % change)

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)		Net income (¥ million)		Earnings per share (¥)
Full term	¥78,520	23.0%	¥930	(77.4)%	¥940	(77.6)%	¥550	(80.0)%	¥7.22

(Note) In consideration of our recent business performance, we have revised our business forecasts for the current term ending December 31 this year, which were released May 9, 2007 simultaneously with the accounts settlement for the first quarter of the current term. For further details, please refer to the Revised Forecasts of Business Performance for Fiscal 2007, issued today.

Disclaimer: These forecasts are based on information currently available to the management. Accordingly, actual financial results may substantially differ from these forecasts owing to a number of uncertain factors.

Consolidated Interim Balance Sheets

	Thousands of yen			
	June 30, 2007	December 31, 2006	Change	June 30, 2006
Assets				
Noncurrent assets:				
Property, plant and equipment –				
Production facilities	¥ 20,048,109	¥ 20,347,570	¥ (299,460)	¥ 21,536,142
Distribution facilities	39,776,282	39,448,278	328,004	40,590,903
Service and maintenance facilities	3,618,359	3,704,277	(85,918)	3,688,708
Other related business facilities	6,552,253	6,542,371	9,881	6,464,190
Construction in progress	5,737,715	5,985,306	(247,590)	3,875,684
Total property, plant and equipment	75,732,721	76,027,804	(295,083)	76,155,630
Intangible assets	1,722,539	1,317,382	405,157	995,602
Investments and other assets –				
Investment securities	12,065,257	11,615,666	449,590	12,032,465
Long-term loans	3,072,562	2,843,145	229,416	2,420,979
Deferred tax assets	636,655	677,821	(41,165)	660,015
Other investments	799,251	1,053,152	(253,901)	1,446,780
Allowance for doubtful accounts	(318,834)	(329,036)	10,202	(384,619)
Total investments and other assets	16,254,892	15,860,749	394,142	16,175,621
Total noncurrent assets	93,710,152	93,205,936	504,216	93,326,854
Current assets:				
Cash and bank deposits	9,382,617	8,075,544	1,307,072	6,129,421
Notes and accounts receivable	6,874,098	6,830,759	43,339	5,644,810
Inventories	3,863,285	3,852,147	11,138	1,586,180
Deferred tax assets	315,323	480,731	(165,407)	488,620
Other current assets	2,849,329	1,816,829	1,032,500	1,780,328
Allowance for doubtful accounts	(72,968)	(72,114)	(853)	(53,257)
Total current assets	23,211,686	20,983,897	2,227,789	15,576,104
Deferred assets:				
Development costs	396,506	565,791	(169,284)	768,578
Total deferred assets	396,506	565,791	(169,284)	768,578
Total assets	¥ 117,318,346	¥ 114,755,624	¥ 2,562,721	¥ 109,671,538

Note: Amounts under one thousand yen are omitted.

	Thousands of yen			
	June 30, 2007	December 31, 2006	Change	June 30, 2006
Liabilities				
Long-term liabilities:				
Long-term debt	¥ 37,493,453	¥ 36,827,499	¥ 665,954	¥ 34,715,986
Deferred tax liabilities	2,032,753	1,837,038	195,714	2,131,208
Accrued severance and retirement benefits	3,508,790	3,656,183	(147,392)	3,552,920
Reserve for directors' retirement benefits	—	349,750	(349,750)	324,422
Reserve for repair of gasholders	158,406	141,292	17,114	124,172
Other long-term liabilities	269,396	9,320	260,076	7,284
Total long-term liabilities	43,462,799	42,821,083	641,716	40,855,994
Current liabilities:				
Long-term liabilities due within one year	10,201,666	10,910,307	(708,641)	11,514,702
Accounts payable	5,940,143	4,687,078	1,253,065	1,422,425
Short-term debt	215,000	290,000	(75,000)	410,000
Other accounts payable	1,180,104	2,115,945	(935,841)	1,357,290
Income taxes payable	1,980,024	2,136,188	(156,163)	2,695,438
Allowance for bonuses	438,843	442,077	(3,234)	443,367
Other current liabilities	1,549,259	1,819,929	(270,670)	1,400,289
Total current liabilities	21,505,041	22,401,527	(896,485)	19,243,513
Allowances:				
Allowance for natural gas conversion	304,962	428,436	(123,474)	529,833
Total allowances	304,962	428,436	(123,474)	529,833
Total liabilities	65,272,804	65,651,047	(378,243)	60,629,341
Net assets				
Shareholders' equity:				
Common stock	6,279,147	6,279,147	—	6,279,147
Capital surplus	4,098,961	4,098,961	—	4,098,961
Retained earnings	30,490,460	28,207,335	2,283,125	28,002,546
Treasury stock	(23,037)	(22,344)	(692)	(20,769)
Total shareholders' equity	40,845,531	38,563,099	2,282,432	38,359,885
Gains and losses on valuation or translation:				
Unrealized gains on available-for-sale securities	5,639,653	5,379,189	260,464	5,642,237
Gains and losses on deferred hedge accounting	321,630	293,336	28,293	406,806
Total gains and losses on valuation or translation	5,961,283	5,672,526	288,757	6,049,044
Minority interest	5,238,726	4,868,951	369,774	4,633,266
Total net assets	52,045,542	49,104,577	2,940,964	49,042,196
Total liabilities and net assets	¥ 117,318,346	¥ 114,755,624	¥ 2,562,721	¥ 109,671,538

Note: Amounts under one thousand yen are omitted.

Consolidated Interim Statements of Income

	Thousands of yen			
	6 months ended June 30, 2007	6 months ended June 30, 2006	Change	Year ended December 31, 2006
Net sales	¥ 45,938,833	¥ 39,402,822	¥ 6,536,011	¥ 77,808,266
Cost of sales	29,959,658	21,882,232	8,077,425	48,134,599
Gross profit	15,979,174	17,520,589	(1,541,414)	29,673,666
Selling, general and administrative expenses	11,280,287	10,808,776	471,511	21,788,527
Operating income	4,698,887	6,711,812	(2,012,925)	7,885,139
Non-operating income:				
Interest income	38,365	27,847	10,518	61,596
Dividend income	92,712	75,994	16,718	115,252
Amortization of consolidation goodwill	1,757	668	1,088	1,068
Compensation for rerouting of pipelines	36,627	29,080	7,547	—
Other non-operating income	134,247	107,494	26,753	240,401
Total non-operating income	303,710	241,084	62,626	418,319
Non-operating expenses:				
Interest expenses	420,789	418,703	2,086	838,544
Other non-operating expenses	32,523	10,572	21,950	32,594
Total non-operating expenses	453,312	429,275	24,037	871,139
Ordinary income	4,549,285	6,523,621	(1,974,336)	7,432,319
Extraordinary income:				
Gain on sale of noncurrent assets	33,663	20,967	12,696	20,967
Reversal of allowance for natural gas conversion	123,474	101,388	22,085	202,784
Gain on sale of investment securities	25,685	—	25,685	—
Gain on leveraged lease financing	6,755	14,788	(8,033)	87,134
Total extraordinary income	189,578	137,144	52,434	310,886
Income before income taxes	4,738,863	6,660,765	(1,921,902)	7,743,205
Income taxes – current	1,538,591	2,293,910	(755,318)	2,770,926
Income taxes – deferred	241,884	67,896	173,987	(32,500)
Minority interest in net income	370,663	410,421	(39,758)	644,924
Net income	¥ 2,587,723	¥ 3,888,537	¥ (1,300,813)	¥ 4,359,855

Note: Amounts under one thousand yen are omitted.

Consolidated Interim Statements of Changes in Shareholders' Equity

6 months ended June 30, 2007

Thousands of yen

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at Dec. 31, 2006	6,279,147	4,098,961	28,207,335	(22,344)	38,563,099
Changes during reporting first-half period:					
Distribution of retained earnings			(304,598)		(304,598)
Net income for first-half			2,587,723		2,587,723
Acquisition of own shares				(692)	(692)
Changes in items outside the scope of shareholders' equity, net					
Total changes during the reporting first-half	—	—	2,283,125	(692)	2,282,432
Balance at June 30, 2007	6,279,147	4,098,961	30,490,460	(23,037)	40,845,531
	Gains and losses on valuation or translation				
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	Minority interest	Total net assets
Balance at Dec. 31, 2006	5,379,189	293,336	5,672,526	4,868,951	49,104,577
Changes during reporting first-half period:					
Distribution of retained earnings					(304,598)
Net income for first-half					2,587,723
Acquisition of own shares					(692)
Changes in items outside the scope of shareholders' equity, net	260,464	28,293	288,757	369,774	658,532
Total changes during the reporting first-half	260,464	28,293	288,757	369,774	2,940,964
Balance at June 30, 2007	5,639,653	321,630	5,961,283	5,238,726	52,045,542

Note: Amounts under one thousand yen are omitted.

6 months ended June 30, 2006

Thousands of yen

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at Dec. 31, 2005	6,279,147	4,098,961	24,440,613	(16,078)	34,802,643
Changes during reporting first-half period:					
Distribution of retained earnings			(266,548)		(266,548)
Payment of bonuses to directors and auditors			(60,055)		(60,055)
Net income for first-half			3,888,537		3,888,537
Acquisition of own shares				(4,691)	(4,691)
Changes in items outside the scope of shareholders' equity, net					
Total changes during the reporting first-half	—	—	3,561,933	(4,691)	3,557,242
Balance at June 30, 2006	6,279,147	4,098,961	28,002,546	(20,769)	38,359,885

	Gains and losses on valuation or translation			Minority interest	Total net assets
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation		
Balance at Dec. 31, 2005	5,541,603	—	5,541,603	4,231,774	44,576,021
Changes during reporting first-half period:					
Distribution of retained earnings					(266,548)
Payment of bonuses to directors and auditors					(60,055)
Net income for first-half					3,888,537
Acquisition of own shares					(4,691)
Changes in items outside the scope of shareholders' equity, net	100,633	406,806	507,440	401,492	908,933
Total changes during the reporting first-half	100,633	406,806	507,440	401,492	4,466,175
Balance at June 30, 2006	5,642,237	406,806	6,049,044	4,633,266	49,042,196

Note: Amounts under one thousand yen are omitted.

Year ended December 31, 2006

Thousands of yen

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at Dec. 31, 2005	6,279,147	4,098,961	24,440,613	(16,078)	34,802,643
Changes during the reporting term:					
Distribution of retained earnings			(533,078)		(533,078)
Payment of bonuses to directors and auditors			(60,055)		(60,055)
Net income			4,359,855		4,359,855
Acquisition of own shares				(6,266)	(6,266)
Changes in items outside the scope of shareholders' equity, net					
Total changes during the reporting term	—	—	3,766,722	(6,266)	3,760,455
Balance at Dec. 31, 2006	6,279,147	4,098,961	28,207,335	(22,344)	38,563,099
	Gains and losses on valuation or translation				
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	Minority interest	Total net assets
Balance at Dec. 31, 2005	5,541,603	—	5,541,603	4,231,774	44,576,021
Changes during the reporting term:					
Distribution of retained earnings					(533,078)
Payment of bonuses to directors and auditors					(60,055)
Net income					4,359,855
Acquisition of own shares					(6,266)
Changes in items outside the scope of shareholders' equity, net	(162,414)	293,336	130,922	637,177	768,100
Total changes during the reporting term	(162,414)	293,336	130,922	637,177	4,528,555
Balance at Dec. 31, 2006	5,379,189	293,336	5,672,526	4,868,951	49,104,577

Note: Amounts under one thousand yen are omitted.

Consolidated Interim Statements of Cash Flows

	Thousands of yen			
	6 months ended June 30, 2007	6 months ended June 30, 2006	Change	Year ended December 31, 2006
Cash flows from operating activities:				
Income before income taxes	¥ 4,738,863	¥ 6,660,765	¥ (1,921,902)	¥ 7,743,205
Depreciation	5,159,545	5,153,687	5,858	10,556,241
Amortization of long-term prepaid expenses	7,460	794	6,665	2,703
Amortization of deferred assets	169,284	202,782	(33,497)	405,569
Loss on disposal of property, plant and equipment	131,958	68,093	63,865	162,347
Amortization of consolidation goodwill	(1,757)	(668)	(1,088)	(1,068)
Increase (decrease) in allowance for doubtful accounts	(9,348)	(22,624)	13,275	(59,349)
Increase (decrease) in accrued severance and retirement benefits	(147,392)	(113,383)	(34,009)	(10,119)
Increase (decrease) in reserve for directors' retirement benefits	(278,824)	(92,854)	(185,970)	(67,526)
Increase (decrease) in reserve for repair of gasholders	17,114	17,114	—	34,234
Increase (decrease) in allowance for bonuses	(3,234)	(8,219)	4,984	(9,508)
Increase (decrease) in allowance for natural gas conversion	(123,474)	(101,388)	(22,085)	(202,784)
Interest and dividend income	(131,077)	(103,841)	(27,236)	(176,849)
Interest expenses	420,789	418,703	2,086	838,544
Loss (gain) on sale of property, plant and equipment	(33,663)	(7,547)	(26,115)	(7,547)
Loss (gain) on sale of investment securities	(25,685)	—	(25,685)	—
Decrease (increase) in notes and accounts receivable	(34,065)	(179,754)	145,689	(1,309,663)
Decrease (increase) in inventories	(8,159)	(481,885)	473,726	(2,745,268)
Increase (decrease) in notes and accounts payable	1,140,622	(536,957)	1,677,580	2,821,111
Increase (decrease) in consumption taxes payable	234,703	(444,816)	679,520	(721,857)
Directors' bonuses paid	—	(63,140)	63,140	(63,140)
Other	(195,342)	(158,385)	(36,957)	594,888
Sub-total	11,028,318	10,206,473	821,844	17,784,162
Interest and dividend received	128,966	102,533	26,432	176,833
Interest expenses paid	(431,524)	(439,331)	7,806	(865,841)
Income taxes paid	(1,643,033)	(934,913)	(708,119)	(2,069,386)
Net cash provided by (used in) operating activities	9,082,725	8,934,762	147,963	15,025,768

	Thousands of yen			
	6 months ended June 30, 2007	6 months ended June 30, 2006	Change	Year ended December 31, 2006
Cash flows from investing activities:				
Increase in time deposits	(46,061)	(46,052)	(8)	(94,005)
Withdrawal of time deposits	46,052	56,052	(9,999)	104,004
Payments for purchase of noncurrent assets	(6,645,144)	(4,819,225)	(1,825,919)	(9,867,880)
Proceeds from sale of noncurrent assets	44,942	33,307	11,634	51,120
Payments for purchase of investment securities	(43,801)	(2,407)	(41,393)	(5,316)
Proceeds from sale of investment securities	34,302	4,450	29,852	10,079
Provision of loans	(300,000)	(3,595,000)	3,295,000	(1,070,000)
Collection of loan repayments	100,583	2,626,256	(2,525,673)	204,090
Receipt of beneficiaries' portion of installation costs	281,362	334,740	(53,377)	465,254
Other	(818,956)	(53,911)	(765,045)	(522,642)
Net cash provided by (used in) investing activities	(7,346,720)	(5,461,789)	(1,884,930)	(10,725,295)
Cash flows from financing activities:				
Increase (decrease) in short-term debt – net	(75,000)	—	(75,000)	(120,000)
Proceeds from long-term debt	5,595,000	350,000	5,245,000	7,810,000
Repayments of long-term debt	(5,637,687)	(6,044,602)	406,915	(11,997,484)
Cash dividends paid	(305,277)	(265,793)	(39,484)	(532,686)
Cash dividends paid for minority shareholders	(5,283)	(5,244)	(39)	(5,272)
Other	(692)	(4,691)	3,998	(6,266)
Net cash provided by (used in) financing activities	(428,941)	(5,970,330)	5,541,389	(4,851,709)
Net increase (decrease) in cash and cash equivalents	1,307,064	(2,497,358)	3,804,423	(551,236)
Cash and cash equivalents at beginning of the term	8,021,091	8,572,327	(551,236)	8,572,327
Cash and cash equivalents at end of the term	¥ 9,328,156	¥ 6,074,969	¥ 3,253,186	¥ 8,021,091

Note: Amounts under one thousand yen are omitted.

Segment Information

(1) Segment information by business category

(Amounts under one thousand yen are omitted.)

6 months ended June 30, 2007						Thousands of yen
	Gas	LPG and other energy services	Other businesses	Total	Elimination or corporate	Consolidated
Net sales						
Outside customers	36,613,713	5,687,674	3,637,444	45,938,833	—	45,938,833
Inter-segment	381,747	204,192	4,761,766	5,347,706	(5,347,706)	—
Total	36,995,460	5,891,867	8,399,211	51,286,539	(5,347,706)	45,938,833
Cost and expenses	31,216,810	5,632,780	8,344,069	45,193,660	(3,953,714)	41,239,945
Operating income	5,778,649	259,087	55,141	6,092,878	(1,393,991)	4,698,887

6 months ended June 30, 2006						Thousands of yen
	Gas	LPG and other energy services	Other businesses	Total	Elimination or corporate	Consolidated
Net sales						
Outside customers	29,942,396	5,540,208	3,920,216	39,402,822	—	39,402,822
Inter-segment	281,441	176,669	3,592,593	4,050,704	(4,050,704)	—
Total	30,223,838	5,716,878	7,512,810	43,453,526	(4,050,704)	39,402,822
Cost and expenses	22,603,895	5,515,426	7,185,839	35,305,162	(2,614,152)	32,691,009
Operating income	7,619,942	201,451	326,970	8,148,364	(1,436,551)	6,711,812

Year ended December 31, 2006						Thousands of yen
	Gas	LPG and other energy services	Other businesses	Total	Elimination or corporate	Consolidated
Net sales						
Outside customers	59,288,770	10,586,315	7,933,180	77,808,266	—	77,808,266
Inter-segment	640,173	332,709	8,195,565	9,168,448	(9,168,448)	—
Total	59,928,944	10,919,025	16,128,745	86,976,714	(9,168,448)	77,808,266
Cost and expenses	49,893,445	10,801,488	15,449,012	76,143,946	(6,220,819)	69,923,127
Operating income	10,035,498	117,536	679,732	10,832,768	(2,947,628)	7,885,139

Notes: Business categories and principal products

Business categories	Principal products
Gas	Natural gas; liquefied natural gas (LNG)
LPG and other energy services	LPG; on-site energy services
Other businesses	Gas-equipment and piping installation; sale of gas equipment; real estate rentals; sale of household equipment; leasing of office equipment

(2) Segment information by location

Not applicable due to absence of overseas consolidated subsidiaries or branches

(3) Overseas Sales

Not applicable

Non-Consolidated Interim Balance Sheets

	Thousands of yen			
	June 30, 2007	December 31, 2006	Change	June 30, 2006
Assets				
Noncurrent assets:				
Property, plant and equipment –				
Production facilities	¥ 1,566,681	¥ 415,510	¥ 1,151,170	¥ 291,863
Distribution facilities	38,731,450	38,672,389	59,060	39,761,413
Service and maintenance facilities	3,142,979	3,252,721	(109,741)	3,232,769
Other related business facilities	935,012	1,004,581	(69,568)	1,041,666
Construction in progress	5,306,989	5,673,114	(366,124)	3,651,781
Total property, plant and equipment	49,683,114	49,018,317	664,796	47,979,494
Intangible assets –				
Leaseholds	494,411	494,411	—	494,411
Other intangible assets	930,787	577,879	352,907	276,836
Total intangible assets	1,425,198	1,072,290	352,907	771,247
Investments and other assets –				
Investment securities	11,577,599	11,154,879	422,720	11,571,466
Investments in affiliates	3,416,016	3,415,466	550	3,415,266
Long-term loans within company	652,562	723,145	(70,583)	820,979
Long-term loans to affiliates	4,127,000	4,015,100	111,900	3,165,400
Investments in partnerships	15,802	16,955	(1,152)	16,898
Long-term prepaid expenses	31,630	29,581	2,049	6,013
Other investments	219,487	492,709	(273,222)	790,691
Allowance for doubtful accounts	(18,914)	(21,665)	2,751	(19,902)
Total investments and other assets	20,021,184	19,826,172	195,011	19,766,813
Total noncurrent assets	71,129,497	69,916,780	1,212,716	68,517,555
Current assets:				
Cash and bank deposits	7,038,971	5,771,498	1,267,472	3,826,699
Notes receivable	21,383	108,541	(87,157)	51,598
Accounts receivable	4,920,337	4,606,510	313,827	3,809,997
Accounts receivable – affiliates	77,855	69,590	8,265	63,305
Other accounts receivable	110,464	107,735	2,728	91,742
Marketable securities	14,850	17,510	(2,660)	7,720
Finished products	48,032	43,945	4,086	42,637
Raw materials	27,875	27,333	541	5,534
Supplies	55,452	55,771	(319)	62,785
Prepaid expenses	255,486	128,280	127,206	226,024
Other accounts receivable – affiliates	499,228	471,428	27,800	575,287
Short-term loans to affiliates	613,000	640,000	(27,000)	634,000
Deferred tax assets	83,399	228,929	(145,530)	279,434
Other accounts receivable – other related business	5,709,926	5,148,376	561,549	2,333,150
Current assets – other related business	330,649	501,261	(170,611)	356,654
Other current assets	538,402	352,454	185,947	319,330
Allowance for doubtful accounts	(49,970)	(44,920)	(5,050)	(36,830)
Total current assets	20,295,345	18,234,247	2,061,098	12,649,072
Total assets	¥ 91,424,842	¥ 88,151,027	¥ 3,273,815	¥ 81,166,628

Note: Amounts under one thousand yen are omitted.

	Thousands of yen			
	June 30, 2007	December 31, 2006	Change	June 30, 2006
Liabilities				
Long-term liabilities:				
Long-term debt	¥ 29,289,925	¥ 27,345,139	¥ 1,944,786	¥ 23,632,603
Deferred tax liabilities	2,027,485	1,837,038	190,447	2,131,208
Accrued severance and retirement benefits	3,142,015	3,292,760	(150,744)	3,187,725
Reserve for directors' retirement benefits	—	265,600	(265,600)	246,550
Reserve for repair of gasholders	158,406	141,292	17,114	124,172
Other long-term liabilities	189,150	—	189,150	—
Total long-term liabilities	34,806,982	32,881,829	1,925,153	29,322,259
Current liabilities:				
Long-term liabilities due within one year	6,242,678	6,813,858	(571,180)	7,395,318
Accounts payable	1,041,908	21,214	1,020,694	21,660
Other accounts payable	288,002	573,157	(285,154)	430,747
Accrued expenses	753,071	956,460	(203,388)	652,644
Income taxes payable	939,088	1,202,726	(263,638)	1,624,299
Advances received	77,262	89,019	(11,757)	53,874
Deposits received	144,126	108,159	35,966	164,988
Accounts payable – affiliates	2,924,840	3,842,685	(917,844)	2,637,039
Short-term debt – affiliates	3,035,000	1,650,000	1,385,000	1,705,000
Other accounts payable – affiliates	947,492	1,863,186	(915,693)	1,181,664
Allowance for bonuses	284,500	281,300	3,200	283,200
Other accounts payable – other related business	3,752,979	3,197,967	555,012	367,290
Current liabilities – other related business	263,696	372,096	(108,400)	243,406
Other current liabilities	276	32,867	(32,591)	—
Total current liabilities	20,694,923	21,004,698	(309,775)	16,761,132
Total liabilities	55,501,906	53,886,528	1,615,377	46,083,392
Net assets				
Shareholders' equity:				
Common stock	6,279,147	6,279,147	—	6,279,147
Capital surplus				
Appropriation for legal reserve	4,098,961	4,098,961	—	4,098,961
Retained earnings –				
Appropriation for legal reserve	801,709	801,709	—	801,709
Other retained earnings				
Reserve for reduction in costs of specified assets	220,420	220,420	—	220,420
General reserve	16,288,700	14,138,700	2,150,000	14,138,700
Retained earnings brought forward	2,329,872	3,103,595	(773,723)	3,543,525
Total retained earnings	19,640,702	18,264,425	1,376,276	18,704,355
Treasury stock	(23,037)	(22,344)	(692)	(20,769)
Total shareholders' equity	29,995,773	28,620,189	1,375,584	29,061,694
Gains and losses on valuation or translation:				
Unrealized gains on available-for-sale securities	5,605,532	5,353,832	251,700	5,614,734
Gains and losses on deferred hedge accounting	321,630	290,477	31,153	406,806
Total gains and losses on valuation or translation	5,927,163	5,644,309	282,853	6,021,541
Total net assets	35,922,936	34,264,499	1,658,437	35,083,235
Total liabilities and net assets	¥ 91,424,842	¥ 88,151,027	¥ 3,273,815	¥ 81,166,628

Note: Amounts under one thousand yen are omitted.

Non-Consolidated Interim Statements of Income

	Thousands of yen			
	6 months ended June 30, 2007	6 months ended June 30, 2006	Change	Year ended December 31, 2006
Product sales:				
Revenue from gas operations	¥ 34,607,910	¥ 28,269,523	¥ 6,338,386	¥ 56,154,031
Cost of sales:				
Initial inventories	43,945	40,307	3,637	40,307
Cost of gas production	4,158,088	276,143	3,881,944	616,116
Purchase amount (gas)	19,575,427	15,536,641	4,038,786	34,708,031
In-house consumption	221,340	164,854	56,486	362,834
Inventories at term-end	48,032	42,637	5,394	43,945
Total cost of sales	23,508,089	15,645,601	7,862,487	34,957,676
Gross profit	11,099,821	12,623,922	(1,524,100)	21,196,355
Selling expenses	6,899,818	6,782,295	117,523	13,884,249
General and administrative expenses	1,592,344	1,694,498	(102,154)	3,418,256
Business profit	2,607,658	4,147,128	(1,539,469)	3,893,848
Miscellaneous revenue:				
Revenue from installation work	602,873	601,517	1,355	1,210,769
Revenue from equipment sales	1,178,702	1,452,325	(273,623)	3,017,939
Other	291	1,139	(848)	1,236
Total miscellaneous revenue	1,781,866	2,054,982	(273,115)	4,229,946
Miscellaneous expenses:				
Expenses for installation work	587,159	607,899	(20,739)	1,222,381
Expenditure for equipment sales	1,430,094	1,407,241	22,852	2,937,019
Total miscellaneous expenses	2,017,253	2,015,140	2,113	4,159,400
Revenue from other related business	1,854,538	1,694,325	160,213	3,429,900
Expenses for other related business	1,760,446	1,559,539	200,906	3,278,336
Operating income	2,466,363	4,321,755	(1,855,392)	4,115,958
Non-operating income:				
Interest income	47,264	35,955	11,308	78,420
Interest income on securities	15	26	(10)	45
Dividend income	91,790	75,219	16,571	113,929
Dividend income from affiliates	108,810	100,803	8,007	100,803
Rent income	69,034	73,528	(4,494)	146,597
Other	109,588	92,419	17,168	161,093
Total non-operating income	426,504	377,953	48,550	600,889
Non-operating expenses:				
Interest expenses	287,791	242,646	45,144	504,187
Other	5,221	4,785	436	17,533
Total non-operating expenses	293,013	247,431	45,581	521,720
Ordinary income	2,599,854	4,452,277	(1,852,423)	4,195,127

	Thousands of yen			
	6 months ended June 30, 2007	6 months ended June 30, 2006	Change	Year ended December 31, 2006
Extraordinary income:				
Gain on sale of noncurrent assets	33,663	15,344	18,319	15,344
Gain on sale of investment securities	25,685	—	25,685	—
Total extraordinary income	59,349	15,344	44,005	15,344
Income before income taxes	2,659,203	4,467,622	(1,808,418)	4,210,471
Income taxes – current	796,000	1,470,000	(674,000)	1,425,000
Income taxes – deferred	182,328	71,069	111,259	32,319
Net income	¥ 1,680,875	¥ 2,926,552	¥ (1,245,677)	¥ 2,753,152

Note: Amounts under one thousand yen are omitted.

Non-Consolidated Interim Statements of Changes in Shareholders' Equity

6 months ended June 30, 2007

Thousands of yen

	Shareholders' equity								Total shareholders' equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	
		Appropriation for legal reserve	Appropriation for legal reserve	Other retained earnings			Total retained earnings		
				Reserve for reduction in cost of specified assets	General reserve	Retained earnings brought forward			
Balance at Dec. 31, 2006	6,279,147	4,098,961	801,709	220,420	14,138,700	3,103,595	18,264,425	(22,344)	28,620,189
Changes during reporting first-half period:									
Distribution of retained earnings						(304,598)	(304,598)		(304,598)
Provisions to general reserve					2,150,000	(2,150,000)	—		—
Net income for first-half						1,680,875	1,680,875		1,680,875
Acquisition of own shares							—	(692)	(692)
Changes in items outside the scope of shareholders' equity, net									
Total changes during the reporting first-half	—	—	—	—	2,150,000	(773,723)	1,376,276	(692)	1,375,584
Balance at June 30, 2007	6,279,147	4,098,961	801,709	220,420	16,288,700	2,329,872	19,640,702	(23,037)	29,995,773

	Gains and losses on valuation or translation			Total net assets
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	
Balance at Dec. 31, 2006	5,353,832	290,477	5,644,309	34,264,499
Changes during reporting first-half period:				
Distribution of retained earnings				(304,598)
Provisions to general reserve				—
Net income for first-half				1,680,875
Acquisition of own shares				(692)
Changes in items outside the scope of shareholders' equity, net	251,700	31,153	282,853	282,853
Total changes during the reporting first-half	251,700	31,153	282,853	1,658,437
Balance at June 30, 2007	5,605,532	321,630	5,927,163	35,922,936

Note: Amounts under one thousand yen are omitted.

6 months ended June 30, 2006

Thousands of yen

	Shareholders' equity								Total shareholders' equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	
		Appropriation for legal reserve	Appropriation for legal reserve	Other retained earnings			Total retained earnings		
				Reserve for reduction in cost of specified assets	General reserve	Retained earnings brought forward			
Balance at Dec. 31, 2005	6,279,147	4,098,961	801,709	211,257	12,838,700	2,230,685	16,082,352	(16,078)	26,444,382
Changes during reporting first-half period:									
Distribution of retained earnings						(266,548)	(266,548)		(266,548)
Payment of bonuses to directors and auditors						(38,000)	(38,000)		(38,000)
Provisions to reserve for reduction in cost of specified assets				9,163		(9,163)	—		—
Provisions to general reserve					1,300,000	(1,300,000)	—		—
Net income for first-half						2,926,552	2,926,552		2,926,552
Acquisition of own shares							—	(4,691)	(4,691)
Changes in items outside the scope of shareholders' equity, net									
Total changes during the reporting first-half	—	—	—	9,163	1,300,000	1,312,840	2,622,003	(4,691)	2,617,312
Balance at June 30, 2006	6,279,147	4,098,961	801,709	220,420	14,138,700	3,543,525	18,704,355	(20,769)	29,061,694

	Gains and losses on valuation or translation			Total net assets
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	
Balance at Dec. 31, 2005	5,508,479	—	5,508,479	31,952,862
Changes during reporting first-half period:				
Distribution of retained earnings				(266,548)
Payment of bonuses to directors and auditors				(38,000)
Provisions to reserve for reduction in cost of specified assets				—
Provisions to general reserve				—
Net income for first-half				2,926,552
Acquisition of own shares				(4,691)
Changes in items outside the scope of shareholders' equity, net	106,254	406,806	513,061	513,061
Total changes during the reporting first-half	106,254	406,806	513,061	3,130,373
Balance at June 30, 2006	5,614,734	406,806	6,021,541	35,083,235

Note: Amounts under one thousand yen are omitted.

Year ended December 31, 2006

Thousands of yen

	Shareholders' equity								Total shareholders' equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	
		Appropriation for legal reserve	Appropriation for legal reserve	Other retained earnings			Total retained earnings		
				Reserve for reduction in cost of specified assets	General reserve	Retained earnings brought forward			
Balance at Dec. 31, 2005	6,279,147	4,098,961	801,709	211,257	12,838,700	2,230,685	16,082,352	(16,078)	26,444,382
Changes during the reporting term:									
Distribution of retained earnings						(533,078)	(533,078)		(533,078)
Payment of bonuses to directors and auditors						(38,000)	(38,000)		(38,000)
Provisions to reserve for reduction in cost of specified assets				9,163		(9,163)	—		—
Provisions to general reserve					1,300,000	(1,300,000)	—		—
Net income						2,753,152	2,753,152		2,753,152
Acquisition of own shares							—	(6,266)	(6,266)
Changes in items outside the scope of shareholders' equity, net									
Total changes during the reporting term	—	—	—	9,163	1,300,000	872,910	2,182,073	(6,266)	2,175,807
Balance at Dec. 31, 2006	6,279,147	4,098,961	801,709	220,420	14,138,700	3,103,595	18,264,425	(22,344)	28,620,189

	Gains and losses on valuation or translation			Total net assets
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	
Balance at Dec. 31, 2005	5,508,479	—	5,508,479	31,952,862
Changes during the reporting term:				
Distribution of retained earnings				(533,078)
Payment of bonuses to directors and auditors				(38,000)
Provisions to reserve for reduction in cost of specified assets				—
Provisions to general reserve				—
Net income				2,753,152
Acquisition of own shares				(6,266)
Changes in items outside the scope of shareholders' equity, net	(154,647)	290,477	135,830	135,830
Total changes during the reporting term	(154,647)	290,477	135,830	2,311,637
Balance at Dec. 31, 2006	5,353,832	290,477	5,644,309	34,264,499

Note: Amounts under one thousand yen are omitted.