



Financial Results 2014

(January-December)

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February 13<sup>th</sup> , 2015

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**SHIZUOKA GAS CO.,LTD.**

SECURITIES CODE : 9543

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## Disclaimer

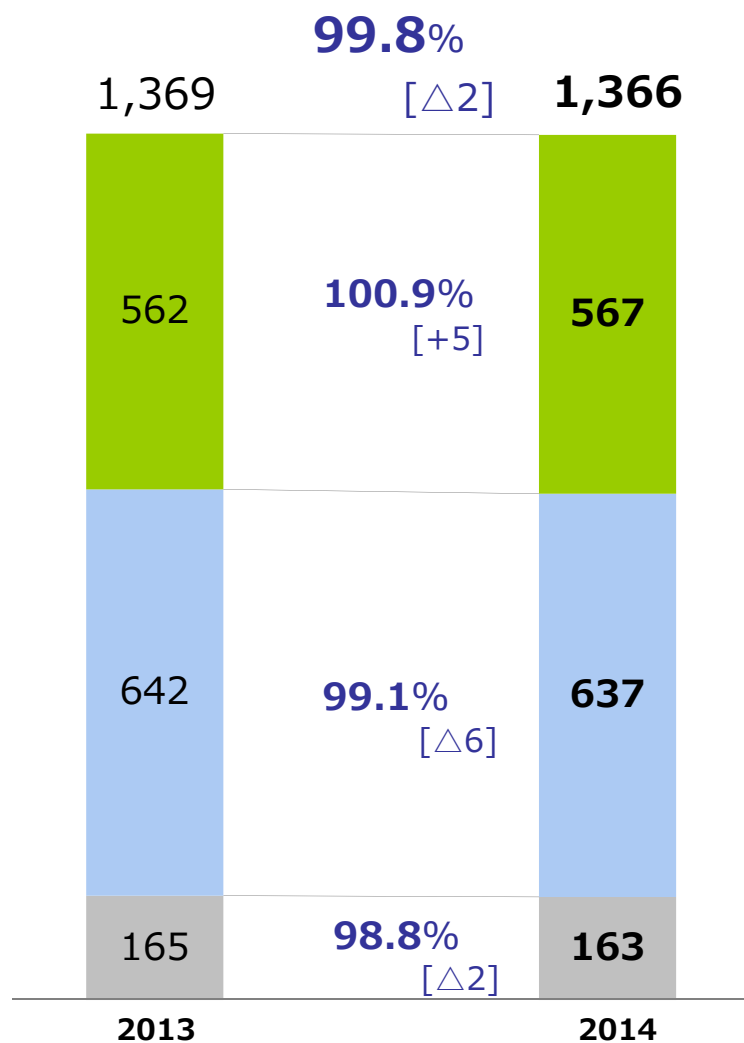
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- Forecasts are based on information available to the management when this was drafted.
- Actual financial results may significantly differ from these forecasts due to any unforeseen economic and business circumstances.

— I .Summary Financial Results —  —

# Volume of Gas Sold (Non-Consolidated)

~ Year-on-year comparison ~



Unit; Million m<sup>3</sup>(45MJ/m<sup>3</sup>)

\* Figures in [ ] are million m<sup>3</sup>

## Wholesale

- Commencement of gas sales volume along Shizuham Trunkline [+7]
- Decrease in sales volume to other gas distributors [Δ2]

## Large-lot Sale

- Existing customers [Δ11]
- Full operation through a whole year of Newly Developed Customers in 2013 [+5]

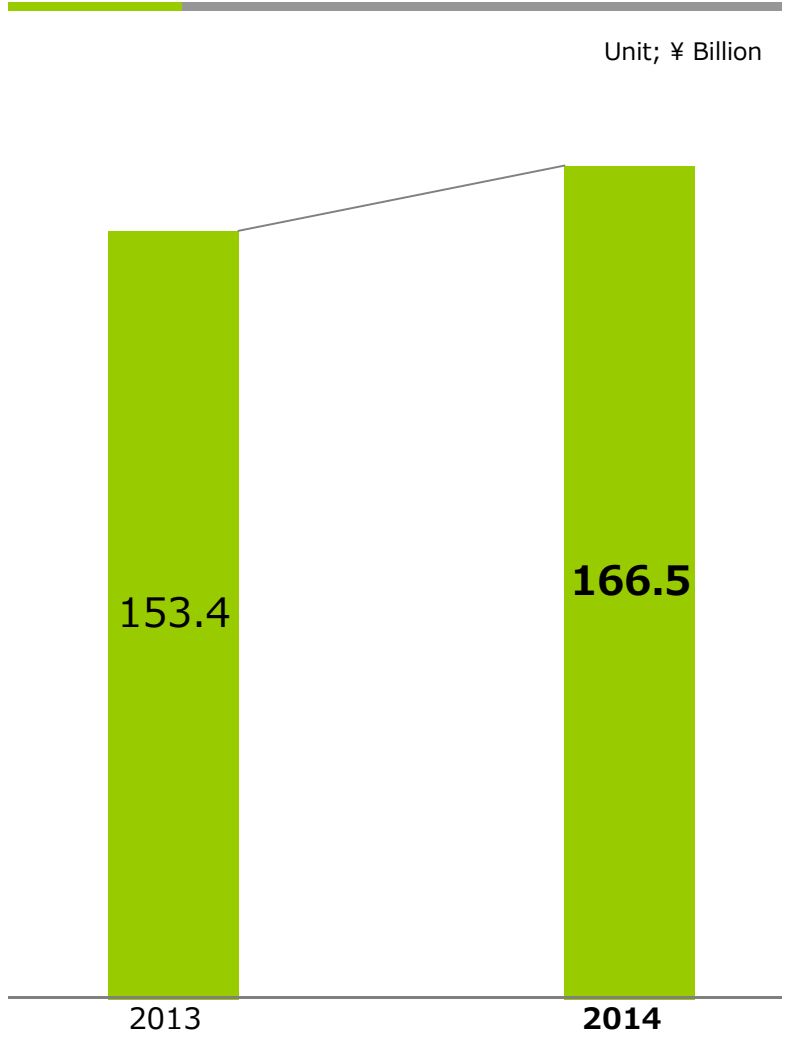
## Small-lot Sale

- Decrease in sales volume to commercial demand for air conditioning [Δ3]
- Increase in sales volume to residential due to lower temperature [+1]

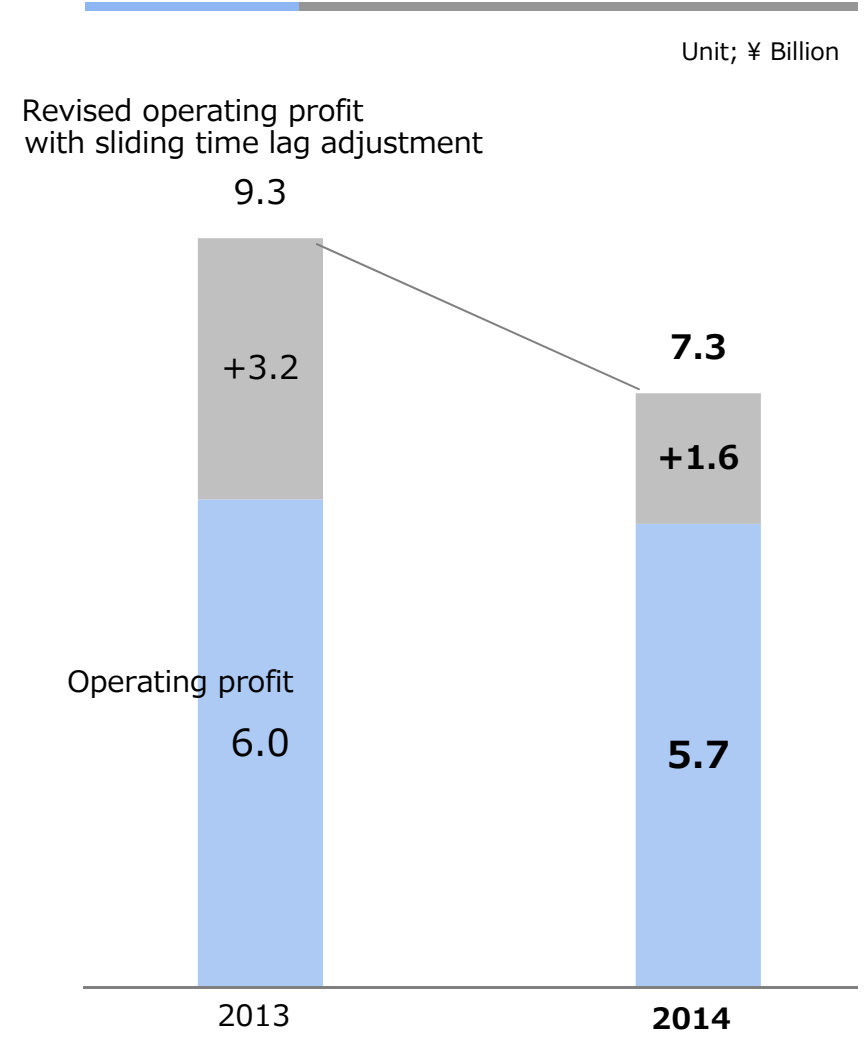
# Sales & Operating Profit ~ Year-on-year comparison ~



## Sales



## Operating Profit • Sliding Time Lag



# Breakdown of Consolidated Operating Profit

~ Year-on-year comparison ~



Unit; ¥ Billion

\*[ ] denotes year-on-year change

\*Transactions between the consolidated companies are offset

**Sales** **166.5** [+13.1]

City Gas	144.6	[+12.0]
LPG	12.6	[+0.7]
Others	9.3	[+0.3]

**Operating Profit** **5.7** [△0.3]

**Sliding Time Lag** **△1.6** [+1.6]

**Gross Profit**

**32.5** [+1.8]

<b>City Gas</b>	<b>28.1</b>	[+1.6]
■ <b>Sales</b>	<b>144.6</b>	[+12.0]
Decrease in gas sales volume		△0.1
Upward adjustment of unit price of gas		+10.0
Increase in volume for LNG sales		+1.7
Tariff revisions		+0.4
■ <b>Cost of Sales</b>	<b>116.4</b>	[+10.4]
Increase in gas sales volume		+0.0
Upward adjustment of unit price of gas		+8.7
Increase in volume for LNG sales		+1.6
LNG terminal cost		△0.2
Tariff revisions		+0.2
<b>LPG and Others</b>	<b>4.3</b>	[+0.2]

**Marketing Expenses**

**26.8** [+2.1]

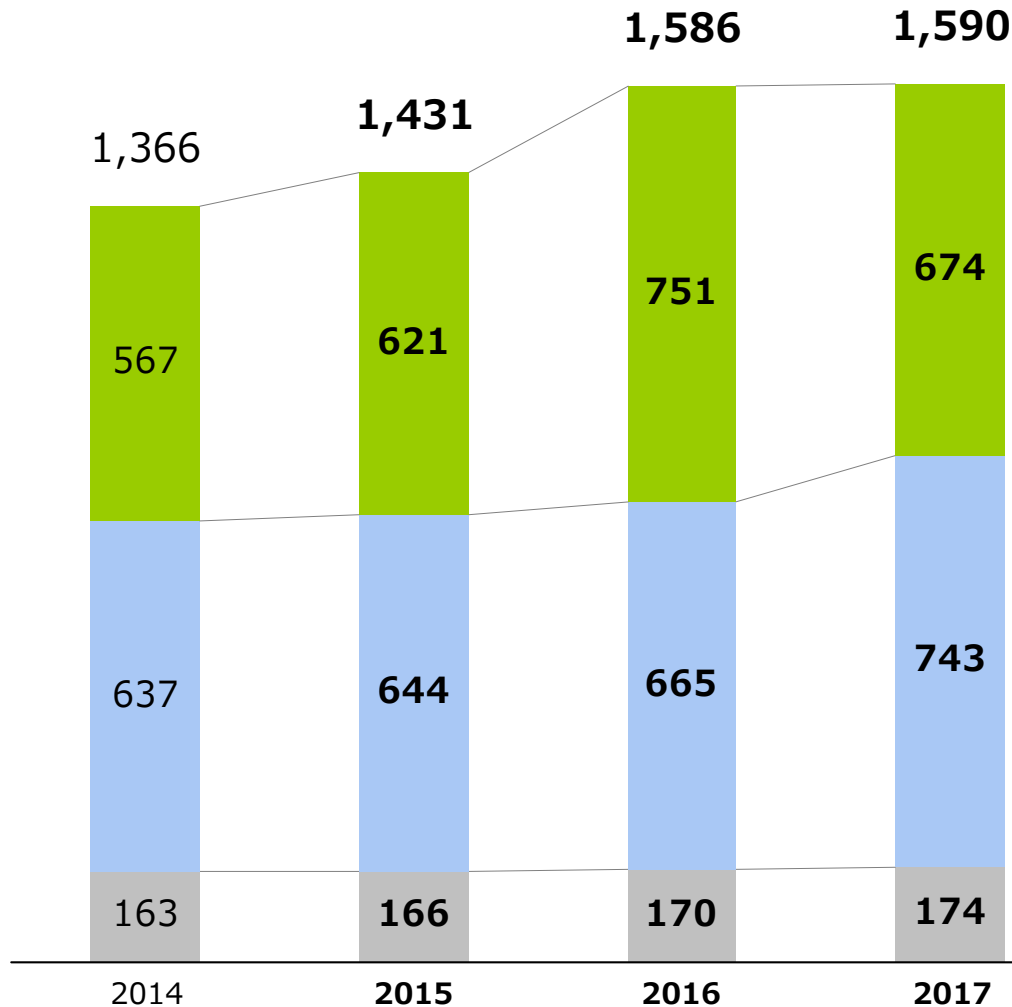
Increase of depreciation caused by the commencement of operation of Shizuhama Trunkline etc.

## — II . Mid-Term Strategy — —

# Target Sale of Gas in Volume (Non-consolidated)



Unit; Million m<sup>3</sup>



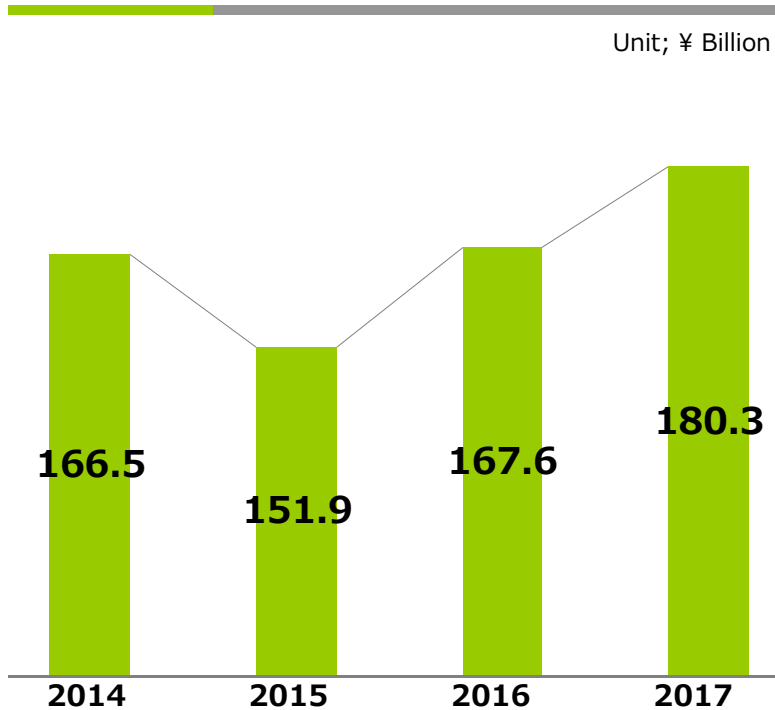
Total sales volume	Average increase +5.2%
Wholesale	Average increase +5.9%
Large-lot sale	Average increase +5.3%
Small-lot sale	Average increase +2.2%



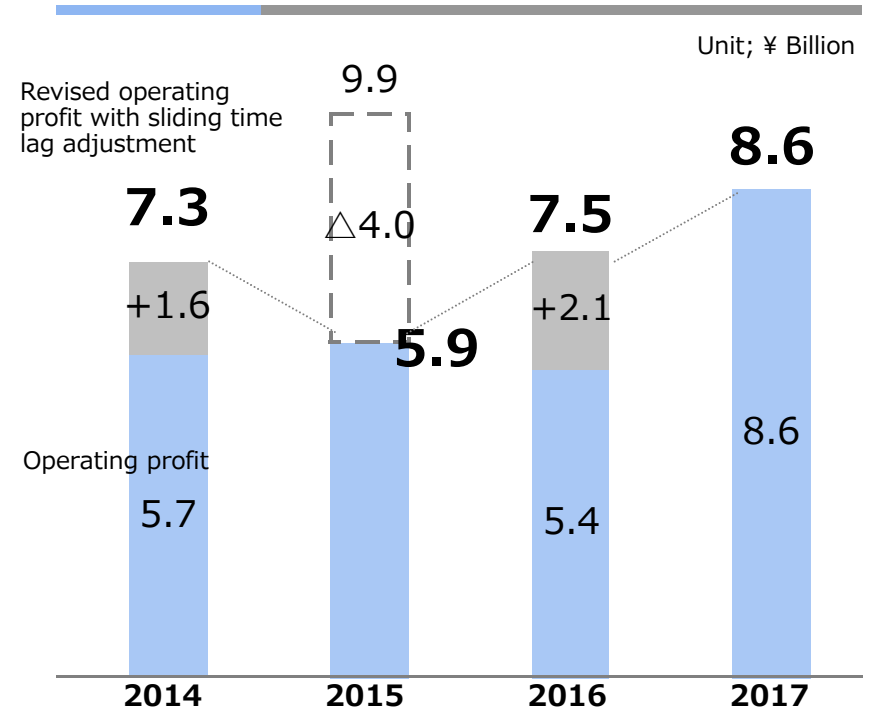
# Forecast Sales & Operating Profit



## Sales



## Operating Profit • Sliding Time Lag



	2014	2015	2016	2017	Gross Profit Sensitivity	
Exchange rate (Yen/US\$)	105.2	120	120	120	(+)1yen/\$	-90million yen
Crude oil price C I F ( J C C ) (US\$/bbl)	105.1	68	80	80	(+)1\$/bbl	-170million yen

# Assumption of Consolidated Operating Profit

~ Year-on-year comparison ~



Unit; ¥ Billion

\*[ ] denotes year-on-year change

\*Transactions between the consolidated companies are offset

**Sales** 151.9 [△14.6]

City Gas	132.0	[△12.6]
LPG	10.8	[△1.7]
Others	9.0	[△0.3]

**Operating Profit** 9.9 [+4.2]

**Sliding Time Lag** +4.0 [+5.5]

## Gross Profit

38.0 [+5.5]

<b>City Gas</b>	<b>33.9</b>	[+5.7]
■ <b>Sales</b>	<b>132.0</b>	[△12.6]
Decrease in gas sales volume		+4.1
Upward adjustment of unit price of gas		△14.2
Increase in volume for LNG sales		△2.4
Tariff revisions		△0.1
■ <b>Cost of Sales</b>	<b>98.1</b>	[△18.3]
Increase in gas sales volume		+3.9
Downward adjustment of unit price of gas		△19.6
Decrease in volume for LNG sales		△2.3
LNG terminal cost		△0.2
Tariff revisions		△0.1
<b>LPG and Others</b>	<b>4.1</b>	[△0.2]

## Marketing Expenses

28.0 [+1.2]

— III. Supplementary Information —  —

# Forecast Gas Sale (Non-Consolidated)



Unit; Million m<sup>3</sup>

	2014	2015	2016	2017
Volume of sale	1,366	1,431	1,586	1,590
Own sale	799	810	835	916
Residential	89	88	88	89
Commercial	66	69	71	72
Industrial	645	653	676	755
Wholesale	567	621	751	674

〈Large-lot sale (A part of "Own sale")〉

Volume of sale	637	644	665	743
Share in the total sale	79.7%	79.5%	79.6%	81.0%

# Statement of Income



Unit; ¥ Billion

	2014	2015	2016	2017
Total Sales	166.5	151.9	167.6	180.3
Cost of sales	134.0	113.9	133.9	142.9
Gross profit	32.5	38.0	33.7	37.3
Sales and administration expenses	26.8	28.0	28.2	28.7
Manpower	10.0	10.2	10.4	10.6
Other expenses	9.1	10.1	10.2	10.8
Depreciation	7.6	7.6	7.5	7.2
Operating income	5.7	9.9	5.4	8.6
Ordinary income	5.9	10.2	5.6	8.8
Net income	2.9	6.6	3.3	5.3

# Balance Sheet



Unit; ¥ Billion

	2014	2015	2016	2017
A s s e t s	117.9	116.4	114.1	111.1
Current assets	31.4	29.7	30.5	31.4
Fixed assets	86.4	86.7	83.5	79.6
Tangible/Intangible fixed assets	65.8	65.9	63.6	60.5
Investments and other assets	20.6	20.7	19.9	19.1
L i a b i l i t i e s	50.6	45.3	41.1	33.9
Interest-bearing d e b t s	22.5	18.9	13.2	9.6
N e t a s s e t s	67.2	71.0	73.0	77.1

# Statement of Cash Flows & Capital Expenditure



Unit; ¥ Billion

	2014	2015	2016	2017
Operating cash flow	13.0	20.9	11.4	16.7
Investing cash flow	△ 9.8	△ 10.0	△ 7.4	△ 5.7
Financing cash flow	△ 3.2	△ 10.8	△ 4.1	△ 10.7
Net increase in cash and cash equivalents	△ 0.0	+0.0	△ 0.1	+ 0.2
Capital expenditure	8.0	10.2	8.2	6.5
Depreciation	10.8	10.5	10.6	9.6