

TSE:9543

FY2017 3Q Supplementary Information

(Jan.1,2017-Sept.30,2017)

SHIZGAS



SHIZUOKA GAS CO.,LTD.

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Disclaimer

- 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 of Financial Results for FY2017 3Q

FY2017 3Q Financial Highlights

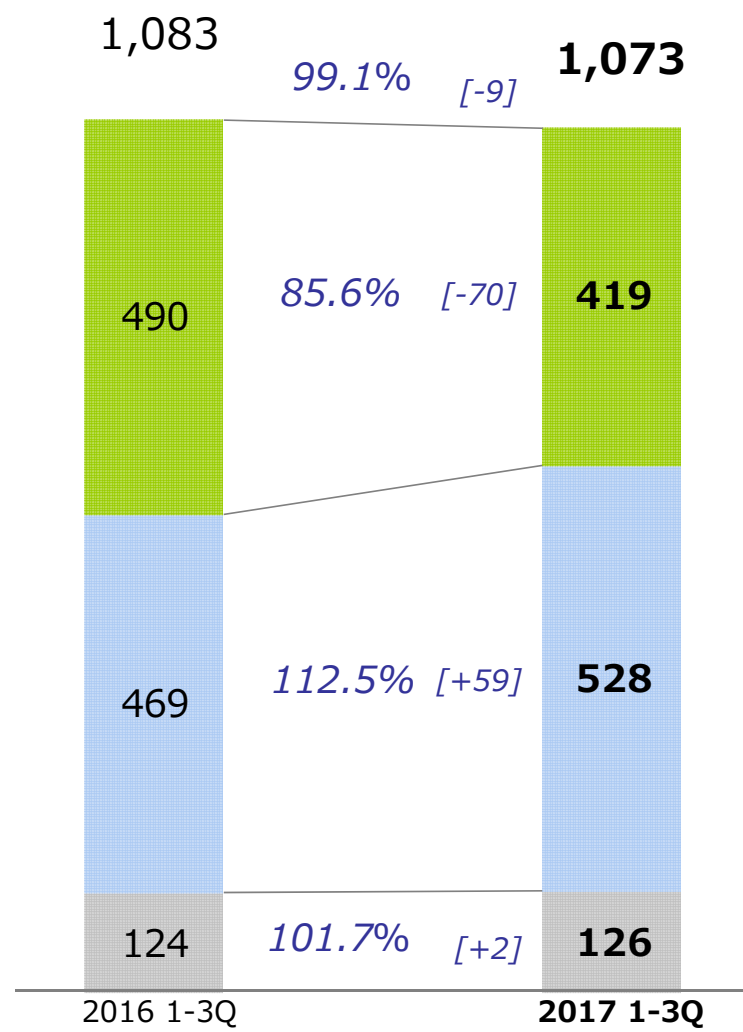


◎ 3Q Results : Higher sales, lower profits

- While sales had dropped due mainly to sliding unit prices, electricity sales contributed to a 6.1% increase and operating income up 23.9% after sliding time lag adjustment.
- Gas sales volume down 0.9% year-on-year
 → Wholesale sales down 14.4% due to contract-based volume decrease
 Large-lot sales up 12.5% due to additional electricity cogeneration operations; small-lot sales up 1.7% due to temperature impacts

	FY2016 1-3Q	FY2017 1-3Q	Change	Change (%)
● Net sales (billion yen)	83.4	88.5	+5.0	106.1
● Revised operating income with Sliding time lag adjustment (billion yen)	6.2	7.7	+1.4	123.9
Operating income	11.1	6.5	△4.5	59.1
Sliding time lag	△4.8	+1.1	△6.0	—
● Gas sales volume (Non-Consolidated) (million m ³ , 45MJ)	1,083	1,073	△9	99.1
Wholesale	490	419	△70	85.6
Large-lot-sale	469	528	+59	112.5
Small-lot-sale	124	126	+2	101.7

Gas Sales Volume (Non-Consolidated)



Unit; Million m³(45MJ/m³)
 * Figures in [] are million m³

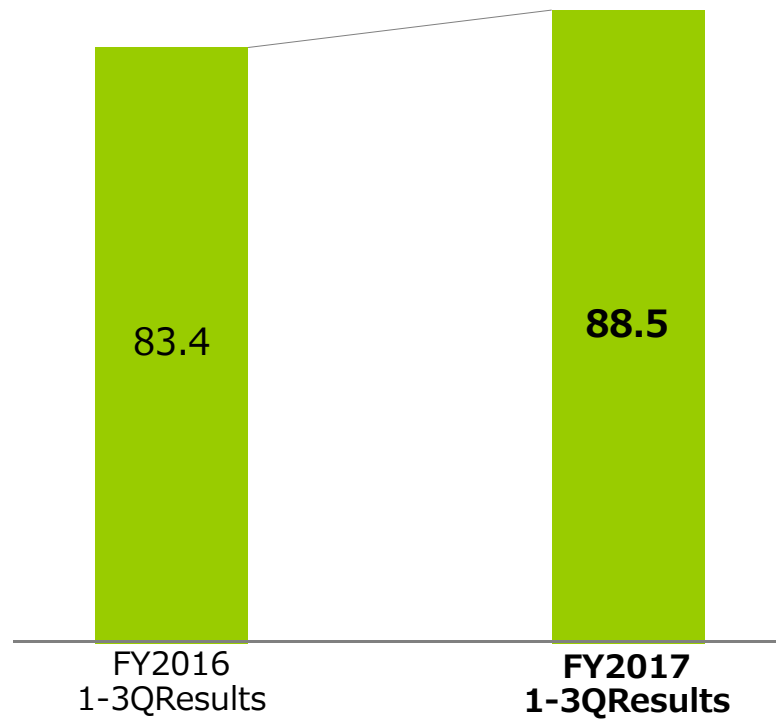
- Wholesale**
 - Wholesale decrease in sales volume based on contract quantity and supply and demand adjustments [-82]
 - Increase in sales volume via Shizuham Trunk Line [+14]
 - Decrease in demand for wholesale customers [-2]
- Large-lot sale**
 - Newly developed customers [+46]
 - Full operation through a whole year of newly developed customers in 2016 [+5]
 - Existing customers [+8]
- Small-lot sale**
 - Increase in sales volume to residential due to changes of temperature [+2]

Net Sales and Operating Income



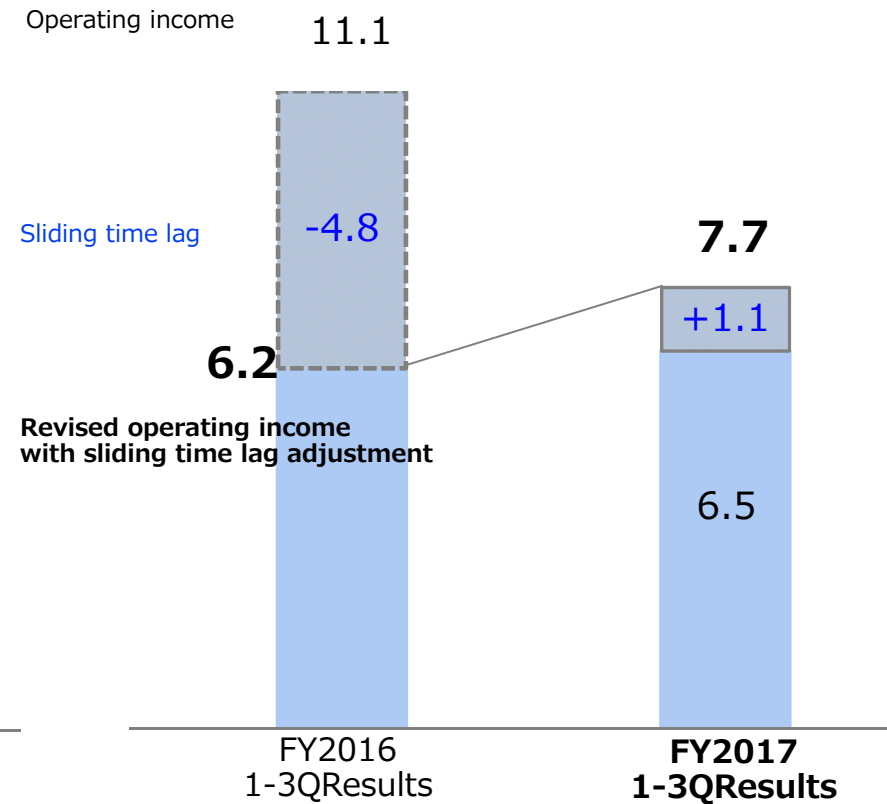
Net Sales

Unit : billion yen



Operating Income & Sliding time lag

Unit : billion yen



Breakdown of Consolidated Operating Income

<vs. FY2016 1Q-3Q Results>



Unit; billion yen

*Parentheses indicate comparison to 1Q-3Q in 2016

*Transactions between the consolidated companies are offset

Net Sales **88.5** [+5.0]

City gas **71.3** [+2.1]

LPG **10.8** [+2.8]

Others **6.3** [+0.0]

Operating income **6.5** [-4.5]

Sliding time lag* **-1.1** [-6.0]

*Non-consolidated

Gross Profit

25.8 [-4.5]

City gas **22.4** [Δ4.7]

■ Net sales **71.3** [+2.1]

Increase in gas sales volume +2.9

Downward adjustment of unit price of gas -1.1

Others +0.3

■ Cost of sales **48.8** [+6.8]

Increase in gas consumption +2.6

Increase in gas prices +5.0

LNG terminal cost -0.6

Others -0.2

LPG·Others **3.3** [+0.1]

Sales and administrative expenses

19.2 [-0.0]

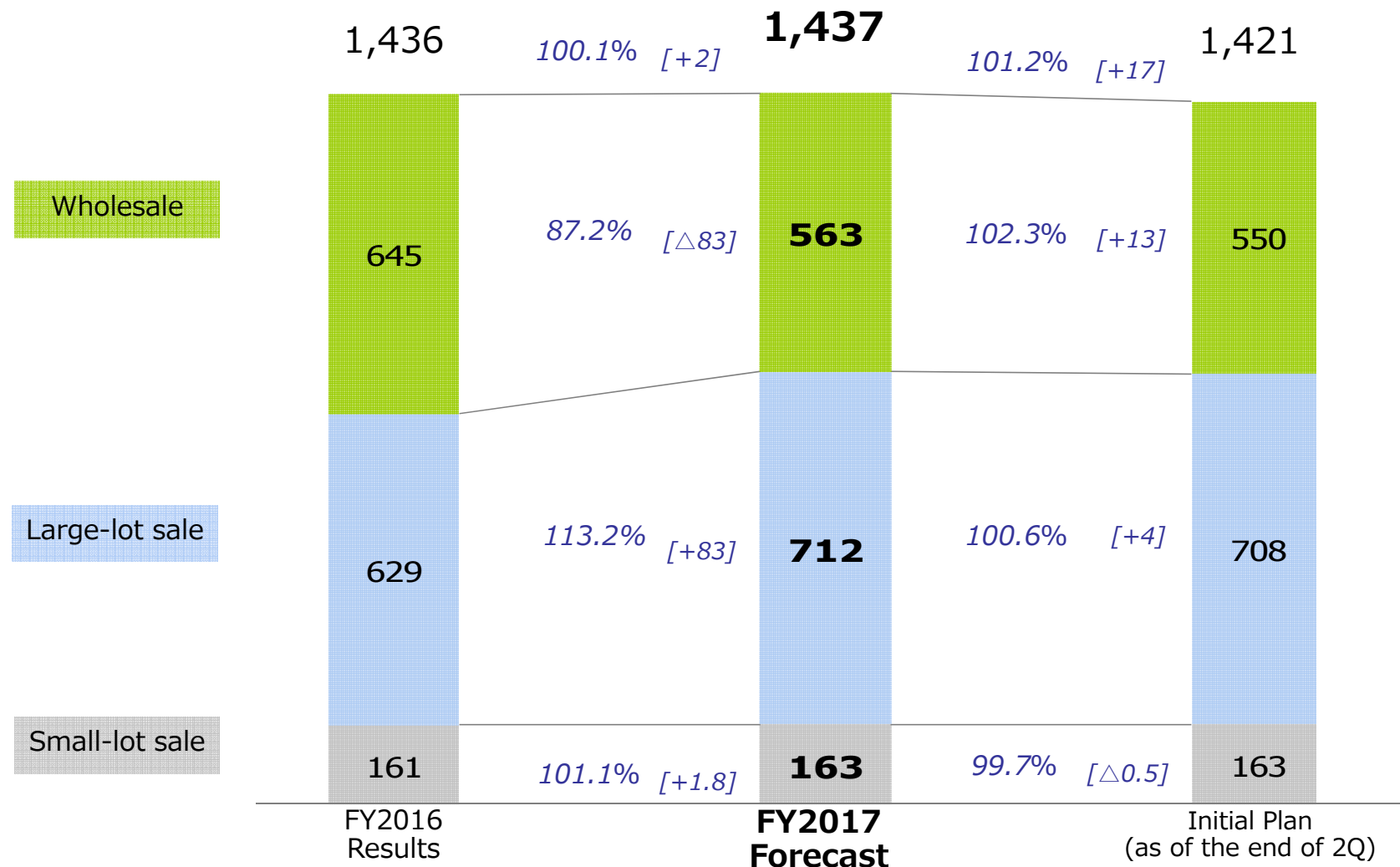
II . FY2017 Forecast

FY2017 Forecast : Gas Sales Volume (Non-Consolidated)



Unit : million m³(45MJ)

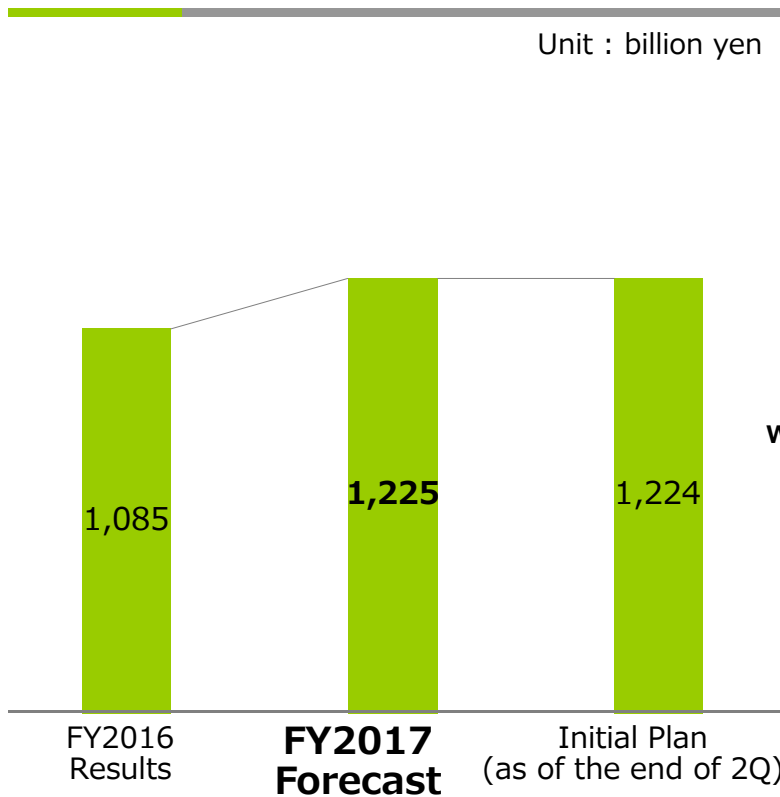
* Figures in [] indicate change in sales volume (million m³)



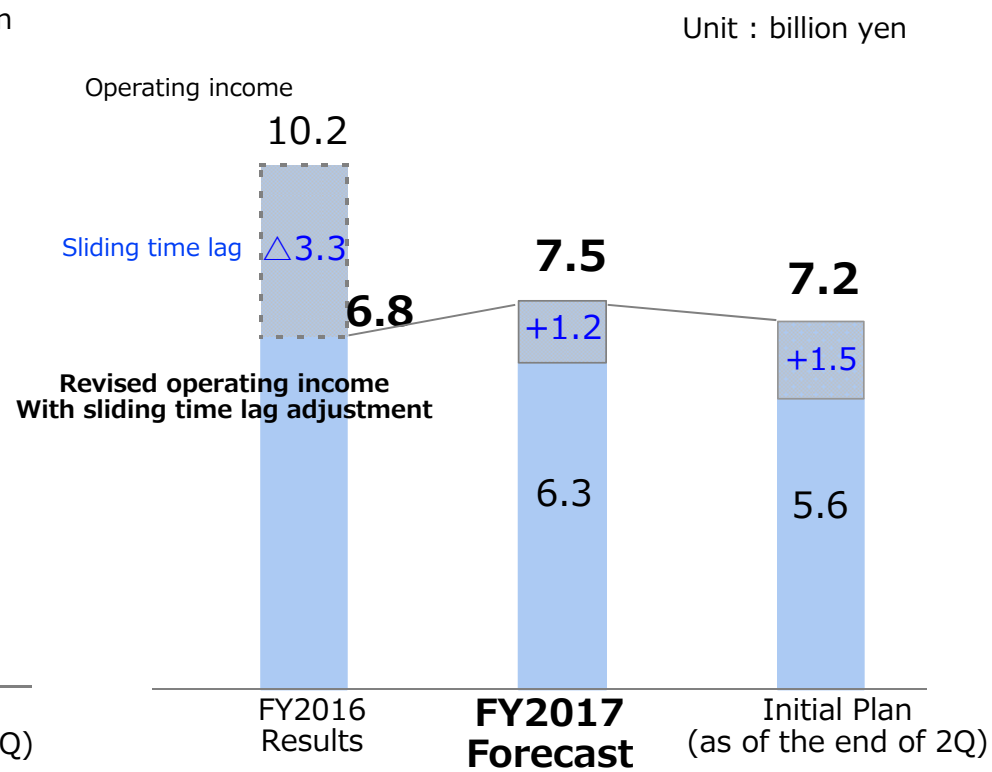
FY2017 Forecast: Net Sales and Operating Income



Net sales



Operating income & Sliding time lag



		FY2017 Jan.-Sept.	FY2017 Oct.-Dec. Forecast
Exchange rate	(Yen/US\$)	112.2	114.0
Crude oil price C I F (J C C)	(US\$/bbl)	52.7	55.0

Effect on Gross Profit (Nov.- Dec.)	
(+) 1yen/US\$	-60million Yen
(+) 1US\$/bbl	±0 million Yen

FY2017 Forecast: Breakdown of Consolidated Operating Income <vs. Initial Plan(as of the end of 2Q)>



Unit; billion yen

*Parentheses indicate comparison to the initial plan

*Transactions between the consolidated companies are offset

Net sales **122.5** [+0.0]

City Gas **97.1** [+0.0]

LPG **14.7** [+0.0]

Others **10.6** [-0.0]

Operating income **6.3** [+0.6]

Sliding time lag* **-1.2** [+0.3]

* Non-consolidated

Gross profit income

33.4 [+0.1]

ガス **29.5** [+0.2]

■ Net sales **97.1** [+0.0]

Increase in gas sales volume +0.7

Downward adjustment of

Unit price of gas -0.6

Others -0.1

■ Cost of sales **67.6** [-0.2]

Increase in gas consumption +0.7

Decrease in gas price -0.9

LPG・その他 **3.9** [-0.1]

Sales and administrative expenses

27.1 [-0.5]

III. Supplementary Information

Gas sales Plan (Non-consolidated)

<vs. FY2016 1Q-3Q Results>



Unit : million m³

	FY2017 1Q-3Q Results	FY2016 1Q-3Q Results	Change	%	FY2017 Forecast
Gas sales volume	1,073	1,083	- 9	99.1	1,437
Own sale	654	593	+61	110.3	875
Residential	66	65	+1	101.7	86
Commercial	53	53	+0	100.4	67
Industrial	535	476	+60	112.5	722
Wholesale	419	490	- 70	85.6	563

< Large-lot-sale (A part of "Own sale") >

Gas sales volume	528	469	+59	112.5	712
Share in the total sale	80.8%	79.1%			81.4%

※ Large-lot-sale : Annual contract quantity are 100 thousand m³

Statement of Income

<vs. FY2016 3Q Results>



Unit : billion yen

	FY2017 3Q Results	FY2016 3Q Results	Change	%	FY2017 Forecast
Net sales	88.5	83.4	+5.0	106.1	122.5
Cost of sales	62.6	53.0	+9.6	118.2	89.0
Gross Profit	25.8	30.4	- 4.5	85	33.4
Sales and adminidtrative expenses	19.2	19.3	-0.0	99.8	27.1
Manpower	7.5	7.6	-0.0	99.2	10.2
Other expenses	6.6	6.4	+0.1	102.4	9.9
Deprection	5.0	5.1	- 0.1	97.5	6.9
Opataring income	6.5	11.1	- 4.5	59.1	6.3
Ordinary income	7.0	11.5	- 4.4	61.2	6.9
Net income	4.3	7.5	- 3.1	58	4.1