



FY2018 3Q
Supplementary Information
(Jan.1,2018-Sept.30,2018)

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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 FY2018 3Q

FY2018 3Q Financial Highlights



◎ 3Q Results : Higher Sales, Lower Profits

- Increase in gas sales volume and upward revision in sliding time lag effect.
Operating income lower in sliding time lag effect.
Operating income +10.3% after sliding time lag adjustment.
- Gas sales volume +6.1% year on year.
(Wholesale) Positive impact of supply-demand adjustments in previous year.
(Large-Lot Sales) Positive impact of full operation in factories developed as clients in the previous year.
(Small-Lot Sales) Negative impact of higher temperatures.

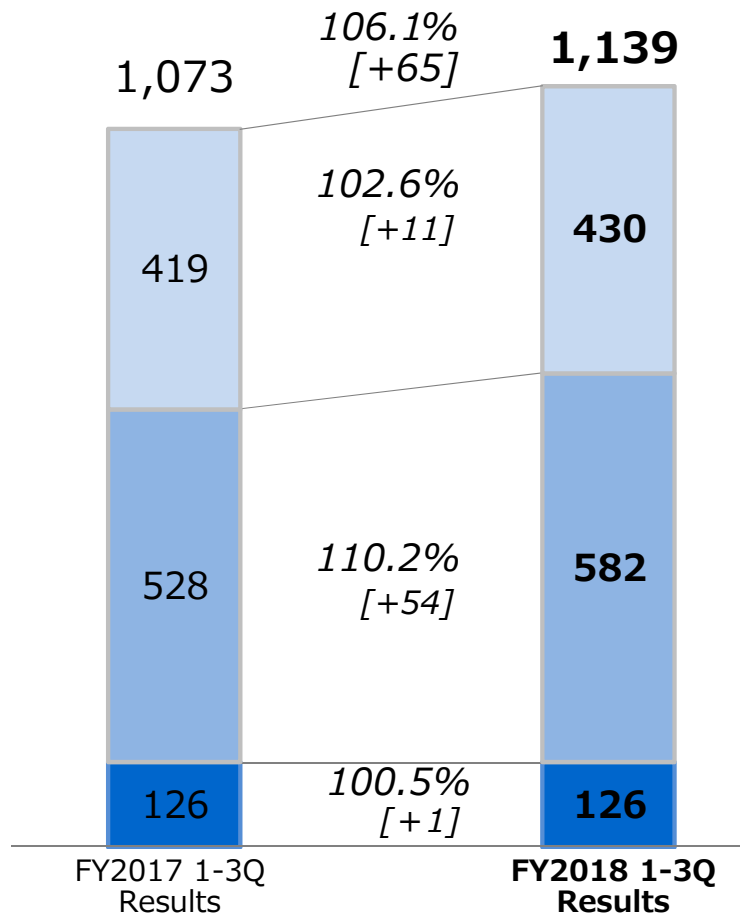
| | FY2017 1Q-3Q | FY2018 1Q-3Q | Change | Change (%) |
|---|--------------|--------------|--------|------------|
| ● Net sales (billion yen) | 88.5 | 102.5 | +14.0 | 115.9 |
| ● Adjusted operating income [reflecting sliding time lag adjustment](billion yen) | 7.7 | 8.5 | +0.7 | 110.3 |
| Operating income | 6.5 | 6.0 | -0.5 | 92.0 |
| Sliding time lag | -1.1 | -2.4 | -1.3 | - |
| ● Gas sales volume (non-consolidated) (million m ³) | 1,073 | 1,139 | +65 | 106.1 |
| Wholesale | 419 | 430 | +11 | 102.6 |
| Large-lot sale | 528 | 582 | +54 | 110.2 |
| Small-lot sale | 126 | 126 | +1 | 100.5 |

Gas Sales Volume (Non-Consolidated)



Unit; Million m³(45MJ/m³)

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



- Wholesale**
 - Supply-demand adjustments in previous year [+11]
- Large-lot-sale**
 - Newly developed customers [+4]
 - Full operation in factories developed as clients in the previous year [+59]
 - Existing customers [-9]
- Small-lot-sale**
 - Increase in sales volume to commercial [+1]
 - Decrease in sales volume to residential [-0]

Breakdown of Consolidated Operating Income

<vs. FY2017 1-3Q Results>



Net sales **102.5** [+14.0]

| | | |
|----------|-------------|---------|
| City gas | 81.5 | [+10.1] |
| LPG | 13.2 | [+2.4] |
| Others | 7.7 | [+1.4] |

Operating income **6.0** [-0.5]

Sliding time lag* **-2.4** [-1.3]

*Non-consolidated

Gross profit

25.7 [-0.1]

Unit; billion yen
 *Parentheses indicate comparison to 1-3Q in 2017
 *Transactions between the consolidated companies are offset

City gas **21.9** [-0.6]

■ Net sales **81.5** [+10.1]

Increase in gas sales volume +3.9

Upward adjustment of unit price of gas +5.9

Others +0.3

■ Cost of sales **59.5** [+10.7]

Increase in gas sales volume +3.6

Increase in gas prices +7.1

LNG terminal cost -0.1

Others +0.1

LPG·Others **3.8** [+0.5]

Sales and administrative expenses

19.7 [+0.4]



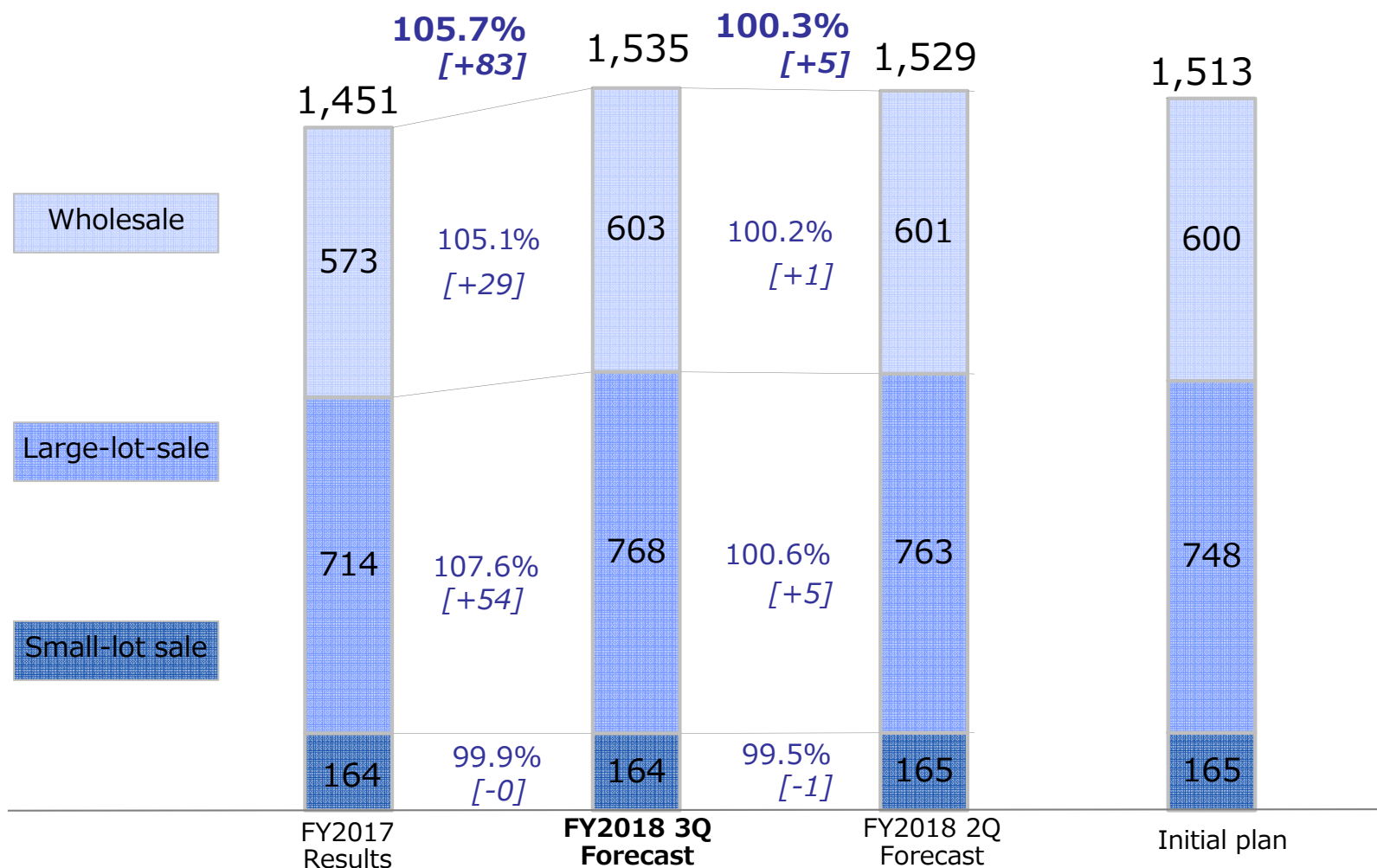
II . FY2018 Forecast

FY2018 Forecast: Gas sale volume (Non-consolidated)



Unit : million m³(45MJ)

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

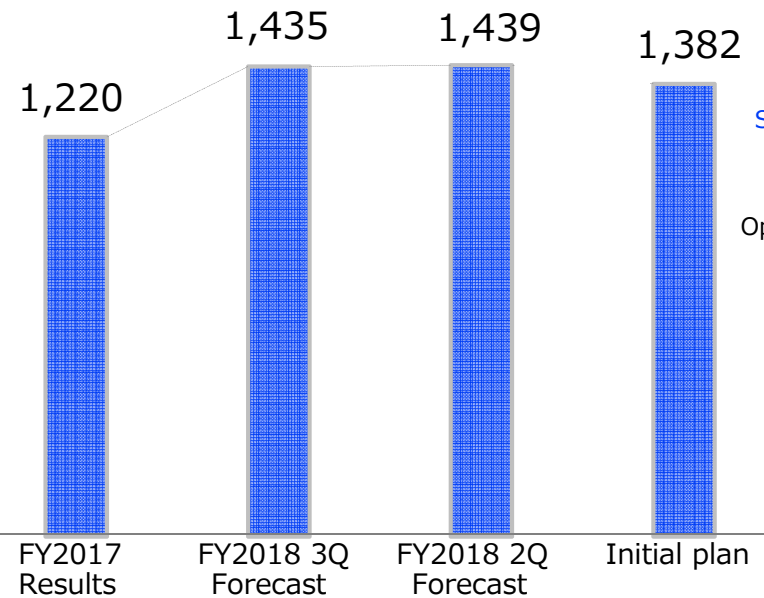


FY2018 Forecast: Net sales and Operating income



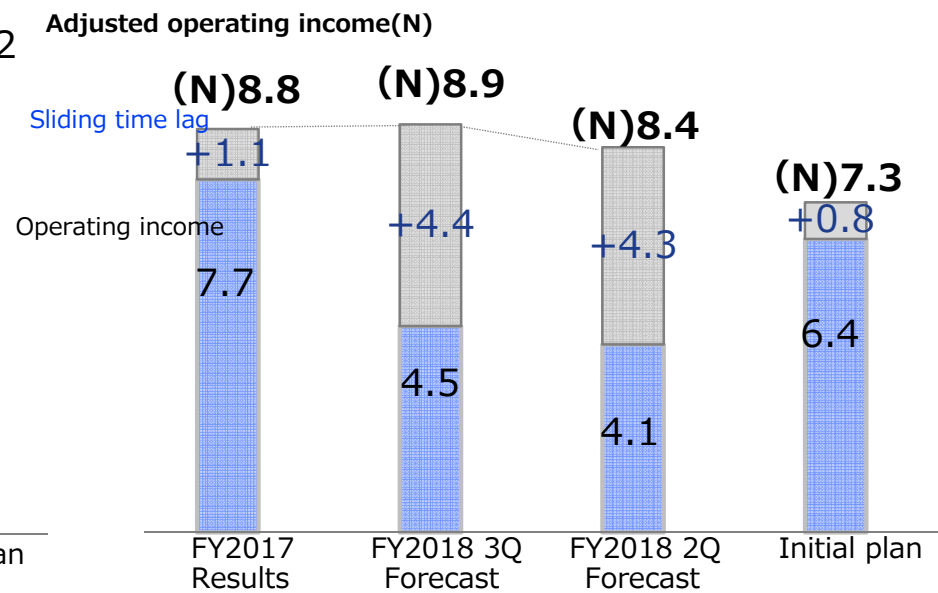
Net sales

Unit : billion yen



Operating income & Sliding time lag

Unit : billion yen



| | Jan-Sep.2018 Results | Oct. 2018 Forecast | Nov-Dec.2018 Forecast | Effect on Gross Profit (Nov-Dec. 2018) | |
|--|----------------------|--------------------|-----------------------|--|-----------------|
| Exchange rate (Yen/US\$) | 109.7 | 112.9 | 110 | (+) 1yen/US\$ | -50 million yen |
| Crude oil price C I F (J C C) (US\$/bbl) | 71.4 | 80.3 | 75 | (+)1US\$/bbl | -0 million yen |

FY2018 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 **143.5** [-0.3]

| | | |
|----------|--------------|--------|
| City gas | 114.3 | [+0.0] |
| LPG | 18.1 | [-0.1] |
| Others | 11.0 | [-0.2] |

Operating income **4.5** [+0.4]

Sliding time lag* **-4.4** [-0.1]

*Non-consolidated

Gross profit income

31.9 [-0.2]

City gas **26.8** [-0.2]

■ Net sales **114.3** [+0.0]

Increase in gas sales volume +0.1

Downward adjustment of
unit price of gas -0.2

Others +0.1

■ Cost of sales **87.5** [+0.2]

Increase in gas sales volume +0.2

Decrease in gas prices -0.1

Others +0.1

LPG·Others **5.0** [+0.0]

Sales and administrative expenses

27.3 [-0.6]



III. Supplementary Information



Gas sales Plan (Non-consolidated)

<vs. FY2017 1Q-3Q Results>



Unit : million Yen

| | FY2018 1Q-3Q Results | FY2017 1Q-3Q Results | Change | % | FY2018 Forecast |
|------------------|-------------------------|-------------------------|--------|-------|--------------------|
| Gas sales volume | 1,139 | 1,073 | +65 | 106.1 | 1,535 |
| Own sale | 708 | 654 | +54 | 108.3 | 932 |
| Residential | 65 | 66 | - 1 | 98.8 | 85 |
| Commercia | 55 | 53 | +2 | 103.4 | 70 |
| Industrial | 589 | 535 | +53 | 110.0 | 777 |
| Wholesale | 430 | 419 | +11 | 102.6 | 603 |

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

| | | | | | |
|----------------------------|-------|-------|-----|-------|-------|
| Gas sales volume | 582 | 528 | +54 | 110.2 | 768 |
| Share in the total sale | 82.1% | 80.8% | | | 82.2% |

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

Statement of Income

<vs. FY2017 3Q Results>



Unit : Billion Yen

| | FY2018 3Q Results | FY2017 3Q Results | Change | % | FY2018 Forecast |
|-----------------------------|----------------------|----------------------|--------|-------|--------------------|
| Net sales | 102.5 | 88.5 | +14.0 | 115.9 | 143.5 |
| Cost of sales | 76.7 | 62.6 | +14.0 | 122.5 | 111.6 |
| Gross Profit | 25.7 | 25.8 | -0.0 | 99.8 | 31.9 |
| Sales and administrative | 19.7 | 19.2 | +0.4 | 102.4 | 27.3 |
| Manpower | 7.6 | 7.5 | +0.1 | 101.6 | 10.1 |
| Other expenses | 7.0 | 6.6 | +0.4 | 106.7 | 10.3 |
| Depreciation | 4.9 | 5.0 | -0.0 | 98.1 | 6.7 |
| Operating income | 6.0 | 6.5 | -0.5 | 92.0 | 4.5 |
| Ordinary income | 6.6 | 7.0 | -0.4 | 93.7 | 5.2 |
| Net income | 4.1 | 4.3 | -0.1 | 95.5 | 2.9 |