

FY2023 Financial Results



SHIZUOKA GAS CO.,LTD.

TSE:9543

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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.**
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I . Summary: Financial Results

FY2023 Financial Highlights

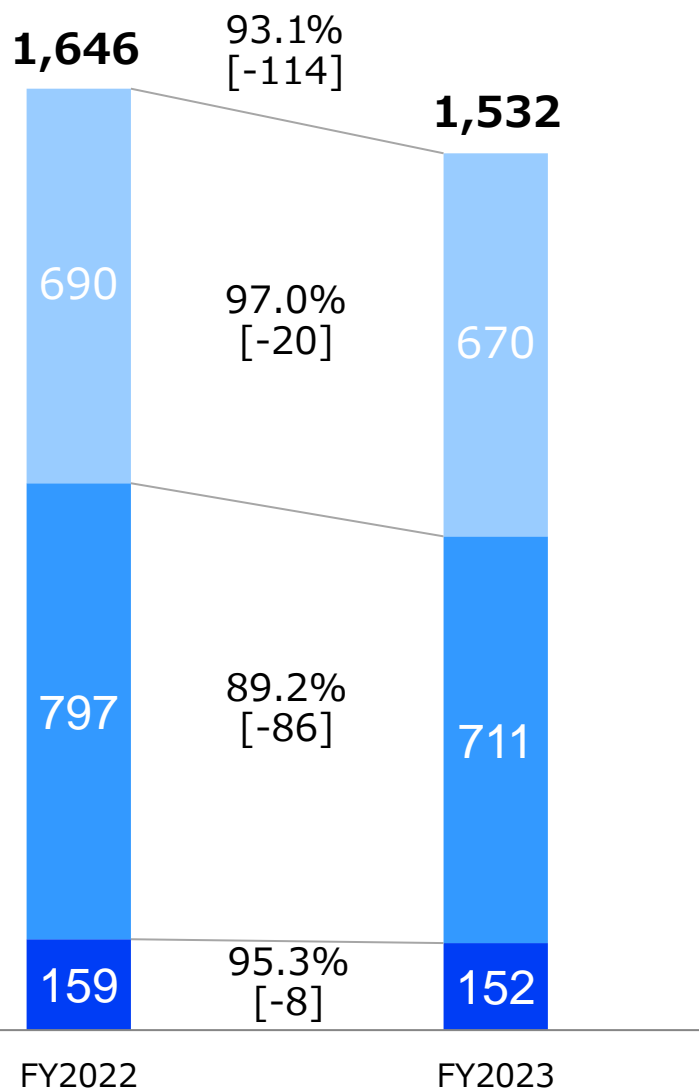


◎ Results : Higher sales, Higher profits

- 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 volume (Non-Consolidated) (million m ³ ,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 sliding time lag adjustment (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)



Unit; million m³(45MJ/m³)

* Figures in [] are the difference from the results in FY2022

Wholesale

- Decreased in sales volume of wholesale customers [-20]

Large-lot-sale

- Additional customers in 2023 [+1]
- Existing customers [-87]

Small-lot-sale

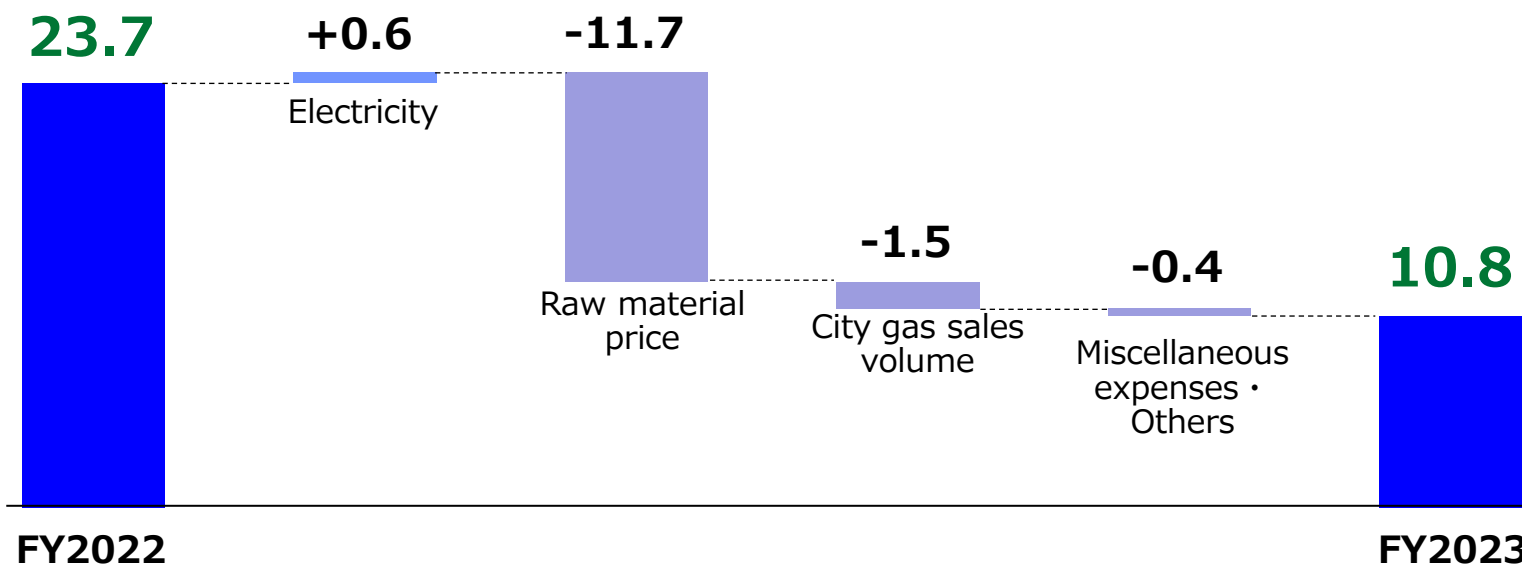
- Decreased in sales volume to commercial customers [-2]
- Decreased in sales volume to residential customers [-6]

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

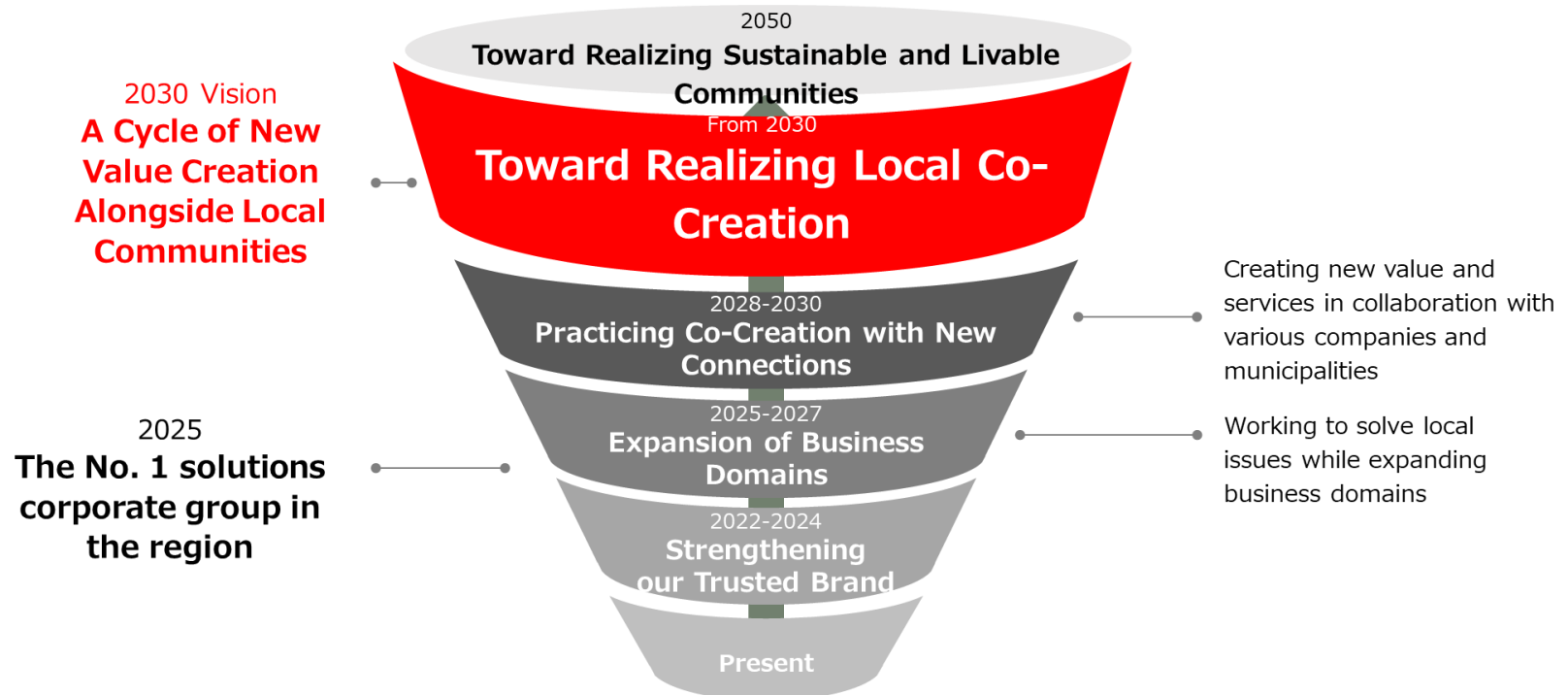


II. Medium-Term Management Plan FY2024 - FY2026

Medium-Term Management Plan FY2024 - FY2026

Direction of medium-term management plan

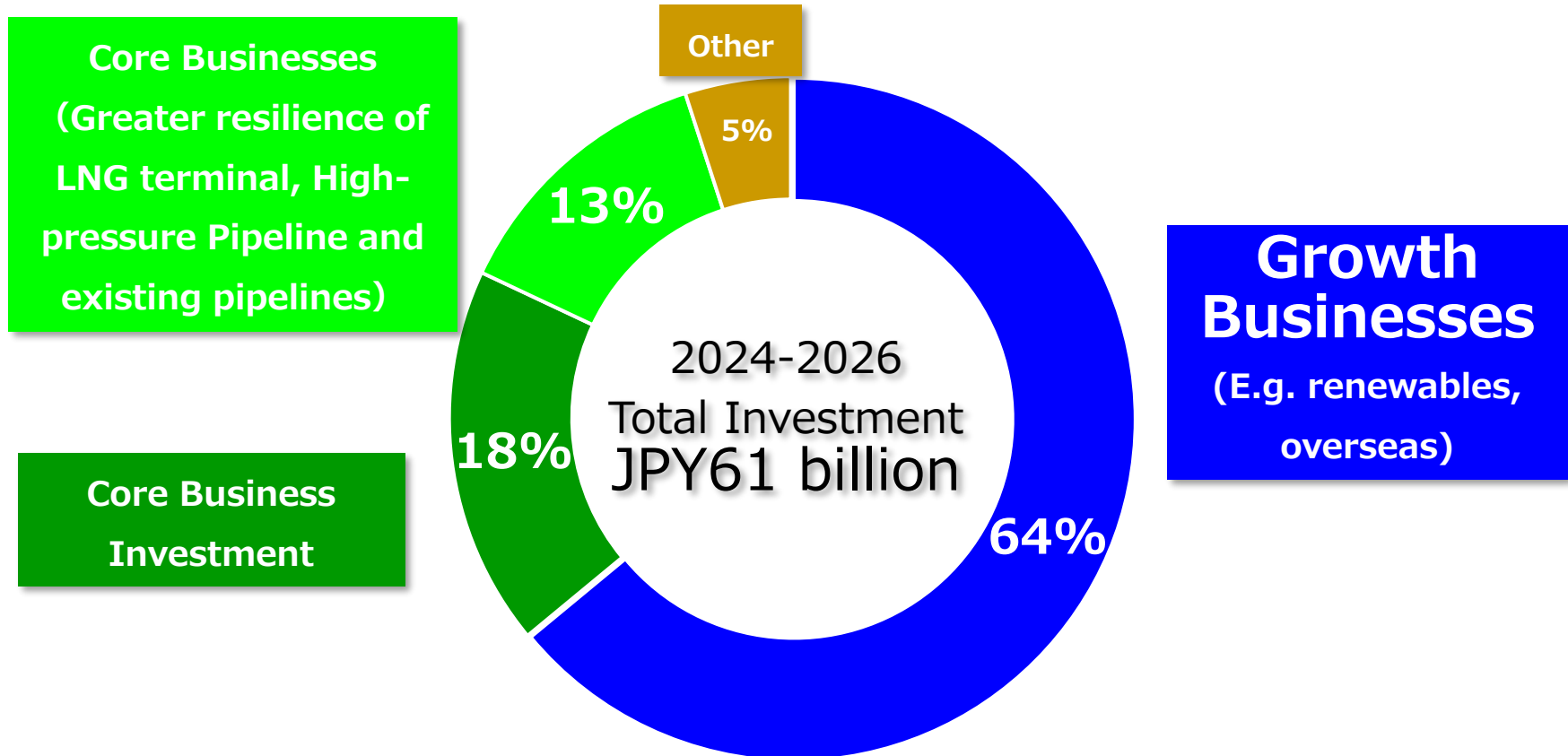
- The three-year period of this medium-term management plan is aimed at realizing the “local co-creation” stated in the Group's 2030 Vision, from “hop” (the “run-up” or Strengthening Our Trusted Brand) to “step” (major step forward, or Expansion of Business Domains).
- We will further advance the sophistication 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.

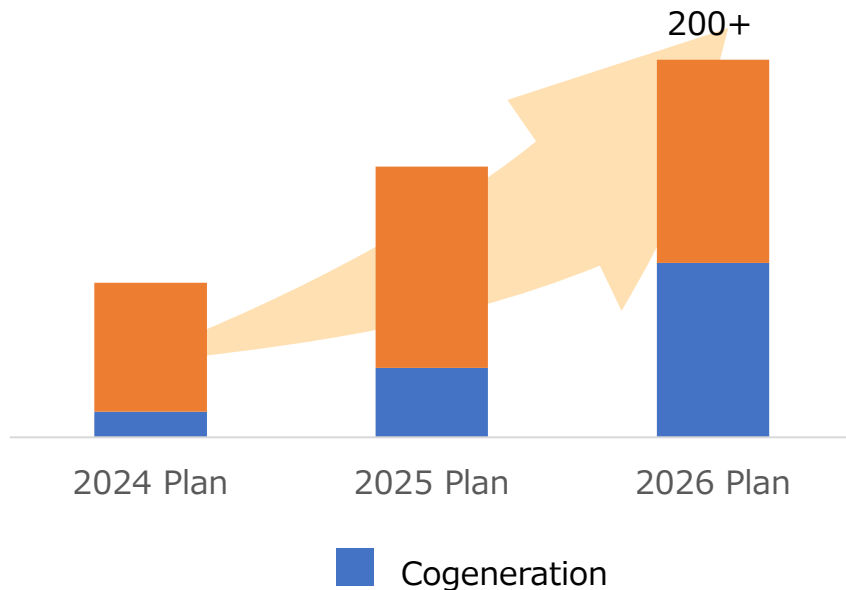


Sustainable Growth of Core Businesses (1)

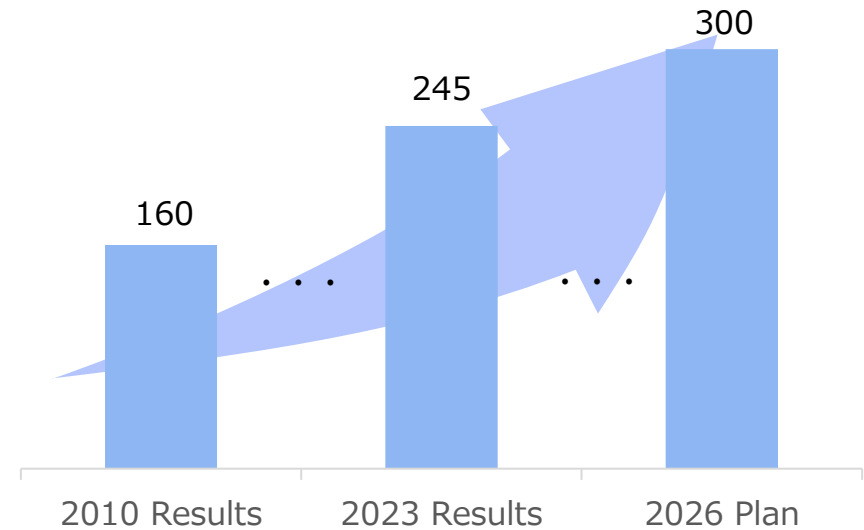
Reducing CO₂ through Expanding Spread of Natural Gas and Promoting Advanced Utilization

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

City Gas Sales Volume [million m³]
Total over three years



Generation Capacity of Customer-Installed
Cogeneration Systems [MW]



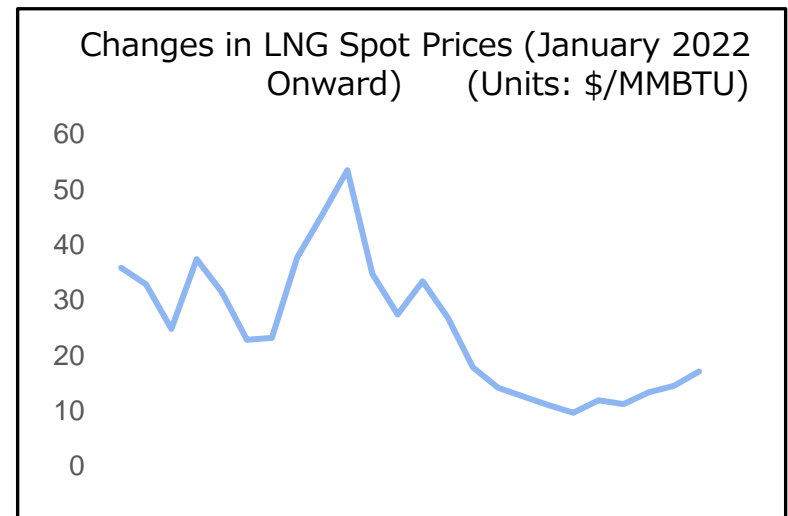
Containing Raw Material Procurement Prices

- 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

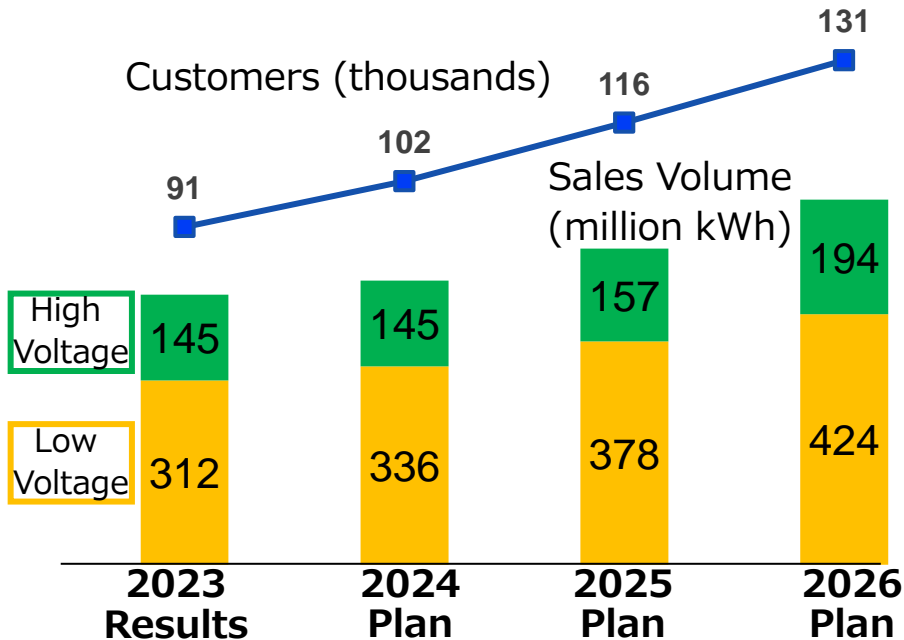


Electricity Sales Business

Expansion of customer base

- Acquire a new customer base by utilizing new rate menus, demand response, energy-saving 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



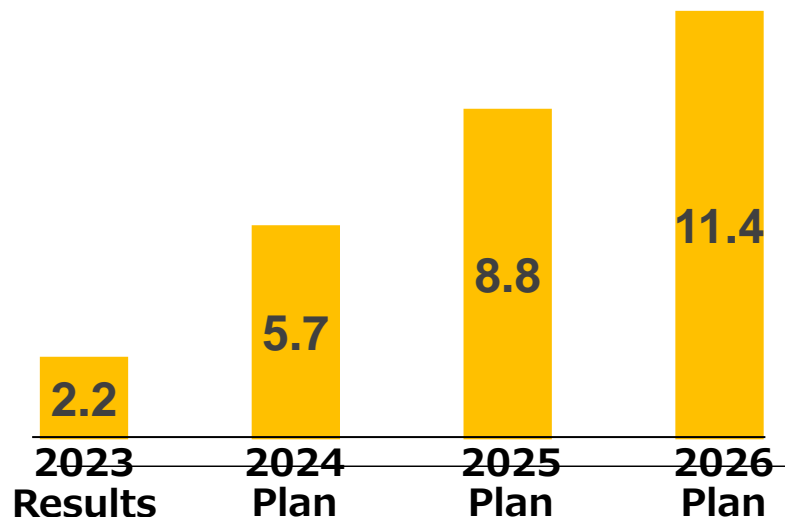
Maximum output	Existing	17,010kW
	Expansion	15,600kW
	Total	32,610kW
Fuel	Natural gas	

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)



- Development capacity (planned) 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.

✓ India



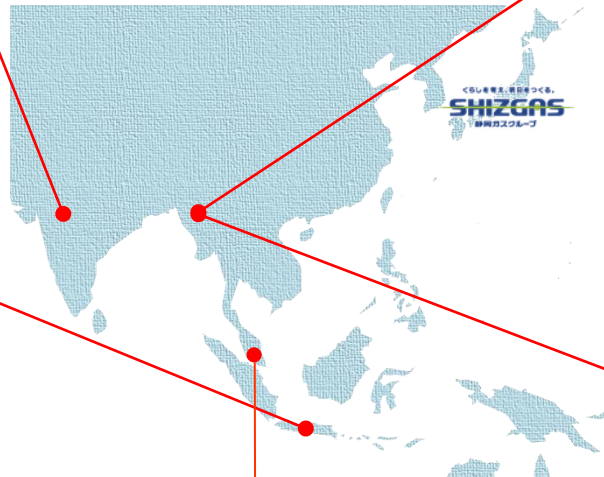
✓ Indonesia



Shift to
Natural Gas

Use CO₂ Credit
Systems

Develop
Renewable
Energy



✓ Singapore
SHIZUOKA GAS TRADING

✓ Thailand



Expand
Portfolio

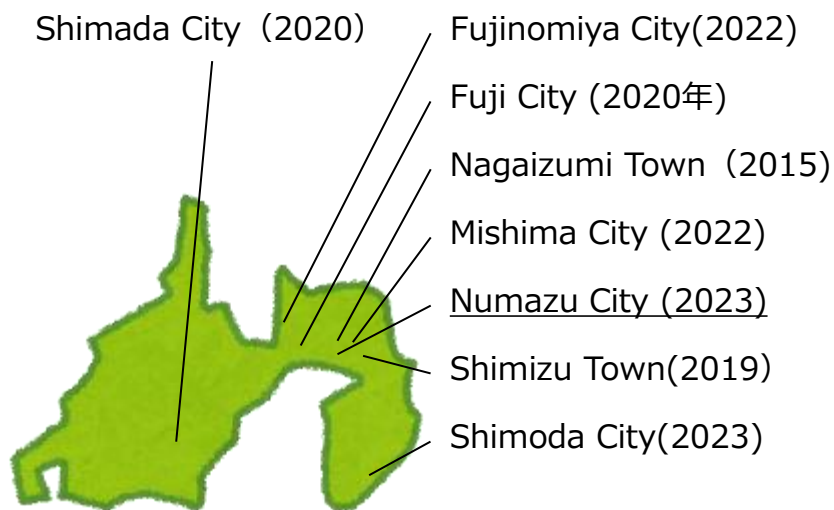
Other Initiatives

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

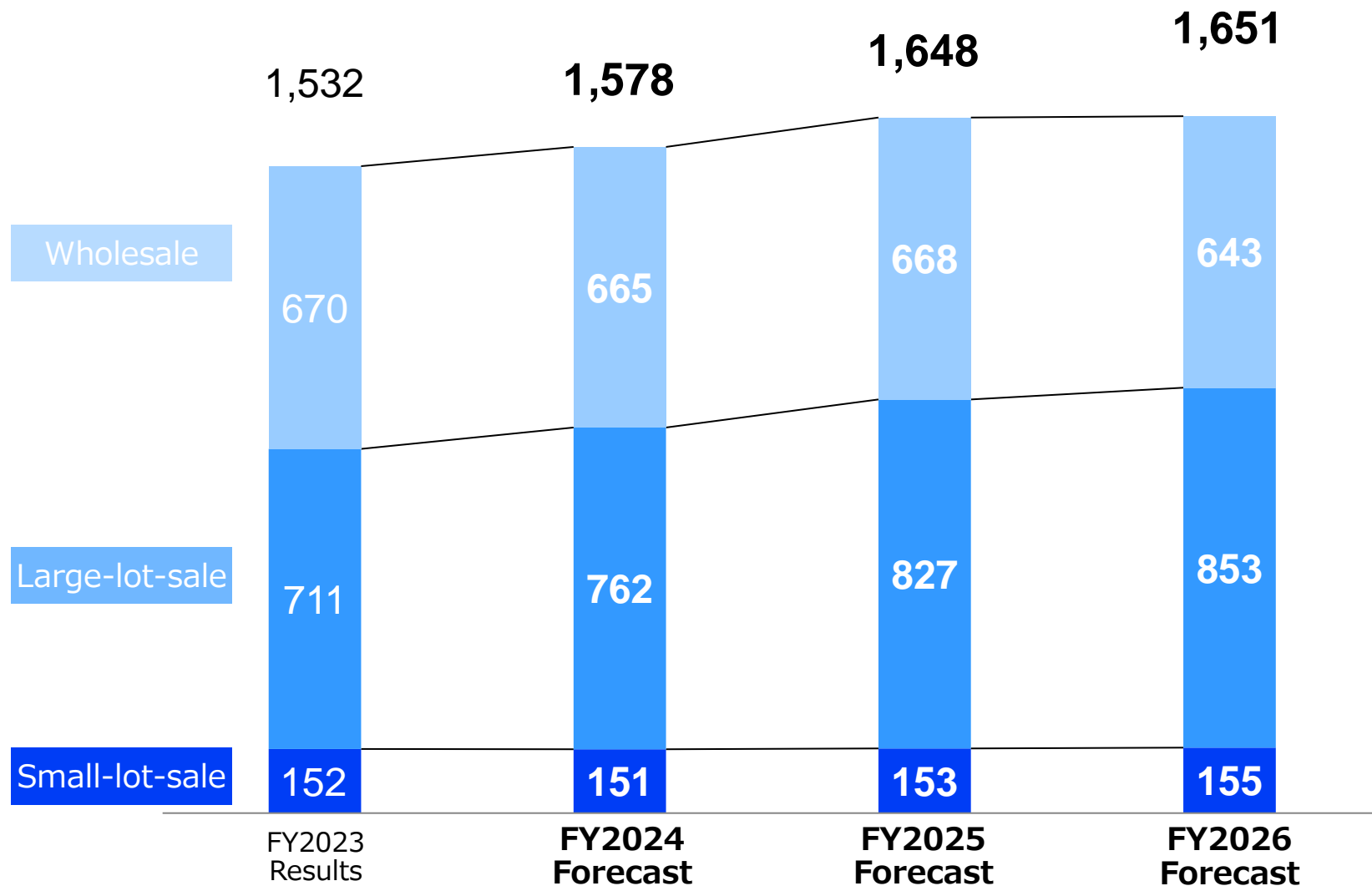
Started providing "SHIZGAS app" to support customers' power saving and energy conservation



Forecast : City gas Sales Volume (Non-consolidated)



Unit; million m³(45MJ/m³)

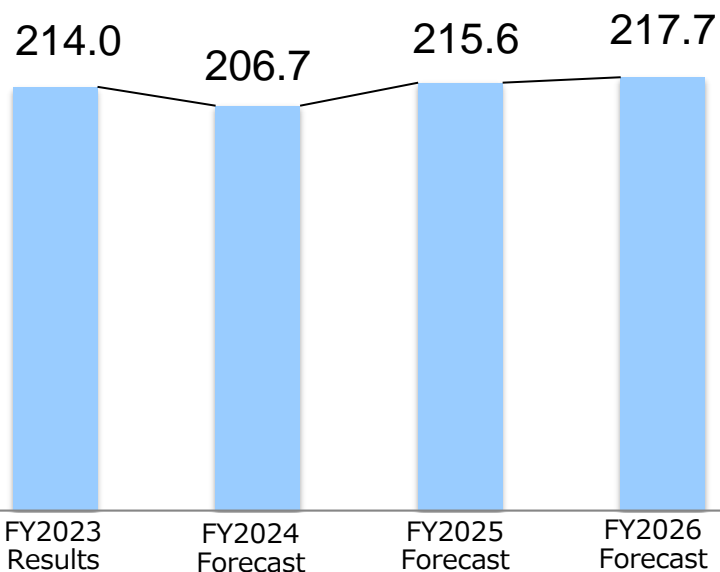


Forecast : Net Sales and Operating Profit



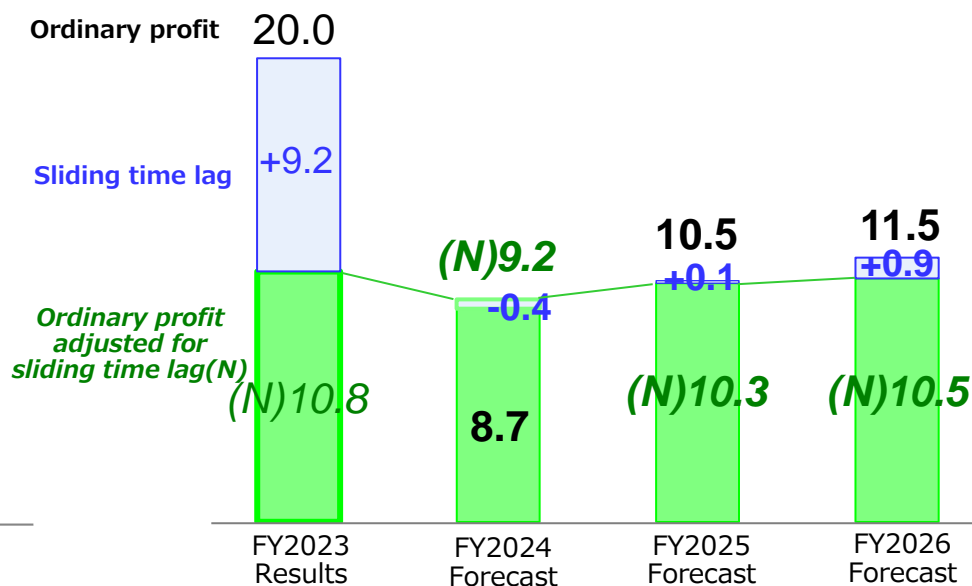
Net Sales

Unit; Billion yen



Ordinary profit & Sliding time lag

Unit; Billion yen



	FY2023 Results	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Exchange rate (Yen/US \$)	140.1	150.0	150.0	150.0
Crude oil price CIF (JCC) (\$/bbl)	86.6	85.0	85.0	85.0

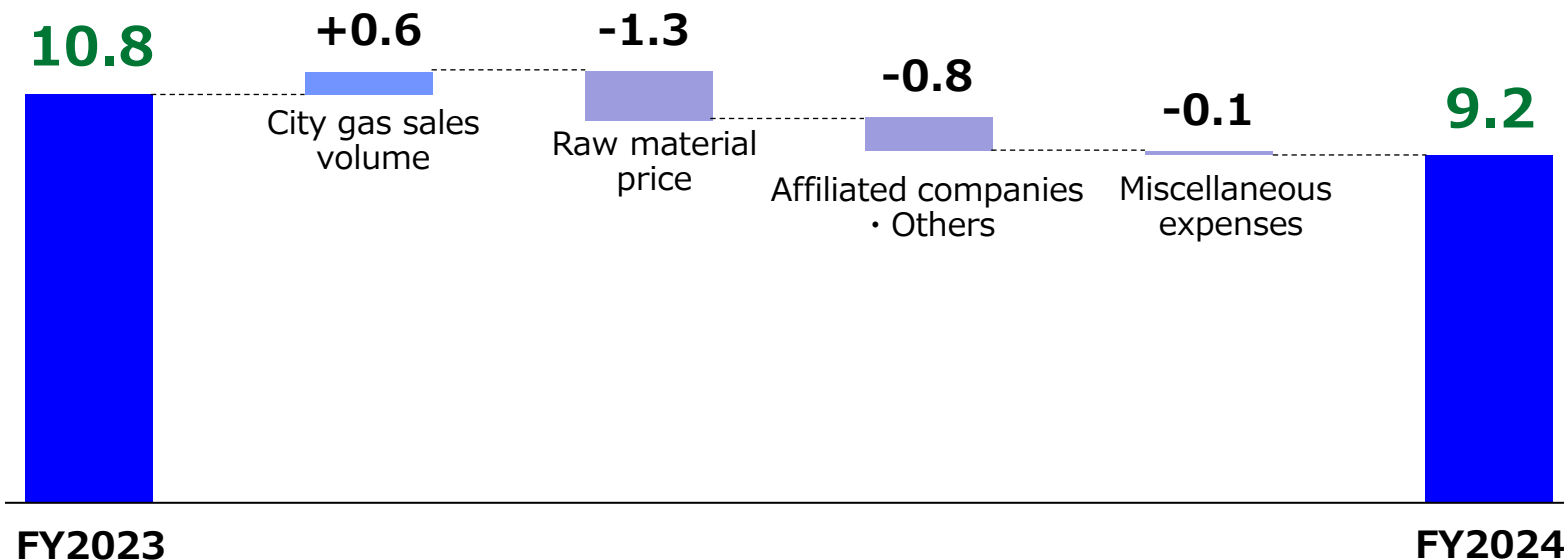
Gross Profit Sensitivity (FY2024)	
(+) 1yen/US\$	-120 million yen
(+) \$1/bbl	-150 million yen

Breakdown of Consolidated Ordinary Profit (FY2024 plan comparison)



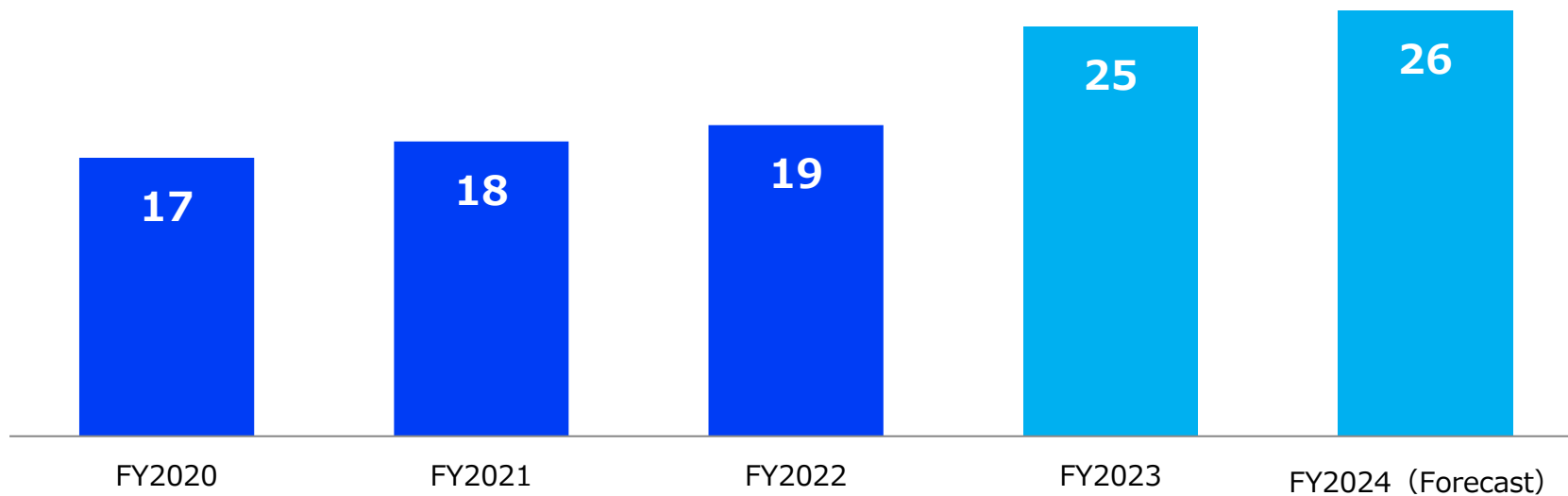
Unit; billion yen

	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



Dividend policy	<ul style="list-style-type: none"> ➤ 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)



III. Supplementary Information

Gas Sales Volume (Non-Consolidated)



Unit; million m³(45MJ/m³)

	2023 Results	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Gas 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

	FY2023 Results	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Net sales	214.0	206.7	215.6	217.7
Cost of sales	166.4	169.1	176.6	177.6
Gross Profit	47.5	37.5	39.0	40.0
Selling, general and administrative expenses	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
Profit attributable to owners of parent	14.1	5.4	7.1	7.8

Balance Sheets



Unit : billion yen

	FY2023 Results	FY2024 Forecast	FY2025 Forecast	FY2026 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
Liabilities	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 Results	FY2024 Forecast	FY2025 Forecast	FY2026 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