

Flash Report for the Term Ended December 31, 2004

(on a non-consolidated basis)

February 15, 2005

Name: Shizuoka Gas Co., Ltd. Stock Exchange: TSE (1st section)
 Code Number: 9543 Prefecture Registered: Shizuoka
 URL: <http://www.shizuokagas.co.jp>
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Date of meeting of Board of Directors for account settlement for the reporting term: February 15, 2005

Date of regular general meeting of shareholders: March 30, 2005

Interim dividend payment system: adopted

Unit share system for trading purposes: adopted (1 trading unit: 1,000 shares)

1. Business Results (January 1 to December 31, 2004)

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

(1) Operating Results

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)	
Reporting term	¥47,902	3.6%	¥3,275	10.5%	¥3,472	13.1%
Previous term	46,217	4.7	2,964	28.7	3,070	27.4

	Net income (¥ million)		Earnings per share (¥)	Return on equity (ROE) (%)	Ordinary income/ Total assets (%)	Ordinary income/ Sales (%)
Reporting term	¥ 2,322	(10.9)%	¥ 32.31	10.1%	4.7%	7.2%
Previous term	2,608	52.4	36.37	13.0	4.5	6.6

(Notes) 1. The Company has issued no warrants that have potential dilution effects.

2. Average number of shares for the term

Reporting term: 70,671,927

Previous term: 70,677,822

3. Changes in accounting standards: none

(2) Dividend Payment

	Annual dividend per share (¥)			Total amount for annual dividend payments (¥ million)	Pay-out ratio (%)	Dividend payments/ Shareholders' equity (%)
	Total	Interim dividend per share	Term-end dividend per share			
Reporting term	¥7.00	¥3.50	¥3.50	¥494	21.7%	2.0%
Previous term	7.00	3.00	4.00	494	19.2	2.3

(Note) The previous term-end dividend included an extraordinary dividend of ¥1.00 per share.

(3) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Equity ratio (%)	Shareholders' equity per share (¥)
Reporting term	¥75,999	¥24,182	31.8%	¥341.64
Previous term	72,418	21,593	29.8	305.01

(Notes) 1. Number of shares issued and outstanding at term end

Reporting term: 70,667,202

Previous term: 70,675,570

2. Number of treasury shares at term end

Reporting term: 25,748

Previous term: 17,380

2. Business Forecast for Current Term (January 1 to December 31, 2005)

	Net sales (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividend per share (¥)		
				Interim	Term-end	Total
First half period	¥27,470	¥2,370	¥1,600	¥3.50	¥ —	¥ —
Full term	53,180	2,210	1,490	—	3.50	7.00

(Note) Estimated earnings per share for fiscal 2005 (full term): ¥21.08

*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.

Non-Consolidated Balance Sheets

As of December 31	Thousands of yen		
	2004	2003	Change
Assets			
Noncurrent assets:			
Property, plant and equipment –			
Production facilities	¥ 350,959	¥ 2,275,955	¥ (1,924,995)
Distribution facilities	42,737,919	26,778,748	15,959,170
Service and maintenance facilities	3,503,379	3,596,209	(92,830)
Other related business facilities	854,831	1,007,807	(152,976)
Dormant facilities	42,861	—	42,861
Construction in progress	838,334	14,238,309	(13,399,975)
Total property, plant and equipment	48,328,284	47,897,031	431,253
Intangible assets –			
Goodwill	—	6,180	(6,180)
Leaseholds	494,411	440,230	54,180
Other intangible assets	337,646	329,787	7,858
Total intangible assets	832,057	776,198	55,859
Investments and other assets –			
Investment securities	7,987,411	6,732,037	1,255,373
Investments in affiliates	3,412,412	3,412,332	80
Long-term loans within company	1,097,680	1,175,438	(77,758)
Long-term loans to affiliates	1,574,300	524,500	1,049,800
Investments in partnerships	17,343	250	17,093
Long-term prepaid expenses	2,763	2,696	67
Other investments	487,884	214,110	273,774
Allowance for doubtful accounts	(49,291)	(16,789)	(32,502)
Total investments and other assets	14,530,504	12,044,576	2,485,928
Total noncurrent assets	63,690,846	60,717,805	2,973,040
Current assets:			
Cash and bank deposits	2,572,311	2,668,492	(96,181)
Notes receivable	44,095	199,560	(155,465)
Accounts receivable	2,760,758	2,620,117	140,640
Accounts receivable – affiliates	40,923	41,363	(439)
Other accounts receivable	1,150,399	137,508	1,012,891
Marketable securities	36,740	143,320	(106,580)
Finished products	38,377	30,705	7,672
Raw materials	4,508	5,531	(1,023)
Supplies	129,351	55,814	73,536
Prepaid expenses	81,053	70,354	10,698
Other accounts receivables – affiliates	693,453	710,943	(17,490)
Short-term loans to affiliates	276,000	820,000	(544,000)
Deferred tax assets	330,253	329,718	534
Other accounts receivable – other related business	3,598,677	3,289,425	309,252
Current assets – other related business	265,236	203,153	62,082
Other current assets	315,151	401,668	(86,517)
Allowance for doubtful accounts	(28,830)	(26,650)	(2,180)
Total current assets	12,308,461	11,701,028	607,432
Total assets	¥ 75,999,307	¥ 72,418,834	¥ 3,580,473

Note: Amounts under one thousand yen are omitted.

As of December 31	Thousands of yen		
	2004	2003	Change
Liabilities			
Long-term liabilities:			
Long-term debt	¥ 30,716,325	¥ 26,766,058	¥ 3,950,267
Deferred tax liabilities	648,605	274,055	374,549
Accrued severance and retirement benefits	3,194,489	3,117,864	76,625
Reserve for directors' retirement benefits	357,450	335,500	21,950
Reserve for repair of gasholders	72,824	122,794	(49,970)
Other long-term liabilities	294,203	28,471	265,731
Total long-term liabilities	35,283,897	30,644,743	4,639,153
Current liabilities:			
Long-term liabilities due within one year	7,096,183	6,545,848	550,335
Accounts payable	43,293	16,803	26,489
Short-term debt	—	1,500,000	(1,500,000)
Other accounts payable	201,638	729,298	(527,659)
Accrued expenses	926,260	944,868	(18,608)
Income taxes payable	523,654	1,267,927	(744,273)
Advances received	52,204	100,697	(48,493)
Deposits received	119,200	97,985	21,215
Accounts payable – affiliates	1,995,595	1,816,431	179,164
Short-term debt – affiliates	1,570,000	1,370,000	200,000
Other accounts payable – affiliates	1,346,425	3,410,385	(2,063,960)
Allowance for bonuses	288,000	304,700	(16,700)
Other accounts payable – other related business	2,189,190	1,931,101	258,088
Current liabilities – other related business	180,243	144,033	36,210
Other current liabilities	1,087	198	888
Total current liabilities	16,532,976	20,180,278	(3,647,302)
Total liabilities	51,816,874	50,825,022	991,851
Shareholders' equity			
Common stock	4,183,647	4,183,647	—
Capital surplus:			
Appropriation for legal reserve	2,009,181	2,009,181	—
Retained earnings:			
Appropriation for legal reserve	801,709	801,709	—
Voluntary reserves –			
Reserve for reduction in costs of specified assets	200,741	121,667	79,073
General reserve	11,058,700	8,978,700	2,080,000
Total voluntary reserves	11,259,441	9,100,367	2,159,073
Unappropriated retained earnings	2,653,470	3,056,665	(403,195)
Total retained earnings	14,714,621	12,958,742	1,755,878
Unrealized gains on available-for-sale securities	3,284,462	2,448,210	836,251
Treasury stock	(9,478)	(5,970)	(3,508)
Total shareholders' equity	24,182,433	21,593,811	2,588,621
Total liabilities and shareholders' equity	¥ 75,999,307	¥ 72,418,834	¥ 3,580,473

Note: Amounts under one thousand yen are omitted.

Non-Consolidated Statements of Income

Years ended December 31	Thousands of yen		
	2004	2003	Change
Operating income section			
Product sales:			
Revenue from gas operations	¥ 41,316,942	¥ 39,935,324	¥ 1,381,617
Cost of sales:			
Initial inventories	30,705	29,389	1,315
Cost of gas production	780,200	731,924	48,275
Purchase amount (gas)	20,919,438	20,363,856	555,581
In-house consumption	106,261	80,886	25,375
Inventories at term-end	38,377	30,705	7,672
Total cost of sales	21,585,704	21,013,579	572,124
Gross profit	19,731,238	18,921,745	809,492
Selling expenses	13,440,274	12,900,831	539,443
General and administrative expenses	3,281,447	3,239,272	42,175
Business profit	3,009,515	2,781,641	227,873
Miscellaneous revenue:			
Revenue from installation work	1,284,639	1,203,305	81,334
Revenue from equipment sales	3,339,926	3,379,047	(39,120)
Other	403	—	403
Total miscellaneous revenue	4,624,969	4,582,352	42,617
Miscellaneous expenses:			
Expenses for installation work	1,277,151	1,207,336	69,815
Expenditure for equipment sales	3,207,699	3,184,251	23,448
Total miscellaneous expenses	4,484,851	4,391,587	93,264
Revenue from other related business	1,960,755	1,700,281	260,474
Expenses for other related business	1,834,509	1,708,470	126,038
Operating income	3,275,879	2,964,217	311,661
Non-operating income section			
Non-operating income:			
Interest income	36,797	29,547	7,249
Interest income on securities	1,361	2,074	(713)
Dividend income	77,695	53,127	24,567
Dividend income from affiliates	339,767	290,358	49,408
Rent income	142,414	127,119	15,294
Other	180,550	217,082	(36,532)
Total non-operating income	778,586	719,310	59,275
Non-operating expenses:			
Interest expenses	549,208	536,785	12,423
Other	33,117	75,744	(42,626)
Total non-operating expenses	582,325	612,529	(30,203)
Ordinary income	3,472,139	3,070,998	401,141

Years ended December 31	Thousands of yen		
	2004	2003	Change
Extraordinary income section			
Extraordinary income:			
Gain on sale of noncurrent assets	20,284	776,431	(756,146)
Total extraordinary income	20,284	776,431	(756,146)
Extraordinary expenses:			
Loss on sale of noncurrent assets	—	4,525	(4,525)
Loss on valuation of investment securities	4,278	—	4,278
Impairment loss	25,458	—	25,458
Total extraordinary expenses	29,736	4,525	25,211
Income before income taxes	3,462,688	3,842,904	(380,216)
Income taxes – current	1,220,000	1,562,000	(342,000)
Income taxes – deferred	(80,245)	(327,139)	246,893
Net income	2,322,933	2,608,043	(285,110)
Unappropriated retained earnings brought forward	577,889	504,819	73,069
Reversal of reserve for natural gas conversion	—	155,836	(155,836)
Interim dividend	247,352	212,034	35,317
Unappropriated retained earnings	¥ 2,653,470	¥ 3,056,665	¥ (403,195)

Note: Amounts under one thousand yen are omitted.