

# Flash Report for the Term Ended December 31, 2010

February 8, 2011

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Date of annual general meeting of shareholders: March 24, 2011  
 Date for presentation of the financial statements report: March 25, 2011  
 Date of dividend payment: March 25, 2011 or after

## 1. Consolidated Business Results (January 1 to December 31, 2010)

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

### (1) Operating Results

| Reporting term | Net sales<br>(¥ million) |        | Operating income<br>(¥ million) |         | Ordinary income<br>(¥ million) |         |
|----------------|--------------------------|--------|---------------------------------|---------|--------------------------------|---------|
|                | ¥                        | %      | ¥                               | %       | ¥                              | %       |
| Reporting term | ¥ 118,319                | 19.1%  | ¥ 7,184                         | (40.9)% | ¥ 7,215                        | (40.6)% |
| Previous term  | 99,311                   | (11.7) | 12,160                          | —       | 12,152                         | —       |

  

| Reporting term | Net income<br>(¥ million) |         | Earnings<br>per share (¥) | Return on equity<br>(ROE) (%) | Ordinary income/<br>Total assets (%) | Operating income/<br>Net sales (%) |
|----------------|---------------------------|---------|---------------------------|-------------------------------|--------------------------------------|------------------------------------|
|                | ¥                         | %       |                           |                               |                                      |                                    |
| Reporting term | ¥4,303                    | (33.3)% | ¥56.51                    | 9.2%                          | 6.5%                                 | 6.1%                               |
| Previous term  | 6,454                     | —       | 86.02                     | 15.4                          | 10.6                                 | 12.2                               |

Note: Equity-method investment: not applicable

### (2) Financial Position

| Reporting term | Total assets<br>(¥ million) | Net assets<br>(¥ million) | Equity ratio<br>(%) | Owners' equity<br>per share (¥) |
|----------------|-----------------------------|---------------------------|---------------------|---------------------------------|
|                | Reporting term              | ¥108,362                  | ¥56,155             | 44.6%                           |
| Previous term  | 114,092                     | 52,206                    | 39.4                | 590.64                          |

Note: Owners' equity (¥ million)

Reporting term: ¥48,302  
 Previous term: ¥44,972

### (3) Cash Flows

| Reporting term | Cash flows from<br>operating activities<br>(¥ million) | Cash flows from<br>investing activities<br>(¥ million) | Cash flows from<br>financing activities<br>(¥ million) | Cash and cash<br>equivalents at term end<br>(¥ million) |
|----------------|--|--|--|---|
|                | Reporting term   | ¥ 6,684  | ¥(9,534)   | ¥(1,462)  |
| Previous term  | 31,371   | (15,408)   | (11,614)   | 5,046   |

## 2. Dividend Payment

|                           | Annual dividend per share (¥) |       |    |          |       | Total amount for<br>annual dividend<br>payments<br>(¥ million) | Pay-out<br>ratio*<br>(%) | Dividend<br>payments/<br>Net assets* (%) |
|---------------------------|-------------------------------|-------|----|----------|-------|--|--------------------------|--|
|                           | Q1                            | Q2    | Q3 | Term-end | Total |  |                          |  |
| Fiscal 2009               | —                             | ¥4.00 | —  | ¥4.00    | ¥8.00 | ¥609   | 9.3%                     | 1.4%                                     |
| Fiscal 2010               | —                             | 5.00  | —  | 4.00     | 9.00  | 685  | 15.9                     | 1.5                                      |
| Fiscal 2011<br>(forecast) | —                             | 4.50  | —  | 4.50     | 9.00  | /  | 23.8                     | /  |

\*For the calculation of ratios, net income and net assets on a consolidated basis are employed.

Note: Breakdown of dividend payment for the first half of the term ended December 31, 2010:

Ordinary dividend: ¥4.00; Commemorative dividend (centennial anniversary): ¥1.00

## 3. Consolidated Business Forecast for Current Term (January 1 to December 31, 2011)

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

| First-half period | Net sales<br>(¥ million) |      | Operating income<br>(¥ million) |         | Ordinary income<br>(¥ million) |         | Net income<br>(¥ million) |         | Earnings per<br>share (¥) |
|-------------------|--------------------------|------|---------------------------------|---------|--------------------------------|---------|---------------------------|---------|---------------------------|
|                   | ¥                        | %    | ¥                               | %       | ¥                              | %       | ¥                         | %       |                           |
| First-half period | ¥ 61,030                 | 2.5% | ¥3,430                          | (12.1)% | ¥3,460                         | (12.8)% | ¥1,840                    | (16.0)% | ¥24.16                    |
| Full term         | 123,070                  | 4.0  | 5,240                           | (27.1)  | 5,300                          | (26.5)  | 2,880                     | (33.1)  | 37.82                     |

#### 4. Others

(1) Major changes in scope of consolidation: None

Note: Transfer of specified subsidiaries during the reporting period resulting in changes in the scope of consolidation

(2) Changes in accounting policy

a) Changes in accounting standards: Applicable

b) Other: None

Note: Changes in procedures and methods of presentation for preparing the consolidated financial statements (changes described in “Changes in significant matters forming the basis of preparing the consolidated financial statements”)

(3) Number of issued shares (ordinary shares)

a) Number of shares issued at end of the period (including shares in treasury)

Reporting term: 76,192,950

Previous term: 76,192,950

b) Number of treasury shares at end of the period

Reporting term: 50,773

Previous term: 50,296

Note: The sums in the consolidated financial statements and related statements were previously given in thousands of yen, but this has been changed as of the term ended December 31, 2010 to millions of yen. To make comparison easier, the amounts for the previous fiscal year are adjusted and given in millions of yen.

Disclaimer: 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. For further details, please refer to “Business performance forecasts for the year ending December 31, 2011” on P4.

## Business results

Total revenues for fiscal 2010 (ended December 31, 2010) increased by 19.1% year-on-year, to ¥118,319 million, due primarily to a higher volume of sales to wholesalers and industrial users.

As a result of a decline in the unit selling price of gas and an increase in raw material prices, operating income decreased by 40.9% year-on-year, to ¥7,184 million, ordinary income dropped by 40.6%, to ¥7,215 million, and net income fell by 33.3%, to ¥4,303 million.

## Performance by business segment

### 1. Gas segment

The volume of gas sold in fiscal 2010 jumped by 44.5% year-on-year, to 1,385 million cubic meters. The volume of sales to households slipped by 0.3%, to 97 million cubic meters on higher summer temperatures. Sales to commercial and other business increased by 49.5%, to 1,288 million cubic meters. This increase was caused by the following three factors, 1) higher demand for air conditioners due to the hotter summer weather and the development of new customers in the commercial field (for commercial, public and medical use), 2) a rebound in operations of large-lot customers in the industrial field, and 3) the initiation of sales to INPEX Corporation and increased demand from existing wholesalers in the wholesale field.

Despite lower unit selling prices of gas due to the official price adjustment system, sales revenue increased by 22.5%, to ¥100,830 million, as a result of increased gas sales volume.

As a result of the aforementioned lower unit selling prices as well as higher raw material prices owing to rising crude oil prices, operating income declined by 35.1%, to ¥9,618 million.

### 2. LPG and Other Energy Services segment

Sales revenue for this segment rose by 7.4% year-on-year, to ¥11,109 million, due to an increase in the volume of LPG sold and an upward revision in the unit selling price to reflect rising raw material prices. Meanwhile, operating income decreased by 21.7%, to ¥686 million, due to an increase in the cost of sales from higher raw material prices.

### 3. Other Businesses segment

In the other businesses segment, which includes construction of facilities, gas piping installations, and gas appliance sales, sales revenue fell by 12.9%, to ¥12,026 million, due to a decline in sales of facility construction, which resulted in an operating loss of ¥78 million.

Notes:

1. The figures appearing in the “Performance by business segment” section include inter-segment transactions.
2. All gas volumes included in this document are calculated as 45 megajoules per 1 cubic meter.
3. The figures provided do not include national consumption tax or local consumption tax.

|                               | Consolidated reporting period<br>FY 2010 (January - December 2010) |                         |                       |                         |
|-------------------------------|--|-------------------------|-----------------------|-------------------------|
|                               | Volume<br>(million m <sup>3</sup> )                                | Yr-on-yr.<br>change (%) | Amount<br>(¥ million) | Yr-on-yr.<br>change (%) |
| Gas sales                     |  |                         |                       |                         |
| Household                     | 97   | (0.3)                   | 20,117                | (5.4)                   |
| Commercial and other business | 1,288  | 49.5                    | 75,633                | 32.0                    |
| Total                         | 1,385  | 44.5                    | 95,751                | 21.9                    |
| Total customers               |  | 340,547                 |                       | (0.5)                   |

Notes:

1. “Total customers” is recorded as the number of meter readings taken at the term-end.
2. “Total customers” does not include the customers of wholesalers.
3. Sales volume is calculated as 45 megajoules per 1 cubic meter, and figures of less than one million cubic meters have been rounded.
4. The figures appearing above include inter-segment sales.
5. From fiscal 2010, we began selling wholesale to INPEX Corporation, a major customer. Sales to INPEX Corporation in consolidated fiscal 2010 amounted to 336 million cubic meters, representing 24.3% of our total sales.
6. From fiscal 2010, the category of industrial, commercial and wholesale is grouped and presented under the new category of “Commercial and other business.” Gas sales for the previous fiscal year are shown below based on how they would appear when presented under this new category.

|                               | Consolidated previous period<br>FY 2009 (January - December 2009) |                       |
|-------------------------------|---|-----------------------|
|                               | Volume<br>(million m <sup>3</sup> )                               | Amount<br>(¥ million) |
| Gas sales                     |   |                       |
| Household                     | 97  | 21,267                |
| Commercial and other business | 861   | 57,289                |
| Total                         | 959   | 78,557                |

In addition to the information appearing above, the Shizuoka Group's gas business segment also undertakes sales of LNG (liquefied natural gas).

## Business performance forecasts for the year ending December 31, 2011

Sales revenue is expected to rise by 4.0% year-on-year, to ¥123,070 million due to an anticipated increase in gas sales volume and a higher unit selling price of gas under the official price adjustment system. However, we expect that changes to the sliding scale of gas prices for large-lot customers will lead to adjustments to the unit selling price of gas, and that there will be a time lag before higher raw material prices are reflected in gas prices. Consequently, we expect operating income to decline by 27.1% year-on-year, to ¥5,240 million, ordinary income to decrease by 26.5%, to ¥5,300 million, and net income to drop by 33.1%, to ¥2,880 million. We anticipate a 1.0% year-on-year increase in capital investment, to ¥8,170 million, largely in line with that of the corresponding year-earlier period.

|                    | FY 2011 forecast<br>(¥ million) | FY 2010 results<br>(¥ million) | Change<br>(¥ million) | Yr.-on-yr. change<br>(%) |
|--------------------|---------------------------------|--------------------------------|-----------------------|--------------------------|
| Sales              | 123,070                         | 118,319                        | 4,750                 | 4.0                      |
| Operating income   | 5,240                           | 7,184                          | (1,944)               | (27.1)                   |
| Ordinary income    | 5,300                           | 7,215                          | (1,915)               | (26.5)                   |
| Net income         | 2,880                           | 4,303                          | (1,423)               | (33.1)                   |
| Capital investment | 8,170                           | 8,090                          | 79                    | 1.0                      |

Assumption: Price of crude oil (Japan CIF): \$85/bbl; Yen rate: ¥85/\$1

## Consolidated Balance Sheets

| As of December 31                     | Millions of yen |          |
|---------------------------------------|-----------------|----------|
|                                       | 2009            | 2010     |
| <b>Assets</b>                         |                 |          |
| Noncurrent assets:                    |                 |          |
| Property, plant and equipment –       |                 |          |
| Production facilities                 | ¥ 20,420        | ¥ 29,291 |
| Distribution facilities               | 35,811          | 32,951   |
| Service and maintenance facilities    | 4,057           | 3,981    |
| Other facilities                      | 5,299           | 4,940    |
| Construction in progress              | 14,316          | 3,385    |
| Total property, plant and equipment   | 79,905          | 74,550   |
| Intangible assets                     | 1,598           | 1,580    |
| Investments and other assets –        |                 |          |
| Investment securities                 | 7,658           | 7,239    |
| Long-term loans receivable            | 2,472           | 3,811    |
| Deferred tax assets                   | 1,623           | 1,544    |
| Other investments and other assets    | 839             | 859      |
| Allowance for doubtful accounts       | (297)           | (246)    |
| Total investments and other assets    | 12,296          | 13,208   |
| Total noncurrent assets               | 93,800          | 89,339   |
| Current assets:                       |                 |          |
| Cash and deposits                     | 5,075           | 756      |
| Notes and accounts receivable – trade | 6,898           | 8,989    |
| Merchandise and finished goods        | 319             | 305      |
| Raw materials and supplies            | 4,286           | 4,573    |
| Deferred tax assets                   | 1,666           | 831      |
| Other current assets                  | 2,098           | 3,625    |
| Allowance for doubtful accounts       | (53)            | (58)     |
| Total current assets                  | 20,292          | 19,023   |
| Total assets                          | ¥114,092        | ¥108,362 |

Note: Amounts under one million yen are omitted.

| As of December 31                                     | Millions of yen |                 |
|---|-----------------|-----------------|
|   | 2009            | 2010            |
| <b>Liabilities</b>                                    |                 |                 |
| Noncurrent liabilities:                               |                 |                 |
| Long-term loans payable                               | ¥ 32,392        | ¥ 29,248        |
| Deferred tax liabilities                              | 33              | 19              |
| Provision for retirement benefits                     | 3,045           | 2,941           |
| Provision for gas holder repairs                      | 206             | 196             |
| Negative goodwill                                     | 960             | 725             |
| Other noncurrent liabilities                          | 791             | 674             |
| <b>Total noncurrent liabilities</b>                   | <b>37,429</b>   | <b>33,807</b>   |
| Current liabilities:                                  |                 |                 |
| Current portion of noncurrent liabilities             | 6,050           | 6,882           |
| Accounts payable – trade                              | 9,715           | 5,083           |
| Short-term loans payable                              | 41              | 1,586           |
| Accounts payable – other                              | 2,342           | 957             |
| Income taxes payable                                  | 3,656           | 1,056           |
| Provision for bonuses                                 | 445             | 447             |
| Other current liabilities                             | 2,205           | 2,384           |
| <b>Total current liabilities</b>                      | <b>24,457</b>   | <b>18,399</b>   |
| <b>Total liabilities</b>                              | <b>61,886</b>   | <b>52,206</b>   |
| <b>Net assets</b>                                     |                 |                 |
| Shareholders' equity:                                 |                 |                 |
| Capital stock   | 6,279           | 6,279           |
| Capital surplus                                       | 4,589           | 4,589           |
| Retained earnings                                     | 32,100          | 35,718          |
| Treasury stock  | (25)            | (26)            |
| <b>Total shareholders' equity</b>                     | <b>42,943</b>   | <b>46,560</b>   |
| Valuation and translation adjustments                 |                 |                 |
| Valuation difference on available-for-sale securities | 2,025           | 1,753           |
| Deferred gains or losses on hedges                    | 4               | (12)            |
| <b>Total valuation and translation adjustments</b>    | <b>2,029</b>    | <b>1,741</b>    |
| Minority interests                                    | 7,233           | 7,853           |
| <b>Total net assets</b>                               | <b>52,206</b>   | <b>56,155</b>   |
| <b>Total liabilities and net assets</b>               | <b>¥114,092</b> | <b>¥108,362</b> |

Note: Amounts under one million yen are omitted.

## Consolidated Statements of Income

| Years ended December 31   | Millions of yen |          |
|---|-----------------|----------|
|   | 2009            | 2010     |
| Net sales   | ¥99,311         | ¥118,319 |
| Cost of sales   | 60,139          | 85,878   |
| Gross profit  | 39,171          | 32,441   |
| Selling, general and administrative expenses                          | 27,011          | 25,257   |
| Operating income  | 12,160          | 7,184    |
| Non-operating income:   |                 |          |
| Interest income   | 63              | 77       |
| Dividends income  | 140             | 146      |
| Amortization of negative goodwill                                     | 218             | 240      |
| Miscellaneous income  | 358             | 260      |
| Total non-operating income  | 780             | 724      |
| Non-operating expenses:   |                 |          |
| Interest expenses   | 740             | 668      |
| Miscellaneous expenses  | 48              | 24       |
| Total non-operating expenses  | 788             | 693      |
| Ordinary income   | 12,152          | 7,215    |
| Extraordinary income:   |                 |          |
| Gain on sales of noncurrent assets                                    | 52              | 442      |
| Reversal of provision for conversion of heating value of supplied gas | 114             | —        |
| Gain on sales of investment securities                                | 16              | 47       |
| Gain on revision of retirement benefit plan                           | 18              | —        |
| Compensation for transfer   | —               | 73       |
| Total extraordinary income  | 203             | 563      |
| Extraordinary loss:   |                 |          |
| Loss on sales of noncurrent assets                                    | —               | 2        |
| Impairment loss   | 222             | 205      |
| Loss on valuation of investment securities                            | —               | 13       |
| Loss on revision of retirement benefit plan                           | 261             | —        |
| Total extraordinary losses  | 484             | 222      |
| Income before income taxes and minority interests                     | 11,871          | 7,556    |
| Income taxes – current  | 3,638           | 1,570    |
| Income taxes – deferred   | 154             | 1,044    |
| Total income taxes  | 3,793           | 2,614    |
| Minority interests in income  | 1,623           | 638      |
| Net income  | ¥ 6,454         | ¥ 4,303  |

Note: Amounts under one million yen are omitted.

## Consolidated Statements of Changes in Net Assets

| Years ended December 31                  | Millions of yen |         |
|--|-----------------|---------|
|  | 2009            | 2010    |
| <b>Shareholders' equity</b>              |                 |         |
| Capital stock                            |                 |         |
| Balance at the end of previous period    | ¥ 6,279         | ¥ 6,279 |
| Changes of items during the period       |                 |         |
| Total changes of items during the period | —               | —       |
| Balance at the end of current period     | ¥ 6,279         | ¥ 6,279 |
| Capital surplus                          |                 |         |
| Balance at the end of previous period    | ¥ 4,098         | ¥ 4,589 |
| Changes of items during the period       |                 |         |
| Disposal of treasury stock               | 490             | —       |
| Total changes of items during the period | 490             | —       |
| Balance at the end of current period     | ¥ 4,589         | ¥ 4,589 |
| Retained earnings                        |                 |         |
| Balance at the end of previous period    | ¥26,166         | ¥32,100 |
| Changes of items during the period       |                 |         |
| Dividends from surplus                   | (520)           | (685)   |
| Net income                               | 6,454           | 4,303   |
| Total changes of items during the period | 5,934           | 3,617   |
| Balance at the end of current period     | ¥32,100         | ¥35,718 |
| Treasury stock                           |                 |         |
| Balance at the end of previous period    | ¥ (25)          | ¥ (25)  |
| Changes of items during the period       |                 |         |
| Purchase of treasury stock               | (305)           | (0)     |
| Disposal of treasury stock               | 304             | —       |
| Total changes of items during the period | (0)             | (0)     |
| Balance at the end of current period     | ¥ (25)          | ¥ (26)  |
| Total shareholders' equity               |                 |         |
| Balance at the end of previous period    | ¥36,519         | ¥42,943 |
| Changes of items during the period       |                 |         |
| Dividends from surplus                   | (520)           | (685)   |
| Net income                               | 6,454           | 4,303   |
| Purchase of treasury stock               | (305)           | (0)     |
| Disposal of treasury stock               | 795             | —       |
| Total changes of items during the period | 6,423           | 3,617   |
| Balance at the end of current period     | ¥42,943         | ¥46,560 |



| Years ended December 31                               | Millions of yen |         |
|---|-----------------|---------|
|   | 2009            | 2010    |
| <b>Valuation and translation adjustments</b>          |                 |         |
| Valuation difference on available-for-sale securities |                 |         |
| Balance at the end of previous period                 | ¥ 2,576         | ¥ 2,025 |
| Changes of items during the period                    |                 |         |
| Net changes of items other than shareholders' equity  | (550)           | (271)   |
| Total changes of items during the period              | (550)           | (271)   |
| Balance at the end of current period                  | ¥ 2,025         | ¥ 1,753 |
|   |                 |         |
| Deferred gains or losses on hedges                    |                 |         |
| Balance at the end of previous period                 | ¥ 3             | ¥ 4     |
| Changes of items during the period                    |                 |         |
| Net changes of items other than shareholders' equity  | 1               | (16)    |
| Total changes of items during the period              | 1               | (16)    |
| Balance at the end of current period                  | ¥ 4             | ¥ (12)  |
|   |                 |         |
| Total valuation and translation adjustments           |                 |         |
| Balance at the end of previous period                 | ¥ 2,579         | ¥ 2,029 |
| Changes of items during the period                    |                 |         |
| Net changes of items other than shareholders' equity  | (549)           | (288)   |
| Total changes of items during the period              | (549)           | (288)   |
| Balance at the end of current period                  | ¥ 2,029         | ¥ 1,741 |
|   |                 |         |
| <b>Minority interests</b>                             |                 |         |
| Balance at the end of previous period                 | ¥ 5,599         | ¥ 7,233 |
| Changes of items during the period                    |                 |         |
| Net changes of items other than shareholders' equity  | 1,633           | 620     |
| Total changes of items during the period              | 1,633           | 620     |
| Balance at the end of current period                  | ¥ 7,233         | ¥ 7,853 |
|   |                 |         |
| <b>Total net assets</b>                               |                 |         |
| Balance at the end of previous period                 | ¥44,698         | ¥52,206 |
| Changes of items during the period                    |                 |         |
| Dividends from surplus                                | (520)           | (685)   |
| Net income  | 6,454           | 4,303   |
| Purchase of treasury stock                            | (305)           | (0)     |
| Disposal of treasury stock                            | 795             | —       |
| Net changes of items other than shareholders' equity  | 1,084           | 331     |
| Total changes of items during the period              | 7,507           | 3,949   |
| Balance at the end of current period                  | ¥52,206         | ¥56,155 |

Note: Amounts under one million yen are omitted.

## Consolidated Statements of Cash Flows

| Years ended December 31  | Millions of yen |         |
|--|-----------------|---------|
|  | 2009            | 2010    |
| Net cash provided by (used in) operating activities:   |                 |         |
| Income before income taxes and minority interests  | ¥11,871         | ¥ 7,556 |
| Depreciation and amortization  | 14,137          | 12,894  |
| Impairment loss  | 222             | 205     |
| Amortization of long-term prepaid expenses   | 2               | —       |
| Amortization of deferred assets  | 93              | —       |
| Amortization of negative goodwill  | (218)           | (240)   |
| Loss on retirement of property, plant and equipment  | 299             | 96      |
| Loss (gain) on valuation of investment securities  | —               | 13      |
| Increase (decrease) in allowance for doubtful accounts   | (31)            | (46)    |
| Increase (decrease) in provision for retirement benefits   | (574)           | (103)   |
| Increase (decrease) in provision for gas holder repairs  | (3)             | (9)     |
| Increase (decrease) in provision for bonuses   | 8               | 2       |
| Increase (decrease) in provision for conversion of heating value of supplied gas                       | (114)           | —       |
| Interest and dividends income  | (203)           | (224)   |
| Interest expenses  | 740             | 668     |
| Loss (gain) on sales of property, plant and equipment  | (52)            | (439)   |
| Loss (gain) on sales of investment securities  | (16)            | (47)    |
| Decrease (increase) in notes and accounts receivable – trade   | 2,356           | (2,038) |
| Decrease (increase) in inventories   | 2,819           | (264)   |
| Increase (decrease) in notes and accounts payable – trade  | (656)           | (4,653) |
| Decrease/increase in consumption taxes receivable/payable  | 1,056           | (1,529) |
| Other, net   | 1,135           | 313     |
| Subtotal   | 32,872          | 12,156  |
| Interest and dividends income received   | 206             | 225     |
| Interest expenses paid   | (762)           | (680)   |
| Income taxes paid  | (944)           | (5,016) |
| Net cash provided by (used in) operating activities  | 31,371          | 6,684   |
| Net cash provided by (used in) investing activities:   |                 |         |
| Payments into time deposits  | (29)            | (22)    |
| Proceeds from withdrawal of time deposits  | 147             | 28      |
| Purchase of property, plant and equipment and intangible assets  | (14,970)        | (8,498) |
| Proceeds from sales of property, plant and equipment and intangible assets                             | 168             | 599     |
| Purchase of investment securities  | (662)           | (22)    |
| Proceeds from sales of investment securities   | 23              | 69      |
| Payments of loans receivable   | (240)           | (1,560) |
| Collection of loans receivable   | 283             | 221     |
| Proceeds from contribution received for construction   | 520             | 400     |
| Proceeds from purchase of investments in subsidiaries<br>resulting in change in scope of consolidation | 628             | —       |
| Other, net   | (1,277)         | (750)   |
| Net cash provided by (used in) investing activities  | (15,408)        | (9,534) |
| Net cash provided by (used in) financing activities:   |                 |         |
| Net increase (decrease) in short-term loans payable  | (7,753)         | 1,544   |
| Proceeds from long-term loans payable  | 3,000           | 3,750   |
| Repayment of long-term loans payable   | (7,468)         | (6,060) |
| Cash dividends paid  | (518)           | (683)   |
| Cash dividends paid to minority shareholders   | (10)            | (13)    |
| Proceeds from sales of treasury stock  | 1,136           | —       |
| Other, net   | (0)             | (0)     |
| Net cash provided by (used in) financing activities  | (11,614)        | (1,462) |
| Net increase (decrease) in cash and cash equivalents   | 4,347           | (4,312) |
| Cash and cash equivalents at beginning of period   | 698             | 5,046   |
| Cash and cash equivalents at end of period   | ¥ 5,046         | ¥ 734   |

Note: Amounts under one million yen are omitted.

## Segment Information

### (1) Segment information by business category

(Amounts under one million yen are omitted.)

Year ended December 31, 2009

Millions of yen

|  | Gas    | LPG and other energy services | Other businesses | Total   | Elimination or corporate | Consolidated |
|--|--------|-------------------------------|------------------|---------|--------------------------|--------------|
| Sales and operating income and loss:                           |        |                               |                  |         |                          |              |
| Net sales  |        |                               |                  |         |                          |              |
| Outside customers  | 81,782 | 10,049                        | 7,478            | 99,311  | —                        | 99,311       |
| Inter-segment  | 552    | 295                           | 6,330            | 7,177   | (7,177)                  | —            |
| Total  | 82,334 | 10,345                        | 13,808           | 106,488 | (7,177)                  | 99,311       |
| Costs and expenses   | 67,508 | 9,468                         | 13,950           | 90,926  | (3,776)                  | 87,150       |
| Operating income (loss)  | 14,826 | 877                           | (141)            | 15,562  | (3,401)                  | 12,160       |
| Assets, depreciation, impairment loss and capital expenditure: |        |                               |                  |         |                          |              |
| Assets   | 88,566 | 5,372                         | 6,213            | 100,153 | 13,938                   | 114,092      |
| Depreciation   | 12,703 | 600                           | 892              | 14,195  | (57)                     | 14,137       |
| Impairment loss  | 15     | 157                           | 43               | 216     | 5                        | 222          |
| Capital expenditure  | 13,777 | 400                           | 438              | 14,617  | 50                       | 14,668       |

Note: Business categories and principal products

| Business categories           | Principal products  |
|-------------------------------|---|
| Gas                           | Natural gas; liquefied natural gas (LNG)  |
| LPG and other energy services | LPG; on-site energy services  |
| Other businesses              | Gas-equipment and piping installation; sale of gas equipment; sale of household equipment; real estate rentals; leasing of office equipment |

| <b>Year ended December 31, 2010</b>                            |         |                               |                  |         |                          | Millions of yen |
|--|---------|-------------------------------|------------------|---------|--------------------------|-----------------|
|  | Gas     | LPG and other energy services | Other businesses | Total   | Elimination or corporate | Consolidated    |
| Sales and operating income and loss:                           |         |                               |                  |         |                          |                 |
| Net sales  |         |                               |                  |         |                          |                 |
| Outside customers  | 100,129 | 10,810                        | 7,380            | 118,319 | —                        | 118,319         |
| Inter-segment  | 701     | 298                           | 4,645            | 5,646   | (5,646)                  | —               |
| Total  | 100,830 | 11,109                        | 12,026           | 123,966 | (5,646)                  | 118,319         |
| Costs and expenses   | 91,212  | 10,422                        | 12,104           | 113,739 | (2,603)                  | 111,135         |
| Operating income (loss)  | 9,618   | 686                           | (78)             | 10,226  | (3,042)                  | 7,184           |
| Assets, depreciation, impairment loss and capital expenditure: |         |                               |                  |         |                          |                 |
| Assets   | 88,596  | 5,186                         | 5,611            | 99,394  | 8,967                    | 108,362         |
| Depreciation   | 11,563  | 537                           | 837              | 12,939  | (44)                     | 12,894          |
| Impairment loss  | 128     | —                             | —                | 128     | 76                       | 205             |
| Capital expenditure  | 6,947   | 349                           | 542              | 7,839   | 250                      | 8,090           |

Note: Business categories and principal products

| Business categories           | Principal products  |
|-------------------------------|---|
| Gas                           | Natural gas; liquefied natural gas (LNG)  |
| LPG and other energy services | LPG; on-site energy services  |
| Other businesses              | Gas-equipment and piping installation; sale of gas equipment; home renovation business; leasing of office equipment |

(2) Segment information by location

Not applicable due to absence of overseas consolidated subsidiaries or branches

(3) Overseas Sales

Not applicable