

Flash Report for the First Quarter of 2009

May 8, 2009

Name: Shizuoka Gas Co., Ltd. Stock Exchange: TSE (1st section)
 Code Number: 9543 URL: <http://www.shizuokagas.co.jp>
 Representative: Seigo Iwasaki, President
 Inquiries: Koji Iida, Accounting Manager, Corporate Service Dept.
 Tel: +81-54-284-7990
 Date for presentation of the quarterly report: May 15, 2009

1. Consolidated Business Results for the First Quarter (January 1 to March 31, 2009)

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

(1) Operating Results

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)	
Reporting first quarter	¥ 30,768	—%	¥7,453	—%	¥7,378	—%
Previous first quarter	29,222	22.9	1,026	(61.7)	877	(65.4)

	Net income (¥ million)		Earnings per share (¥)
Reporting first quarter	¥3,567	—%	¥47.71
Previous first quarter	729	(57.0)	9.57

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Owners' equity per share (¥)
Reporting first quarter	¥114,493	¥48,455	36.3%	¥555.64
Previous full term	114,958	44,698	34.0	513.48

Note: Owners' equity (¥ million)

Reporting first quarter: ¥41,507

Previous full term: ¥39,098

2. Dividend Payment

	Annual dividend per share (¥)				
	Q1	Q2	Q3	Term-end	Total
Fiscal 2008	—	¥3.00	—	¥3.00	¥6.00
Fiscal 2009	—	/	/	/	/
Fiscal 2009 (forecast)	/	4.00	—	4.00	8.00

Note: Revision made to the dividend forecast during the reporting quarter: Not applicable

3. Consolidated Business Forecast for Current Term (January 1 to December 31, 2009)

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

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)		Net income (¥ million)		Earnings per share (¥)
First-half period	¥	—	—%	¥	—	—%	¥	—	—%
Full term	100,900	(10.3)	9,880	—	9,400	—	4,650	—	62.23

Note: Revisions made during the reporting quarter to full-term performance forecast: Not applicable

We plan to issue performance forecasts for fiscal 2009 first half when a clear picture of business environment emerges.

4. Others

- (1) Changes in scope of consolidation: None
- (2) Simplified accounting method and special accounting treatments for quarterly financial reporting: Applicable
- (3) Changes in accounting policy
 - a) Changes in accounting standards: Applicable
 - b) Other: Applicable
- (4) Number of issued shares (ordinary shares)
 - a) Number of shares issued at end of the period (including shares in treasury)

Reporting first quarter:	76,192,950
Previous full term:	76,192,950
 - b) Number of treasury shares at end of the period

Reporting first quarter:	1,491,084
Previous full term:	48,634
 - c) Average number of shares outstanding during the first quarter

Reporting first quarter:	74,764,083
Previous first quarter:	76,148,313

As of the current fiscal year, we are adopting “Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standards No. 12) and “Guides for Adopting the Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standards Adoption Guide No. 14). The quarterly consolidated financial statements have been prepared in accordance with the “Rules for Preparation of Quarterly Financial Statements”.

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.

(Reference)

Non-consolidated Business Forecast for Current Term (January 1 to December 31, 2009)

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

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)		Net income (¥ million)		Earnings per share (¥)					
First-half period	¥	—	—%	¥	—	—%	¥	—	—%	¥	—			
Full term		86,120	(10.9)		3,090	—		2,960	—		1,880	—		24.69

Note: Revisions made during the reporting quarter to performance forecast for the full term on a non-consolidated basis: Not applicable

Consolidated Balance Sheets

	Thousands of yen	
	March 31, 2009	December 31, 2008
Assets		
Noncurrent assets:		
Property, plant and equipment –		
Production facilities	¥ 20,115,699	¥ 16,386,833
Distribution facilities	36,381,271	37,137,201
Service and maintenance facilities	4,356,389	4,421,271
Other facilities	5,781,875	6,295,185
Construction in progress	13,754,808	15,018,435
Total property, plant and equipment	80,390,044	79,258,927
Intangible assets	3,277,565	3,231,348
Investments and other assets –		
Investment securities	7,228,160	7,832,017
Long-term loans receivable	2,462,739	2,516,100
Deferred tax assets	2,303,520	1,992,517
Other investments and other assets	795,043	727,165
Allowance for doubtful accounts	(334,780)	(323,353)
Total investments and other assets	12,454,684	12,744,448
Total noncurrent assets	96,122,293	95,234,723
Current assets:		
Cash and deposits	1,105,649	725,645
Notes and accounts receivable – trade	9,066,835	9,224,826
Merchandise and finished goods	250,291	282,836
Raw materials and supplies	1,982,242	7,135,649
Deferred tax assets	1,420,076	1,380,264
Other current assets	4,542,560	939,276
Allowance for doubtful accounts	(66,695)	(58,731)
Total current assets	18,300,961	19,629,768
Deferred assets:		
Development expenses	70,417	93,890
Total deferred assets	70,417	93,890
Total assets	¥114,493,672	¥114,958,382

Note: Amounts under one thousand yen are omitted.

	Thousands of yen	
	March 31, 2009	December 31, 2008
Liabilities		
Noncurrent liabilities:		
Long-term loans payable	¥ 36,354,142	¥ 35,492,901
Deferred tax liabilities	1,019	—
Provision for retirement benefits	3,666,358	3,599,364
Provision for gas holder repairs	218,315	209,760
Negative goodwill	933,326	—
Other noncurrent liabilities	245,432	278,943
Total noncurrent liabilities	41,418,593	39,580,969
Current liabilities:		
Current portion of noncurrent liabilities	6,862,711	7,418,233
Accounts payable – trade	3,784,159	10,421,140
Short-term loans payable	7,293,530	7,795,436
Accounts payable – other	1,357,466	1,697,757
Income taxes payable	2,965,047	1,157,978
Provision for bonuses	1,004,072	434,956
Other current liabilities	1,266,303	1,638,432
Total current liabilities	24,533,290	30,563,935
Provisions:		
Provision for conversion of heating value of supplied gas	86,114	114,819
Total provisions	86,114	114,819
Total liabilities	66,037,998	70,259,723
Net assets		
Shareholders' equity:		
Capital stock	6,279,147	6,279,147
Capital surplus	4,098,961	4,098,961
Retained earnings	29,510,371	26,166,354
Treasury stock	(279,688)	(25,131)
Total shareholders' equity	39,608,791	36,519,332
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,899,098	2,576,378
Deferred gains or losses on hedges	—	3,068
Total valuation and translation adjustments	1,899,098	2,579,447
Minority interests	6,947,783	5,599,878
Total net assets	48,455,673	44,698,658
Total liabilities and net assets	¥114,493,672	¥114,958,382

Note: Amounts under one thousand yen are omitted.

Consolidated Statement of Income

	Thousands of yen
	First quarter ended March 31, 2009
Net sales	¥30,768,041
Cost of sales	17,509,845
Gross profit	13,258,196
Selling, general and administrative expenses	5,804,873
Operating income	7,453,323
Non-operating income:	
Interest income	15,390
Dividends income	2,607
Amortization of negative goodwill	49,290
Miscellaneous income	68,903
Total non-operating income	136,191
Non-operating expenses:	
Interest expenses	206,425
Miscellaneous expenses	4,337
Total non-operating expenses	210,763
Ordinary income	7,378,751
Extraordinary income:	
Reversal of provision for conversion of heating value of supplied gas	28,704
Total extraordinary income	28,704
Income before income taxes and minority interests	7,407,456
Income taxes	2,639,896
Minority interests in income	1,200,401
Net income	¥ 3,567,159

Note: Amounts under one thousand yen are omitted.

Consolidated Statement of Cash Flows

	Thousands of yen
	First quarter ended March 31, 2009
Net cash provided by (used in) operating activities:	
Income before income taxes and minority interests	¥ 7,407,456
Depreciation and amortization	2,766,576
Amortization of long-term prepaid expenses	679
Amortization of deferred assets	23,472
Amortization of negative goodwill	(49,290)
Loss on retirement of property, plant and equipment	9,266
Increase (decrease) in allowance for doubtful accounts	19,391
Increase (decrease) in provision for retirement benefits	47,045
Increase (decrease) in provision for gas holder repairs	8,555
Increase (decrease) in provision for bonuses	567,392
Increase (decrease) in allowance for natural gas conversion	(28,704)
Interest and dividends income	(17,997)
Interest expenses	206,425
Decrease (increase) in notes and accounts receivable – trade	151,683
Decrease (increase) in inventories	5,188,882
Increase (decrease) in notes and accounts payable – trade	(6,625,504)
Increase (decrease) in accrued consumption taxes	703,023
Other, net	(3,283,926)
Subtotal	7,094,427
Interest and dividends income received	18,550
Interest expenses paid	(260,250)
Income taxes paid	(537,365)
Net cash provided by (used in) operating activities	6,315,361
Net cash provided by (used in) investment activities:	
Payments into time deposits	(16,737)
Proceeds from withdrawal of time deposits	16,086
Purchase of property, plant and equipment and intangible assets	(5,466,215)
Proceeds from sales of property, plant and equipment and intangible assets	2,420
Purchase of investment securities	(334,345)
Collection of loans receivable	53,361
Proceeds from contribution received for construction	133,168
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	628,610
Other, net	(42,607)
Net cash provided by (used in) investment activities	(5,026,259)
Net cash provided by (used in) financing activities:	
Net increase (decrease) in short-term loans payable	(501,905)
Proceeds from long-term loans payable	2,900,000
Repayment of long-term loans payable	(2,594,281)
Cash dividends paid	(223,270)
Cash dividends paid to minority shareholders	(10,170)
Other, net	(122)
Net cash provided by (used in) financing activities	(429,750)
Net increase (decrease) in cash and cash equivalents	859,352
Cash and cash equivalents at beginning of period	698,959
Cash and cash equivalents at end of period	¥ 1,558,311

Note: Amounts under one thousand yen are omitted.

Segment Information

(1) Segment information by business category

First quarter ended March 31, 2009

Thousands of yen

	Gas	LPG and other energy services	Other businesses	Total	Elimination or corporate	Consolidated
Net sales						
Outside customers	26,090,912	2,864,025	1,813,104	30,768,041	—	30,768,041
Inter-segment	125,325	80,563	1,217,111	1,423,000	(1,423,000)	—
Total	26,216,237	2,944,588	3,030,216	32,191,042	(1,423,000)	30,768,041
Operating income (loss)	7,729,167	497,149	(62,319)	8,163,997	(710,674)	7,453,323

Note: Amounts under one thousand yen are omitted.

(2) Segment information by location

Not applicable due to absence of overseas consolidated subsidiaries or branches

(3) Overseas sales

Not applicable

(Reference)
Financial statements of previous year

(1) Consolidated Statements of Income

	Thousands of yen
	First quarter ended March 31, 2008
Net sales	¥29,222,888
Cost of sales	22,352,591
Gross profit	6,870,296
Selling, general and administrative expenses	5,844,285
Operating income	1,026,011
Non-operating income	59,835
Non-operating expenses	208,483
Ordinary income	877,362
Extraordinary income	61,781
Extraordinary expenses	—
Income before income taxes	939,144
Income taxes*	354,409
Minority interest in net income	(144,559)
Net income	¥ 729,294

Notes:

1. Amounts under one thousand yen are omitted.

2. *Income taxes include adjustment for difference of tax allocation between financial accounting and tax accounting.

(2) Consolidated Statements of Cash Flows

	Thousands of yen
	First quarter ended March 31, 2008
Cash flows from operating activities:	
Income before income taxes	¥ 939,144
Depreciation	2,620,556
Amortization of deferred assets	33,331
Loss on disposal of property, plant and equipment	13,178
Increase (decrease) in accrued severance and retirement benefits	(2,452)
Decrease (increase) in notes and accounts receivable	(993,932)
Decrease (increase) in inventories	(617,918)
Increase (decrease) in notes and accounts payable	530,206
Increase (decrease) in consumption taxes payable	67,571
Income taxes paid	(569,097)
Other	791,822
Net cash provided by (used in) operating activities	2,812,411
Cash flows from investing activities:	
Payments for purchase of noncurrent assets	(5,470,365)
Proceeds from sale of noncurrent assets	3,507
Decrease (increase) in loans receivable – net	506,979
Other	67,502
Net cash provided by (used in) investing activities	(4,892,376)
Cash flows from financing activities:	
Increase (decrease) in short-term debt – net	725,512
Increase (decrease) in long-term debt – net	2,647,009
Cash dividends paid	(310,676)
Other	(346)
Net cash provided by (used in) financing activities	3,061,498
Net increase (decrease) in cash and cash equivalents	981,533
Cash and cash equivalents at beginning of term	1,916,108
Cash and cash equivalents at end of term	¥ 2,897,642

Note: Amounts under one thousand yen are omitted.

(3) Segment Information

Segment information by business category

First quarter ended March 31, 2008						Thousands of yen
	Gas	LPG and other energy services	Other businesses	Total	Elimination or corporate	Consolidated
Net sales	23,481,042	3,888,379	3,660,247	31,029,668	(1,806,780)	29,222,888
Costs and expenses	21,906,168	3,710,318	3,646,500	29,262,988	(1,066,110)	28,196,877
Operating income	1,574,873	178,060	13,746	1,766,680	(740,669)	1,026,011

Note: Amounts under one thousand yen are omitted.