

Flash Report for the First-Half Period Ended June 30, 2008

August 7, 2008

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Date for presentation of the interim report: September 17, 2008

Date of dividend payment: September 2, 2008 or after

1. Consolidated Business Results (January 1 to June 30, 2008)

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

(1) Operating Results

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)	
First-half period under review	¥56,089	22.1%	¥1,009	(78.5)%	¥ 822	(81.9)%
Previous first half	45,938	16.6	4,698	(30.0)	4,549	(30.3)
Previous full term (Jan. 1 to Dec. 31, 2007)	92,708		4,467		4,128	

	Net income (¥ million)		Earnings per share (¥)
First-half period under review	¥ 451	(82.5)%	¥ 5.93
Previous first half	2,587	(33.5)	33.98
Previous full term	2,109		27.70

Note: Equity-method investment: not applicable

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Owners' equity per share (¥)
First-half period under review	¥113,363	¥49,813	39.0%	¥581.29
Previous first half	117,318	52,045	39.9	614.67
Previous full term	112,324	50,096	39.8	586.47

Note: Owners' equity (¥ million)

First-half period: ¥44,264

Previous first half: ¥46,806

Previous full term: ¥44,659

(3) Cash Flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Cash and cash equivalents at term end (¥ million)
First-half period under review	¥ 5,486	¥ (6,006)	¥ 566	¥1,962
Previous first half	9,082	(7,346)	(428)	9,328
Previous full term	11,680	(14,023)	(3,762)	1,916

2. Dividend Payment

	Annual dividend per share (¥)		
	Interim	Term-end	Total
Fiscal 2007	¥4.00	¥4.00	¥8.00
Fiscal 2008	3.00	—	6.00
Fiscal 2008 (forecast)	—	3.00	

3. Consolidated Business Forecast for Current Term (January 1 to December 31, 2008)

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

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)		Net income (¥ million)		Earnings per share (¥)
Full term	¥114,050	23.0%	¥(5,540)	—%	¥(6,090)	—%	¥(4,020)	—%	¥(52.79)

4. Others

- (1) Changes in scope of consolidation: None
- (2) Changes in accounting policy
- a) Changes in accounting standards: None
- b) Other: None
- (3) Number of issued shares (ordinary shares)
- a) Number of shares issued at end of the period (including shares in treasury)
- | | |
|----------------------|------------|
| First-half period: | 76,192,950 |
| Previous first half: | 76,192,950 |
| Previous full term: | 76,192,950 |
- b) Number of treasury shares at end of the period
- | | |
|----------------------|--------|
| First-half period: | 45,699 |
| Previous first half: | 44,209 |
| Previous full term: | 44,424 |

(For Reference)

1. Non-consolidated Business Performance (January 1 to June 30, 2008)

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

(1) Operating Results

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)	
First-half period under review	¥47,610	24.5%	¥ (329)	—%	¥ (239)	—%
Previous first half	38,244	19.4	2,466	(42.9)	2,599	(41.6)
Previous full term (Jan. 1 to Dec. 31, 2007)	78,186		842		965	

	Net income (¥ million)		Earnings per share (¥)	
First-half period under review	¥ (102)	—%	¥ (1.34)	
Previous first half	1,680	(42.6)	22.07	
Previous full term	547		7.19	

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Owners' equity per share (¥)
First-half period under review	¥90,896	¥32,193	35.4%	¥422.77
Previous first half	91,424	35,922	39.3	471.74
Previous full term	87,373	33,142	37.9	435.23

Note: Owners' equity (¥ million)

First-half period:	¥32,193
Previous first half:	¥35,922
Previous full term:	¥33,142

2. Non-consolidated Business Forecast for Current Term (January 1 to December 31, 2008)

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

	Net sales (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)		Net income (¥ million)		Earnings per share (¥)
Full term	¥97,200	24.3%	¥(6,560)	—%	¥(6,640)	—%	¥(4,300)	—%	¥(56.46)

Note: In consideration of our recent business performance, we have revised our business forecasts for the current term ending December 31 this year, which were released May 8, 2008 simultaneously with the accounts settlement for the first quarter of the current term. For further details, please refer to the Revised Forecasts of Business Performance for Fiscal 2008, issued today.

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.

Consolidated Interim Balance Sheets

	Thousands of yen			
	June 30, 2008	December 31, 2007	Change	June 30, 2007
Assets				
Noncurrent assets:				
Property, plant and equipment –				
Production facilities	¥ 17,569,090	¥ 18,908,283	¥(1,339,193)	¥ 20,048,109
Distribution facilities	38,008,433	39,264,238	(1,255,805)	39,776,282
Service and maintenance facilities	4,571,988	4,652,078	(80,090)	3,618,359
Other related business facilities	6,701,111	6,728,339	(27,227)	6,552,253
Construction in progress	11,473,419	8,038,168	3,435,250	5,737,715
Total property, plant and equipment	78,324,044	77,591,109	732,934	75,732,721
Intangible assets	2,967,456	2,052,549	914,907	1,722,539
Investments and other assets –				
Investment securities	9,641,121	10,056,719	(415,597)	12,065,257
Long-term loans	2,656,873	3,005,389	(348,515)	3,072,562
Deferred tax assets	663,395	669,185	(5,789)	636,655
Other investments	758,599	749,456	9,143	799,251
Allowance for doubtful accounts	(331,835)	(308,442)	(23,393)	(318,834)
Total investments and other assets	13,388,155	14,172,307	(784,152)	16,254,892
Total noncurrent assets	94,679,656	93,815,967	863,689	93,710,152
Current assets:				
Cash and bank deposits	1,998,733	1,972,582	26,150	9,382,617
Notes and accounts receivable	8,522,838	8,025,979	496,859	6,874,098
Inventories	5,669,616	4,816,891	852,725	3,863,285
Deferred tax assets	668,027	594,006	74,020	315,323
Other current assets	1,754,321	2,953,181	(1,198,859)	2,849,329
Allowance for doubtful accounts	(89,865)	(81,781)	(8,084)	(72,968)
Total current assets	18,523,672	18,280,860	242,812	23,211,686
Deferred assets:				
Development costs	160,553	227,217	(66,663)	396,506
Total deferred assets	160,553	227,217	(66,663)	396,506
Total assets	¥113,363,882	¥112,324,045	¥ 1,039,837	¥117,318,346

Note: Amounts under one thousand yen are omitted.

	Thousands of yen			
	June 30, 2008	December 31, 2007	Change	June 30, 2007
Liabilities				
Long-term liabilities:				
Long-term debt	¥ 35,086,911	¥ 33,202,677	¥1,884,234	¥ 37,493,453
Deferred tax liabilities	892,086	1,263,519	(371,433)	2,032,753
Accrued severance and retirement benefits	3,456,493	3,604,231	(147,737)	3,508,790
Reserve for repairs of gasholders	192,640	175,526	17,114	158,406
Other long-term liabilities	277,698	278,811	(1,112)	269,396
Total long-term liabilities	39,905,829	38,524,765	1,381,064	43,462,799
Current liabilities:				
Long-term liabilities due within one year	8,429,543	9,288,575	(859,032)	10,201,666
Accounts payable	7,957,169	7,018,122	939,046	5,940,143
Short-term debt	2,239,646	2,390,032	(150,385)	215,000
Other accounts payable	1,968,442	1,764,942	203,499	1,180,104
Income taxes payable	1,035,753	1,065,219	(29,465)	1,980,024
Allowance for bonuses	440,655	430,890	9,764	438,843
Other current liabilities	1,425,316	1,563,156	(137,839)	1,549,259
Total current liabilities	23,496,526	23,520,938	(24,412)	21,505,041
Allowances:				
Allowance for natural gas conversion	148,151	181,482	(33,331)	304,962
Total allowances	148,151	181,482	(33,331)	304,962
Total liabilities	63,550,507	62,227,187	1,323,320	65,272,804
Net assets				
Shareholders' equity:				
Common stock	6,279,147	6,279,147	—	6,279,147
Capital surplus	4,098,961	4,098,961	—	4,098,961
Retained earnings	29,855,104	29,708,059	147,045	30,490,460
Treasury stock	(23,866)	(23,151)	(714)	(23,037)
Total shareholders' equity	40,209,346	40,063,016	146,330	40,845,531
Gains and losses on valuation or translation:				
Unrealized gains on available-for-sale securities	3,999,385	4,374,020	(374,635)	5,639,653
Gains and losses on deferred hedge accounting	55,510	222,284	(166,773)	321,630
Total gains and losses on valuation or translation	4,054,896	4,596,305	(541,409)	5,961,283
Minority interest	5,549,132	5,437,535	111,596	5,238,726
Total net assets	49,813,374	50,096,857	(283,482)	52,045,542
Total liabilities and net assets	¥113,363,882	¥112,324,045	¥1,039,837	¥117,318,346

Note: Amounts under one thousand yen are omitted.

Consolidated Interim Statements of Income

	Thousands of yen			
	6 months ended June 30, 2008	6 months ended June 30, 2007	Change	Year ended December 31, 2007
Net sales	¥56,089,402	¥45,938,833	¥10,150,569	¥92,708,043
Cost of sales	43,220,487	29,959,658	13,260,828	65,129,781
Gross profit	12,868,914	15,979,174	(3,110,259)	27,578,261
Selling, general and administrative expenses	11,859,710	11,280,287	579,422	23,110,965
Operating income	1,009,204	4,698,887	(3,689,682)	4,467,296
Non-operating income:				
Interest income	35,786	38,365	(2,579)	79,219
Dividend income	93,594	92,712	882	141,753
Amortization of consolidation goodwill	1,951	1,757	194	2,358
Compensation for rerouting of pipelines	—	36,627	(36,627)	—
Revenue from other companies for natural gas conversion	—	—	—	59,573
Other non-operating income	129,340	134,247	(4,906)	260,602
Total non-operating income	260,672	303,710	(43,037)	543,507
Non-operating expenses:				
Interest expenses	399,032	420,789	(21,757)	825,447
Other non-operating expenses	48,567	32,523	16,044	57,182
Total non-operating expenses	447,599	453,312	(5,713)	882,630
Ordinary income	822,278	4,549,285	(3,727,006)	4,128,173
Extraordinary income:				
Gain on sale of noncurrent assets	—	33,663	(33,663)	34,057
Reversal of allowance for natural gas conversion	33,331	123,474	(90,142)	246,953
Gain on sale of investment securities	44	25,685	(25,641)	25,685
Gain on leveraged lease financing	44,613	6,755	37,858	14,006
Total extraordinary income	77,989	189,578	(111,588)	320,703
Extraordinary expenses:				
Loss on sale of noncurrent assets	1,408	—	1,408	—
Impairment loss	—	—	—	101,038
Loss on valuation of investment securities	—	—	—	42,936
Total extraordinary expenses	1,408	—	1,408	143,974
Income before income taxes	898,860	4,738,863	(3,840,003)	4,304,902
Income taxes – current	470,031	1,538,591	(1,068,560)	1,698,615
Income taxes – deferred	(144,805)	241,884	(386,690)	(88,334)
Minority interest in net income	121,995	370,663	(248,668)	584,704
Net income	¥ 451,639	¥ 2,587,723	¥(2,136,084)	¥ 2,109,917

Note: Amounts under one thousand yen are omitted.

Consolidated Interim Statements of Changes in Shareholders' Equity

6 months ended June 30, 2008

Thousands of yen

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at Dec. 31, 2007	¥6,279,147	¥4,098,961	¥29,708,059	¥(23,151)	¥40,063,016
Changes during reporting first-half period:					
Distribution of retained earnings			(304,594)		(304,594)
Net income for first half			451,639		451,639
Acquisition of own shares				(714)	(714)
Changes in items outside the scope of shareholders' equity, net					
Total changes during the reporting first half	—	—	147,045	(714)	146,330
Balance at June 30, 2008	¥6,279,147	¥4,098,961	¥29,855,104	¥(23,866)	¥40,209,346
	Gains and losses on valuation or translation				
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	Minority interest	Total net assets
Balance at Dec. 31, 2007	¥4,374,020	¥222,284	¥4,596,305	¥5,437,535	¥50,096,857
Changes during reporting first-half period:					
Distribution of retained earnings					(304,594)
Net income for first half					451,639
Acquisition of own shares					(714)
Changes in items outside the scope of shareholders' equity, net	(374,635)	(166,773)	(541,409)	111,596	(429,812)
Total changes during the reporting first half	(374,635)	(166,773)	(541,409)	111,596	(283,482)
Balance at June 30, 2008	¥3,999,385	¥ 55,510	¥4,054,896	¥5,549,132	¥49,813,374

Note: Amounts under one thousand yen are omitted.

6 months ended June 30, 2007

Thousands of yen

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at Dec. 31, 2006	¥6,279,147	¥4,098,961	¥28,207,335	¥(22,344)	¥38,563,099
Changes during reporting first-half period:					
Distribution of retained earnings			(304,598)		(304,598)
Net income for first half			2,587,723		2,587,723
Acquisition of own shares				(692)	(692)
Changes in items outside the scope of shareholders' equity, net					
Total changes during the reporting first half	—	—	2,283,125	(692)	2,282,432
Balance at June 30, 2007	¥6,279,147	¥4,098,961	¥30,490,460	¥(23,037)	¥40,845,531
	Gains and losses on valuation or translation				
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	Minority interest	Total net assets
Balance at Dec. 31, 2006	¥5,379,189	¥293,336	¥5,672,526	¥4,868,951	¥49,104,577
Changes during reporting first-half period:					
Distribution of retained earnings					(304,598)
Net income for first half					2,587,723
Acquisition of own shares					(692)
Changes in items outside the scope of shareholders' equity, net	260,464	28,293	288,757	369,774	658,532
Total changes during the reporting first half	260,464	28,293	288,757	369,774	2,940,964
Balance at June 30, 2007	¥5,639,653	¥321,630	¥5,961,283	¥5,238,726	¥52,045,542

Note: Amounts under one thousand yen are omitted.

Year ended December 31, 2007

Thousands of yen

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at Dec. 31, 2006	¥6,279,147	¥4,098,961	¥28,207,335	¥(22,344)	¥38,563,099
Changes during the reporting term:					
Distribution of retained earnings			(609,193)		(609,193)
Net income			2,109,917		2,109,917
Acquisition of own shares				(806)	(806)
Changes in items outside the scope of shareholders' equity, net					
Total changes during the reporting term	—	—	1,500,723	(806)	1,499,917
Balance at Dec. 31, 2007	¥6,279,147	¥4,098,961	¥29,708,059	¥(23,151)	¥40,063,016
	Gains and losses on valuation or translation				
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	Minority interest	Total net assets
Balance at Dec. 31, 2006	¥5,379,189	¥293,336	¥5,672,526	¥4,868,951	¥49,104,577
Changes during the reporting term:					
Distribution of retained earnings					(609,193)
Net income					2,109,917
Acquisition of own shares					(806)
Changes in items outside the scope of shareholders' equity, net	(1,005,168)	(71,052)	(1,076,221)	568,584	(507,637)
Total changes during the reporting term	(1,005,168)	(71,052)	(1,076,221)	568,584	992,280
Balance at Dec. 31, 2007	¥4,374,020	¥222,284	¥4,596,305	¥5,437,535	¥50,096,857

Note: Amounts under one thousand yen are omitted.

Consolidated Interim Statements of Cash Flows

	Thousands of yen			
	6 months ended June 30, 2008	6 months ended June 30, 2007	Change	Year ended December 31, 2007
Cash flows from operating activities:				
Income before income taxes	¥ 898,860	¥ 4,738,863	¥(3,840,003)	¥ 4,304,902
Depreciation	5,350,211	5,159,545	190,665	10,680,473
Impairment loss	—	—	—	101,038
Amortization of long-term prepaid expenses	7,662	7,460	201	14,996
Amortization of deferred assets	66,663	169,284	(102,620)	338,573
Loss on disposal of property, plant and equipment	46,608	131,958	(85,350)	244,225
Amortization of consolidation goodwill	(1,951)	(1,757)	(194)	(2,358)
Loss on valuation of investment securities	—	—	—	42,936
Increase (decrease) in allowance for doubtful accounts	31,477	(9,348)	40,826	(10,927)
Increase (decrease) in accrued severance and retirement benefits	(147,737)	(147,392)	(345)	(51,952)
Increase (decrease) in reserve for directors' retirement benefits	(25,199)	(278,824)	253,625	(271,386)
Increase (decrease) in reserve for repairs of gasholders	17,114	17,114	—	34,234
Increase (decrease) in allowance for bonuses	9,764	(3,234)	12,999	(11,186)
Increase (decrease) in allowance for natural gas conversion	(33,331)	(123,474)	90,142	(246,953)
Interest and dividend income	(129,380)	(131,077)	1,697	(220,973)
Interest expenses	399,032	420,789	(21,757)	825,447
Loss (gain) on sale of property, plant and equipment	1,408	(33,663)	35,071	(34,057)
Loss (gain) on sale of investment securities	(44)	(25,685)	25,641	(25,685)
Decrease (increase) in notes and accounts receivable	(502,732)	(34,065)	(468,667)	(1,173,553)
Decrease (increase) in inventories	(851,207)	(8,159)	(843,048)	(960,973)
Increase (decrease) in notes and accounts payable	788,352	1,140,622	(352,270)	2,317,144
Increase (decrease) in consumption taxes payable	16,859	234,703	(217,844)	63,152
Other	135,691	(195,342)	331,033	(622,375)
Sub-total	6,078,120	11,028,318	(4,950,197)	15,334,740
Interest and dividend received	129,472	128,966	506	221,120
Interest expenses paid	(403,552)	(431,524)	27,972	(851,475)
Income taxes paid	(317,846)	(1,643,033)	1,325,187	(3,023,719)
Net cash provided by (used in) operating activities	5,486,193	9,082,725	(3,596,531)	11,680,665

	Thousands of yen			
	6 months ended June 30, 2008	6 months ended June 30, 2007	Change	Year ended December 31, 2007
Cash flows from investing activities:				
Increase in time deposits	(36,673)	(46,061)	9,387	(96,035)
Withdrawal of time deposits	56,660	46,052	10,607	94,014
Payments for purchase of noncurrent assets	(6,943,700)	(6,645,144)	(298,555)	(14,094,624)
Proceeds from sale of noncurrent assets	16,863	44,942	(28,079)	56,934
Payments for purchase of investment securities	(171,880)	(43,801)	(128,079)	(53,719)
Proceeds from sale of investment securities	7,800	34,302	(26,502)	47,952
Provision of loans	—	(300,000)	300,000	(300,000)
Collection of loan repayments	348,515	100,583	247,931	137,756
Receipt of beneficiaries' portion of installation costs	288,875	281,362	7,512	375,543
Other	427,348	(818,956)	1,246,305	(191,068)
Net cash provided by (used in) investing activities	(6,006,191)	(7,346,720)	1,340,528	(14,023,247)
Cash flows from financing activities:				
Increase (decrease) in short-term debt – net	(150,385)	(75,000)	(75,385)	2,100,032
Proceeds from long-term debt	5,910,000	5,595,000	315,000	5,765,000
Repayments of long-term debt	(4,884,798)	(5,637,687)	752,889	(11,011,554)
Cash dividends paid	(301,912)	(305,277)	3,365	(609,839)
Cash dividends paid for minority shareholders	(6,053)	(5,283)	(769)	(5,233)
Other	(714)	(692)	(22)	(806)
Net cash provided by (used in) financing activities	566,135	(428,941)	995,077	(3,762,401)
Net increase (decrease) in cash and cash equivalents	46,138	1,307,064	(1,260,926)	(6,104,983)
Cash and cash equivalents at beginning of the term	1,916,108	8,021,091	(6,104,983)	8,021,091
Cash and cash equivalents at end of the term	¥1,962,246	¥ 9,328,156	¥(7,365,909)	¥ 1,916,108

Note: Amounts under one thousand yen are omitted.

Segment Information

(1) Segment information by business category

(Amounts under one thousand yen are omitted.)

6 months ended June 30, 2008							Thousands of yen
	Gas	LPG and other energy services	Other businesses	Total	Elimination or corporate	Consolidated	
Net sales							
Outside customers	45,202,020	6,862,139	4,025,242	56,089,402	—	56,089,402	
Inter-segment	218,267	271,273	3,196,151	3,685,692	(3,685,692)	—	
Total	45,420,288	7,133,412	7,221,393	59,775,095	(3,685,692)	56,089,402	
Cost and expenses	43,253,239	6,705,832	7,371,203	57,330,275	(2,250,078)	55,080,197	
Operating income (loss)	2,167,048	427,580	(149,809)	2,444,819	(1,435,614)	1,009,204	

6 months ended June 30, 2007							Thousands of yen
	Gas	LPG and other energy services	Other businesses	Total	Elimination or corporate	Consolidated	
Net sales							
Outside customers	36,613,713	5,687,674	3,637,444	45,938,833	—	45,938,833	
Inter-segment	381,747	204,192	4,761,766	5,347,706	(5,347,706)	—	
Total	36,995,460	5,891,867	8,399,211	51,286,539	(5,347,706)	45,938,833	
Cost and expenses	31,216,810	5,632,780	8,344,069	45,193,660	(3,953,714)	41,239,945	
Operating income	5,778,649	259,087	55,141	6,092,878	(1,393,991)	4,698,887	

Year ended December 31, 2007							Thousands of yen
	Gas	LPG and other energy services	Other businesses	Total	Elimination or corporate	Consolidated	
Net sales							
Outside customers	73,737,001	11,114,904	7,856,136	92,708,043	—	92,708,043	
Inter-segment	757,895	496,224	9,453,720	10,707,839	(10,707,839)	—	
Total	74,494,897	11,611,128	17,309,856	103,415,883	(10,707,839)	92,708,043	
Cost and expenses	67,681,563	11,435,653	17,121,497	96,238,715	(7,997,967)	88,240,747	
Operating income	6,813,333	175,474	188,359	7,177,168	(2,709,872)	4,467,296	

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; real estate rentals; sale of household equipment; 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

Non-Consolidated Interim Balance Sheets

	Thousands of yen			
	June 30, 2008	December 31, 2007	Change	June 30, 2007
Assets				
Noncurrent assets:				
Property, plant and equipment –				
Production facilities	¥ 1,264,311	¥ 1,398,735	¥ (134,423)	¥ 1,566,681
Distribution facilities	36,793,711	38,118,704	(1,324,993)	38,731,450
Service and maintenance facilities	4,099,604	4,177,455	(77,851)	3,142,979
Other related business facilities	1,046,738	1,121,490	(74,752)	935,012
Construction in progress	8,370,163	6,795,617	1,574,545	5,306,989
Total property, plant and equipment	51,574,529	51,612,004	(37,475)	49,683,114
Intangible assets –				
Leaseholds	505,886	494,411	11,475	494,411
Software	1,031,497	—	1,031,497	—
Software in progress	1,087,375	—	1,087,375	—
Other intangible assets	18,808	1,209,883	(1,191,075)	930,787
Total intangible assets	2,643,568	1,704,295	939,273	1,425,198
Investments and other assets –				
Investment securities	9,132,243	9,630,523	(498,279)	11,577,599
Investments in affiliates	3,500,005	3,416,230	83,775	3,416,016
Long-term loans within company	536,873	585,389	(48,515)	652,562
Long-term loans to affiliates	3,750,700	4,235,200	(484,500)	4,127,000
Investments in partnerships	14,959	15,986	(1,027)	15,802
Long-term prepaid expenses	20,485	25,043	(4,557)	31,630
Other investments	183,609	168,303	15,305	219,487
Allowance for doubtful accounts	(35,616)	(19,381)	(16,234)	(18,914)
Total investments and other assets	17,103,260	18,057,294	(954,034)	20,021,184
Total noncurrent assets	71,321,357	71,373,594	(52,236)	71,129,497
Current assets:				
Cash and bank deposits	193,707	210,222	(16,515)	7,038,971
Notes receivable	78,434	27,203	51,230	21,383
Accounts receivable	6,136,648	5,726,854	409,794	4,920,337
Accounts receivable – affiliates	97,700	83,901	13,799	77,855
Other accounts receivable	582,896	1,075,673	(492,776)	110,464
Marketable securities	—	1,200	(1,200)	14,850
Finished products	56,179	54,467	1,711	48,032
Raw materials	38,232	33,675	4,556	27,875
Supplies	123,464	82,284	41,179	55,452
Prepaid expenses	251,100	85,307	165,792	255,486
Other accounts receivable – affiliates	613,600	422,596	191,004	499,228
Short-term loans to affiliates	557,643	537,000	20,643	613,000
Deferred tax assets	378,156	322,304	55,851	83,399
Other accounts receivable – other related businesses	9,711,236	6,228,688	3,482,548	5,709,926
Current assets – other related businesses	611,152	747,153	(136,001)	330,649
Other current assets	202,016	418,843	(216,826)	538,402
Allowance for doubtful accounts	(57,010)	(57,340)	330	(49,970)
Total current assets	19,575,158	16,000,036	3,575,122	20,295,345
Total assets	¥90,896,516	¥87,373,630	¥3,522,886	¥91,424,842

Note: Amounts under one thousand yen are omitted.

	Thousands of yen			
	June 30, 2008	December 31, 2007	Change	June 30, 2007
Liabilities				
Long-term liabilities:				
Long-term debt	¥29,193,613	¥26,584,621	¥2,608,992	¥29,289,925
Deferred tax liabilities	895,275	1,263,519	(368,244)	2,027,485
Accrued severance and retirement benefits	3,068,397	3,227,716	(159,318)	3,142,015
Reserve for repairs of gasholders	192,640	175,526	17,114	158,406
Other long-term liabilities	192,700	189,150	3,550	189,150
Total long-term liabilities	33,542,626	31,440,533	2,102,092	34,806,982
Current liabilities:				
Long-term liabilities due within one year	5,196,312	5,660,518	(464,206)	6,242,678
Accounts payable	1,596,576	1,428,855	167,720	1,041,908
Short-term debt	2,069,646	2,134,032	(64,385)	—
Other accounts payable	1,145,211	630,690	514,520	288,002
Accrued expenses	710,378	873,726	(163,348)	753,071
Income taxes payable	145,837	148,053	(2,216)	939,088
Advances received	47,896	52,732	(4,836)	77,262
Deposits received	157,364	84,494	72,870	144,126
Accounts payable – affiliates	5,216,731	4,359,892	856,839	2,924,840
Short-term debt – affiliates	2,134,525	1,640,000	494,525	3,035,000
Other accounts payable – affiliates	844,242	1,243,369	(399,126)	947,492
Allowance for bonuses	281,300	276,200	5,100	284,500
Other accounts payable – other related businesses	5,067,623	3,643,468	1,424,155	3,752,979
Current liabilities – other related businesses	545,347	611,643	(66,296)	263,696
Other current liabilities	1,416	2,856	(1,440)	276
Total current liabilities	25,160,408	22,790,534	2,369,874	20,694,923
Total liabilities	58,703,034	54,231,067	4,471,966	55,501,906
Net assets				
Shareholders' equity:				
Common stock	6,279,147	6,279,147	—	6,279,147
Capital surplus				
Appropriation for legal reserve	4,098,961	4,098,961	—	4,098,961
Retained earnings –				
Appropriation for legal reserve	801,709	801,709	—	801,709
Other retained earnings				
Reserve for reduction in costs of specified assets	220,420	220,420	—	220,420
General reserve	16,288,700	16,288,700	—	16,288,700
Retained earnings brought forward	485,036	892,113	(407,077)	2,329,872
Total retained earnings	17,795,866	18,202,943	(407,077)	19,640,702
Treasury stock	(23,866)	(23,151)	(714)	(23,037)
Total shareholders' equity	28,150,108	28,557,901	(407,792)	29,995,773
Gains and losses on valuation or translation:				
Unrealized gains on available-for-sale securities	3,987,863	4,362,378	(374,514)	5,605,532
Gains and losses on deferred hedge accounting	55,510	222,284	(166,773)	321,630
Total gains and losses on valuation or translation	4,043,374	4,584,662	(541,288)	5,927,163
Total net assets	32,193,482	33,142,563	(949,080)	35,922,936
Total liabilities and net assets	¥90,896,516	¥87,373,630	¥3,522,886	¥91,424,842

Note: Amounts under one thousand yen are omitted.

Non-Consolidated Interim Statements of Income

	Thousands of yen			
	6 months ended June 30, 2008	6 months ended June 30, 2007	Change	Year ended December 31, 2007
Product sales:				
Revenue from gas operations	¥42,366,888	¥34,607,910	¥ 7,758,977	¥69,661,403
Cost of sales:				
Initial inventories	54,467	43,945	10,521	43,945
Cost of gas production	5,180,537	4,158,088	1,022,449	11,160,722
Purchase amount (gas)	28,473,062	19,575,427	8,897,634	40,391,113
In-house consumption	237,791	221,340	16,451	467,577
Inventories at term-end	56,179	48,032	8,146	54,467
Total cost of sales	33,414,096	23,508,089	9,906,007	51,073,737
Gross profit	8,952,791	11,099,821	(2,147,029)	18,587,666
Selling expenses	7,128,551	6,899,818	228,733	14,340,742
General and administrative expenses	1,681,032	1,592,344	88,688	3,105,011
Business profit	143,207	2,607,658	(2,464,451)	1,141,912
Miscellaneous revenue:				
Revenue from installation work	548,672	602,873	(54,200)	1,241,918
Revenue from equipment sales	1,581,082	1,178,702	402,380	2,745,992
Other	3,607	291	3,316	1,906
Total miscellaneous revenue	2,133,362	1,781,866	351,496	3,989,817
Miscellaneous expenses:				
Expenses for installation work	530,866	587,159	(56,292)	1,204,360
Expenditure for equipment sales	1,974,405	1,430,094	544,310	3,273,470
Total miscellaneous expenses	2,505,271	2,017,253	488,017	4,477,831
Revenue from other related businesses	3,110,481	1,854,538	1,255,942	4,535,563
Expenses for other related businesses	3,211,772	1,760,446	1,451,326	4,346,559
Operating income (loss)	(329,993)	2,466,363	(2,796,357)	842,902
Non-operating income:				
Interest income	47,339	47,264	75	97,201
Interest income on securities	4	15	(10)	26
Dividend income	93,099	91,790	1,308	140,573
Dividend income from affiliates	118,299	108,810	9,488	108,810
Rent income	70,815	69,034	1,780	136,051
Other	80,545	109,588	(29,042)	222,343
Total non-operating income	410,104	426,504	(16,399)	705,007
Non-operating expenses:				
Interest expenses	300,402	287,791	12,611	575,338
Other	19,504	5,221	14,282	7,428
Total non-operating expenses	319,906	293,013	26,893	582,766
Ordinary income (loss)	(239,795)	2,599,854	(2,839,650)	965,142

	Thousands of yen			
	6 months ended June 30, 2008	6 months ended June 30, 2007	Change	Year ended December 31, 2007
Extraordinary income:				
Gain on sale of noncurrent assets	—	33,663	(33,663)	34,057
Gain on sale of investment securities	9,104	25,685	(16,581)	25,685
Total extraordinary income	9,104	59,349	(50,245)	59,743
Extraordinary expenses:				
Loss on sale of noncurrent assets	1,855	—	1,855	—
Impairment loss	—	—	—	79,909
Loss on valuation of investment securities	—	—	—	36,548
Total extraordinary expenses	1,855	—	1,855	116,457
Income (loss) before income taxes	(232,546)	2,659,203	(2,891,750)	908,428
Income taxes – current	—	796,000	(796,000)	452,000
Income taxes – deferred	(130,063)	182,328	(312,391)	(91,283)
Net income (loss)	¥ (102,483)	¥ 1,680,875	¥(1,783,358)	¥ 547,711

Note: Amounts under one thousand yen are omitted.

Non-Consolidated Interim Statements of Changes in Shareholders' Equity

6 months ended June 30, 2008

Thousands of yen

	Shareholders' equity								
	Capital surplus			Retained earnings				Treasury stock	Total shareholders' equity
	Common stock	Appropriation for legal reserve	Appropriation for legal reserve	Other retained earnings			Total retained earnings		
				Reserve for reduction in cost of specified assets	General reserve	Retained earnings brought forward			
Balance at Dec. 31, 2007	¥6,279,147	¥4,098,961	¥801,709	¥220,420	¥16,288,700	¥892,113	¥18,202,943	¥(23,151)	¥28,557,901
Changes during reporting first-half period:									
Distribution of retained earnings						(304,594)	(304,594)		(304,594)
Net income for first half						(102,483)	(102,483)		(102,483)
Acquisition of own shares							—	(714)	(714)
Changes in items outside the scope of shareholders' equity, net									
Total changes during the reporting first half	—	—	—	—	—	(407,077)	(407,077)	(714)	(407,792)
Balance at June 30, 2008	¥6,279,147	¥4,098,961	¥801,709	¥220,420	¥16,288,700	¥485,036	¥17,795,866	¥(23,866)	¥28,150,108

	Gains and losses on valuation or translation			Total net assets
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	
Balance at Dec. 31, 2007	¥4,362,378	¥222,284	¥4,584,662	¥33,142,563
Changes during reporting first-half period:				
Distribution of retained earnings				(304,594)
Net income for first half				(102,483)
Acquisition of own shares				(714)
Changes in items outside the scope of shareholders' equity, net	(374,514)	(166,773)	(541,288)	(541,288)
Total changes during the reporting first half	(374,514)	(166,773)	(541,288)	(949,080)
Balance at June 30, 2008	¥3,987,863	¥ 55,510	¥4,043,374	¥32,193,482

Note: Amounts under one thousand yen are omitted.

6 months ended June 30, 2007

Thousands of yen

	Shareholders' equity								
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity
		Appropriation for legal reserve	Appropriation for legal reserve	Other retained earnings			Total retained earnings		
				Reserve for reduction in cost of specified assets	General reserve	Retained earnings brought forward			
Balance at Dec. 31, 2006	¥6,279,147	¥4,098,961	¥801,709	¥220,420	¥14,138,700	¥3,103,595	¥18,264,425	¥(22,344)	¥28,620,189
Changes during reporting first-half period:									
Distribution of retained earnings						(304,598)	(304,598)		(304,598)
Provisions to general reserve					2,150,000	(2,150,000)	—		—
Net income for first half						1,680,875	1,680,875		1,680,875
Acquisition of own shares							—	(692)	(692)
Changes in items outside the scope of shareholders' equity, net									
Total changes during the reporting first half	—	—	—	—	2,150,000	(773,723)	1,376,276	(692)	1,375,584
Balance at June 30, 2007	¥6,279,147	¥4,098,961	¥801,709	¥220,420	¥16,288,700	¥2,329,872	¥19,640,702	¥(23,037)	¥29,995,773

	Gains and losses on valuation or translation			Total net assets
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	
Balance at Dec. 31, 2006	¥5,353,832	¥290,477	¥5,644,309	¥34,264,499
Changes during reporting first-half period:				
Distribution of retained earnings				(304,598)
Provisions to general reserve				—
Net income for first half				1,680,875
Acquisition of own shares				(692)
Changes in items outside the scope of shareholders' equity, net	251,700	31,153	282,853	282,853
Total changes during the reporting first half	251,700	31,153	282,853	1,658,437
Balance at June 30, 2007	¥5,605,532	¥321,630	¥5,927,163	¥35,922,936

Note: Amounts under one thousand yen are omitted.

Year ended December 31, 2007

Thousands of yen

	Shareholders' equity								
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity
		Appropriation for legal reserve	Appropriation for legal reserve	Other retained earnings			Total retained earnings		
				Reserve for reduction in cost of specified assets	General reserve	Retained earnings brought forward			
Balance at Dec. 31, 2006	¥6,279,147	¥4,098,961	¥801,709	¥220,420	¥14,138,700	¥3,103,595	¥18,264,425	¥(22,344)	¥28,620,189
Changes during the reporting term:									
Distribution of retained earnings						(609,193)	(609,193)		(609,193)
Provisions to general reserve					2,150,000	(2,150,000)	—		—
Net income						547,711	547,711		547,711
Acquisition of own shares								(806)	(806)
Changes in items outside the scope of shareholders' equity, net									
Total changes during the reporting term	—	—	—	—	2,150,000	(2,211,481)	(61,481)	(806)	(62,288)
Balance at Dec. 31, 2007	¥6,279,147	¥4,098,961	¥801,709	¥220,420	¥16,288,700	¥ 892,113	¥18,202,943	¥(23,151)	¥28,557,901

	Gains and losses on valuation or translation			Total net assets
	Unrealized gains on available-for-sale securities	Gains and losses on deferred hedge accounting	Total gains and losses on valuation or translation	
Balance at Dec. 31, 2006	¥5,353,832	¥290,477	¥5,644,309	¥34,264,499
Changes during the reporting term:				
Distribution of retained earnings				(609,193)
Provisions to general reserve				—
Net income				547,711
Acquisition of own shares				(806)
Changes in items outside the scope of shareholders' equity, net	(991,454)	(68,192)	(1,059,647)	(1,059,647)
Total changes during the reporting term	(991,454)	(68,192)	(1,059,647)	(1,121,936)
Balance at Dec. 31, 2007	¥4,362,378	¥222,284	¥4,584,662	¥33,142,563

Note: Amounts under one thousand yen are omitted.