



## Flash Report for the First Half of 2024 [Japan GAAP](Consolidated)

August 7, 2024

Company Name: SHIZUOKA GAS CO., LTD.      Listing: Tokyo Stock Exchange  
 Code Number: 9543      URL: <https://ir.shizuokagas.co.jp/en/>  
 Representative: Matsumoto Yoshitake, Representative Director and President  
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 Scheduled date to file semi-annual securities report: August 9, 2024  
 Scheduled date to commence dividend payments: September 2, 2024  
 Preparation of supplemental explanatory materials: **Yes**  
 Holding of financial results briefing session: **Yes** (for institutional investors)

### 1. Consolidated Business Results for the First Half (January 1 through June 30, 2024)

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

#### (1) Operating Results

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)
Reporting First Half	105,377 (16.5)%	9,825 (44.9)%	12,446 (35.6)%
Previous First Half	126,216 33.1	17,847 124.2	19,337 118.9

Note: Total comprehensive income (¥ million)

Reporting First Half: 11,498 ((22.0)%)      Previous First Half: 14,748 (108.8%)

	Profit attributable to owners of parent (¥ million)	Profit per share (¥)	Diluted profit per share (¥)
Reporting First Half	8,524 (38.4)%	113.97	113.83
Previous First Half	13,838 132.1	186.60	186.32

#### (2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)
Reporting First Half	167,220	125,268	70.7
Previous full term	154,709	114,421	69.4

Note: Net assets excluding share acquisition rights and non-controlling interests (¥ million)

Reporting First Half: 118,169      Previous full term: 107,359

### 2. Dividend Payment

	Annual dividend per share (¥)				
	1Q	2Q	3Q	Term-end	Total
FY 2023	—	10.00	—	15.00	25.00
FY 2024	—	13.00	/	/	/
FY 2024(forecast)	/	/	—	27.00	40.00

Note: Revision of previously announced dividend forecast: **Yes**

### 3. Consolidated Business Forecast for Current Term (January 1 through December 31, 2024)

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

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Profit attributable to owners of parent (¥ million)	Profit per share (¥)
Full term	206,760 (3.4)%	7,330 (60.0)%	9,950 (50.4)%	6,320 (55.2)%	84.23

Note: Revision of previously announced consolidated business forecast: **Yes**

## ※Notes

(1) Major changes in subsidiaries: **No**

(2) Simplified accounting and special accounting methods for the preparation of semi-annual consolidated financial statement: **Yes**

(Please refer to the section “(4) Notes Application of Special Accounting Methods in Preparation of Semi-annual Consolidated Financial Statements” on P9)

(3) Changes in accounting policies, estimates, or retrospective restatements

a) Changes in accounting policies due to revisions of accounting standards: **No**

b) Other: **No**

c) Changes in accounting estimates: **No**

d) Retrospective restatements: **No**

(4) Number of issued shares (ordinary shares)

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

Reporting First Half: 76,192,950

Previous full term: 76,192,950

b) Number of treasury shares at end of period

Reporting First Half: 933,840

Previous full term: 2,013,483

c) Average number of shares outstanding during the term

Reporting First Half: 74,788,953

Previous First Half: 74,161,158

## Review

Semi-annual financial results are exempt from review.

## Notes on proper use of forecast, and other matters

Business forecast and other forward-looking statements contained in this document are assumptions based on information available to the company and judgments deemed rational at the time this document was published. Forward-looking statements are not a guarantee that forecast will be achieved. Actual earnings may differ significantly from business forecast due to various factors.

# Semi-annual Consolidated Financial Statements

## (1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	5,892	5,356
Distribution facilities	34,485	34,135
Service and maintenance facilities	5,507	5,367
Other facilities	13,654	13,647
Construction in progress	2,256	2,138
Total property, plant and equipment	61,795	60,644
Intangible assets	2,769	2,700
Investments and other assets		
Investment securities	16,661	19,557
Long-term loans receivable	2,673	2,384
Deferred tax assets	634	635
Other investments	3,509	5,981
Allowance for doubtful accounts	(76)	(75)
Total investments and other assets	23,402	28,483
Total non-current assets	87,967	91,828
Current assets		
Cash and deposits	35,621	42,390
Notes and accounts receivable - trade, and contract assets	17,237	20,014
Merchandise and finished goods	692	648
Raw materials and supplies	10,376	9,059
Accounts receivable - other	1,075	805
Other current assets	1,776	2,524
Allowance for doubtful accounts	(38)	(49)
Total current assets	66,741	75,392
Total assets	154,709	167,220

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	12,233	11,901
Deferred tax liabilities	1,526	2,550
Retirement benefit liability	2,280	2,125
Asset retirement obligations	109	119
Other noncurrent liabilities	191	177
Total non-current liabilities	21,342	21,874
Current liabilities		
Current portion of non-current liabilities	984	931
Accounts payable - trade	3,268	9,658
Short-term borrowings	95	179
Accounts payable - other	4,794	1,635
Income taxes payable	5,093	4,126
Provision for bonuses	566	419
Other current liabilities	4,142	3,126
Total current liabilities	18,945	20,077
<b>Total liabilities</b>	<b>40,287</b>	<b>41,952</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,279	6,279
Capital surplus	5,028	5,452
Retained earnings	90,260	97,672
Treasury shares	(1,023)	(474)
Total shareholders' equity	100,544	108,929
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,944	8,242
Deferred gains or losses on hedges	45	187
Foreign currency translation adjustment	178	202
Remeasurements of defined benefit plans	646	607
Total accumulated other comprehensive income	6,814	9,239
Share acquisition rights	85	54
Non-controlling interests	6,976	7,045
<b>Total net assets</b>	<b>114,421</b>	<b>125,268</b>
<b>Total liabilities and net assets</b>	<b>154,709</b>	<b>167,220</b>

## (2) Semi-annual Consolidated Statements of Income and Comprehensive Income

### Semi-annual Consolidated Statements of Income

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	126,216	105,377
Cost of sales	94,022	81,189
Gross profit	32,194	24,187
Selling, general and administrative expenses	14,346	14,362
Operating profit	17,847	9,825
Non-operating income		
Interest income	43	34
Dividend income	315	371
Share of profit of entities accounted for using equity method	66	100
Foreign exchange gains	124	96
Gain on investments in silent partnerships	875	1,939
Miscellaneous income	190	224
Total non-operating income	1,616	2,768
Non-operating expenses		
Interest expenses	74	72
Share issuance costs	-	45
Miscellaneous expenses	50	28
Total non-operating expenses	125	147
Ordinary profit	19,337	12,446
Profit before income taxes	19,337	12,446
Income taxes	5,101	3,434
Profit	14,236	9,012
Profit attributable to non-controlling interests	397	487
Profit attributable to owners of parent	13,838	8,524

## Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Profit	14,236	9,012
Other comprehensive income		
Valuation difference on available-for-sale securities	839	2,323
Deferred gains or losses on hedges	(386)	142
Foreign currency translation adjustment	9	12
Remeasurements of defined benefit plans, net of tax	(42)	(38)
Share of other comprehensive income of entities accounted for using equity method	92	47
Total other comprehensive income	511	2,486
Comprehensive income	14,748	11,498
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,338	10,949
Comprehensive income attributable to non-controlling interests	409	549

### (3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	19,337	12,446
Depreciation	4,495	4,758
Loss on retirement of property, plant and equipment	6	8
Loss on tax purpose reduction entry of non-current assets	-	224
Increase (decrease) in allowance for doubtful accounts	(17)	9
Increase (decrease) in retirement benefit liability	(159)	(209)
Increase (decrease) in provision for bonuses	2	(147)
Interest and dividend income	(359)	(405)
Interest expenses	74	72
Share of loss (profit) of entities accounted for using equity method	(66)	(100)
Loss (gain) on investments in silent partnerships	(875)	(1,939)
Loss (gain) on sale of investment securities	-	(46)
Decrease (increase) in trade receivables and contract assets	7,123	(2,775)
Decrease (increase) in inventories	9,113	1,362
Increase (decrease) in trade payables	(10,989)	5,188
Increase (decrease) in provision for inventory adjustment	3,098	-
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	2,576	(972)
Decrease (increase) in accounts receivable - other	2,805	(165)
Other, net	(1,468)	(1,764)
<b>Subtotal</b>	<b>34,699</b>	<b>15,543</b>
Interest and dividends received	353	227
Interest paid	(77)	(73)
Income taxes refund (paid)	(1,798)	(4,126)
<b>Net cash provided by (used in) operating activities</b>	<b>33,177</b>	<b>11,571</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(70)	(96)
Proceeds from withdrawal of time deposits	70	70
Purchase of property, plant and equipment and intangible assets	(7,997)	(4,314)
Purchase of investment securities	(420)	(164)
Proceeds from sale of investment securities	-	925
Payments for investments in capital	-	(459)
Proceeds from collection of loans receivable	391	391
Other, net	(3)	(271)
<b>Net cash provided by (used in) investing activities</b>	<b>(8,028)</b>	<b>(3,919)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(18)	84
Net increase (decrease) in commercial papers	(17,999)	-
Proceeds from long-term borrowings	-	115
Repayments of long-term borrowings	(754)	(573)
Proceeds from issuance of bonds	5,000	-
Dividends paid	(703)	(1,111)
Dividends paid to non-controlling interests	(538)	(536)
Proceeds from share issuance to non-controlling shareholders	90	60
Proceeds from disposal of treasury shares	-	901
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	(0)
Other, net	(0)	0
<b>Net cash provided by (used in) financing activities</b>	<b>(14,925)</b>	<b>(1,060)</b>

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Effect of exchange rate change on cash and cash equivalents	248	151
Net increase (decrease) in cash and cash equivalents	10,472	6,743
Cash and cash equivalents at beginning of period	27,264	35,242
Cash and cash equivalents at end of period	37,737	41,986



## **(4) Notes**

### **(Note on Going Concerns' Premise)**

Not applicable.

### **(Note on Significant Change in Shareholders' Equity)**

Not applicable.

### **(Application of Special Accounting Methods in Preparation of Semi-annual Consolidated Financial Statements)**

(Calculation of tax expenses)

The Company calculates tax expenses based on a reasonable estimate of the effective tax rate after the application of tax effect accounting to profit before income taxes for the current consolidated fiscal year including the consolidated First Half. We multiply this effective tax rate by the profit before income taxes for the cumulative period to calculate tax expenses.

### **(Additional Information)**

(Payment related to the LNG procurement contract)

We postponed the delivery of a certain portion of contracted volume to subsequent years based on the LNG procurement contract in response to the dramatic decrease in demand caused by COVID-19. We paid US\$24 million during the semi-annual consolidated accounting period of 2021. This payment does not affect the semi-annual consolidated financial statements.

This payment may be used to reduce future payments by allocating said payment to the price when taking delivery of the volume in question in subsequent years. However, based on projected demand as of the end of the semi-annual consolidated accounting period and the circumstances surrounding LNG procurement contracts, we have not yet determined the timing of said delivery.

## Segment Information

### Net Sales and Income (Loss) by Reportable Segment

Six Months Ended June 30, 2023

(¥ million)

	Reportable segment			Other businesses (Note1)	Total	Adjustments (Note2)	Amount recorded on consolidated statement of income (Note3)
	Gas	LPG and other energy services	Total				
Net sales							
Sales to external customers	106,381	13,845	120,226	5,989	126,216	—	126,216
Inter-segment sales and transfers	1,157	408	1,566	2,542	4,109	(4,109)	—
Total	107,538	14,253	121,792	8,532	130,325	(4,109)	126,216
Segment income	18,368	722	19,091	429	19,520	(1,673)	17,847

Notes:

1. The Other businesses category consists of businesses not categorized as individual reportable segments. Other businesses include orders for construction related to the gas business, sales of gas appliances, remodeling, and leasing.
2. The (¥1,673) million in segment income adjustments include ¥158 million in inter-segment eliminations and (¥1,831) million in corporate expenses not allocable to a reportable segment. Corporate expenses are general and administrative expenses not allocable to a reportable segment.
3. Segment income is adjusted to reflect operating profit as recorded on the Company's semi-annual consolidated statements of income.

Six Months Ended June 30, 2024

(¥ million)

	Reportable segment			Other businesses (Note1)	Total	Adjustments (Note2)	Amount recorded on consolidated statement of income (Note3)
	Gas	LPG and other energy services	Total				
Net sales							
Sales to external customers	83,882	15,293	99,176	6,201	105,377	—	105,377
Inter-segment sales and transfers	1,073	634	1,707	2,216	3,924	(3,924)	—
Total	84,955	15,927	100,883	8,418	109,301	(3,924)	105,377
Segment income	9,194	2,219	11,413	297	11,711	(1,885)	9,825

Notes:

1. The Other businesses category consists of businesses not categorized as individual reportable segments. Other businesses include orders for construction related to the gas business, sales of gas appliances, remodeling, and leasing.
2. The (¥1,885) million in segment income adjustments include ¥153 million in inter-segment eliminations and (¥2,039) million in corporate expenses not allocable to a reportable segment. Corporate expenses are general and administrative expenses not allocable to a reportable segment.
3. Segment income is adjusted to reflect operating profit as recorded on the Company's semi-annual consolidated statements of income.