

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

May 9, 2024

Company Name: SHIZUOKA GAS CO., LTD. Listing: Tokyo Stock Exchange  
 Code Number: 9543 URL: <https://ir.shizuokagas.co.jp/en/>  
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 Date for presentation of the quarterly report: May 10, 2024  
 Date of dividend payment: —  
 Preparation of supplemental explanatory materials: **Yes**  
 Holding of quarterly results briefing session: **No**

### 1. Consolidated Business Results for the First Quarter (January 1 through March 31, 2024)

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

#### (1) Operating Results

	Net sales (¥ million)		Operating profit (¥ million)		Ordinary profit (¥ million)	
Reporting First Quarter	54,365	(26.2)%	2,735	(80.2)%	3,931	(72.7)%
Previous First Quarter	73,699	52.2%	13,801	370.4%	14,374	341.3%

Note: Total comprehensive income (¥ million)

Reporting First Quarter: 4,655 ((52.5%))

Previous First Quarter: 9,794 (251.1%)

	Profit attributable to owners of parent (¥ million)		Profit per share (¥)	Diluted profit per share (¥)
Reporting First Quarter	2,576	(75.2)%	34.65	34.60
Previous First Quarter	10,398	399.3%	140.24	140.03

#### (2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
Reporting First Quarter	159,362	118,388	70.0	1,483.06
Previous full term	154,709	114,421	69.4	1,447.28

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

Reporting First Quarter: 111,495

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	—	/	/	/	/
FY 2024(forecast)	/	13.00	—	13.00	26.00

Note: Revision of previously announced dividend forecast: **No**

### 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	206,710 (3.4)%	8,070 (56.0)%	8,770 (56.3)%	5,460 (61.3)%	73.60

Note: Revision of previously announced consolidated business forecast: **No**

## ※Notes

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

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

(2) Simplified accounting and special accounting methods for quarterly financial reporting: **Yes**  
(Please refer to the section “(3)Notes Application of Special Accounting Methods in Preparation of Quarterly Consolidated Financial Statements” on P7)

(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 Quarter: 76,192,950

Previous full term: 76,192,950

b) Number of treasury shares at end of period

Reporting First Quarter: 1,013,483

Previous full term: 2,013,483

c) Average number of shares outstanding during the term

Reporting First Quarter: 74,328,741

Previous First Quarter: 74,149,070

## Quarterly Review

Quarterly financial results are exempt from quarterly 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.

# Quarterly Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	5,892	5,624
Distribution facilities	34,485	34,485
Service and maintenance facilities	5,507	5,431
Other facilities	13,654	13,693
Construction in progress	2,256	2,200
Total property, plant and equipment	61,795	61,435
Intangible assets	2,769	2,741
Investments and other assets		
Investment securities	16,661	18,831
Long-term loans receivable	2,673	2,480
Deferred tax assets	634	634
Other investments	3,509	4,823
Allowance for doubtful accounts	(76)	(83)
Total investments and other assets	23,402	26,686
Total non-current assets	87,967	90,863
Current assets		
Cash and deposits	35,621	35,491
Notes and accounts receivable - trade, and contract assets	17,237	21,115
Merchandise and finished goods	692	729
Raw materials and supplies	10,376	7,965
Accounts receivable - other	1,075	1,005
Other current assets	1,776	2,236
Allowance for doubtful accounts	(38)	(44)
Total current assets	66,741	68,499
Total assets	154,709	159,362

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	12,233	11,887
Deferred tax liabilities	1,526	2,280
Retirement benefit liability	2,280	2,317
Asset retirement obligations	109	110
Other noncurrent liabilities	191	171
Total non-current liabilities	21,342	21,767
Current liabilities		
Current portion of non-current liabilities	984	934
Accounts payable - trade	3,268	9,688
Short-term borrowings	95	130
Accounts payable - other	4,794	2,179
Income taxes payable	5,093	1,599
Provision for bonuses	566	740
Other current liabilities	4,142	3,932
Total current liabilities	18,945	19,206
<b>Total liabilities</b>	<b>40,287</b>	<b>40,973</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,279	6,279
Capital surplus	5,028	5,420
Retained earnings	90,260	91,724
Treasury shares	(1,023)	(515)
Total shareholders' equity	100,544	102,909
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,944	7,645
Deferred gains or losses on hedges	45	123
Foreign currency translation adjustment	178	191
Remeasurements of defined benefit plans	646	627
Total accumulated other comprehensive income	6,814	8,586
Share acquisition rights	85	85
Non-controlling interests	6,976	6,806
<b>Total net assets</b>	<b>114,421</b>	<b>118,388</b>
<b>Total liabilities and net assets</b>	<b>154,709</b>	<b>159,362</b>

## (2) Consolidated Statements of Income and Comprehensive Income

### Consolidated Statements of Income

(Millions of yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Net sales	73,699	54,365
Cost of sales	52,672	44,562
Gross profit	21,026	9,803
Selling, general and administrative expenses	7,225	7,067
Operating profit	13,801	2,735
Non-operating income		
Interest income	19	19
Dividend income	166	184
Share of profit of entities accounted for using equity method	155	80
Foreign exchange gains	8	63
Gain on investments in silent partnerships	193	832
Miscellaneous income	107	115
Total non-operating income	650	1,295
Non-operating expenses		
Interest expenses	32	35
Share issuance costs	-	45
Bond issuance costs	19	-
Miscellaneous expenses	24	19
Total non-operating expenses	77	100
Ordinary profit	14,374	3,931
Profit before income taxes	14,374	3,931
Income taxes	3,734	1,065
Profit	10,640	2,865
Profit attributable to non-controlling interests	241	289
Profit attributable to owners of parent	10,398	2,576

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Profit	10,640	2,865
Other comprehensive income		
Valuation difference on available-for-sale securities	(465)	1,713
Deferred gains or losses on hedges	(382)	78
Foreign currency translation adjustment	1	5
Remeasurements of defined benefit plans, net of tax	(35)	(19)
Share of other comprehensive income of entities accounted for using equity method	34	12
Total other comprehensive income	(846)	1,790
Comprehensive income	9,794	4,655
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,548	4,348
Comprehensive income attributable to non-controlling interests	245	306

### **(3) 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 Quarterly 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 quarter. We multiply this effective tax rate by the quarterly 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 first quarter of the 2021 fiscal year. This payment does not affect the consolidated financial statements for the first quarter of the current fiscal year.

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 current consolidated first quarter 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

Three Months Ended March 31, 2023

(Millions of yen)

	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	62,488	8,011	70,500	3,199	73,699	—	73,699
Inter-segment sales and transfers	668	341	1,010	1,371	2,381	(2,381)	—
Total	63,157	8,353	71,511	4,570	76,081	(2,381)	73,699
Segment income	14,113	498	14,612	291	14,903	(1,102)	13,801

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 (¥1,102) million in segment income adjustments include ¥71 million in inter-segment eliminations and (¥1,174) 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 quarterly consolidated statements of income.

Three Months Ended March 31, 2024

(Millions of yen)

	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	43,557	7,615	51,172	3,192	54,365	—	54,365
Inter-segment sales and transfers	665	335	1,000	1,089	2,090	(2,090)	—
Total	44,222	7,951	52,173	4,282	56,455	(2,090)	54,365
Segment income	2,862	620	3,482	155	3,638	(902)	2,735

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 (¥902) million in segment income adjustments include ¥75 million in inter-segment eliminations and (¥977) 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 quarterly consolidated statements of income.