

TSE:9543

# SHIZGAS

## FY2016 3Q Supplementary Information (Jan.1,2016-Sept.30,2016)



SHIZUOKA GAS CO.,LTD

November 9<sup>th</sup>, 2016

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## Disclaimer

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- Forecasts are based on information available to the management when this was drafted.
  - Actual financial results may significantly differ from these forecasts due to any unforeseen economic and business circumstances.
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# I . Summary of Financial Results for FY2016 3Q

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# FY2016 2Q Financial Highlights



## ◎ 3Q Results : Lower sales, higher profits

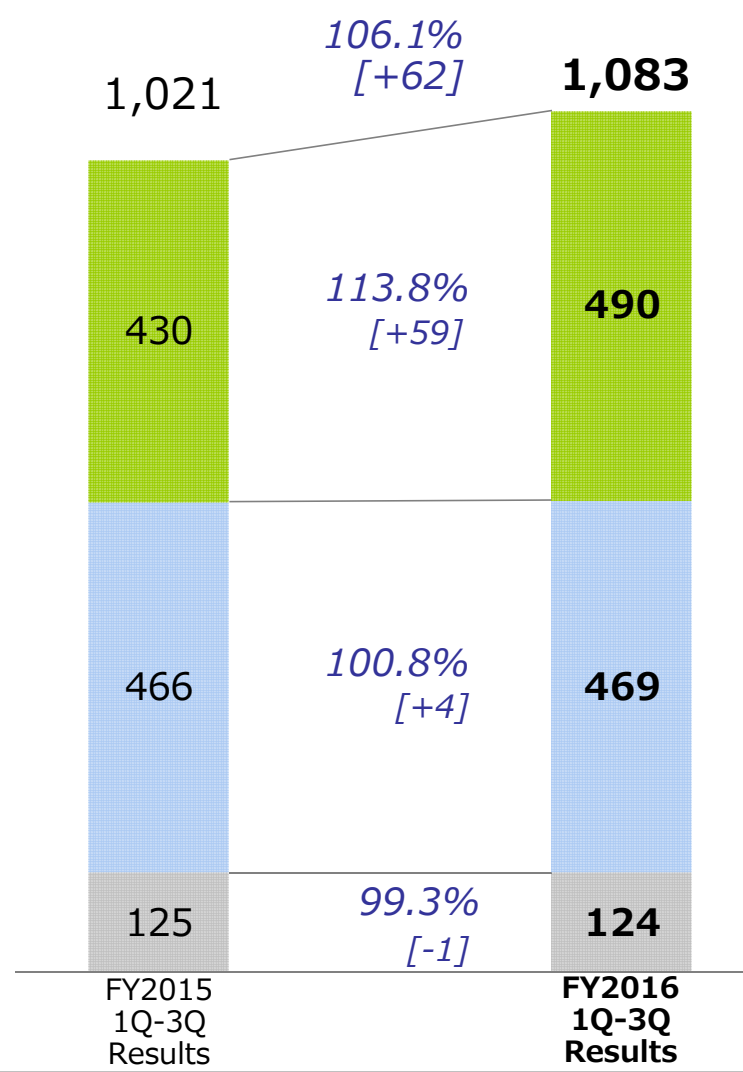
- Decrease in sliding unit prices results in lower sales; LNG price drop results in lower gas cost of sales.
- Gas sales volume increase by 6.1% vs. prior year
  - Wholesale sales increase by 13.8% vs. prior year due to operation of the Shizuham Trunkline and other factors, Small-lot-sales decrease due to warmer weather.

	FY2015 1-3Q	FY2016 1-3Q	Change	Change (%)
● Net sales (billion yen)	114.3	<b>83.4</b>	-30.8	73.0
● Revised operating income with Sliding time lag adjustment (billion yen)	5.6	<b>6.2</b>	+0.6	111.6
Operation Income (billion yen)	10.7	<b>11.1</b>	+0.3	103.6
Sliding time lag	-5.1	<b>-4.8</b>	-0.2	-
● Gas sales Volume (Non-consolidated) (million m <sup>3</sup> · 45MJ)	1,021	<b>1,083</b>	+62	106.1
Wholesale	430	<b>490</b>	+59	113.8
Large-lot-sale	466	<b>469</b>	+4	100.8
Small-lot-sale	125	<b>124</b>	-1	99.3

# Gas Sales Volume (Non-Consolidated)



◎ Change factors : Increase in wholesale sales due to operation of the Shizuham Trunkline



Unit; million m<sup>3</sup>(45MJ)

\* Figures in [ ] indicate change in sales volume (million m<sup>3</sup>)

- Wholesale**
- Increase in sales volume via the Shizuham Trunkline [ +64]
  - Decrease in demand for wholesale customers [ -5]

- Large-lot-sale**
- Increase due to new demand [ +11]
  - Full operation of newly developed customers in 2015 through a year [ +3]
  - Change in demand for existing customers [ -10]

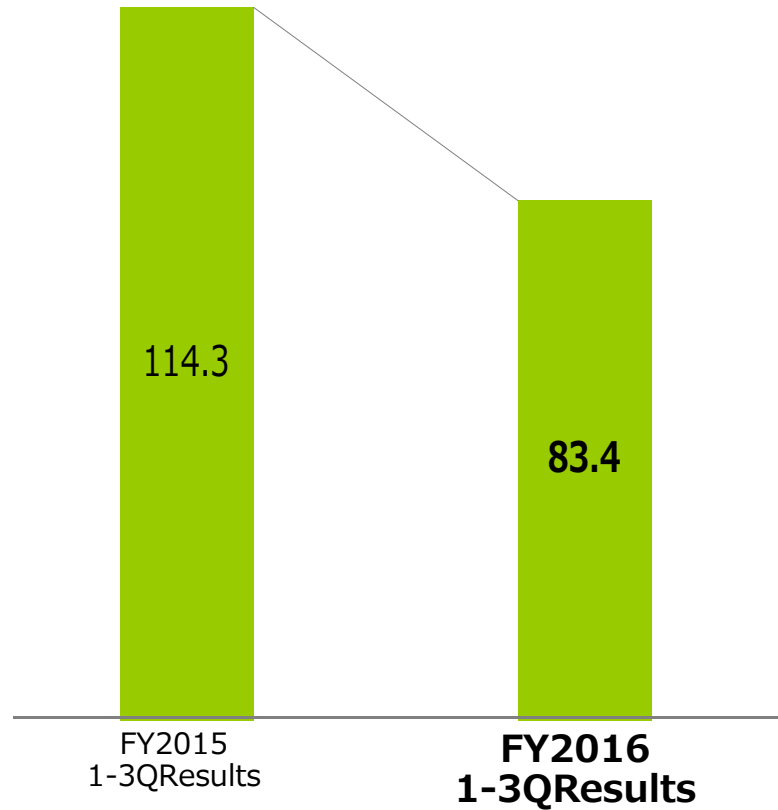
- Small-lot-sale**
- Decrease in sales volume for residential use due to warmer temperature [ -1]

# Net Sales and Operating Income



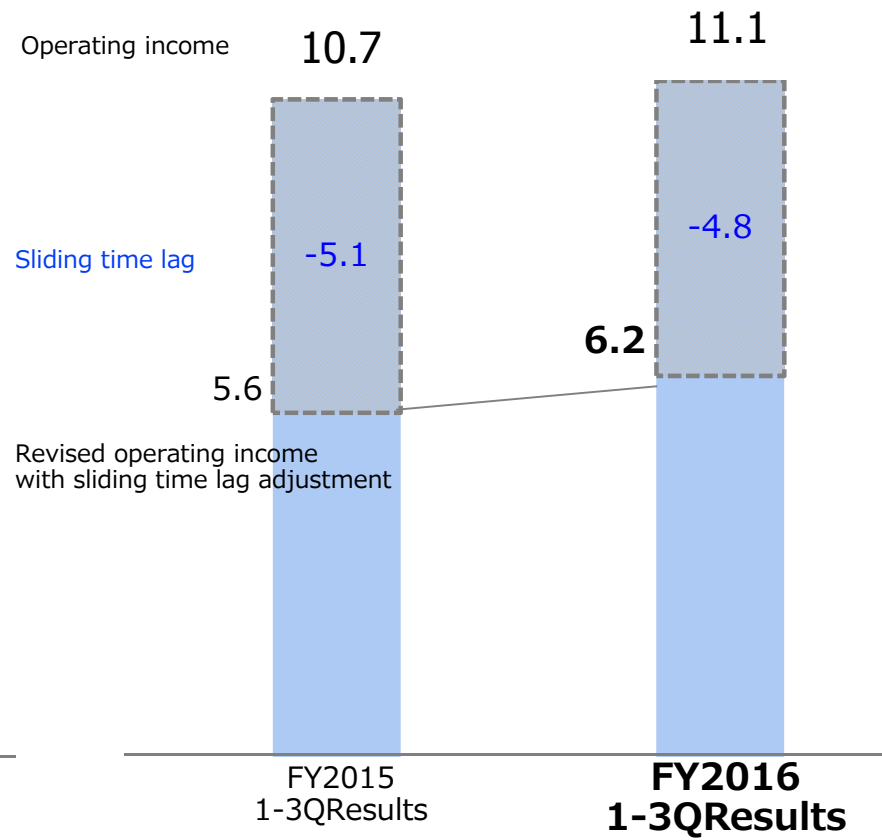
## Net sales

Unit : billion yen



## Operating income & Sliding time lag

Unit : billion yen



# Breakdown of Consolidated Operating Income

## <vs. FY2015 1Q-3Q Results>



Net sales **83.4** [-30.8]

City Gas	<b>69.2</b>	[-30.4]
LPG	<b>7.9</b>	[-0.1]
Others	<b>6.2</b>	[-0.2]

Operating income **11.1** [+0.3]

Sliding time lag\* **+4.8** [-0.2]

\* Non-consolidated

Gross profit

**30.4** [-0.1]

Sales and administrative expenses

**19.3** [-0.4]

Unit; billion yen

\*Parentheses indicate comparison to 1Q-3Q in 2015

\*Transactions between the consolidated companies are offset

City Gas **27.2** [+0.4]

■ Sales **69.2** [-30.4]

Downward adjustment of  
unit price of gas -29.8

Decrease in gas sales volume -0.5

Others -0.1

■ Cost of sales **42.0** [-30.8]

Decrease in gas prices -30.4

Decrease in gas consumption -0.5

Others +0.1

LPG and Others **3.2** [-0.5]

## II . FY2016 Forecast

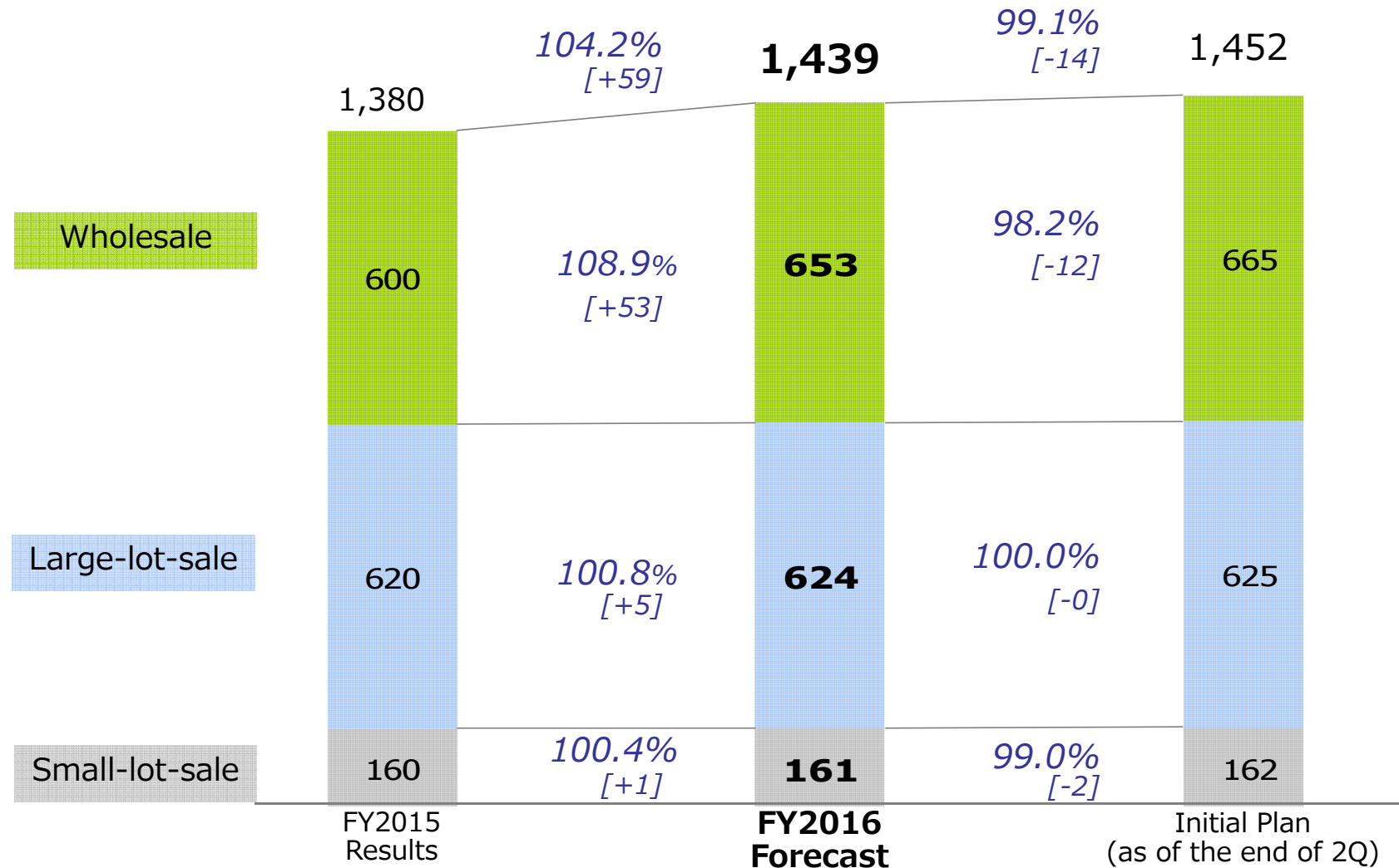


# FY2016 Forecast : Gas Sales Volume (Non-Consolidated)



Unit : million m<sup>3</sup>(45MJ)

\* Figures in [ ] indicate change in sales volume (million m<sup>3</sup>)

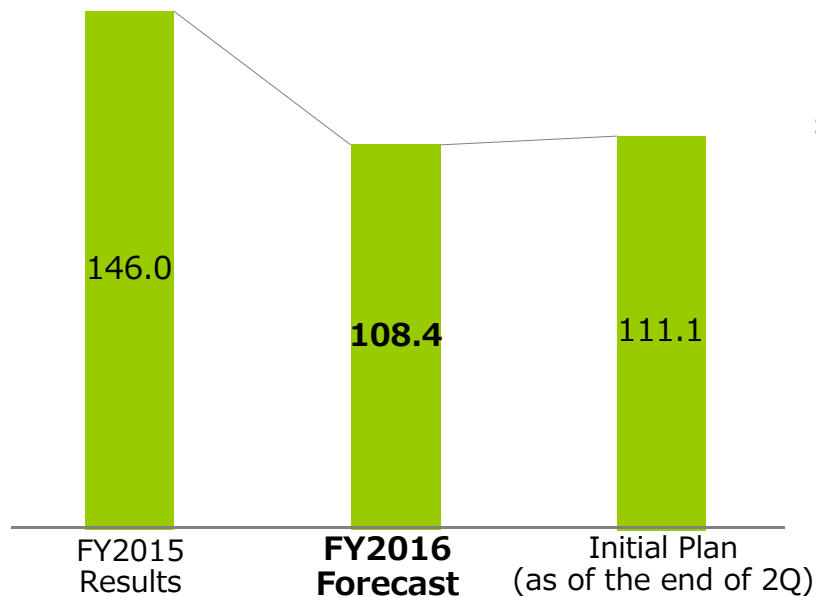


# FY2016 Forecast: Net Sales and Operating Income



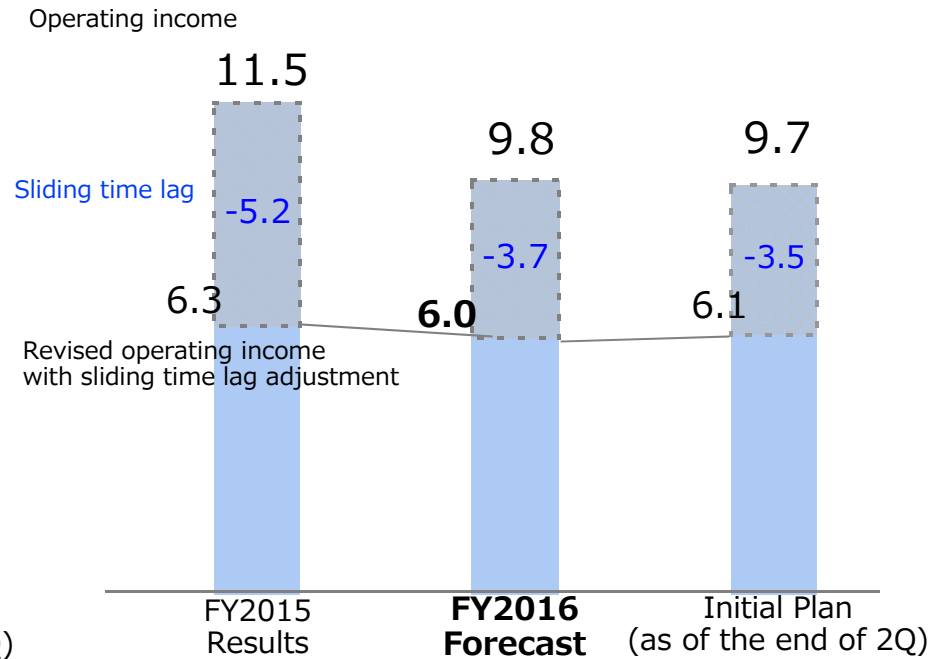
## Net Sales

Unit : billion yen



## Operating income & Sliding time lag

Unit : billion yen



		FY2016 Jan.-Oct.	FY2016 Nov.-Dec. Forecast
Exchange rate (Yen/US\$)		108.9	105.0
Crude oil price C I F ( J C C ) (US\$/bbl)		40.7	50.0

Effect on Gross Profit (Nov.- Dec.)	
(+)1yen/US\$	-50 million yen
(+) 1\$/bbl	±0 million yen

# FY2016 Forecast: Breakdown of Consolidated Operating Income

<vs. Initial Plan> **SHIZGAS**

Unit; billion yen

\*Parentheses indicate comparison to the initial plan

\*Transactions between the consolidated companies are offset

Net sales **108.4** [-2.6]

City Gas **89.1** [-0.9]

LPG **10.8** [-0.9]

Others **8.4** [-0.7]

Operating income **9.8** [+0.1]

Sliding time lag\* **+3.7** [+0.2]

\* Non-consolidated

Gross profit income

**37.1** [-0.1]

City Gas **33.1** [+0.1]

■ Net Sales **89.1** [-0.9]

Decrease in gas sales volume - 0.6

Downward adjustment of unit price of gas - 0.3

■ Cost of Sales **56.0** [-1.0]

Decrease in gas consumption - 0.3

Decrease in gas prices - 1.0

LNG terminal cost +0.1

Others +0.2

LPG and Others **4.0** [-0.3]

Sales and administrative expenses

**27.3** [-0.3]

## III. Supplementary Information

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# Gas Sales Plan (Non-Consolidated)

<vs. FY2015 1Q-3Q Results>



Unit : million m<sup>3</sup>

	FY2016 1Q-3Q Results	FY2015 1Q-3Q Results	Change		FY2016 Forecast
				%	
Gas sales volume	1,083	1,021	+62	106.1	1,439
Own sale	593	590	+3	100.5	785
Residential	65	67	- 2	97.0	85
Commercial	53	52	- 0	101.1	67
Industrial	476	471	+0	100.9	633
Wholesale	490	430	+59	113.8	653

## < Large-lot-sale (A part of "Own sale") >

Gas sales volume	469	466	+0	100.8	624
Share in the total sale	79.1%	78.9%			79.5%

※ Large-lot-sale : Annual contract quantity is 100 thousand m<sup>3</sup> and over

# Statement of Income

<vs. FY2015 3Q Results>



Unit : billion yen

	FY2016 3Q Results	FY2015 3Q Results	Change	%	FY2016 Forecast
Net sales	83.4	114.3	- 30.8	73.0	108.4
Cost of sales	53.0	83.7	- 30.7	63.3	71.2
Gross Profit	30.4	30.5	- 0.1	99.7	37.1
Sales and administrative expenses	19.3	19.8	- 0.4	97.5	27.3
Monpower	7.6	7.5	+0.0	101.0	10.4
Other expenses	6.4	6.7	- 0.3	95.4	9.8
Depreciation	5.1	5.4	- 0.2	95.2	7.0
Operating income	11.1	10.7	+0.3	103.6	9.8
Ordinary income	11.5	11.0	+0.5	104.7	10.3
Net income	7.5	7.2	+0.2	103.9	6.7