



## Flash Report for the First Quarter of 2020[Japan GAAP](Consolidated)

May 13, 2020

Company Name: SHIZUOKA GAS CO., LTD. Listing: Tokyo Stock Exchange (1st section)  
 Code Number: 9543 URL: <https://ir.shizuokagas.co.jp/en/>  
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 Date for presentation of the quarterly report: May 14, 2020  
 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, 2020)

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

#### (1) Operating Results

	Net sales (¥ million)		Operating profit (¥ million)		Ordinary profit (¥ million)	
Reporting First Quarter	36,320	(14.8)%	3,057	(10.4)%	2,940	(16.9)%
Previous First Quarter	42,624	8.8	3,413	(19.3)	3,537	(19.4)

Note: Total comprehensive income (¥ million)

Reporting First Quarter: (239) (—%) Previous First Quarter: 2,776 (20.5%)

	Profit attributable to owners of parent (¥ million)		Profit per share (¥)	Diluted profit per share (¥)
Reporting First Quarter	1,817	(20.8)%	24.56	24.51
Previous First Quarter	2,296	(20.4)	31.08	31.03

#### (2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
Reporting First Quarter	116,570	84,510	68.0	1,071.59
Previous full term	115,027	86,410	69.9	1,086.11

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

Reporting First Quarter: 79,307 Previous full term: 80,382

### 2. Dividend Payment

	Annual dividend per share (¥)				
	1Q	2Q	3Q	Term-end	Total
FY 2019	—	8.00	—	8.00	16.00
FY 2020	—	/	/	/	/
FY 2020 (forecast)	/	8.50	—	8.50	17.00

Note: Revision of previously announced dividend forecast: No

### 3. Consolidated Business Forecast for Current Term (January 1 through December 31, 2020)

(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	136,150 (3.8)%	6,450 (17.9)%	6,980 (18.2)%	4,370 (20.8)%	59.08

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 “Notes(3) 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: 2,183,743

Previous full term: 2,183,743

c) Average number of shares outstanding during the term

Reporting First Quarter: 74,009,207

Previous First Quarter: 73,872,440

## Quarterly Review

Quarterly financial results are exempt from quarterly review.

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

It is difficult to reasonably calculate the consolidated business forecast because there are many uncertainties that will affect our business due to the spread of the novel coronavirus infection. Therefore, the Company leaves the consolidated business forecast released on February 5, 2020 unchanged at present. We will make an announcement as soon as it becomes possible to calculate the consolidated business forecast rationally. Actual earnings may differ significantly from business forecast due to various factors.

# Quarterly Consolidated Financial Statements and Notes

## (1) Consolidated Balance Sheets

	(¥ million)	
	December 31, 2019	March 31, 2020
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	6,831	<b>6,542</b>
Distribution facilities	34,631	<b>34,442</b>
Service and maintenance facilities	5,066	<b>5,022</b>
Other facilities	7,763	<b>7,683</b>
Construction in progress	368	<b>363</b>
Total property, plant and equipment	54,661	<b>54,054</b>
Intangible assets	806	<b>976</b>
Investments and other assets		
Investment securities	9,545	<b>7,772</b>
Long-term loans receivable	5,235	<b>5,070</b>
Deferred tax assets	707	<b>1,415</b>
Other investments and other assets	1,760	<b>1,788</b>
Allowance for doubtful accounts	(93)	<b>(98)</b>
Total investments and other assets	17,155	<b>15,948</b>
Total non-current assets	72,623	<b>70,979</b>
Current assets		
Cash and deposits	24,498	<b>24,016</b>
Notes and accounts receivable-trade	10,458	<b>11,750</b>
Merchandise and finished goods	336	<b>326</b>
Raw materials and supplies	4,905	<b>7,788</b>
Other current assets	2,238	<b>1,740</b>
Allowance for doubtful accounts	(34)	<b>(31)</b>
Total current assets	42,404	<b>45,590</b>
Total assets	115,027	<b>116,570</b>

*Note: Amounts under one million yen are omitted.*

	(¥ million)	
	December 31,2019	March 31,2020
<b>Liabilities</b>		
Non-current liabilities		
Long-term borrowings	5,779	5,162
Deferred tax liabilities	229	149
Retirement benefit liability	3,245	3,238
Other non-current liabilities	119	92
<b>Total non-current liabilities</b>	<b>9,373</b>	<b>8,642</b>
Current liabilities		
Current portion of non-current liabilities	2,437	2,183
Accounts payable-trade	8,735	13,890
Accounts payable-other	2,888	1,657
Income taxes payable	2,077	871
Provision for bonuses	437	754
Other current liabilities	2,668	4,059
<b>Total current liabilities</b>	<b>19,243</b>	<b>23,417</b>
<b>Total liabilities</b>	<b>28,617</b>	<b>32,059</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,279	6,279
Capital surplus	4,950	4,960
Retained earnings	67,095	68,316
Treasury shares	(1,109)	(1,109)
<b>Total shareholders' equity</b>	<b>77,215</b>	<b>78,446</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,020	1,948
Deferred gains or losses on hedges	6	(1,096)
Foreign currency translation adjustment	(40)	(161)
Remeasurements of defined benefit plans	179	170
<b>Total accumulated other comprehensive income</b>	<b>3,166</b>	<b>861</b>
Share acquisition rights	114	114
Non-controlling interests	5,914	5,089
<b>Total net assets</b>	<b>86,410</b>	<b>84,510</b>
<b>Total liabilities and net assets</b>	<b>115,027</b>	<b>116,570</b>

Note: Amounts under one million yen are omitted.

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

### Consolidated Statements of Income

	(¥ million)	
First quarter ended March 31	2019	2020
Net sales	42,624	<b>36,320</b>
Cost of sales	32,299	<b>26,320</b>
Gross profit	10,324	<b>9,999</b>
Selling, general and administrative expenses	6,911	<b>6,942</b>
Operating profit	3,413	<b>3,057</b>
Non-operating income		
Interest income	29	<b>26</b>
Dividend income	2	<b>3</b>
Share of profit of entities accounted for using equity method	85	—
Miscellaneous income	112	<b>105</b>
Total non-operating income	229	<b>136</b>
Non-operating expenses		
Interest expenses	31	<b>25</b>
Share of loss of entities accounted for using equity method	—	<b>154</b>
Foreign exchange losses	72	<b>66</b>
Miscellaneous expenses	1	<b>6</b>
Total non-operating expenses	106	<b>253</b>
Ordinary profit	3,537	<b>2,940</b>
Profit before income taxes	3,537	<b>2,940</b>
Income taxes	950	<b>858</b>
Profit	2,586	<b>2,081</b>
Profit attributable to non-controlling interests	290	<b>263</b>
Profit attributable to owners of parent	2,296	<b>1,817</b>

*Note: Amounts under one million yen are omitted.*

## Consolidated Statements of Comprehensive Income

	(¥ million)	
First quarter ended March 31	2019	2020
Profit	2,586	<b>2,081</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	147	<b>(1,088)</b>
Deferred gains or losses on hedges	11	<b>(1,102)</b>
Foreign currency translation adjustment	0	<b>(4)</b>
Remeasurements of defined benefit plans, net of tax	(7)	<b>(8)</b>
Share of other comprehensive income of entities accounted for using equity method	37	<b>(117)</b>
Total other comprehensive income	189	<b>(2,320)</b>
Comprehensive income	2,776	<b>(239)</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,479	<b>(487)</b>
Comprehensive income attributable to non-controlling interests	296	<b>247</b>

*Note: Amounts under one million yen are omitted.*

### **(3) Notes**

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

Not applicable.

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

Not applicable.

#### **(3) 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.

## Segment Information

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

Three Months Ended March 31, 2019

(¥ 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	34,381	5,110	39,492	3,132	42,624	—	42,624
Inter-segment sales and transfers	516	73	590	870	1,460	(1,460)	—
<b>Total</b>	<b>34,898</b>	<b>5,184</b>	<b>40,082</b>	<b>4,002</b>	<b>44,085</b>	<b>(1,460)</b>	<b>42,624</b>
<b>Segment income</b>	<b>3,560</b>	<b>464</b>	<b>4,024</b>	<b>189</b>	<b>4,214</b>	<b>(801)</b>	<b>3,413</b>

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 (¥801) million in segment income adjustments include ¥74 million in inter-segment eliminations and (¥875) 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, 2020

(¥ 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	28,693	4,931	33,625	2,695	36,320	—	36,320
Inter-segment sales and transfers	400	129	529	1,046	1,576	(1,576)	—
<b>Total</b>	<b>29,094</b>	<b>5,061</b>	<b>34,155</b>	<b>3,741</b>	<b>37,896</b>	<b>(1,576)</b>	<b>36,320</b>
<b>Segment income</b>	<b>3,293</b>	<b>349</b>	<b>3,642</b>	<b>223</b>	<b>3,866</b>	<b>(808)</b>	<b>3,057</b>

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 (¥808) million in segment income adjustments include ¥62 million in inter-segment eliminations and (¥871) 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.