



## Flash Report for the First Quarter of 2023[Japan GAAP](Consolidated)

May 10, 2023

Company Name: SHIZUOKA GAS CO., LTD. Listing: Tokyo Stock Exchange  
 Code Number: 9543 URL: <https://ir.shizuokagas.co.jp/en/>  
 Representative: Kishida Hiroyuki, Representative Director and President  
 Contact: Taniguchi Katsumi, Accounting and Finance Manager, Management Planning Dept.  
 Telephone: +81-54-284-4141  
 Date for presentation of the quarterly report: May 12, 2023  
 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, 2023)

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

#### (1) Operating Results

	Net sales (¥ million)		Operating profit (¥ million)		Ordinary profit (¥ million)	
Reporting First Quarter	73,699	52.2%	13,801	370.4%	14,374	341.3%
Previous First Quarter	48,429	53.8%	2,934	(16.5)%	3,257	(22.5)%

Note: Total comprehensive income (¥ million)

Reporting First Quarter: 9,794 (251.1%)

Previous First Quarter: 2,789 ((32.3%))

	Profit attributable to owners of parent (¥ million)		Profit per share (¥)	Diluted profit per share (¥)
Reporting First Quarter	10,398	399.3%	140.24	140.03
Previous First Quarter	2,082	(27.6)%	28.10	28.05

#### (2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
Reporting First Quarter	160,357	108,267	63.4	1,371.45
Previous full term	159,497	99,608	58.2	1,252.17

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

Reporting First Quarter: 101,692

Previous full term: 92,847

### 2. Dividend Payment

	Annual dividend per share (¥)				
	1Q	2Q	3Q	Term-end	Total
FY 2022	—	9.50	—	9.50	19.00
FY 2023	—	/	/	/	/
FY 2023(forecast)	/	10.00	—	10.00	20.00

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

### 3. Consolidated Business Forecast for Current Term (January 1 through December 31, 2023)

(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	233,820	12.8%	13,400	55.3%	14,160	49.2%	9,220	54.3%	124.34

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: **Yes**

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: 2,043,905

Previous full term: 2,043,820

c) Average number of shares outstanding during the term

Reporting First Quarter: 74,149,070

Previous First Quarter: 74,108,770

## 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 and Notes

## (1) Consolidated Balance Sheets

(Million yen)

	As of December 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Production facilities	6,209	6,662
Distribution facilities	34,425	34,395
Service and maintenance facilities	5,792	5,729
Other facilities	9,789	10,318
Construction in progress	1,928	2,066
<b>Total property, plant and equipment</b>	<b>58,146</b>	<b>59,172</b>
Intangible assets	2,449	2,619
<b>Investments and other assets</b>		
Investment securities	14,333	13,713
Long-term loans receivable	3,323	3,137
Deferred tax assets	857	867
Other investments	2,091	2,159
Allowance for doubtful accounts	(78)	(86)
<b>Total investments and other assets</b>	<b>20,527</b>	<b>19,790</b>
<b>Total non-current assets</b>	<b>81,124</b>	<b>81,582</b>
<b>Current assets</b>		
Cash and deposits	27,649	23,776
Notes and accounts receivable - trade, and contract assets	25,887	25,695
Merchandise and finished goods	661	634
Raw materials and supplies	18,231	14,864
Accounts receivable - other	3,940	11,577
Securities	132	133
Other current assets	1,928	2,151
Allowance for doubtful accounts	(59)	(59)
<b>Total current assets</b>	<b>78,373</b>	<b>78,774</b>
<b>Total assets</b>	<b>159,497</b>	<b>160,357</b>

(Million yen)

	As of December 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	-	5,000
Long-term borrowings	12,218	11,891
Deferred tax liabilities	901	597
Retirement benefit liability	2,717	2,768
Other noncurrent liabilities	357	182
Total non-current liabilities	16,195	20,440
Current liabilities		
Current portion of non-current liabilities	1,784	1,637
Accounts payable - trade	13,429	17,195
Short-term borrowings	174	167
Commercial papers	17,999	-
Accounts payable - other	3,306	4,133
Income taxes payable	3,554	4,337
Provision for bonuses	416	725
Other current liabilities	3,028	3,452
Total current liabilities	43,693	31,649
Total liabilities	59,888	52,090
Net assets		
Shareholders' equity		
Share capital	6,279	6,279
Capital surplus	5,004	5,005
Retained earnings	77,599	87,294
Treasury shares	(1,038)	(1,038)
Total shareholders' equity	87,844	97,539
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,371	3,901
Deferred gains or losses on hedges	118	(263)
Foreign currency translation adjustment	81	117
Remeasurements of defined benefit plans	431	396
Total accumulated other comprehensive income	5,002	4,152
Share acquisition rights	85	85
Non-controlling interests	6,674	6,489
Total net assets	99,608	108,267
Total liabilities and net assets	159,497	160,357

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

### Consolidated Statements of Income

(Million yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Net sales	48,429	73,699
Cost of sales	38,539	52,672
Gross profit	9,889	21,026
Selling, general and administrative expenses	6,955	7,225
Operating profit	2,934	13,801
Non-operating income		
Interest income	21	19
Dividend income	166	166
Share of profit of entities accounted for using equity method	212	155
Foreign exchange gains	-	8
Gain on investments in silent partnerships	-	193
Miscellaneous income	166	107
Total non-operating income	566	650
Non-operating expenses		
Interest expenses	19	32
Foreign exchange losses	45	-
Loss on investments in silent partnerships	174	-
Bond issuance costs	-	19
Miscellaneous expenses	3	24
Total non-operating expenses	243	77
Ordinary profit	3,257	14,374
Profit before income taxes	3,257	14,374
Income taxes	835	3,734
Profit	2,421	10,640
Profit attributable to non-controlling interests	339	241
Profit attributable to owners of parent	2,082	10,398

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Profit	2,421	10,640
Other comprehensive income		
Valuation difference on available-for-sale securities	458	(465)
Deferred gains or losses on hedges	(184)	(382)
Foreign currency translation adjustment	5	1
Remeasurements of defined benefit plans, net of tax	(24)	(35)
Share of other comprehensive income of entities accounted for using equity method	112	34
Total other comprehensive income	367	(846)
Comprehensive income	2,789	9,794
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,454	9,548
Comprehensive income attributable to non-controlling interests	334	245

### **(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.

#### **(Changes in Accounting Policies)**

(Application of Implementation Guidance Accounting Standard for Fair Value Measurement)

The Company has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan Guidance No. 31, issued on June 17, 2021, hereinafter "Implementation Guidance on Fair Value Accounting Standard") since the beginning of the first quarter of the current fiscal year. In accordance with the transitional treatment set forth in Article 27-2 of the Implementation Guidance on the Fair Value Accounting Standard, the Implementation Guidance on Fair Value Accounting Standard has been adopted prospectively. There is no impact on the quarterly consolidated financial statements by adopting the guidance.

#### **(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.

(Impact of COVID-19 on Accounting Estimates)

We have not made significant changes to the assumptions regarding the impact of COVID-19 described in the securities report for the previous consolidated fiscal year.

However, assumptions regarding the impact of COVID-19 involve a high degree of uncertainty, and any future changes in circumstances or impact may have an impact on our consolidated financial statements.

## Segment Information

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

Three Months Ended March 31, 2022

(¥ 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	38,999	7,088	46,088	2,340	48,429	—	48,429
Inter-segment sales and transfers	929	124	1,054	1,069	2,123	(2,123)	—
Total	39,929	7,213	47,143	3,409	50,553	(2,123)	48,429
Segment income	3,025	548	3,573	103	3,677	(743)	2,934

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 (¥743) million in segment income adjustments include ¥75 million in inter-segment eliminations and (¥818) 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, 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	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.