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【Summary】 Flash Report for the First Half of 2025[Japan GAAP](Consolidated)

August 6, 2025

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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 Telephone: +81-54-284-4141
 Scheduled date to file semi-annual securities report: August 8, 2025
 Scheduled date to commence dividend payments: September 1, 2025
 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, 2025)

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

(1) Operating Results

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)
Reporting First Half	103,607 (1.7)%	9,854 0.3%	9,320 (25.1)%
Previous First Half	105,377 (16.5)%	9,825 (44.9)%	12,446 (35.6)%

Note: Total comprehensive income (¥ million)

Reporting First Half: 8,210 ((28.6)% Previous First Half: 11,498 ((22.0)%)

	Profit attributable to owners of parent (¥ million)	Profit per share (¥)	Diluted profit per share (¥)
Reporting First Half	6,734 (21.0)%	89.44	89.38
Previous First Half	8,524 (38.4)	113.97	113.83

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)
Reporting First Half	171,178	131,195	72.3
Previous full term	170,202	125,519	69.4

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

Reporting First Half: 123,843 Previous full term: 118,113

2. Dividend Payment

	Annual dividend per share (¥)				
	1Q	2Q	3Q	Term-end	Total
FY 2024	—	13.00	—	27.00	40.00
FY 2025	—	20.50	/	/	/
FY 2025(forecast)	/	/	—	21.50	42.00

Note: Revision of previously announced dividend forecast: Yes

3. Consolidated Business Forecast for Current Term (January 1 through December 31, 2025)

(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	201,850 (0.2)%	11,720 13.8%	11,040 (15.6)%	9,190 4.7%	122.03

Note: Revision of previously announced consolidated business forecast: Yes

※Notes

- (1) Significant changes in the scope of consolidation during the period: **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 P8)
- (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 Half:	76,192,950
Previous full term:	76,192,950
 - b) Number of treasury shares at end of period

Reporting First Half:	865,351
Previous full term:	933,876
 - c) Average number of shares outstanding during the term

Reporting First Half:	75,290,078
Previous First Half:	74,788,953

Review

The Flash Report for the first half is exempt from review conducted by certified public accountants or an audit firm.

Notes on proper use of forecast, and other matters

The 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 the forecast will be achieved. Actual earnings may differ significantly from the business forecast due to various factors.

Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	4,971	4,943
Distribution facilities	33,159	32,175
Service and maintenance facilities	5,293	5,215
Other facilities	14,067	14,010
Construction in progress	589	2,596
Total property, plant and equipment	58,080	58,940
Intangible assets		
Mining rights	-	18,053
Other intangible assets	4,058	4,047
Total intangible assets	4,058	22,101
Investments and other assets		
Investment securities	21,513	23,648
Long-term loans receivable	2,016	1,596
Deferred tax assets	630	632
Other investments	6,446	6,745
Allowance for doubtful accounts	(77)	(75)
Total investments and other assets	30,529	32,547
Total non-current assets	92,669	113,589
Current assets		
Cash and deposits	36,251	26,592
Notes and accounts receivable - trade, and contract assets	20,470	18,981
Merchandise and finished goods	1,134	1,313
Raw materials and supplies	14,017	7,435
Accounts receivable - other	3,473	819
Other current assets	2,224	2,493
Allowance for doubtful accounts	(39)	(47)
Total current assets	77,533	57,588
Total assets	170,202	171,178

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	11,124	10,669
Deferred tax liabilities	2,955	2,696
Retirement benefit liability	1,366	1,284
Asset retirement obligations	177	205
Other noncurrent liabilities	168	216
Total non-current liabilities	20,792	20,073
Current liabilities		
Current portion of non-current liabilities	2,268	2,228
Accounts payable - trade	11,155	5,482
Short-term borrowings	497	448
Accounts payable - other	2,494	3,416
Income taxes payable	2,627	3,299
Provision for bonuses	528	397
Other current liabilities	4,318	4,636
Total current liabilities	23,890	19,909
Total liabilities	44,683	39,983
Net assets		
Shareholders' equity		
Share capital	6,279	6,279
Capital surplus	5,453	5,482
Retained earnings	96,946	101,648
Treasury shares	(474)	(439)
Total shareholders' equity	108,204	112,970
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,665	9,666
Deferred gains or losses on hedges	43	(33)
Foreign currency translation adjustment	245	343
Remeasurements of defined benefit plans	954	896
Total accumulated other comprehensive income	9,908	10,873
Share acquisition rights	54	24
Non-controlling interests	7,352	7,326
Total net assets	125,519	131,195
Total liabilities and net assets	170,202	171,178

(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, 2024	For the six months ended June 30, 2025
Net sales	105,377	103,607
Cost of sales	81,189	79,114
Gross profit	24,187	24,493
Selling, general and administrative expenses	14,362	14,639
Operating profit	9,825	9,854
Non-operating income		
Interest income	34	42
Dividend income	371	280
Share of profit of entities accounted for using equity method	100	43
Foreign exchange gains	96	-
Gain on investments in silent partnerships	1,939	-
Miscellaneous income	224	241
Total non-operating income	2,768	608
Non-operating expenses		
Interest expenses	72	79
Foreign exchange losses	-	560
Loss on investments in silent partnerships	-	459
Share issuance costs	45	-
Miscellaneous expenses	28	43
Total non-operating expenses	147	1,142
Ordinary profit	12,446	9,320
Extraordinary losses		
Impairment losses	-	142
Total extraordinary losses	-	142
Profit before income taxes	12,446	9,177
Income taxes	3,434	1,898
Profit	9,012	7,279
Profit attributable to non-controlling interests	487	544
Profit attributable to owners of parent	8,524	6,734

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Profit	9,012	7,279
Other comprehensive income		
Valuation difference on available-for-sale securities	2,323	998
Deferred gains or losses on hedges	142	(77)
Foreign currency translation adjustment	12	257
Remeasurements of defined benefit plans, net of tax	(38)	(58)
Share of other comprehensive income of entities accounted for using equity method	47	(188)
Total other comprehensive income	2,486	931
Comprehensive income	11,498	8,210
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,949	7,699
Comprehensive income attributable to non- controlling interests	549	511

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	12,446	9,177
Depreciation	4,758	4,354
Impairment losses	-	142
Loss on retirement of property, plant and equipment	8	5
Increase (decrease) in allowance for doubtful accounts	9	4
Increase (decrease) in retirement benefit liability	(209)	(173)
Increase (decrease) in provision for bonuses	(147)	(141)
Interest and dividend income	(405)	(323)
Interest expenses	72	79
Share of loss (profit) of entities accounted for using equity method	(100)	(43)
Loss (gain) on investments in silent partnerships	(1,939)	459
Decrease (increase) in accounts receivable - trade, and contract assets	(2,775)	1,611
Decrease (increase) in inventories	1,362	6,410
Increase (decrease) in trade payables	5,188	(5,857)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(972)	2,994
Other, net	(1,752)	653
Subtotal	15,543	19,352
Interest and dividends received	227	377
Interest paid	(73)	(81)
Income taxes refund (paid)	(4,126)	(1,034)
Net cash provided by (used in) operating activities	11,571	18,614
Cash flows from investing activities		
Payments into time deposits	(96)	(106)
Proceeds from withdrawal of time deposits	70	142
Purchase of property, plant and equipment and intangible assets	(4,314)	(23,571)
Purchase of investment securities	(164)	(639)
Proceeds from sale of investment securities	925	-
Payments for investments in capital	(459)	(620)
Proceeds from collection of loans receivable	391	396
Other, net	(271)	(668)
Net cash provided by (used in) investing activities	(3,919)	(25,066)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	84	5
Proceeds from long-term borrowings	115	87
Repayments of long-term borrowings	(573)	(621)
Dividends paid	(1,111)	(2,028)
Dividends paid to non-controlling interests	(536)	(536)
Proceeds from share issuance to non-controlling shareholders	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)
Net cash provided by (used in) financing activities	(1,060)	(3,092)
Effect of exchange rate change on cash and cash equivalents	151	(134)
Net increase (decrease) in cash and cash equivalents	6,743	(9,678)
Cash and cash equivalents at beginning of period	35,242	35,823
Cash and cash equivalents at end of period	41,986	26,144

(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. This effective tax rate is then multiplied by the profit before income taxes for the cumulative period to calculate tax expenses.

(Changes in Accounting Policies)

(Application of "Accounting Standard for Current Income Taxes", etc.)

The Company applies "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc. from the beginning of the consolidated First Half.

The amendment of classification of income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of "Accounting Standard for Current Income Taxes" and the proviso of paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No.28, October 28, 2022). There is no effect from this change on the semi-annual consolidated financial statements.

Regarding the amendment related to the revision of the treatment on the consolidated financial statements for gains or losses on the sale of shares of subsidiaries and affiliates between consolidated companies that are deferred for tax purposes, the Company applies "Guidance on Accounting Standard for Tax Effect Accounting" from the beginning of the consolidated First Half. This change has been applied retrospectively and the semi-annual consolidated financial statements and the consolidated financial statements for the previous fiscal year are after the retrospective application. There is no effect from this change on the semi-annual consolidated financial statements and the consolidated financial statements for the previous fiscal year.

(Additional Information)

(Payment related to the LNG procurement contract)

The Company 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. The Company paid US\$24 million during the consolidated accounting period of 2021.

This payment will be used to reduce the cost of sales by allocating it to the price when taking delivery of the volume in question during the 2025 and 2026 fiscal years. A portion of the volume amounting to US\$12 million was taken delivery of in July 2025.

(Acquisition of interests in the shale gas development project in the United States)

In May 2025, the Company, through its United States subsidiary, SHIZUOKA GAS AMERICA CO., acquired mining rights amounting to US\$127 million as interests in the shale gas development project in the United States from TG Eagle Ford Resources LP, a wholly owned subsidiary of Tokyo Gas America Ltd.

Segment Information

Net Sales and Income (Loss) by Reportable Segment

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.

Six Months Ended June 30, 2025

(¥ 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	81,914	15,323	97,237	6,369	103,607	—	103,607
Inter-segment sales and transfers	1,259	727	1,986	2,748	4,734	(4,734)	—
Total	83,173	16,051	99,224	9,117	108,342	(4,734)	103,607
Segment income	10,334	1,269	11,604	306	11,910	(2,056)	9,854

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 (¥2,056) million in segment income adjustments include ¥102 million in inter-segment eliminations and (¥2,158) 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.