



Flash Report for the First Three Quarters of 2024[Japan GAAP] (Consolidated)

November 6, 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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 Scheduled date to commence dividend payments: —
 Preparation of supplemental explanatory materials: **Yes**
 Holding of financial results briefing session: **No**

1. Consolidated Business Results for the First Three Quarters (January 1 through September 30, 2024)

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

(1) Operating Results

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)
Reporting First Three Quarters	152,864 (9.2)%	10,440 (46.7)%	12,016 (43.3)%
Previous First Three Quarters	168,439 17.0	19,586 189.4	21,198 186.1

Note: Total comprehensive income (¥ million)

Reporting First Three Quarters: 9,936 ((42.8)%)

Previous First Three Quarters: 17,361 (209.1%)

	Profit attributable to owners of parent (¥ million)	Profit per share (¥)	Diluted profit per share (¥)
Reporting First Three Quarters	8,041 (46.0)%	107.29	107.17
Previous First Three Quarters	14,905 230.3	200.96	200.66

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)
Reporting First Three Quarters	163,482	122,727	70.6
Previous full term	154,709	114,421	69.4

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

Reporting First Three Quarters: 115,433

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	—	13.00	—	/	/
FY 2024(forecast)	/	/	/	27.00	40.00

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	203,300 (5.0)%	8,660 (52.8)%	10,710 (46.6)%	6,820 (51.7)%	90.90

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 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 Three Quarters: 76,192,950
 - Previous full term: 76,192,950
 - b) Number of treasury shares at end of period
 - Reporting First Three Quarters: 933,840
 - Previous full term: 2,013,483
 - c) Average number of shares outstanding during the term
 - Reporting First Three Quarters: 74,946,816
 - Previous First Three Quarters: 74,167,328

Review

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: **No**

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 September 30, 2024
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	5,892	5,094
Distribution facilities	34,485	33,561
Service and maintenance facilities	5,507	5,316
Other facilities	13,654	14,100
Construction in progress	2,256	563
Total property, plant and equipment	61,795	58,637
Intangible assets	2,769	3,764
Investments and other assets		
Investment securities	16,661	18,142
Long-term loans receivable	2,673	2,184
Deferred tax assets	634	634
Other investments	3,509	5,530
Allowance for doubtful accounts	(76)	(79)
Total investments and other assets	23,402	26,413
Total non-current assets	87,967	88,815
Current assets		
Cash and deposits	35,621	38,863
Notes and accounts receivable - trade, and contract assets	17,237	19,790
Merchandise and finished goods	692	631
Raw materials and supplies	10,376	11,059
Accounts receivable - other	1,075	1,999
Other current assets	1,776	2,365
Allowance for doubtful accounts	(38)	(40)
Total current assets	66,741	74,667
Total assets	154,709	163,482

	As of December 31, 2023	As of September 30, 2024
Liabilities		
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	12,233	10,605
Deferred tax liabilities	1,526	2,056
Retirement benefit liability	2,280	2,186
Asset retirement obligations	109	175
Other noncurrent liabilities	191	183
Total non-current liabilities	21,342	20,207
Current liabilities		
Current portion of non-current liabilities	984	1,933
Accounts payable - trade	3,268	10,673
Short-term borrowings	95	147
Accounts payable - other	4,794	1,756
Income taxes payable	5,093	2,046
Provision for bonuses	566	1,076
Other current liabilities	4,142	2,913
Total current liabilities	18,945	20,547
Total liabilities	40,287	40,755
Net assets		
Shareholders' equity		
Share capital	6,279	6,279
Capital surplus	5,028	5,452
Retained earnings	90,260	96,211
Treasury shares	(1,023)	(474)
Total shareholders' equity	100,544	107,468
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,944	7,156
Deferred gains or losses on hedges	45	16
Foreign currency translation adjustment	178	202
Remeasurements of defined benefit plans	646	588
Total accumulated other comprehensive income	6,814	7,965
Share acquisition rights	85	54
Non-controlling interests	6,976	7,239
Total net assets	114,421	122,727
Total liabilities and net assets	154,709	163,482

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

Consolidated Statements of Income

(Millions of yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Net sales	168,439	152,864
Cost of sales	127,475	120,998
Gross profit	40,964	31,865
Selling, general and administrative expenses	21,378	21,425
Operating profit	19,586	10,440
Non-operating income		
Interest income	56	51
Dividend income	326	385
Share of profit of entities accounted for using equity method	-	126
Foreign exchange gains	144	-
Gain on investments in silent partnerships	1,234	977
Miscellaneous income	245	307
Total non-operating income	2,007	1,849
Non-operating expenses		
Interest expenses	117	109
Share of loss of entities accounted for using equity method	223	-
Foreign exchange losses	-	78
Miscellaneous expenses	53	84
Total non-operating expenses	395	272
Ordinary profit	21,198	12,016
Profit before income taxes	21,198	12,016
Income taxes	5,763	3,320
Profit	15,434	8,696
Profit attributable to non-controlling interests	529	654
Profit attributable to owners of parent	14,905	8,041

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Profit	15,434	8,696
Other comprehensive income		
Valuation difference on available-for-sale securities	1,767	1,257
Deferred gains or losses on hedges	115	(28)
Foreign currency translation adjustment	12	4
Remeasurements of defined benefit plans, net of tax	(63)	(57)
Share of other comprehensive income of entities accounted for using equity method	96	63
Total other comprehensive income	1,926	1,239
Comprehensive income	17,361	9,936
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,817	9,192
Comprehensive income attributable to non-controlling interests	544	743

(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 three quarters. 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 current first three quarters.

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 three quarters 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

Nine Months Ended September 30, 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	139,207	20,195	159,403	9,036	168,439	—	168,439
Inter-segment sales and transfers	1,652	471	2,124	3,637	5,761	(5,761)	—
Total	140,860	20,667	161,527	12,673	174,201	(5,761)	168,439
Segment income	20,249	1,058	21,308	670	21,979	(2,392)	19,586

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 (¥2,392) million in segment income adjustments include ¥219 million in inter-segment eliminations and (¥2,612) 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.

Nine Months Ended September 30, 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	120,096	23,392	143,488	9,375	152,864	—	152,864
Inter-segment sales and transfers	1,689	928	2,618	3,424	6,042	(6,042)	—
Total	121,785	24,321	146,106	12,800	158,907	(6,042)	152,864
Segment income	9,424	3,256	12,681	460	13,141	(2,701)	10,440

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 (¥2,701) million in segment income adjustments include ¥248 million in inter-segment eliminations and (¥2,949) 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.

Consolidated Statement of Cash Flows

We have not prepared the Quarterly Consolidated Statement of Cash Flows for the nine months ended September 30, 2024. The depreciation (including amortization of intangible fixed assets) for the nine months ended September 30, 2024, is as follows.

	(Millions of yen)	
	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Depreciation	6,876	7,236