

Major Questions and Answers

Q1 : There seem to be changes made in the effects of temperatures on gas sales volume in the residential sector. What were these changes? And how do these changes affect the result forecast for future gas sales volume?

A1 : During the 2nd Quarter (July - Sep. 2010), a heat wave resulted in extremely large temperature differences relative to the year-earlier period and to the initial plan, making it impossible to accurately analyze the difference in residential sales volume using normal temperature adjustments. The analysis has therefore been adjusted for the 2nd Quarter. From the 3rd Quarter, we analyzed the difference with normal temperature adjustments for gas sales volume in the residential sector.

For the 4th Quarter, though temperatures in January were lower than that for the same period of 2009, since it is difficult to forecast decisively for the final two months of the demand season at this point, we did not change the initial demand forecast.

Q2 : With regard to extraordinary loss, there is a "reversal of decline in valuation of available-for-sale securities." What exactly does this mean?

A2 : Concerning the record of "a ¥2.3 billion loss on valuation of investment securities" as an extraordinary loss in the 2nd Quarter, due to rise in the stock price in the 3rd Quarter, the ¥2.3 billion loss was reversed.

Q3 : Regarding the industrial demand forecast for the 4th Quarter, what is your forecast?

A3 : For the time being, industrial use gas sales volume is in decline due to a decrease in production activities resulting from reductions in and conclusions to various supportive measures, such as subsidies for eco-cars and eco points, and also due to major facility repairs etc. of certain power generation customers. Since this trend is expected to continue in the 4th Quarter, we forecast an industrial demand of 6.106 billion m³, down 80 million m³ from the previous forecast (released on October 29, 2010).