

### Major Questions and Answers

- Q1. Is the volume of gas sales in the industrial segment recovering? What is your projection for the yearly total?
- A1. Our gas sales in the industrial segment in the third quarter, that is, from October to December 2009, showed less of a drop from the sales in the first two quarters than in the third quarter of the preceding year. Sales to general industry excluding power generation were up against the previous quarter of the preceding year for the first time in five quarters.  
We are projecting that this trend will continue in the fourth quarter, and therefore made an upward revision in the yearly projection we released at the end of the second quarter.
- Q2. What factors lay behind the upward revision in the previous projection (announced on 28 October 2009) for gas sales in the residential segment?
- A2. At the time of the previous projection for gas sales in the residential segment, we anticipated a continuation of the trend toward energy conservation and economizing among customers, and consequently set the sales volume per customer on the low side. We revised the figure upward in light of the actual sales in the third quarter, that is, from October to December.
- Q3. In this latest yearly projection, ordinary income is forecast at 84 billion yen, or 12 billion yen higher than in the preceding projection. What are the reasons for this change?
- A3. In our projection, we not only revised our estimate for gas sales volume upward by 68 million cubic meters based on the actual sales figures in the third quarter, but also foresaw an improvement in the slide time lag, and therefore increased our estimate for gross profit on gas. In addition, we anticipate an expansion of profit owing to factors such as a further decline in fixed costs and higher profit among our consolidated subsidiaries due to an increase in orders for engineering projects. As compared to the previous projection, we foresee increases of 3 billion yen to 1,410 billion yen in sales, 12 billion yen to 84 billion yen in operating income, 12 billion yen to 84 billion yen in ordinary income, and 7 billion yen to 55 billion yen in net income.
- Q4. What influence will factors such as the negotiations for LNG price revision have on your outlook for gas resource costs?
- A4. Negotiations over an LNG price revision are proceeding smoothly, and we think there is little risk of major changes in gas resource costs from our initial forecast due to the influence of the price revision.