

Results Briefing for the Fiscal Year Ended March 2016
Q&A Highlights

- Q1: I recognize that there is a wide gap between the projected income for FY2016 and the income level to be achieved under the Challenge 2020 Vision. Given the current situation of electricity and overseas business, would it be difficult to achieve the goal under the Challenge 2020 Vision?
- A1: We have never made any change in our basic concept listed in the Challenge 2020 Vision. In order to attain sustainable growth amid the expected population decline in the Tokyo metropolitan area, we must promote a comprehensive energy and globalization policies, breaking away from the old model of domestic gas business. While our earnings outlook for FY2016 is tough, we regard FY2016 as a crucial point to advance our initiatives for future growth.
- Q2: In respect of electricity retail business, please explain your evaluation on the latest results and future project.
- A2: Aiming at the No.1 position of new electric power in the low-pressure area, we have made a certain degree of progress toward the goal of achieving the number of users of 400,000 for FY2016. Since now is the time to start up, we need to spend a lot of expenses for acquiring customers. However, after accumulating the customer base, we can expect earnings growth in the future.
- Q3: Please tell me the reason why the depreciation of pension actuarial differences would increase significantly in FY2016.
- A3: Pension investment performance exceeded the target return from the benefits of a rise in bond prices resulting from the lowered domestic interest rates due to the introduction of negative interest rate policy. On the other hand, the lowered discount rates increased the retirement benefit obligations, which significantly expanded the depreciation of pension actuarial differences.

End