

Main Q&A
At the Results Presentation for FY2020 (FY Ended March 2021)

Q1: You mentioned that you will have to rethink your financial strategy in order to reorganize your scenario for achieving Compass2030 and Net-Zero CO2 emissions. Do you mean you will also rethink your Management Vision and Medium-term Management Plan?

A1: We do not intend to review our Management Vision or take down our target of achieving a profit level of ¥200 billion by 2030. However, the path toward the 2030 profit target of ¥200 billion has significantly changed since when the Management Vision was first formulated. I cannot say at this moment whether we will review our Medium-term Management Plan or not, but we believe we will have to revise our cash flow allocation that was decided when we formulated our Medium-term Plan. Our results for FY2020 were bleak as we were affected by the huge volatility of the market. Apart from that, however, profits are not at a level that requires a review of the Medium-term Plan. Therefore, it is not a prerequisite to rethink our Medium-term Plan. We will discuss our responses to market volatility such as the sharp rise of the wholesale power market in the winter season, our growth strategy for achieving profit growth of the electric power and overseas businesses, among others, and the accompanying financial strategy.

Q2: Please explain the difference between All Japan LNG price and Tokyo Gas LNG price in FY2020 and the outlook for FY2021.

A2: In FY2020, the difference between All Japan LNG price and Tokyo Gas LNG price had deteriorated around the summer of last year but improved significantly in 4Q (January to March). With regard to the impact of the rise in All Japan LNG price, it will have a positive effect on the earnings outlook for FY2021 but it has not been reflected in our outlook due to the time schedule of formulating our forecast.