

Main Q&As

At the Results Presentation for 2Q FY2021 (FY Ending March 2022)

- Q1: How do you view your “adjusted” segment profit toward next year, which is the final year of the medium-term management plan? A gap remains in your outlook for this year, but do you have enough conviction toward achieving the medium-term management targets?
- A1: In terms of segment profit, there is a gap of approximately ¥20 billion against the medium-term plan’s target of ¥140 billion. The gap is broken down into approximately 10 billion each in the gas segment and the “others” segment. For the gas business, we believe we will be able to approach the profit target for the business if we can achieve the remaining -¥10 billion cost reform of the -¥30 billion cost reform we announced in the medium-term plan next year. As for the “others” segment, we will make efforts in M&As of the solution business, which are new initiatives, as non-continuous growth. Simply adding ¥10 billion in a single year next year is not realistic. Therefore, we will strive to achieve the target with backup from the electric power, overseas, real estate segments, etc.
- Q2: Please explain the reason for deciding a dividend increase at this timing and the pace of dividend increases going forward. In terms of the pace of increase, you have been increasing dividends once every three years. Will you maintain this pace, or will you have room to accelerate the pace depending on the degree of profit growth?
- A2: As we considered reviewing of our shareholder return policy, we had a wish to increase the FY2021 year-end dividend. We were able to go ahead with the increase as we determined that we will be able to achieve profit growth going forward due to the situation of the gas business based on the progress of cost reforms and new profit contribution such as from TGNR in the overseas business. In the past, we tended to align the pace of dividend increase with the timing of rate revisions. However, the business environment has changed, and we think we should not set the basis of the pace of increase at once every three years. Continuing to increase dividends based on a total return ratio of 50% is challenging, but we intend to consider increasing dividends when we can do so with confidence, according to the achievements gained from investing in various growth areas.