

Main Q&As

At the Results Presentations for 4Q FY2022 (FY Ended March 2023)

- Q1: The adjusted ordinary profit forecast for FY2023 is ¥95.4 billion. There is a substantial gap in contrast with the profit level of ¥150.0 billion in the Medium-term Management Plan for FY2023-FY2025. How should this be perceived?
- A1: We believe the environment for energy demand in the winter season in FY2023 will also be unpredictable and are anticipating a certain degree of risk. In FY2023, we plan to increase profits by executing radical cost cuts and concurrently investing in areas that are expected to contribute to profit early on.
- Q2: The Tokyo Stock Exchange issued a notice to the representatives of listed companies with a PBR of below 1, regarding measures (analysis of current trends/establishment of plans, disclosure and implementation) to address the realization of management that is conscious of their company's cost of capital and stock price trends. Going forward, how do you plan to tackle this? Also, what is the status of discussions on this topic at the Board of Directors?
- A2: It is our belief that stably increasing free cash flow and contributing to the improvement of corporate value are just as important when looking to enhance key indicators (cost of capital, return on capital, market valuation).
As laid out in our Medium-term Management Plan, we plan to pour energies into the management of our balance sheets for each internal company and operating company, and implement portfolio management in accordance with a PDCA cycle.
The Board of Directors are engaging in the analysis of current trends and the discussion of relevant matters, including the realization of measures.
- Q3: Regarding your results for FY2022, based on your earnings forecast as of 3Q, you expect a profit growth of approximately ¥80 billion, mainly in the Energy Solution segment. What was the main contributing factor?
- A3: The main contributing factor is as follows. In the gas business, we anticipated resource procurement risk and a rise in resource procurement cost at 3Q. However, in 4Q, procurement risk did not surface, and we were able to control resource costs, keeping them lower than expected.