

Presentation of Financial Results for the
First Quarter of Fiscal Year 2024 (Ending March 31, 2025)

Q&A

- Q1: You have not changed your operating profit-based guidance for the full year, but how do you rate the progress against the plan through the first quarter, and what is your rationale for not changing the guidance?
- A1: Although the city gas sales volume is somewhat sluggish due to high temperatures, we believe progress is generally on track. We have factored in the impact of first-quarter market conditions in the Overseas segment, but we expect to achieve the profit level we originally planned, given continued cost reductions and other efforts in other segments and throughout the company.
- Q2: You have lowered your forecast for the Overseas segment by ¥4 billion from your previous forecast. What is the reason for that? Also, will the continued low gas prices in North America have a negative impact on profit in the second quarter and beyond?
- A2: The lower forecast reflects the profit impact of low North American gas prices in the first quarter (from January to March locally). We expect that market conditions may continue to have some impact in the second quarter and beyond, but we also expect that cost reductions and other efforts will offset some of the impact. Therefore, at this point in time, we have only reflected the impact that we saw in the first quarter.
- Q3: You mentioned that the sales volumes of city gas and electricity in the Energy Solution segment are below the plan, but what is the reason for that? What is the reason for not revising your profit forecast?
- A3: The decrease in the city gas sales volume is mainly due to the difference in revenue recognition estimates caused by low temperatures in late March 2024. This impact is included in "Others" in the presentation material (slide 7). The decrease in the electricity sales volume is due to lower wholesale volumes. We did not change our previous forecast since it is difficult to predict the future impact of temperatures, etc. on both sales volumes.