

Q1: What would be the actual profit level in the current guidance?

A1: The ordinary profit forecast for the current fiscal year is around 140 billion yen, excluding the time-lag effect. The actual profit level would be less than that figure because it includes the effect of several one-time factors, some of which however are not easily identified as one-offs, such as the impact of the COVID pandemic. We intend to continue our efforts to improve where we can in the next fiscal year.

Q2: In the International Energy business for the next fiscal year, what is the trend in gas production volume of Sabine Oil & Gas, and what is the trend in sales prices?

A2: The production volume is continuing to be on the rise as the development of new wells has been progressing smoothly since we started to participate in this upstream business. And the unhedged sales prices have been increasing in line with the local market price surge in the U.S., based on which we have revised upward our full-year guidance of the International Energy segment.

Q3: In the Electricity Business, it seems more rational to focus more on promoting sales in the wholesale market rather than acquiring new accounts in the retail market, in light of the current market situation. Is there any chance that Osaka Gas will revise its strategy to shift its focus from retail to wholesale?

A3: We consider account acquisition in the retail market as effective in operating the electricity business sustainably and intend to maintain the strategy for the most part. While continuing our efforts to expand our retail customer base, we will act flexibly in response to the change in the market situation, such as the power market prices and our supply-demand balance.

Q4: There is no change made in the guidance for the business growth investment, which is 190 billion yen. Is it achievable at the end of this fiscal year?

A4: Considering the 56% progress in the planned investment for growth as of the third quarter and the execution of investment based on the decisions made during this fiscal year, it is likely that we will finish this fiscal year with the total investment amount close to 190 billion yen. Our investment budget for this fiscal year consists of the followings: investments to be executed based on the already made decisions by last year, which is the majority, and those based on decisions to be made during the year, which is about 30%.

Q5: Page 7 of the presentation material shows the decreased sales of gas appliances as one of the factors behind the downward revision of the guidance for the Domestic Energy segment. Since when and how much has it been affecting the business? How much of an impact will it have in the next fiscal year?

A5: The negative impact of gas appliances sales started to emerge around September 2021. The challenging situation

still remains in procuring gas appliance parts, making it difficult to assess the scale of its impact on our business in the next fiscal year.

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