

**Q1: Why is the increase in profit attributable to owners of the parent larger than the increase in ordinary profit?**

A1: This is mainly due to changes in accounting methods for renewable energy businesses in the U.S. Specifically, subsidies for certain projects will be recorded as profit attributable to owners of the parent rather than ordinary profit. Consequently, FY26.3's ordinary profit will decline, but the level of profit attributable to owners of the parent will remain unaffected.

**Q2: What are the current ROIC levels for each segment compared to the targets in the Medium-Term Management Plan?**

A2: At present, Domestic Energy' ROIC is slightly lower than anticipated when the Medium-Term Management Plan was announced. International Energy' ROIC is at a relatively high level, partly due to the impact of exchange rates. LBS' ROIC is close to the expected level.

**Q3: The ROE target for FY 26.3 is 7.5%. Will the company accelerate its efforts to control shareholders' equity through share buybacks?**

A3: While we have not made any specific decision regarding future share buybacks, we acknowledge the importance of their implementation and the need to control shareholders' equity.

**Q4: In which businesses does the company expect to increase profits to achieve the targets of the Medium-Term Management Plan for FY2027.3?**

A4: In FY27.3, we aim to increase profits across the entire value chain rather than focusing on any single business. For example, in the electricity business, we will expand marketing activities in anticipation of starting operations at the Himeji Natural Gas Power Plant. In the Sabine shale gas production, we are confident in its growth potential due to our strategy of increasing the development of highly profitable new wells when the Henry Hub price rises. Additionally, we expect to increase earnings through the renewal of LNG wholesale contracts and by capitalizing on growing LNG trading opportunities based on our expanded LNG value chain. In the LBS segment, each business has been successfully growing earnings steadily and is expected to continue this positive trend in the coming years.

**Q5: What are the reasons behind the profit increase in the Domestic Energy segment from FY25.3 to FY26.3?**

A5: We anticipate higher profits due to the widening price gap in the gas business (the improved price competitiveness of our long-term-contracted LNG compared to JLC). Additionally, we expect increased profits from LNG sales. Regarding the price gap, we project it to be greater than in FY25.3, considering the recent levels of LNG spot prices.

**Q6: What are the reasons behind the profit decline in the electricity business from FY25.3 to FY26.3?**

A6: We expect lower earnings from our transactions in the power market, despite an increase in our power sales volume. Additionally, we expect to a negative impact of the depreciation as the Himeji Natural Gas Power Plant will begin operations in January 2026. The accounting impact is relatively large due to the declining-balance method of depreciation.

**Q7: What are the reasons behind the profit decline in the International Energy segment from FY25.3 to FY26.3.**

A7: While we anticipate a rebound in profits from the decline caused by operational challenges at Freeport LNG during FY25.3, there is a larger negative impact due to changes in accounting methods for recording earnings in profit attributable to owners of the parent for certain transactions in U.S. renewable energy businesses, as well as upfront expenses required for future business expansion in the U.S. and India.

**Q8: What is the background for setting the dividend at 105 yen, which makes DOE exceed 3.0 %?**

A8: We set the dividend at 105 yen with the confidence that we can achieve a DOE of 3.0%, even if there are some fluctuations in FY26.3's earnings.

**Q9: What is the breakdown of investment for growth for FY25.3 and FY26.3.**

A9: Investment in Domestic Energy is primarily allocated for the Himeji Natural Gas Power Plant. Compared to FY25.3, investment will be greater in FY26.3, when the construction of the Himeji Power Plant is scheduled to be completed.

Regarding International Energy in FY25.3, a significant amount was allocated to the City Gas Distribution business in India due to additional investment. Another substantial amount was allocated to the Sabine shale gas development.

In the LBS segment, the majority of investment is directed toward real estate property development.

**Q10: What are the reasons for the decrease in gas sales for non-residential use from FY25.3 to FY26.3?**

A10: The major impact was the high temperatures in FY25.3. For commercial use, demand for gas increased due to the high summer temperatures, resulting in high sales volume in FY25.3. However, sales volume is projected to decrease in FY26.3, assuming normal temperatures. Additionally, we expect a decrease due to the specific circumstances of individual large customers.

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