

Summary of Q&As at Investors Meeting for FY2025

Date and Time: 14:00 - 15:00 (JST) on Friday, May 15, 2026
Format: Hybrid In-Person and Online Format
Presenter: **Hisahide Okuda**, President, Director, CEO and COO
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[FY2025 results]

Question	Answer
What's a view on current ROIC performance and future outlook?	<ul style="list-style-type: none">Regarding the shortfall ROIC versus our target, one factor is that the denominator was larger than expected, partly due to the expansion of foreign currency translation adjustments and slower-than-planned progress in off-balancing.Going forward, we aim to strengthen the entire value chain, backing on the value of downstream assets, and build a business model that expands earnings opportunities across the upstream to midstream segments.
What's the current view and outlook on ROIC in the LNG downstream business?	<ul style="list-style-type: none">It is difficult to determine a single evaluation axis, such as whether on-balance or off-balance structures should be fine for further improvement, as policy factors—including those related to economical security—also may affect. When making new investments, we keep considering various factors and adopt the most appropriate structure on a case-by-case basis.
What's view on capital efficiency in the fuel business, which holds substantial cash and deposits?	<ul style="list-style-type: none">Taking into account that margin requires short-term operating cash, we intend to shift away from maintaining large cash positions to having a structure that does not burden the balance sheet. Commitment lines and other methods will play an important role.
How do you see a position of the overseas IPP business with limited profit contribution?	<ul style="list-style-type: none">The overseas IPP business plays a role in strengthening the LNG value chain from the downstream perspective. We aim to expand profit opportunities in the upstream and midstream segments. This is for building a foundation for future cash flows.

[FY2025 forecasts]

Question	Answer
Does the uncertainty in fuel prices and resource procurement, which is the background to the undisclosed earnings guidance, still persist?	<ul style="list-style-type: none">• We recognize that uncertainty has further increased. In particular, price predictability remains highly uncertain from summer onward, when electricity demand peaks.
What changes arise from the revision of PPA contracts, and what is the impact on time lag?	<ul style="list-style-type: none">• As this relates to individual contracts, we are unable to disclose details. However, these revisions contribute to mitigating risks in our power generation business.• The impact of time lag is generally expected to decrease.
Following the current situation in the Middle East, has LNG production from upstream investments been increased?	<ul style="list-style-type: none">• In principle, increasing output beyond those levels is not generally feasible. On the other hand, there is potential upside in earnings due to higher prices.
What level of profit contribution is expected from the Scarborough gas field in FY2026?	<ul style="list-style-type: none">• Production is scheduled to commence this fiscal year; however, we do not expect a significant profit contribution in FY2026.
What additional investment is expected to be required to increase production in North American shale projects, and what is the expected profit contribution from FY2026 onward?	<ul style="list-style-type: none">• We do not anticipate additional capital expenditures; operating expenses are expected to be covered by cash generated from operations. As earnings guidance remains undisclosed, it is difficult to provide a clear view on the profit impact.

[Progress and prospects of growth strategy]

Question	Answer
Is there any possibility of revising the growth strategy in light of the situation in the Middle East?	<ul style="list-style-type: none">• We have no plans to revise our growth strategy. Regardless of the business environment, we will continue to pursue a good business portfolio that emphasizes stability, economic efficiency, and sustainability.• At present, we have shifted our resource allocation toward LNG business for addressing growing

	demand due to data centers and so on, and we do not see a need to change this strategy at this time.
What is your approach to free cash flow (FCF) over the long term?	<ul style="list-style-type: none"> Currently, FCF turn negative in periods of making large investment. However, by executing investments that generate operating cash flow and implementing measures to increase operating cash flow, the company capable of consistently generating FCF will be built.
What measures are considered to improve ROIC in the domestic thermal power and gas business over the long term (around 10 years)?	<ul style="list-style-type: none"> It is difficult to differentiate and generate further returns through traditional sales models based on kW and kWh. We will promote value-based sales by tailoring offerings to meet the specific needs of certain customers and capturing additional value beyond electricity itself.
Will investments in LNG upstream interests be geographically diversified beyond Australia and the U.S.?	<ul style="list-style-type: none"> Geographic diversification of procurement is important. While the U.S. allows us to procure destination-flexible LNG, it also carries policy risks, and overconcentration would pose a risk. We will look for the investment opportunities to participate in projects outside the U.S. when they arise.
What measures are considered on the financing side as you aim to lower WACC in an environment of rising base interest rates?	<ul style="list-style-type: none"> Increases in WACC and various costs due to rising interest rates are unavoidable. We will continue our efforts to hedge (fix) interest rates and achieve low-cost financing, while also considering the use of governmental frameworks such as long-term decarbonized power auctions.
How do you view the risk of making decarbonization investments stranded assets?	<ul style="list-style-type: none"> Including renewable energy, asset development will be proceeded on the premise of securing firm end-users or obtaining policy support.

Forward-Looking Statements

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