

Main Q&As  
At the Results Presentation for 2Q FY2022 (FY Ending March 2023)

- Q1: In what kind of investment areas do you intend to use the cash you expect to acquire from the sale of the upstream project in Australia (announced on October 7)?
- A1: Based on our list of prospective investment projects (short-term and long-term) both in and outside Japan, we are making considerations by ranking the priority of various projects with different risk profiles, such as electricity projects (including renewable energy), resource development projects, and hydrogen-related technology development. We will allocate our investments in growth areas indicated in Compass Action.
- Q2: In our management vision, Compass 2030, the profit target of the Overseas segment is set at ¥50 billion. How will you compensate for the decrease in profit that will follow the sale of the upstream project in Australia?
- A2: We are aware that the current profit level of the overseas business, including the upstream project in Australia, is significantly affected by the external environment due to the economic framework. If we take this into consideration, ¥50 billion is not an easy target to achieve based on the assumption of a drop in profit due to the sale of the upstream project. However, we will carry out a replacing of our business portfolio, which we have set out in Compass 2030 and Compass Action, and implement strategic investments in our overseas business. Specifically, we plan to invest in renewable energy abroad, as well as in the CO2 net zero business, which involves hydrogen, vegetation, CCS, and renewable gas. In the near term, our shale gas business in North America and the renewable energy business are about to become profitable.
- Q3: You said you have incorporated a certain degree of risk in your new forecasts, but what kind of risks are they?
- A3: Amid heightened raw materials procurement risks and greater uncertainty such as a rise in raw material prices and demand fluctuation in view of the global energy trend, we have incorporated a certain degree of profit fluctuation risk for LNG and electricity, among others.