

Pioneering the Future of Energy. From Japan to the World.

JERA was established in 2015 as a joint venture between Tokyo Electric Power Company and Chubu Electric Power with the goal of becoming a globally competitive energy company. Its founding was driven by heightened concern over Japan's energy supply following the 2011 Great East Japan Earthquake.

JERA was created to meet that challenge by securing a stable fuel supply, supporting power infrastructure, and delivering the electricity society needs without interruption. Since then, JERA has progressively integrated businesses spanning upstream fuel development, transportation, trading, procurement, and power generation—laying the foundation for its current value chain in 2019.

In Japan, where domestic energy resources are limited, JERA takes an integrated approach across the value chain to deliver electricity to society. By continuously refining these capabilities, JERA has supported a stable energy supply in Japan while growing into one of the world's largest energy companies.

Over the past decade, the energy landscape has changed significantly, shaped by rising geopolitical risks, volatile resource prices, and supply-demand fluctuations as renewable energy has expanded. Amid this uncertainty, JERA has sought to address the energy trilemma: simultaneously achieving stability, affordability, and sustainability.

In 2020, JERA announced JERA Zero CO₂ Emissions 2050 and has since accelerated its efforts in next-generation energy, including renewables and zero CO₂ emission thermal power using hydrogen and ammonia.

JERA's approach to decarbonization is grounded in practical action, not ideals alone. JERA envisions a continuous transition that supports today's electricity supply while preparing and implementing the options society will need in the future.

JERA's journey began in the aftermath of a crisis, was strengthened through integration, and has been marked by a continued willingness to take on new challenges when faced with uncertainty.

From Japan to the world, JERA continues to evolve the way energy is supplied and help pioneer a sustainable energy system for the future.

JAPAN'S ENERGY FOR A NEW ERA

Mission, Vision & Core Value

Mission

To provide cutting-edge solutions to the world's energy issues

Vision

To scale up its clean energy platform of renewables and low greenhouse gas thermal power, sparking sustainable development in Asia and around the world

Core Value

Ownership to Serve Our Tomorrows

Fairness / Diversity / Openness / Respect & Safety

JERA Core Value

In May 2026, we established JERA Core Value, a set of values shared across the entire JERA Group to guide our everyday decisions and actions. To develop JERA Core Value, we engaged in discussions across JERA, involving not only senior management but also employees at our power stations and overseas offices.

Our mission and vision define where the JERA Group wants to go, while JERA Core Value guides how each of us thinks and acts along the way.

Ownership to Serve Our Tomorrows

Step forward with ownership and give our best for the many tomorrows we serve.

At JERA, we aim to address the world's energy challenges, contribute to sustainable growth and development around the world, and to continue to earn society's trust. At the heart of these ambitions are the values we believe should guide each of us.

Ownership to Serve Our Tomorrows

Step forward with ownership and give our best for the many tomorrows we serve.

Every aspect of our work in the energy business holds the potential to support and transform the society of tomorrow. Turning that potential into reality starts with each of us asking: What can I do? What can JERA do? And then taking that first step. Rank and title do not matter. By taking ownership of both the satisfaction of success and the frustration of setbacks, each of us grows stronger. The individual strengths and everyday efforts we build in this way become the foundation for the impact we can make - supporting the society of tomorrow and opening the way to new value.

Fairness / Diversity / Openness / Respect & Safety

Be open to every difference. Act with fairness. Respect people, and protect safety.

Fairness / Diversity / Openness / Respect & Safety

Embracing all differences. Acting with fairness. Respecting ourselves and others. Nationality, age, culture, how we choose to live, and what matters to each of us—our differences take many forms. We remain open to all of them and continually ask ourselves what fairness means and what constitutes impartial judgement. We exchange views openly and learn from one another across individual, team, and regional boundaries, while respecting ourselves and others and looking out for one another's safety. These everyday actions build trust and bring our strengths together as one team. Together, we work to build a more prosperous society for all those who will live in the world of tomorrow.

Voices from the Team Behind JERA Core Value



The Enduring Value That Drives JERA

Yutaka Koyama

Executive Officer, Planning Division

Developing JERA Core Value was a journey to uncover what has mattered most to us in pursuing our Mission, as JERA has grown from being a team of around 40 people ten years ago, to more than 6,000 today.

To continue contributing positively to society, we wanted to define the values that matter most to us, deepen our understanding of them, put them into practice, and pass them on to the next generation.

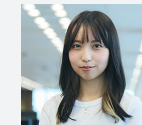


JERA Core Value for Everyday Use

Yutaro Yamada

General Manager, Corporate Organization Strategy Unit, Corporate Planning Group

We set out to create a core value that would naturally become part of how we think each day and find its way into everyday conversation between colleagues. Starting with a draft developed by our two CEOs and the working group, we held more than 50 discussions with employees. What mattered most to us was whether the words would resonate immediately. Drawing on a wide range of feedback, we refined the wording again and again until we arrived at a set of non-negotiable values which we can all share.



Core Value Shaped by Dialogue with Employees

Minami Akiyoshi

Corporate Organization Strategy Unit, Corporate Planning Group

As we shaped JERA Core Value, employees shared a wide range of candid feedback, telling us what resonated and what did not. With ongoing discussion the words capturing our sense of mission and responsibility, respect for our colleagues, and the values that matter to our employees gradually took shape. We refined the wording again and again, with the help of a copywriter, so that everyone could relate to JERA Core Value and embrace it as their own. Through this process, we arrived at the JERA Core Value we have today.

JERA Core Value Shaped by Our Employees

Ownership to Serve Our Tomorrows

Whenever I've felt I really accomplished something at JERA, it's been when I stepped beyond my usual role and made it happen.



The whole world runs on electricity. I grew up in a rural area, and the first time I went to Tokyo and saw all those buildings, it struck me that electricity was powering places like these, too, which made me realize just how important our work was. When I joined the company, the generators were still operated manually, and I worked alongside senior colleagues carrying out a variety of processes by hand. It was an incredible feeling to realize that's how we were actually generating electricity. Later I moved into maintenance, and the first time I completed a periodic inspection and the plant returned to normal operation, I felt that same sense of achievement, and it felt just as rewarding. It was the joy of knowing I'd helped our customers. I want to make sure I never lose that original spirit.

I see the units at our power station as if they were my own car. Day in and day out, I think about how to keep them from breaking down, and I treat that as my personal responsibility.



I want JERA to be a name people know they can trust. We can only earn that trust by doing what is genuinely good for society and creating lasting value.



I work in plant operations. Before I carry out any procedure, I make sure I understand what it involves and why, check conditions on site beforehand, and think through how I would respond if something went wrong. I do all this to take full responsibility for my work and put ownership into practice.

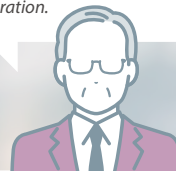


I want to distill our technical expertise into standard operating procedures and manuals for the next generation. I also want to put my own stamp on it, ensuring that expertise is preserved well into the future.

Since entering my third year, I've been given more responsibility. I want to take real ownership of the work I do. As I've had more chances to think for myself, explain my thinking, get my manager's approval, and move things forward, I've found the work more rewarding and interesting. Working with ownership doesn't just contribute to society. It's tied to my own sense of purpose and my own happiness.

We are all part of the JERA Group effort to deliver a better tomorrow... We are all doing our part regardless of our functions/divisions.

As JERA marks its 10th anniversary and looks ahead to the next decade, I want to keep contributing on the ground and working closely with those around me, regardless of status or recognition, offering support where it's needed and helping pass the baton to the next generation. I believe that these efforts, built up over time, are what sustain the company's growth and become the values we pass on to the next generation.



I try to take the initiative and act when I see an opportunity for improvement. I believe that small, proactive steps help shape a better future.

Fairness / Diversity

Am I approaching things with integrity and making fair judgments? Are our systems and rules fair, too, not just the way we treat one another? That's something I always try to keep in mind.



Diversity goes beyond surface-level differences like gender or nationality. Every individual embodies diversity in their own right.

Team members are encouraged to speak openly regardless of seniority, nationality, or background. As a result, even new joiners feel comfortable sharing their views, which helps build mutual trust within the team.

Openness

Even a brief power outage can put someone's life at risk. So if something seems off in my work, I raise the issue right away. I never hide it. I think that kind of integrity has become deeply ingrained in how we work.

If something does not look right, we raise it early and talk it through. That openness helps us solve issues faster and work better together.

At our power station, we have open communication with our partner companies, too. Even when something minor comes up, we're comfortable suggesting a better way of doing things to each other. There are no barriers between JERA and our partner companies.



Respect & Safety

I feel that people here consciously show respect for one another and make an effort to understand different perspectives. In this environment, individuals feel comfortable and safe speaking up, knowing that their voices are valued.

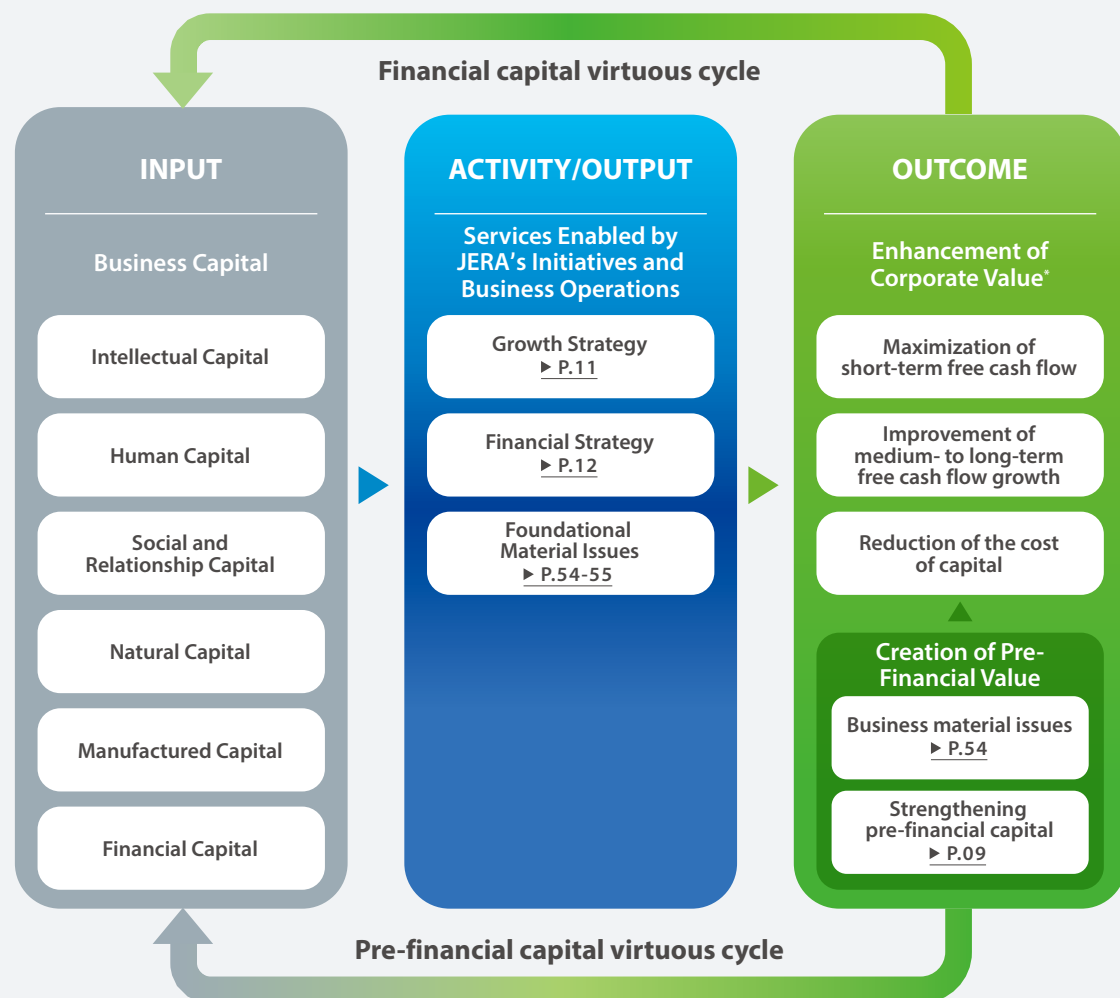
There are people who engage with me with real honesty and integrity, giving me direct feedback and pointing things out rather than simply smoothing things over in the moment. To me, that is Respect with a capital "R."



When people in senior positions don't understand something, regardless of age or rank, they'll come over to my desk and say, "I don't get this part. Can you explain it to me?" I appreciate the fact that they respect my expertise and trust me to know the answer. I want to show others the same respect that means so much to me.

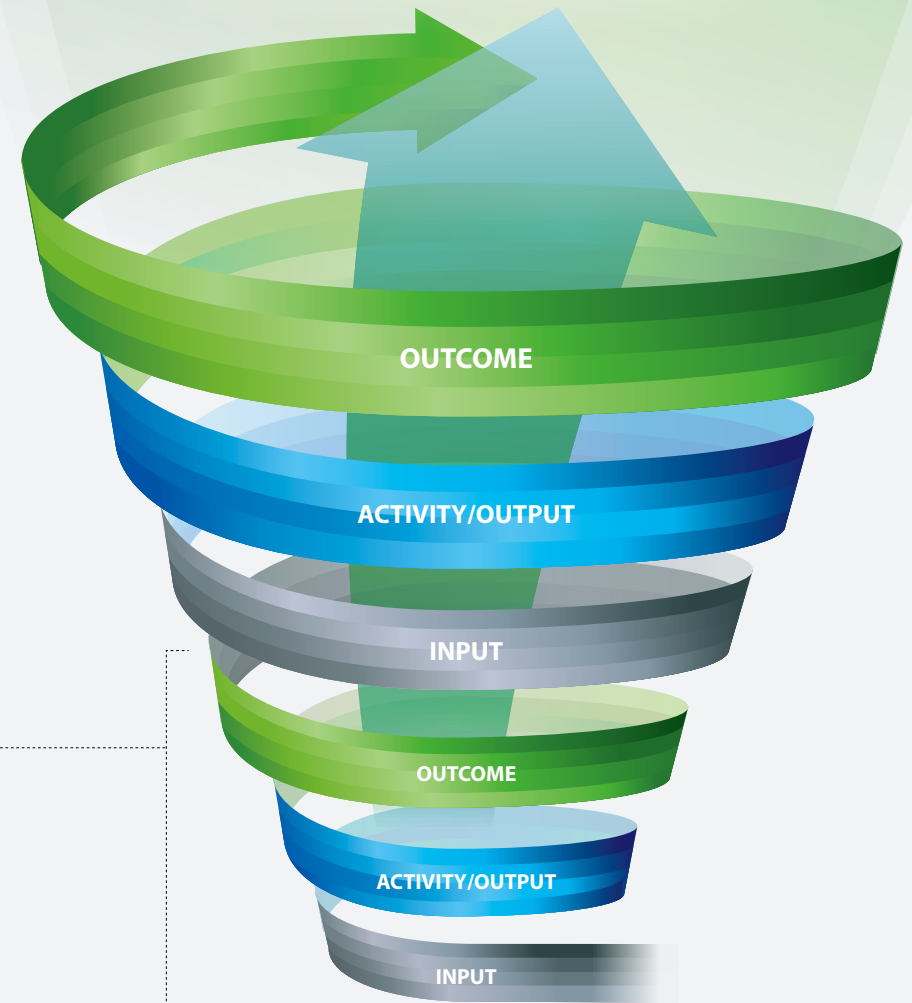
Value Creation Process

We position the maximization of short-term free cash flow, improvement of medium- to long-term free cash flow growth, and reduction of the cost of capital as key requirements for enhancing corporate value. Under our sustainability management framework, our value creation process involves the virtuous cycle of these capitals, which supports value creation and ultimately enhances corporate value.



Mission

To provide cutting-edge solutions to the world's energy issues

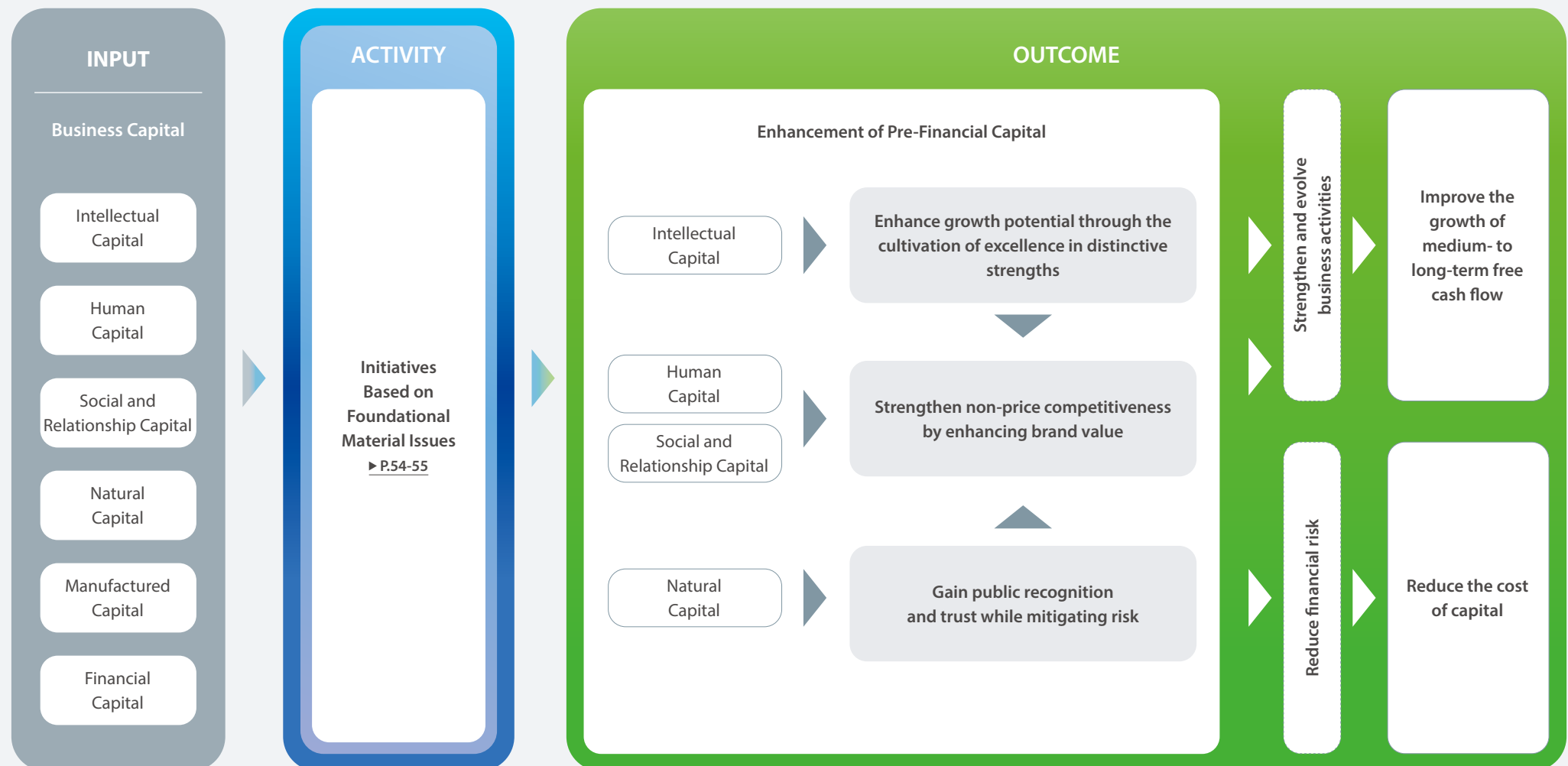


* The discounted cash flow (DCF) model, which calculates the present value of a company's future cash flows, provides a comprehensive and accessible way to express corporate value. As outlined above, we position corporate value in accordance with this approach.

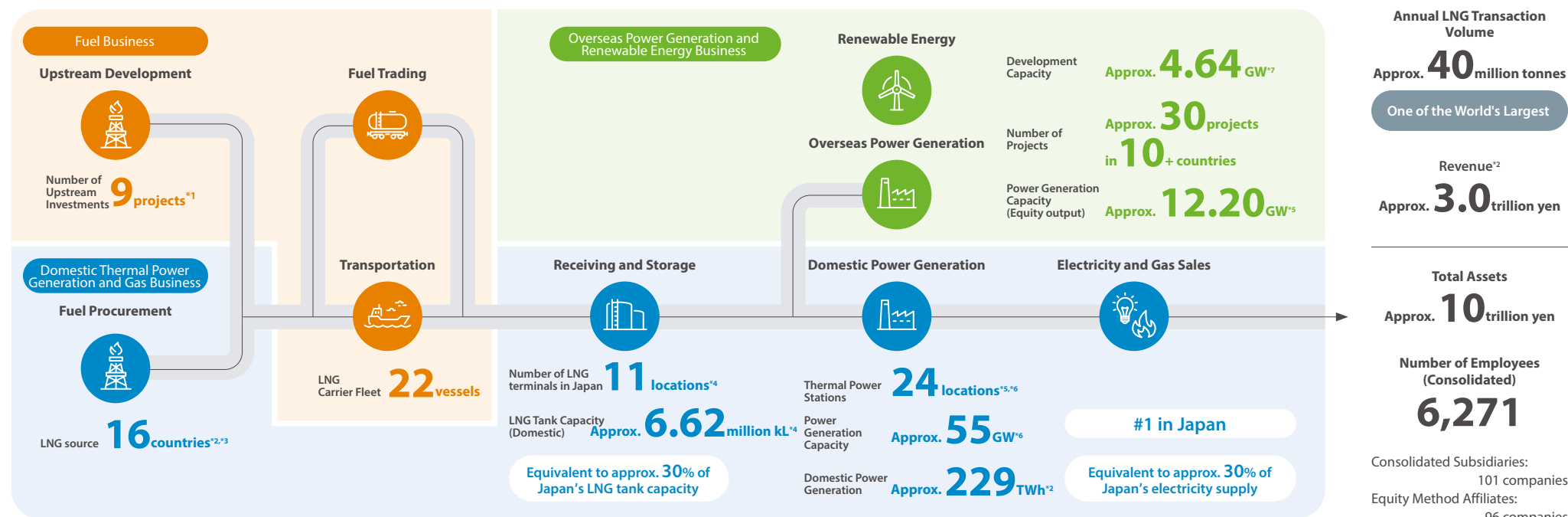
Pre-Financial Value Contributes to Financial Outcomes

This section illustrates how pre-financial value contributes to financial outcomes within the value creation process. Initiatives based on JERA's foundational material issues lead to enhanced corporate value through the strengthening of pre-financial capital.

In light of changes in the internal and external business environment, we reviewed our foundational material issues (see ➡ P. 56).

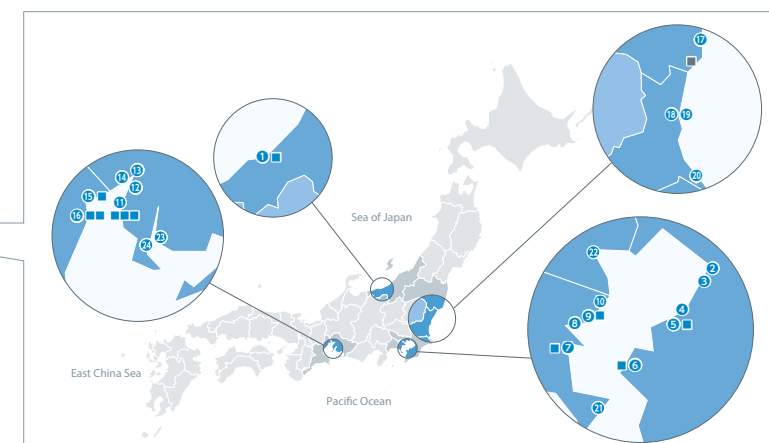
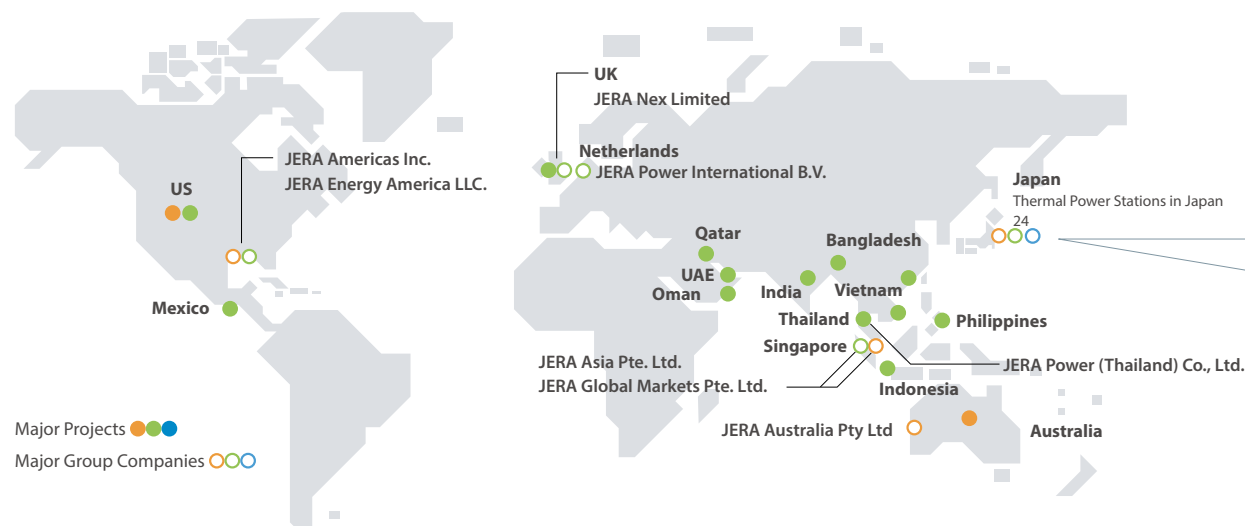


JERA at a Glance



(As of March 31, 2026)

*1 Includes ammonia production project *2 FY2025 *3 Represents the number of countries that exported to our LNG terminals *4 Includes joint LNG terminals with other companies in Chita and Yokkaichi *5 Includes facilities under construction *6 Excludes joint thermal power holdings *7 Cumulative development capacity



Growth Strategy to Realize Our 2035 Vision

The energy sector faces a trilemma: How to achieve three objectives simultaneously—stability, affordability, and sustainability.

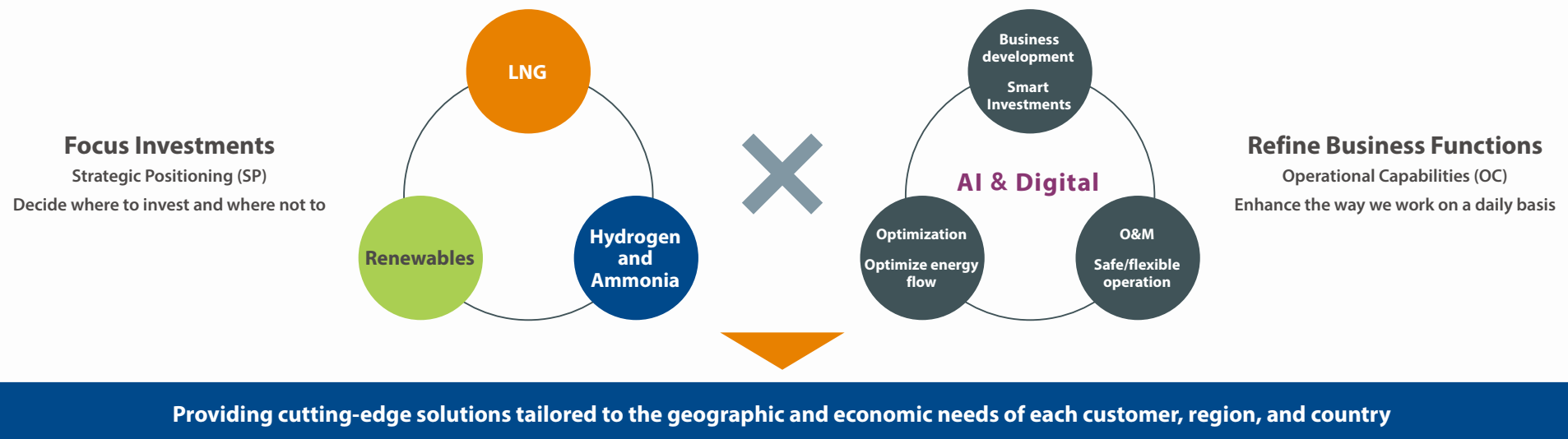
Against the backdrop of recent geopolitical developments including Russia's invasion of Ukraine and developments in the Middle East in 2026, and rising material prices and interest rates, the energy sector faces increasing uncertainty making it more important than ever to address this trilemma. The solutions required, however, differ according to the circumstances of each country and region.

JERA's mission is to develop and implement practical solutions that take into account these changes in the operating environment and the diverse circumstances of each country and region. At the same time, addressing these challenges presents an opportunity for sustainable growth.

JERA has identified LNG, renewable energy, and hydrogen and ammonia as strategic business areas. We will deploy management resources strategically as the business environment changes, while continuing to strengthen our expertise and operational capabilities globally.

By combining this strategic positioning with our operational capabilities, we will provide cutting-edge solutions tailored to the needs of individual customers, regions, and countries.

As the market environment continues to evolve, shaped by heightened geopolitical risk, rising material prices and interest rates, pressures on the competitiveness of decarbonization solutions, and fluctuations in domestic LNG demand, JERA remains firmly committed to its mission "to provide cutting-edge solutions to the world's energy issues." We will also help create new value and energy solutions in sectors where scale and need are growing rapidly, such as data center power supply.



Financial Strategy

Toward the 2035 Vision, we will pursue disciplined investment and flexible capital allocation backed by operating cash flow.

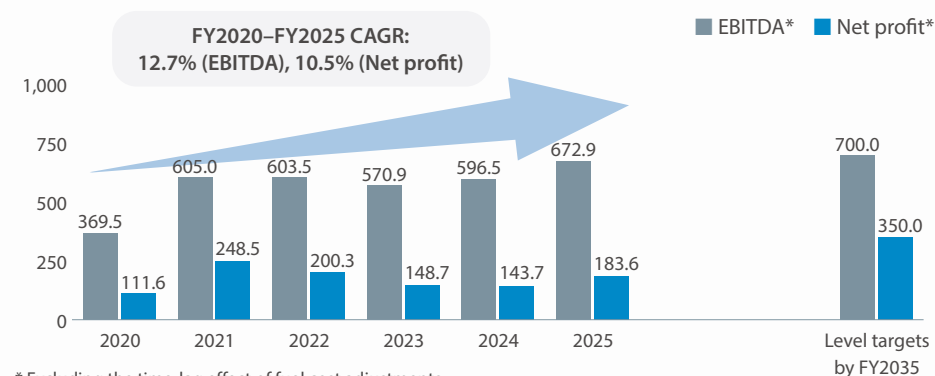
Balancing capital efficiency with financial soundness, we target net profit of 350.0 billion yen and EBITDA of 700.0 billion yen by FY2035.

Financial Targets and FY2025 Results

In FY2025, net profit fell short of the target, while EBITDA exceeded it and reached a record high. We will continue strengthening the financial base for growth investment toward the 2035 Vision.

	Management indicator	FY2025 target	FY2025 result	Level targeted by FY2035
Profitability	Net profit*	200.0 billion yen	183.6 billion yen	350.0 billion yen
	EBITDA*	500.0 billion yen	672.9 billion yen	700.0 billion yen
Capital efficiency	ROIC*	Approx. 4.5%	Approx. 4.4%	ROIC-WACC spread* 150 bps or more
	WACC	Approx. 3.5%	Approx. 4.5%	
Growth	Investing CF	FY2022–FY2025 cumulative Approx. 1.4 trillion yen	FY2022–FY2025 cumulative 1.7186 trillion yen	FY2024–FY2035 cumulative Approx. 5 trillion yen
Financial soundness	Net DER	1.0x or less	Approx. 0.5x	0.5x or less
	Net Debt/EBITDA*	4.5 years or less	Approx. 2.4 years	2 years or less
Reference	ROE*	Approx. 9.0%	Approx. 6.0%	Approx. 9.0%

EBITDA and Net Profit

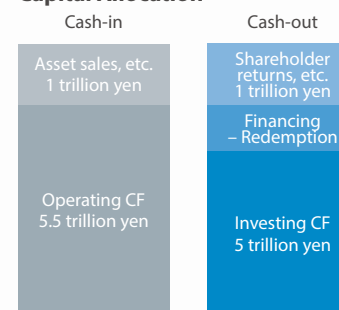


* Excluding the time-lag effect of fuel cost adjustments

Capital Allocation toward FY2035

Funded by operating cash flow, we will flexibly allocate capital across the three Strategic Positionings in response to market conditions, technological advances, and policy trends. Amid major shifts in the business environment, we will pursue both stable supply and growth by further diversifying LNG procurement, strengthening the LNG value chain, supplying energy to data centers, and continuing disciplined investment in renewables and hydrogen and ammonia.

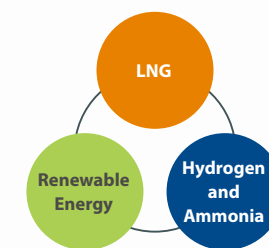
Capital Allocation



Note: Approximate cumulative totals for FY2024–FY2035

Capital Investment

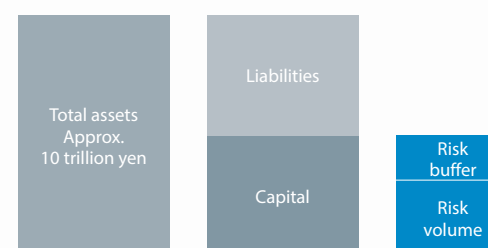
Rapidly and flexibly reallocate investment among the three Strategic Positionings



Balance Sheet Management

We will maintain capital above total risk exposure and preserve a credit rating in the A range through FY2035.

Image for FY2035



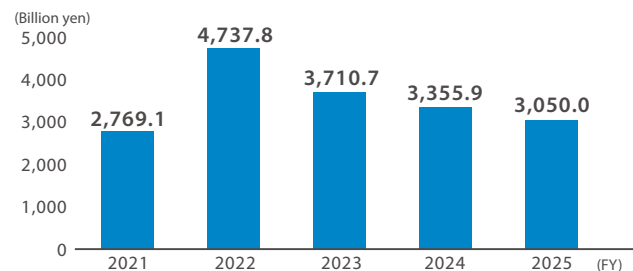
Balance Sheet Management toward FY2035

Credit rating A range
Net DER 0.5x or less
Net Debt/EBITDA 2 years or less

Financial Highlights

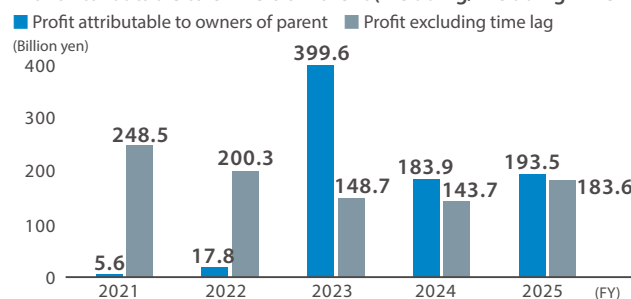
We have set management goals related to profitability, capital efficiency, growth, and financial soundness, aiming for specific outcomes for target levels by FY2035 (announced in May 2024). We are making progress on various initiatives aimed at achieving these management goals. We have voluntarily adopted the International Financial Reporting Standards (IFRS) starting with the consolidated financial statements for the annual reporting of FY2022, and the figures for FY2021 have also been restated in accordance with the IFRS.

Revenue



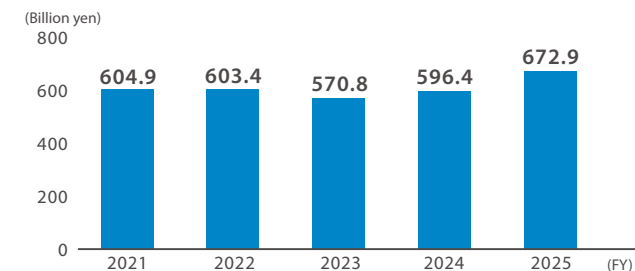
Revenue for FY2025 was 3,050.0 billion yen, down 305.9 billion yen, or 9.1%, from the previous year, mainly due to a decrease in the unit revenue from electricity sales.

Profit Attributable to Owners of Parent (Including/Excluding Time Lag)



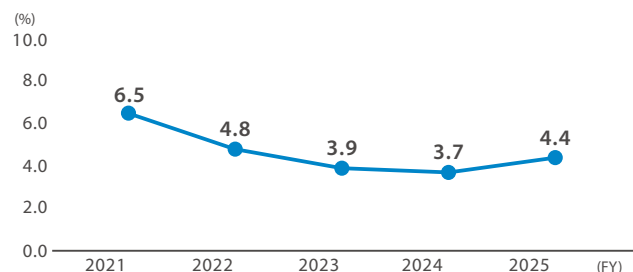
Net profit for FY2025, excluding time lag, increased despite the impact of the unit cost of fuel inventory at the beginning of the period and decreased profitability in the fuel business. The increase was due to factors such as the impact of fuel procurement prices and increased profitability in the overseas power generation and renewable energy business.

EBITDA



In FY2025, EBITDA remained high due to increases in pre-tax profit, excluding time lag, and depreciation and amortization compared with the previous year.
EBITDA = Earnings before interest and taxes* + Depreciation and amortization + Interest expenses
* Excluding time lag

ROIC



In FY2025, ROIC improved compared with the previous year, mainly due to an increase in net profit excluding time lag.

ROIC = {Net profit*¹ + Interest expense × (1 - Effective tax rate*²)} ÷ (Interest-bearing liabilities*³ + Equity*⁴)*⁵

*1 Excluding time lag

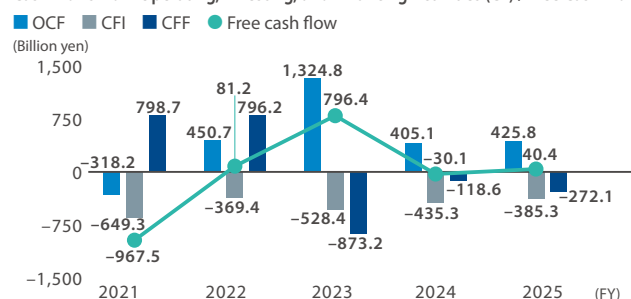
*2 Using the company's effective tax rate (figures listed in the annual securities report)

*3 Net cash after deducting working capital

*4 Equity = Non-controlling interests

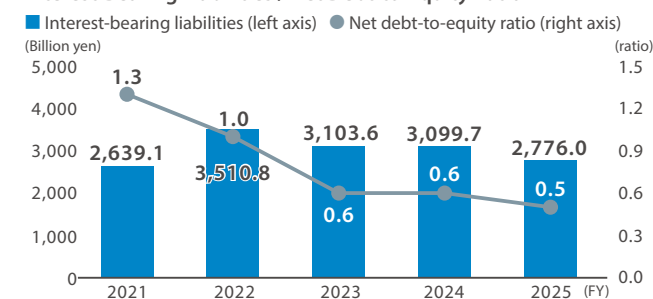
*5 Average at the beginning and end of the period

Cash Flows from Operating, Investing, and Financing Activities (CF) / Free Cash Flow



In FY2025, operating cash flow increased by 20.6 billion yen from the previous year to 425.8 billion yen, mainly due to increases in depreciation and amortization and profit before tax. Cash flow from investing activities improved by 50.0 billion yen from the previous year to an outflow of 385.3 billion yen, mainly due to asset sales in the North American IPP business. As a result, free cash flow increased by 70.6 billion yen to 40.4 billion yen.

Interest-Bearing Liabilities / Net Debt-to-Equity Ratio



The balance of interest-bearing liabilities in FY2025 decreased from the previous year to 2,776.0 billion yen, mainly due to the transfer of assets to JERA Nex bp. As a result, the net debt-to-equity ratio declined to 0.5 times.

Net debt-to-equity ratio = (Interest-bearing liabilities - Cash and deposits) ÷ Equity*

* Equity = Non-controlling interests



Yukio Kani
Global CEO and Chair

Global CEO Message

Turning Uncertainty Into a Driver of Corporate Value Creation

The Next Stage of Growth as an Integrated Energy Platform from Japan

JERA's Journey and the Next Stage of Growth

Since its establishment in 2015, JERA has progressively integrated the fuel, thermal power, and overseas power generation businesses of TEPCO and Chubu Electric Power, supporting a stable energy supply in Japan. In doing so, we have built an integrated business foundation spanning fuel procurement, power generation, and power businesses in Japan and overseas. Today, JERA is evolving into an integrated energy platform that combines three roles: a company that underpins Japan's energy supply, an LNG value chain player that connects the world, and a solutions company working to resolve energy issues.

Building on this foundation, we have developed one of the world's leading LNG value chains. The procurement and operating capabilities we have built in the process have allowed us to expand overseas into gas-fired power, low-carbon fuels, and renewable energy.

These are not independent businesses. Strong domestic power demand supports the LNG value chain, our LNG procurement capability and flexibility strengthen our power generation businesses in Japan and overseas, and,

drawing on the experience and expertise gained there, we deliver diverse solutions worldwide. This cycle is precisely the strength of JERA's integrated energy platform.

Upholding Our Mission in an Era of Uncertainty

The energy industry is entering an era of mounting uncertainty, driven by geopolitical risks, fuel price volatility, shifts in power demand structure, and rising interest rates and material costs. At the same time, JERA sees major growth opportunities: rising domestic power demand driven by advances in generative AI and digitalization, growth in the LNG market, and diversifying customer needs such as decarbonization.

No matter how circumstances change, we will stay true to JERA's mission: "To provide cutting-edge solutions to the world's energy issues." At the heart of the energy challenges we face is how to achieve sustainability, affordability, and stability, all at once.

Sustainability means reducing CO₂ emissions while realizing a sustainable energy supply for the future. Affordability means delivering energy at prices that households and businesses can continue to afford. And stability means

ensuring a reliable supply of the energy society needs, even as geopolitical conditions, weather, or market environments change.

There is no one-size-fits-all solution that can simultaneously deliver sustainability, affordability, and stability.

That is why we work together with trusted partners and other stakeholders in Japan and overseas to find a way forward.

Drawing on our diverse business portfolio, we will implement practical solutions in society that are suited to the needs of each region and the times.

LNG as a Foundation for Stable Supply and Growth

One of JERA's major strengths is its LNG value chain, backed by a solid domestic demand base. By managing our long-term

contracts, upstream interests, shipping fleet, receiving terminals, inventories, and sales via JERA Global Energy Solutions, together with JERA Global Markets' trading and optimization capabilities, we are able to safeguard stable supply while turning market volatility into opportunities for value creation.

The scale of our domestic power generation demand gives us substantial LNG offtake capacity, enabling us to invest with discipline in upstream projects and build a flexible LNG portfolio. It also strengthens the competitiveness and resilience of the entire value chain, including transportation, receiving terminals, and trading. We are constantly advancing concrete measures to strengthen our value chain. These include acquiring interests in North American shale gas fields, securing long-term LNG supply from the US, Qatar, and

Malaysia, expanding our LNG carrier fleet, and strengthening collaboration with KOGAS and Dunkerque LNG.

For Japan, which relies heavily on imported energy, strengthening the LNG value chain is both a business priority and a critical element of national energy security. We will pursue both our responsibility to support a stable energy supply in Japan and growth at a global scale.

Meeting New Power Demand: Energy Solutions for Data Centers

With advances in AI and digitalization, power demand is entering a new phase.

Data centers and semiconductor factories require large volumes of reliable power, 24 hours a day, 365 days a year.

As Japan's electricity demand looks set to return to growth, this represents a significant opportunity for JERA, with Japan's largest LNG receiving capacity and power generation portfolio.

JERA builds, owns, and operates some of Japan's largest gas thermal power stations, and we will use this generation base to respond to growing demand from AI data centers. One of JERA's strengths is its ability to operate the entire energy value chain for AI data centers in an integrated manner. This encompasses not only electricity supply but also the infrastructure that supports it, from LNG procurement in

global markets and receiving terminals to gas pipelines and power generation. Building on this strength, we will work to quickly provide customers with the solutions they need.

Expanding Options for Decarbonization

The business environment surrounding renewable energy, as well as hydrogen and ammonia, is becoming increasingly challenging due to rising material prices and interest rates, along with supply chain constraints. Nevertheless, these remain important in the medium to long term, not only for decarbonization but also for stable supply and energy security.

In renewable energy, we are strengthening our global development and operational capabilities through JERA Nex bp, which develops and operates offshore wind power projects, while maintaining rigorous investment discipline and enhancing our competitiveness.

In hydrogen and ammonia, we are building a value chain that connects production, transportation, and utilization. This work includes our investment in Blue Point, a project in the U.S. that aims to become one of the world's largest low-carbon ammonia production facilities; a time charter contract for a fuel ammonia carrier; and the successful demonstration of 20% ammonia substitution in coal-fired power generation at Hekinan Thermal



Power Station. We will pursue a multi-purpose strategy by developing demand beyond power generation, including marine fuel and industrial applications, and aggregating that demand to achieve scale. This will help improve the commercial viability of the entire supply chain.

In our efforts toward future decarbonization, we are not rushing to expand. Instead, we are watching how conditions develop and preparing our organization so that we can move decisively when the time is right.

Strengthening Our Ability to Execute the Growth Strategy Through Organizational Transformation

To execute our growth strategy with greater speed and certainty, we are also evolving our

organization. Over the past decade, JERA has expanded significantly in both business scope and scale, and each business now requires increasingly specialized expertise. Amid a rapidly changing market environment, we are reorganizing the diverse businesses we have developed into six business units—LNG and low-carbon fuels, trading, domestic thermal power, domestic electricity and gas sales, overseas thermal power, and renewable energy—so that we can make decisions faster and with greater expertise. As part of this reorganization, each unit will have clearly defined responsibilities and authority. This will enable each business to make decisions more independently while strengthening its expertise and competitiveness.

JERA's greatest strength is our ability to

connect and optimize the entire value chain, from upstream fuel investment, procurement, and transportation through to power generation, trading, and electricity and gas sales.

By increasing the autonomy of the six businesses while strengthening collaboration among them more than ever, we will enhance JERA's overall capacity to create value.

Under this management structure, which balances autonomy and collaboration, we will allocate capital with greater agility as the business environment changes, and our management will evolve to focus more sharply on capital efficiency and growth potential.

Making Our Core Value the Foundation of JERA's Distinctive Identity

When an organization undergoes significant change, the values that must remain constant become even more important. We established the JERA Core Value to guide our decisions as we continue to pursue our mission.

Our Core Value includes "Ownership to Serve Our Tomorrows: Step forward with ownership and give our best for the many tomorrows we serve." and "Fairness / Diversity / Openness / Respect & Safety: Be open to every difference. Act with fairness. Respect people, and protect safety."

Even as the external environment changes and expectations from capital markets

continue to rise, JERA's distinctive approach to value creation comes from each of us taking ownership for our role, upholding fairness and safety, and bringing our strengths together.

These efforts, sustained over time, will give us the strength to pass a more prosperous society on to the next generation and earn the trust of all our stakeholders.

Working with Stakeholders to Implement Practical Solutions in Society

JERA cannot solve the world's energy challenges alone.

Collaboration with diverse stakeholders, including investors, business partners, fuel-supplying countries and suppliers, customers, local communities, governments, and financial institutions, is essential. How can we achieve sustainability, affordability, and stability at the same time? We believe it is important to share our perspectives and challenges and, through ongoing dialogue, develop workable solutions together.

Continuing to address society's energy challenges will drive JERA's sustainable growth and enhance its corporate value. In an era of increasing uncertainty, we will stay true to our mission: "To provide cutting-edge solutions to the world's energy issues." Together with our stakeholders, we will pave the way for a more sustainable energy future.



CEO and COO Message

Turning Adaptability into Competitive Strength: Sustaining Lives and Industry While Pursuing Growth in an Age of Uncertainty



Hisahide Okuda

President, Director,
CEO and COO

Building a Business Structure Resilient to Uncertainty

Energy is an essential infrastructure that supports our everyday lives and industry. That is why, when rising geopolitical risks or natural disasters destabilize supply and prices, the impact is felt across society.

Spurred by two major oil crises, Japan has, over the decades, diversified both its power generation and fuel procurement sources. As a result, the country now has a well-balanced power mix combining LNG, coal, renewable energy, and nuclear power, and has built a resilient supply base capable of maintaining stable supply even amid the recent geopolitical tensions in the Middle East.

However, in today's world of growing uncertainty, maintaining stable supply alone is not enough. Geopolitical risks can trigger sharp fluctuations in fuel and electricity market prices, with the effects ultimately reaching households and industries through the price they pay for electricity. Beyond maintaining stable supply, energy companies have an important responsibility to strengthen resilience to price volatility.

Since its establishment in 2015, JERA has built an integrated value chain spanning upstream fuel development, procurement, transportation, trading, and power generation. Leveraging one of the world's largest LNG transaction volumes and global trading

capabilities, we have developed a business structure designed to enhance resilience amid uncertainty.

Upstream fuel operations and downstream power generation businesses respond differently to market conditions. For example, while rising fuel prices increase power generation costs, they can also create opportunities for the fuel business to generate higher earnings. This structure helps maintain the competitiveness of our power generation business even as fuel prices fluctuate, while generating profits across the entire value chain.

This means we can hedge risks across the value chain and help support more stable earnings even as the business environment changes.

At the same time, we leverage our fuel portfolio and trading capabilities to enhance fuel supply stability and resilience to price volatility. Specifically, we diversify LNG procurement across the US, Australia, the Middle East, and Asia, and we combine LNG linked to different price benchmarks to help reduce both supply risk and price volatility risk. We have also built a portfolio that combines an appropriate mix of long-term contracts, short-term contracts, and spot procurement to address seasonal fluctuations in LNG demand, while drawing on JERA Global Markets' trading capabilities to strengthen our ability to respond to an increasingly dynamic market environment.

Renewable energy, one focus of our growth strategy, is a domestically available energy source that reduces dependence on overseas supply and contributes to energy security. We are building a more stable supply base by combining renewable energy with lower-carbon thermal power, which can adjust quickly to demand fluctuations. Rather than relying on a single power source, we need to keep a diverse range of power-generation options available and combine them appropriately as the business landscape changes.

This approach can help address energy issues not only in Japan but around the world. Each country faces different geographic conditions, industrial structures, and geopolitical risks and therefore has different solutions and priorities for addressing the energy trilemma: achieving stability, affordability, and sustainability at the same time. Some countries need to prioritize meeting surging electricity demand, while others should prioritize energy security or decarbonization. Because the approaches and priorities vary by country, a diverse range of options is essential.

JERA has a broad range of power generation and fuel options at its disposal, including lower-carbon thermal power, renewable energy, LNG, and hydrogen and ammonia. By combining these to deliver optimal solutions tailored to each country's needs, we aim to capture growth opportunities in Japanese and global markets, enhancing our corporate value.

Precisely because this is an age of uncertainty, we must prepare for risks in normal times and retain the flexibility and adaptability to

respond as circumstances demand in a crisis.

JERA's strength lies in our ability to leverage our business portfolio, built through full-value-chain management, to provide the best options as the business environment changes. This adaptability is both a competitive advantage for JERA as a company and the foundation of the value we create for society.

By optimizing resource allocation and business operations in response to changes in the business landscape, we can generate stable cash flow and continue investing in the future. This investment helps to lay the foundation for our continued support of both livelihood and industry, while also enhancing JERA's corporate value over the medium to long term.

Turning Decarbonization into Industrial Competitiveness for the Next Era

While some argue that global momentum for decarbonization is waning, many countries are strategically shifting toward areas of decarbonization where they have a competitive advantage, sometimes deploying state capital to build competitive clean energy supply platforms.

The US, for example, continues to pursue low-carbon and decarbonization businesses in areas where it holds competitive strengths, including nuclear power, natural gas, carbon capture and storage (CCS), and blue hydrogen. It is also advancing next-generation nuclear power development as a national strategy through coordinated public- and private-sector efforts. While policy support for wind and solar

has been scaled back, onshore wind and solar projects continue to expand across the vast United States on their own economic merits.

China, meanwhile, is drawing on state capital and its overwhelming competitive advantage to build production capacity in solar power, onshore and offshore wind power, battery storage, and green hydrogen, while actively expanding exports to countries across Asia and beyond.

These developments show that decarbonization is not only an environmental policy for climate change mitigation but also an industrial policy that strengthens the non-price competitiveness of domestic industries. With global electricity demand surging, driven primarily by AI data centers and the semiconductor industry, countries capable of

supplying stable, lower-carbon energy can attract new industrial clusters and strengthen their competitive advantage in the coming era.

In Japan, too, decarbonization is a critical initiative that affects not only climate change mitigation but also future industrial competitiveness. However, geographic conditions, weather patterns, and disaster risks limit Japan's potential to deploy renewable energy compared with other countries. Japan also relies heavily on solar power, the output of which fluctuates significantly by season and time of day, making it difficult to support the power system with renewable energy alone.

Advancing decarbonization requires practical solutions tailored to each country's circumstances. In Japan, we believe the practical path to decarbonization is to combine renewable



energy, such as offshore wind and solar power, and battery storage with lower-carbon thermal power that can respond rapidly to fluctuations in supply and demand, while adjusting the pace in line with the business environment.

Like Japan, many countries around the world lack abundant energy resources and have limited potential to deploy renewable energy.

JERA aims to draw on the expertise we have developed in Japan by combining our full value chain with diverse power sources and fuels, providing decarbonization solutions tailored to each country's unique circumstances. We believe these efforts will help address the world's energy challenges while supporting JERA's sustainable growth and enhancing its corporate value.

Leading the Development of an Energy Supply System for the AI Era

Electricity demand from AI data centers and the semiconductor industry is surging worldwide. These industries are expected to help drive economic growth and industrial competitiveness, yet they require vast amounts of high-quality power. The inability to immediately secure sufficient generation capacity and transmission infrastructure to meet this demand has become a bottleneck influencing investment decisions.

In Japan, too, AI data centers and the semiconductor industry are strategically important to the country's international competitiveness. Without a rapid supply of high-quality power, Japan risks falling behind.

Rather than developing power sources on

the assumption of nationwide demand growth, as Japan did during its high-growth and bubble-economy eras, we now need a business model that can rapidly supply high-quality power to specific industries, primarily AI data centers and the semiconductor industry. If JERA can move early to provide such a model, it could represent a significant business opportunity not only in Japan but around the world.

Given the lead times required to build new generation capacity and the lengthening timelines for grid connections, supplying power rapidly is no easy task. As one example, JERA is exploring a new power supply model in which data centers are built on the sites of existing thermal power stations and supplied with electricity directly. Outside Japan, we aim to provide solutions that combine thermal power, renewable energy, and battery storage, tailored to regional characteristics and customer needs.

Rapid power supply also requires a business environment in which both energy users and suppliers can confidently move forward with new investment. JERA aims to take a leading role in these efforts, engaging with public- and private-sector stakeholders to help build sustainable supply infrastructure and strengthen industrial competitiveness.

By providing optimal solutions to meet surging electricity demand from new industries worldwide, we can contribute to society's development while supporting JERA's sustainable growth and enhancing its corporate value. JERA is moving quickly to capture these growth opportunities at home and abroad

and, as an energy provider, lead the development of the energy supply systems that will support new industries.

Creating New Possibilities, Guided by JERA Core Value

Adaptability in an era of uncertainty comes from people and organizations that anticipate change, think for themselves, and act accordingly.

JERA is transitioning to a group structure where professionals with diverse expertise take ownership of their respective business domains and create value. Across different business domains, countries, and regions, our Mission remains unchanged: "To provide cutting-edge solutions to the world's energy issues."

To ensure the JERA Group continues to take on challenges as one in pursuit of this Mission, we have established JERA Core Value as a shared guide for decisions and actions across the Group.

"Ownership to Serve Our Tomorrows: Step forward with ownership and give our best for the many tomorrows we serve." These words express our conviction that everything the JERA Group does should create value that supports the world of tomorrow. From major investment decisions to daily facility operations and the administrative work that supports them, we continually ask whether our work is truly contributing to a better future. If it falls short, we take the initiative to improve. Together, these individual actions help build a better society for generations to come.

"Fairness / Diversity / Openness / Respect & Safety: Be open to every difference. Act with fairness. Respect people, and protect safety." These principles underpin JERA's organizational strength. We aspire to be an organization where everyone is free to speak openly, regardless of position or affiliation: "Can we do this better? Is there a risk here? Is there a new possibility?" By bringing together diverse opinions and values, learning from one another, and reaching better answers together, we make JERA stronger and more resilient.

At JERA, we position JERA Core Value as the touchstone for daily decisions and actions. Through the accumulated efforts of each individual to serve the world of tomorrow, we aim to keep growing even in an age of uncertainty and remain an energy provider that society can trust.

Creating new value is not something we can accomplish overnight. Whatever short-term changes may come, we will stay the course with our sights set firmly on the long term.



CFO Message



Strengthening Our Business Foundations for Long-term Value Creation

Looking Back on the Past 10 Years

JERA marked its ten-year anniversary in FY2025. In the past decade, we have built an integrated value chain covering upstream fuel investment, procurement, transportation, trading, power generation and sales, and have grown into an energy company with the largest power generation capacity in Japan and one of the largest fuel transaction volumes in the world.

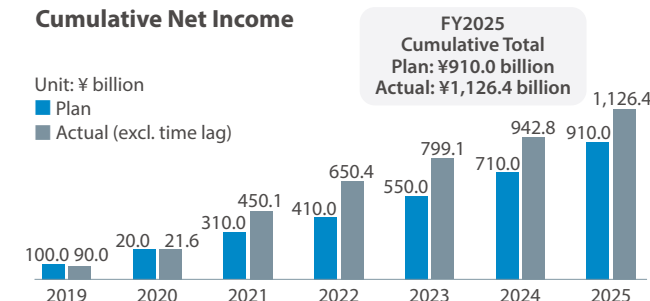
From my perspective as CFO, I believe there is more to reflect on than financial growth alone. To fulfill our social responsibility to support a stable supply of electricity, JERA has integrated fuel procurement, financing, and risk management, including through the COVID-19 pandemic, the Ukraine crisis, and heightened tensions in the Middle East so that they work together effectively. When LNG markets tightened, we mobilized large-scale procurement, including through the spot market, to help secure Japan's electricity supply. None of this would have been possible without everything we have built since JERA's founding: our value chain, procurement capabilities, financial foundation, relationships with financial institutions, and engagement with capital markets.

Consolidated results for FY2025 came in at ¥3.05 trillion in revenue and ¥183.6 billion in net income.* We fell slightly short of our ¥200 billion profit target, but net income was the third highest on record. Cumulative profits over the seven years

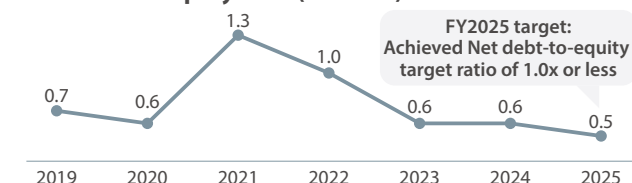
since FY2019 (when both shareholders' assets were fully integrated into JERA) were ¥216.4 billion above our target. Our net debt-to-equity ratio stands at approximately 0.5x, reflecting strong financial health. Building on the foundation we have established over the past decade, we will continue to pursue stable supply, growth, capital efficiency, and resilience to future risks as a unified whole, and in doing so, deliver sustainable corporate value.

* Excluding the time lag effect of fuel cost adjustments

Cumulative Net Income



Net debt-to-equity ratio (Net DER)



Message from the CFO

The Decade Ahead

Ten years after its founding, JERA is entering a new phase of growth as we embark on the decade ahead. The coming decade will test our ability to respond to increasingly unpredictable risks from geopolitical shifts, climate change, energy supply-demand volatility, and changes in policy and regulation. Against this backdrop, JERA will continue to fulfill its responsibility to support a stable energy supply while contributing to a decarbonized society and driving corporate value. Disciplined capital allocation and financial strategy will be fundamental in delivering on that ambition.

In allocating capital, we will make strategic investments to deliver our growth strategy through 2035, supported by strong cash generation, primarily from operating cash flow. From FY2024 through FY2035, we plan to invest a cumulative total of approximately ¥5 trillion across three strategic business areas:

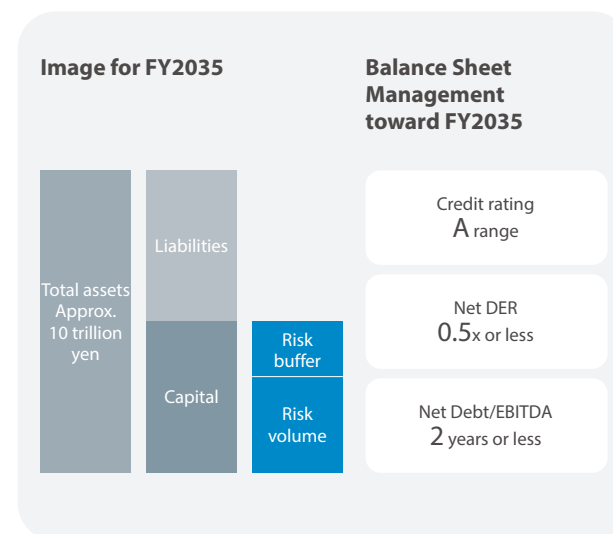
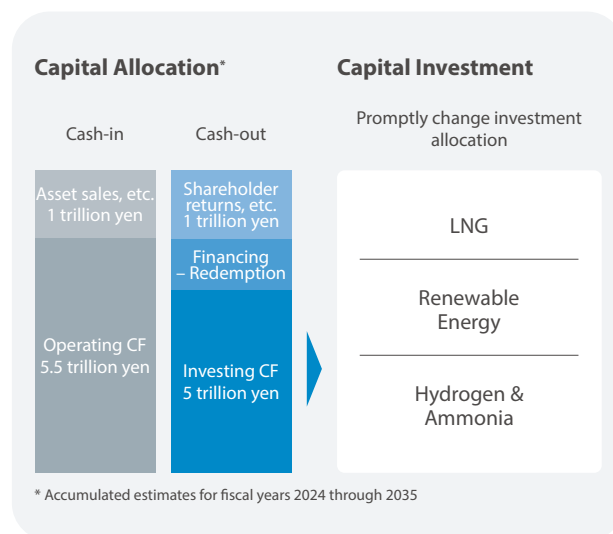
LNG, renewable energy, and hydrogen and ammonia. We will adjust capital allocation as the business environment evolves, in response to market conditions, technological advances, and policy developments. Capital allocation is not simply about investing for growth. In an uncertain environment, we need to sustain stable supply, maintain financial health, and pursue future growth opportunities - and that demands a flexible capital policy.

For the early 2030s, we have set targets of ¥350 billion in net income (excluding time lag) and ¥700 billion in EBITDA. Given how difficult it is to forecast medium- to long-term shifts in the business environment, we chose not to set a fixed ROIC target. Instead, drawing on benchmarks from overseas utilities and listed energy companies, we adopted a ROIC-WACC spread of 150 bps as our KPI, aiming to improve capital efficiency with a clear focus on the cost of capital. We are also

targeting a net debt-to-equity ratio of 0.5x or below and a net debt-to-EBITDA ratio of two years or less, further improving capital efficiency and strengthening financial discipline while maintaining financial health.

At its core, our financial strategy is about balancing growth with financial strength. We aim to maintain creditworthiness consistent with an A rating, manage risk exposure prudently, and ground every investment decision in the cost of capital, reserving the financial strength needed to respond effectively even in challenging conditions. In our approach to risk management, we classify our exposure into three categories - market risk, credit risk, and operational risk - and quantify integrated risk exposure based on market and credit risks, for which probabilities of occurrence can be estimated statistically. We call the gap between integrated risk exposure and risk capital the "risk buffer." Because operational risk cannot be quantified statistically, our policy is to maintain an adequate buffer at all times. Beyond managing financial health through integrated risk quantification, we continuously monitor cash flow and liquidity under stress scenarios to support our ability to respond effectively when conditions demand it.

Preparing for future risks and strengthening our ability to generate cash over time will require more than financial resilience alone. It will also require us to strengthen our broader business foundations spanning our business portfolio, talent, governance, and technology development. Over the next decade, JERA will work to build a management structure that balances business autonomy with the interests of JERA Group as a whole.



Message from the CFO

Enhancing Corporate Value

Today, the importance of energy security is once again coming into sharp focus. Electricity demand is rising with the expansion of AI and data centers, geopolitical risks are intensifying, and the need for emergency preparedness is growing. That said, this does not mean decarbonization or nature-positive initiatives have become less important. On the contrary, we believe the companies that can reconcile stable supply, decarbonization, and stewardship of natural capital will be better positioned to earn the support of society and capital markets over the medium to long term.

JERA is advancing a realistic and responsible energy transition, positioning its response to climate change and stewardship of natural capital as key drivers of corporate value. We see our work on decarbonization, the circular economy, and nature-positive goals not as responses to social expectations alone, but as investments intended to reduce future business risk and create new growth opportunities.

A strong foundation also depends on our people. As the challenges facing the energy industry become increasingly complex and global, we believe diverse perspectives are a source of competitive strength. To bring those perspectives into decision-making, we are expanding the role of outside directors,



CFO town hall presentation to JERA Australia team members

appointing non-Japanese executives, and recruiting highly specialized talent from Japan and around the world. Our goal is to create an environment where people with diverse backgrounds can thrive and contribute to JERA's long-term success. Within the Finance and Accounting Department, I hold regular CFO town halls with employees from headquarters, business divisions, overseas offices, and power stations. These sessions allow me to hear candid perspectives directly from younger employees and reflect their insights into management discussions, while fostering an open and transparent culture.

To support our growth strategy, we are introducing a job-based HR system designed to attract and retain highly specialized talent. In a rapidly changing business environment, people are our most important source of long-term value creation, and we are committed to providing opportunities for individuals to deepen their expertise and maximize the value they can contribute at JERA.

As our business grows and our international footprint expands, strengthening governance remains a priority. In addition to enhancing the effectiveness of JERA's Board of Directors, we are improving governance across the Group through initiatives such as developing skills matrices for key subsidiaries and strengthening internal audit functions.

Future competitiveness cannot be secured by staying on the current trajectory. Sustained growth will also require us to look beyond our existing businesses. Through JERA Ventures, our corporate venture capital arm, we are partnering with startups around the world to explore innovative technologies and business models. Examples include our collaboration with Newlab, an innovation hub, toward the commercialization of low-concentration CO₂ capture solutions and our investment in Quaise Energy, a developer of next-generation geothermal power



At an investor conference in London, November 2025

From left: Tarek Hamid, Managing Director and Head of North America Credit Research, J.P. Morgan Securities LLC; Zach Davis, CFO, Cheniere Energy; and Kazuo Sakairi, CFO, JERA

technology. These partnerships deepen our expertise in energy transition and next-generation technologies while opening up new business opportunities.

We engage capital markets - investors, financial institutions, and others - in dialogue on our growth strategy, financial strategy, capital allocation, and sustainability efforts, and bring the expectations and challenges raised through those dialogues back into our management decisions. We believe these conversations enhance our corporate value by deepening mutual understanding and trust.

Over the decade ahead, JERA will continue to strengthen the business foundation that supports stable supply, growth, and decarbonization. By doing so, we aim to deliver sustainable value to our shareholders, society, and a wide range of stakeholders, while continuing to enhance our corporate value over the long term.