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Summary of Q&As at Investors Meeting for FY2022

Date and Time: 14:00 - 15:00 (JST) on Thursday, May 11, 2023
 Format: Hybrid In-Person and Online Format
 Presenter: **Hisahide Okuda**, President, Director, CEO and COO
Kazuo Sakairi, Corporate Vice President, Managing Executive Officer, Director, and CFO
Tawa Junya, Executive Officer, Head of the Planning Division
Tetsuo Yoshida, Executive Officer, Head of the Financial Strategy and Planning Division

[FY2023 forecasts]

Question	Answer
Please describe your profit forecasts and real profitability levels for each segment.	<ul style="list-style-type: none"> Our full-year forecasts for each segment in fiscal 2023 are 90 billion yen in the Fuel Related Business, 10 billion yen in Overseas Power Generation Business, and 110 billion yen in the Domestic Thermal Power Generation and Gas Supply Business, and -60 billion yen in Adjustments. We see real profitability level excluding special factors for fiscal 2022 at around 140 billion yen.
Regarding your business plans, you mentioned aiming for the Overseas Power Generation Business to account for 20% of total profits in fiscal 2025. Will it be possible to expand it to that percentage from its low current level?	<ul style="list-style-type: none"> We are steadily building upon efforts that will contribute to higher profits, such as capital participation in the Philippines-based Aboitiz Power and other major electric power companies in Asia, and being involved in their management to implement measures that will raise profitability. In North America, the revenue situation was difficult in the merchant power generation business due to severe fluctuations in market pricing, but we have been considering ways to improve revenue, such as reviewing hedge transactions. Through these initiatives, we aim to expand profit in the Overseas Power Generation Business to 20% of total profit in fiscal 2025.

[Initiatives to achieve carbon neutrality (CN)]

Question	Answer
Please explain about the zero-emission thermal	<ul style="list-style-type: none"> Our CN strategy, which was declared in JERA Zero Emission 2050 announced in October 2020, is an attempt

<p>power that JERA has advocated in light of domestic and overseas trends aimed at CN.</p>	<p>to achieve zero CO2 emissions by 2050 by combining renewable energies with hydrogen and ammonia-fueled zero-emission thermal power. Zero-emission thermal power can supplement instabilities in renewable energy generation, which is affected by weather and other factors, with the use of power generating facilities that utilize fuel alternatives, namely ammonia instead of coal, and hydrogen in place of LNG. We believe it is possible to increase renewable energies while combining it with a switch from fossil fuel-based thermal power generation to zero-emission thermal power, striking a balance between the stable supply of energy that supports economic growth, and decarbonization.</p> <ul style="list-style-type: none"> • It is important to pursue and be able to pursue decarbonization not only in the countries and regions that can support it, but at the global level. By working on decarbonization through a combination of various options based on circumstances that vary by country and region, we believe it can be accelerated. We believe that it is highly effective to not only expand renewable energy, but to combine it with zero-emission thermal power as well.
<p>What are the key points in gradually shifting to zero emissions while handling the thermal power generation business.</p>	<ul style="list-style-type: none"> • It is important to leverage the respective characteristics and strengths of renewable energy and zero-emission thermal power in order to provide diverse value to society. While renewable energy can provide environmental value and an amount of electric power (kWh), output (kW) cannot be provided flexibly. Zero-emission thermal power, however, can provide output (kW) in a stable and flexible manner. We believe it is important to utilize digitalization technologies, and to create mechanisms that subdivide them for provision. We also think it is vital, through these mechanisms, to develop new supply infrastructure that can balance stable supply from the short to long term, decarbonization and economic efficiency at a sophisticated level.

[Procurement strategy]

Question	Answer
<p>In the future, the demand supply balance will probably tighten again. What kind of procurement strategy are you considering?</p>	<ul style="list-style-type: none"> • In addition to the significantly fluctuated energy volume according to the season, recent renewable energy implementation has led to increasingly large swings in volume. Whether fuel can be procured in a reliable and

	<p>stable manner amid these harsh fluctuations in volume is crucial.</p> <ul style="list-style-type: none"> • JERA Global Markets has built a global fuel network, and is able to balance stable procurement with flexible volume adjustments, a rare function even by global standards. We consider procurement that make full use of this function.
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[Sale of electricity]

Question	Answer
What is the relationship between the two shareholding companies?	<ul style="list-style-type: none"> • Regardless of capital relationships, we firmly maintain arm's length relationships in our business with customers. We embrace indiscriminate handling internally and externally as a key principle, and will continue to enforce that approach going forward.

<p>Forward-Looking Statements</p> <p>The information in this presentation may contain forward-looking statements. Forward-looking statements include statements relating to: (i) plans; (ii) business and management strategies; and (iii) performance forecasts, and are based on then-current data by the time of issuance of this document. Forward-looking statements involve risks and uncertainties including but not limited to economic conditions, competitive landscape, government laws and regulations, exchange rate and so on that could significantly affect the expected results, and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied herein. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements.</p>
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