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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.

