

# Financial Strategy

## Forward-Looking Statements

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 at 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.

# Financial Strategy

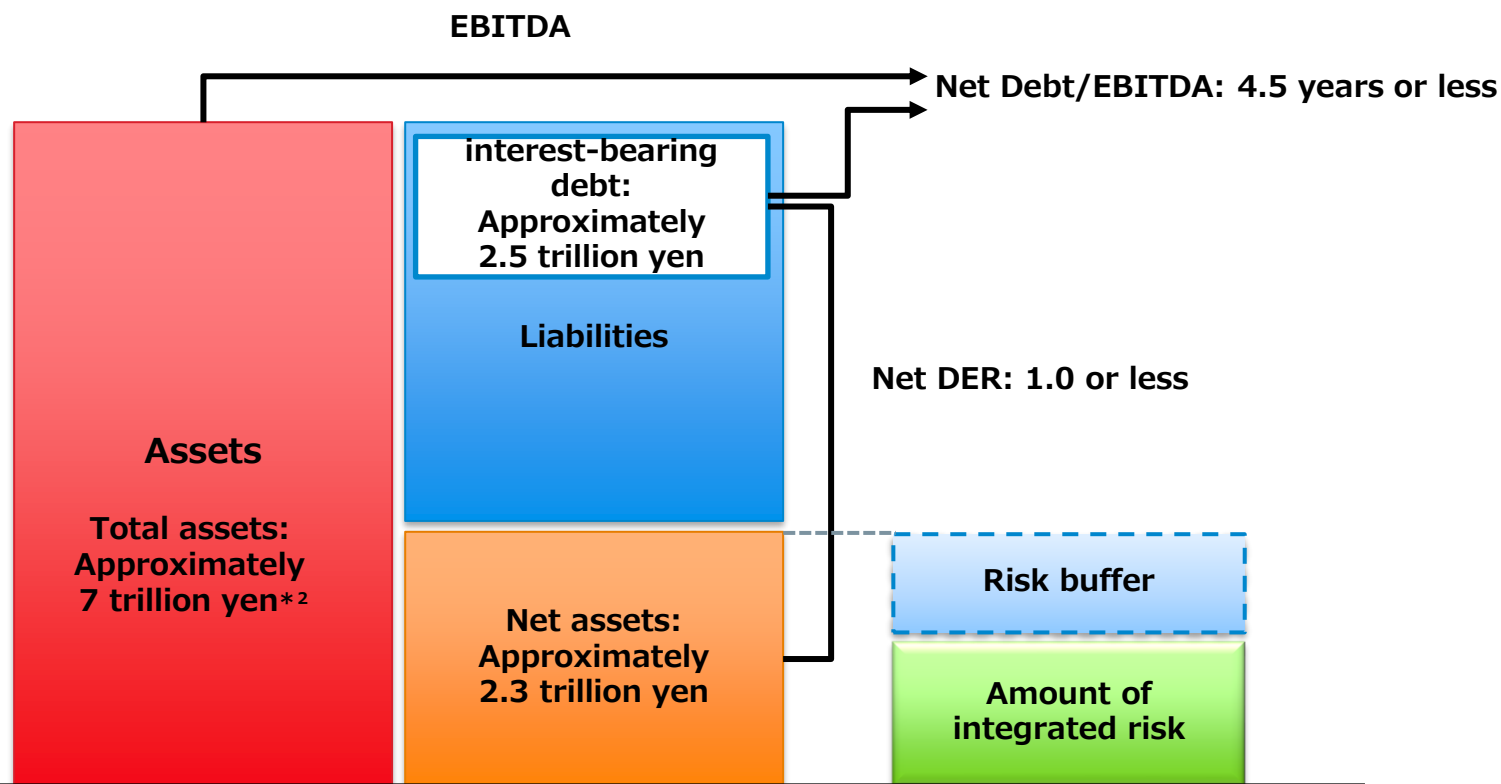
- Promote growth investments while maintaining financial soundness.
- Aim for a net debt-to-equity ratio (DER) of 1.0 or less to maintain financial soundness.
- Hold capital at a level that exceeds the amount of integrated risk.

		<u>Current</u>		<u>FY 2025</u>
Optimal capital structure  Balance sheet management	Safety	-	▶	Net DER 1.0 times or less
	Ability to repay debt	-	▶	Net Debt/EBITDA 4.5 years or less
	Credit ratings	A rating	▶	A rating
	Risk capital	-	▶	At a level that exceeds the amount of integrated risk
Capital allocation	Allocation of funds	-	▶	Promote investments for sustainable growth
	Discipline	Ensure sufficient operating cash flow		

# Financial Strategy: Balance Sheet Management

- Implement balance sheet management to maintain A credit rating
- Maintain net assets exceeding the amount of integrated risk\*<sup>1</sup>

**FY 2025 (Projected)**



\*<sup>1</sup> JERA defines its risks into three categories: market risk, credit risk, and operational risk. The amount of integrated risk is quantifies from market risk and credit risk. The difference between the amount of integrated risk and risk capital is defined as a "risk buffer."  
JERA has a policy of maintaining a certain level of risk buffer in consideration of the existence of operational risk.

\*<sup>2</sup> Including 300 billion yen in cash and deposits.

# Financial Strategy: Capital Allocation

- Based on approximately 1.6 trillion yen of cash-in, mainly operating cash flow, from FY 2022 to FY 2025, JERA will allocate cash to growth investments with the aim of sustainable growth.
- Of its growth investments, JERA plans to allocate approximately 650 billion yen to decarbonization-related business and approximately 600 billion yen to areas related to stable supply.

## Capital Allocation

