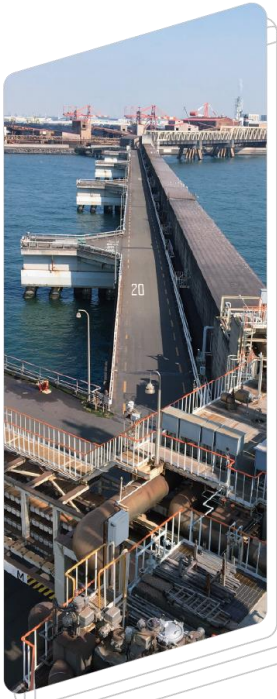
エネルギーを新しい時代へ



First Half of FY 2025

Regular Press Conference Briefing Materials

27 June 2025
JERA Co., Inc.

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I. Advancing JERA's Growth Strategy Via a Shift to LNG Amid Changing Business Environment

Energy for a New Era

Reflecting on the Growth Strategy Announced in May 2024

- JERA is committed to its mission of "provide cutting-edge solutions to the world's energy issues." and embracing a new business model
- Focusing on the three pillars - LNG, renewable energy, and hydrogen/ ammonia – aim to invest 5 trillion yen and achieve 350 billion yen in consolidated net profit by FY 2035
- Flexible and agile capital allocation in response to technological advances and changes in the business environment

Target Scale by FY 2035

Profit

Consolidated Net Profit

¥350 billion

Realizing steady profit growth even under uncertain business environment

Investment Amount

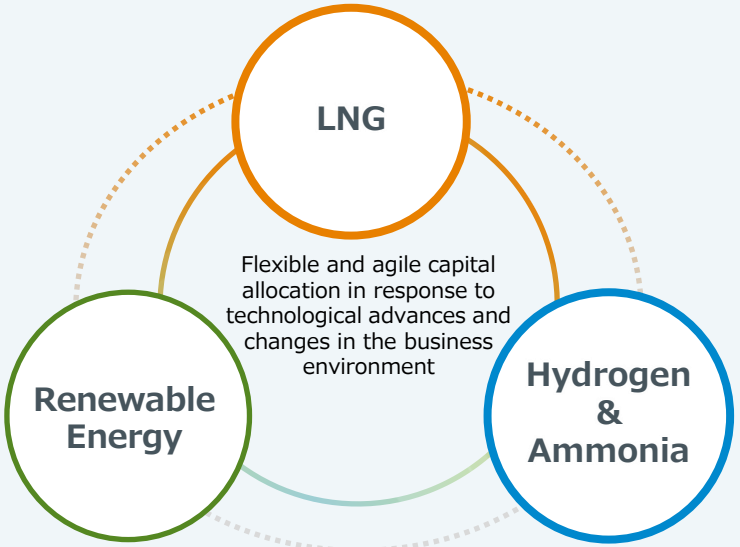
Cumulative Investment Cash Flow

¥5 trillion

(FY 2024 to FY 2035)

Reinvesting cash flow from existing businesses into the **three strategic pillars**

Strategic Business Areas



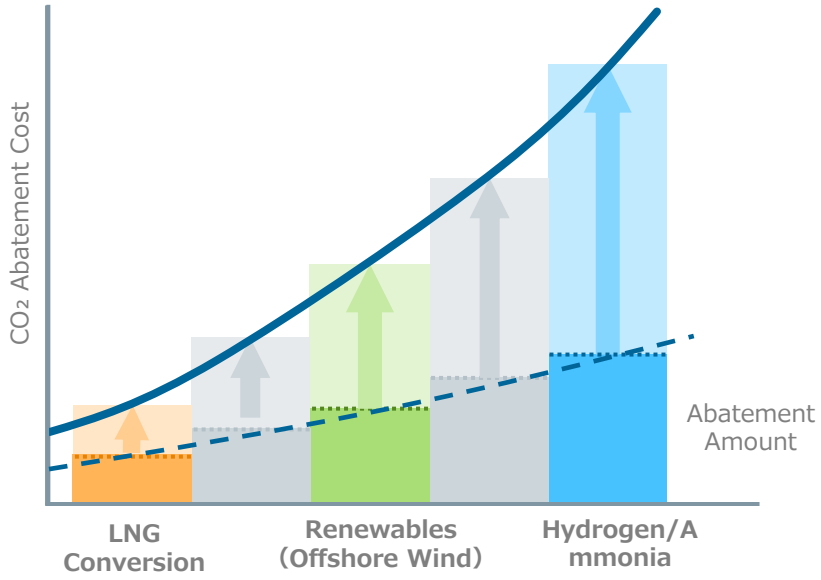
Reallocating Investments to Strengthen LNG in Response to a Changing Business Environment

- Rising interest rates and inflation have increased the marginal abatement cost of greenhouse gases for renewables and hydrogen & ammonia
- The cost gap in energy supply between LNG and hydrogen/ ammonia and renewables has widened

- Power demand is accelerating with the construction and expansion of data centers. Effectively responding to this surge requires an accurate grasp of evolving industrial structures
- In markets where renewable energy penetration is already high, challenges around grid stability are becoming more apparent—highlighting gas-fired thermal generation as the only viable option to meet rising demand in the short to medium term

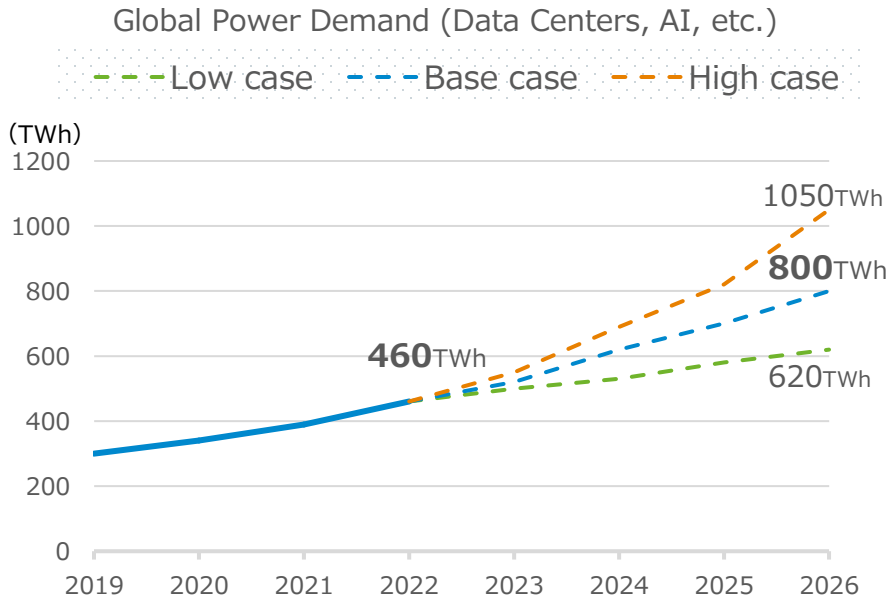
- Strategically increasing the capital allocation to LNG
- Maintaining disciplined, selective investment in renewables, hydrogen, and ammonia, with a focus on building robust decarbonization capabilities despite the challenging environment

Changes in CO_2 Abatement Cost Curve



Graph is for illustrative purposes based on JERA's estimates.

Forecast of Data Center Power Demand



Source: IEA "Electricity 2024" (Released 24 Jan. 2024)

Achieving Step 3 in Renewable Energy, Aiming for a Leap Forward Over the Mid-to Long-term

- Three-step approach to scale up our renewable business:

1) Building a Center of Excellence
2) Establishing a global–local ("glocal") system
3) Pursuing collaborations with global players

- In December 2024, JERA announced the integration of JERA Nex and bp's offshore wind assets to establish **JERA Nex bp,** creating a global platform with operating assets and development pipeline of a total 13 GW

- While limiting standalone investment burden, JERA aims to drive mid- to long-term growth by leveraging economies of scale for the supply chain, strengthening investment evaluation criteria, and continuing disciplined investment

3 Steps Indicated in the Growth Strategy

Starting from Scratch
Becoming top in Asia
2019–2023

Step 1
Building Center of Excellence (COE)
2023–2024

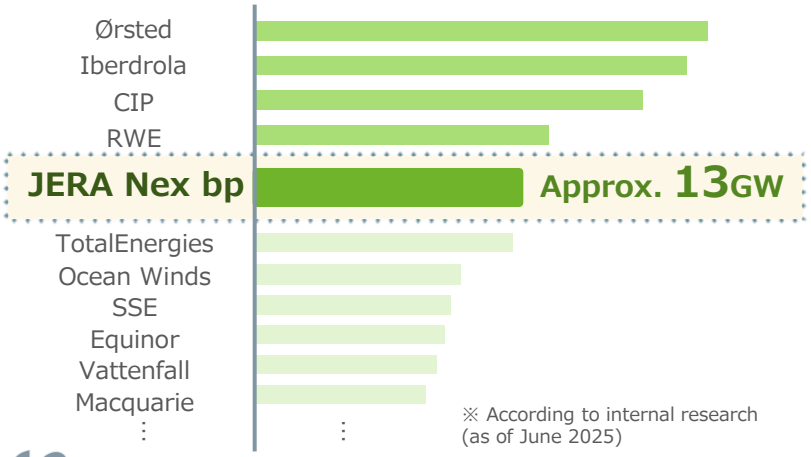
Step 2
Establishing a "glocal" system
2024–2025

Today

Step 3
Pursuing collaboration
2025–

Global Offshore Wind Capacity Ranking

JERA Nex bp to become the **5th largest** in the world



※ According to internal research (as of June 2025)

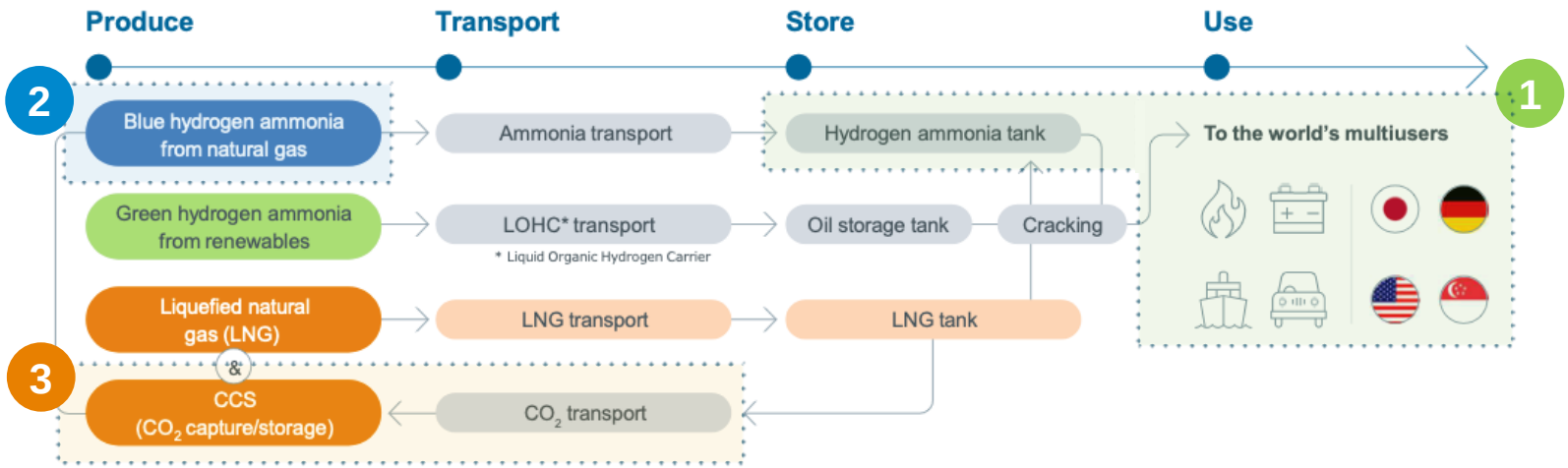
Building and Strengthening Capabilities Across the Hydrogen & Ammonia Value Chain, from Upstream to Downstream

1 Successful demonstration test of 20% fuel ammonia substitution at the Hekinan Thermal Power Station. Accelerating construction work toward commercial operation

2 Final investment decision in the Blue Point project in Louisiana, USA, to develop the world's largest low-carbon ammonia production facility

3 Looking ahead to LNG decarbonization, carefully selecting CCS projects and advancing efforts to build the necessary capabilities

Building the Hydrogen & Ammonia Value Chain as Indicated in the Growth Strategy



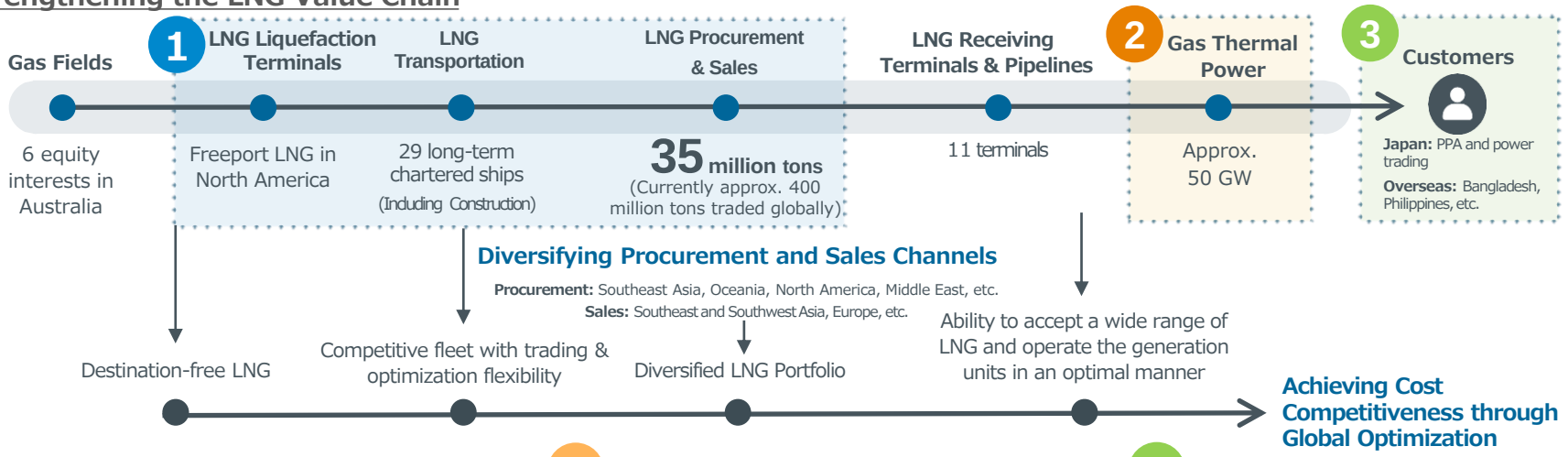
Reassessing LNG Procurement Strategy: Securing Up to 5.5 Million Tons Annually from the U.S.

- Gas/LNG is the only solution that can promptly respond to electricity demand growth driven by data centers
- From 2030s and on, much of Asia's LNG demand will not be supplied with long-term contracts, while rising construction cost makes it harder to secure competitively priced supply

- It is becoming increasingly important to build a well-balanced portfolio that includes supply from the Middle East, Asia, and the U.S. to diversify regional risk
- In Japan, domestic LNG demand is becoming more volatile (as detailed in the next section), making supply flexibility increasingly important

- While reviewing our LNG procurement strategy, we are steadily strengthening the LNG value chain — including power supply to data centers and enhancing domestic power trading

Strengthening the LNG Value Chain



1 US LNG procurement

- New procurement of up to 5.5 million tons of US LNG
- Secured flexibility through destination-free contracts
- LNG transport capacity will expand over time, positioning JERA as the world's leading LNG players.
- Building a diversified LNG portfolio and expanding sales in high-growth markets, particularly in Asia

2 Data Center Integration

- Signed a basic agreement with Sakura Internet to explore the development of new data centers integrated with power infrastructure
- Accelerating data centers development essential for Japan's industrial transformation by strengthening collaboration between power and telecommunications

3 Power Trading Expansion

- Expanded collaboration with EDF Trading beyond coal and LNG to include domestic power trading business
- Through integrated optimization operations, leveraging JERA Global Market's high-quality trading business foundation for domestic power trading business in Japan

Ongoing Priority: Ensuring Competitiveness and Flexibility while Maintaining Stable Supply at the kW·kWh Level

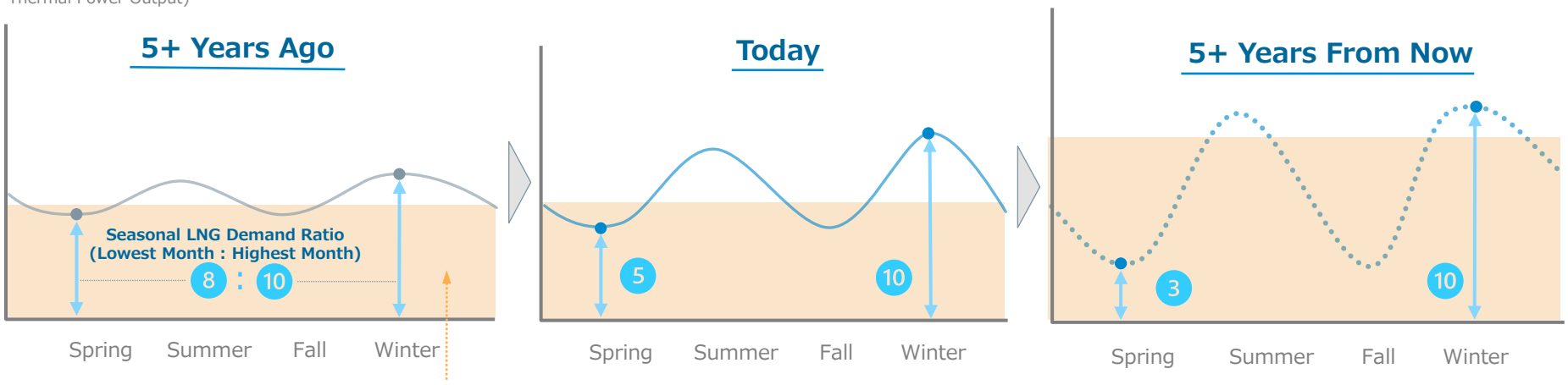
kW

- Ensuring a stable energy supply to Japan remains at the core of JERA's mission
- Since its establishment, JERA has completed replacement work on thermal power plants totaling approximately 7.3 GW in total, securing new generation capacity and contributing to improvements in the national reserve margin (kW level)

kWh

- For a stable energy supply, securing not only generation capacity (kW) but also total energy output (kWh) —that said, stable procurement of power generation fuel—is important
- By strategically shifting investment to LNG, JERA aims to enhance supply stability while maintaining cost competitiveness and supply flexibility
- Long-term contracts play an important role in price stability, shielding domestic electricity prices from global energy market volatility
- With aging oil-fired power plants and growing renewable energy penetration, fluctuations in demand for gas-fired generation and seasonal disparities are expanding year by year. This makes flexibility in fuel supply more essential than ever
- In addition to enhancing the LNG supply flexibility, coal thermal power plants will be utilized to mitigate the seasonal disparities*

Growing Seasonal Disparities in LNG Demand in Japan



Orange shaded areas show LNG volumes procured under long-term contracts (stable year-round)

Note: Graphs are illustrative based on JERA estimates

* In line with the 7th Strategic Energy Plan, coal-fired power generation—especially from inefficient units—will be curtailed during off-peak periods to help ease spikes in LNG demand.

II. Driving Green Transformation (GX) Through Regional Revitalization and Industrial Value Creation

Energy for a New Era

Co-creating Decarbonization Solutions: GX Development × Regional Revitalization and New Industrial Structures

- Costs for building GX supply chains are increasing due to global inflation and rising material/equipment costs from interest rate hikes
- To embed GX across society requires promotion alongside the creation of high-value-added industries

- In rural areas, although local producers generate high-quality agricultural, fishery, and other products using abundant natural capital, due to systemic factors profits are not returned to the region, leading to regional and industrial hollowing out
- By co-creating a model that ensures profits are returned to the people who produce value, we aim to build a local production–local consumption system for clean electricity in partnership with local industries

- In industrial areas, we are promoting the transformation of industrial structures by developing shared infrastructure for receiving and distributing hydrogen, ammonia, and other clean fuels across multiple sectors
- Through a “clean industry ecosystem” – where products made from clean feed stock and fuels are passed across sectors– JERA aims to deliver highly differentiated final products to society

Local Community: Preventing Regional and Industrial Hollowing-Out

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JERA: Abundant Resource for renewable energy development X JERA’s Development Capability

GX Development Integrated with Regional Development

Co-Creation of Regional Development

- Maximum Use of Local Natural Capital
- Creating Industry Modes that Return Profits to the Local Community

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Local Production and Local Consumption of Offshore Wind Power

Enhancing Global Competitiveness Via High-Value Industry Transformation

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Industry Clusters Surrounding JERA’s Hydrogen/Ammonia Fuel Supply Hubs

GX Development Integrated with High-Value Industry Transformation

Co-Creation of High-Value Industries

- Fuel/Feed Stock Conversion
- Process Shift
- Joint Value Transformation

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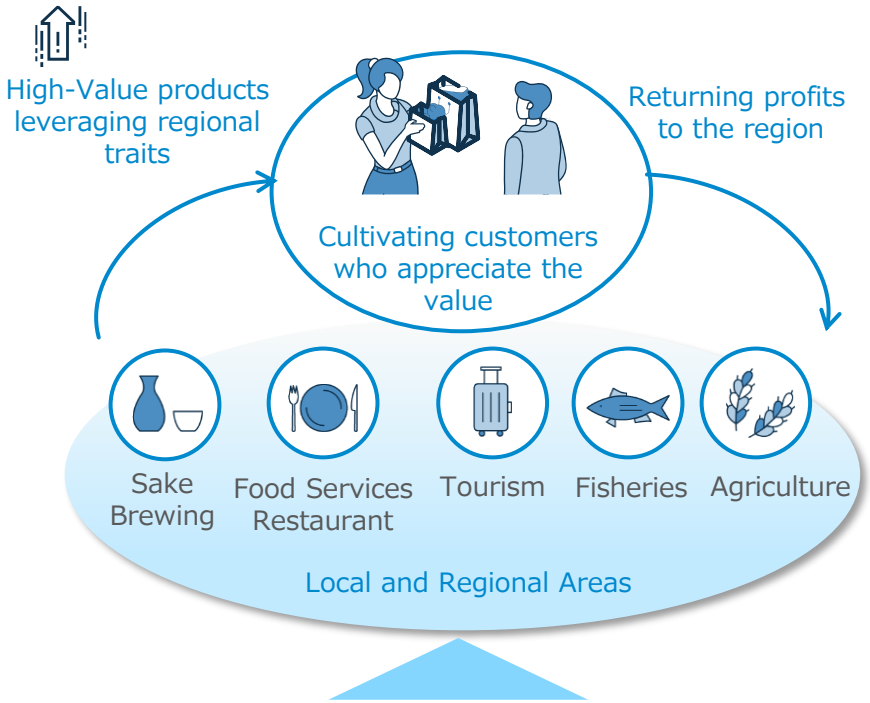
Shared Hydrogen & Ammonia Receiving and Distribution Infrastructure

Shifting JERA to “A Company Generating Shared Value Through Energy”

Enhancing Regional Industries Through Local Renewable Energy Use

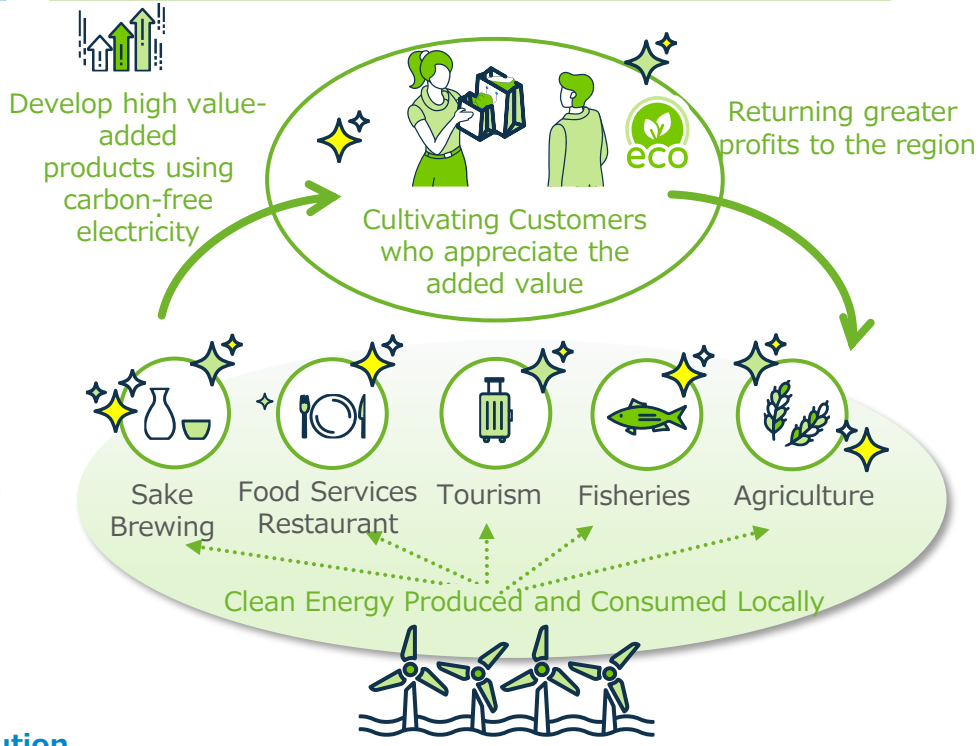
- Co-creating mechanisms to sell high-value-added products and services using local natural capital at fair prices
- Build a local production–local consumption model where seafood and agricultural products produced with carbon-free electricity are accepted by environmentally conscious consumers as higher-value goods

STEP 1
Create a Mechanism to Return Profit to the Region



JERA : Supporting New Sales Channels and New Distribution Frameworks in collaboration with Local Governments

STEP 2
Further Enhancing Added Value through Carbon-Free Electricity

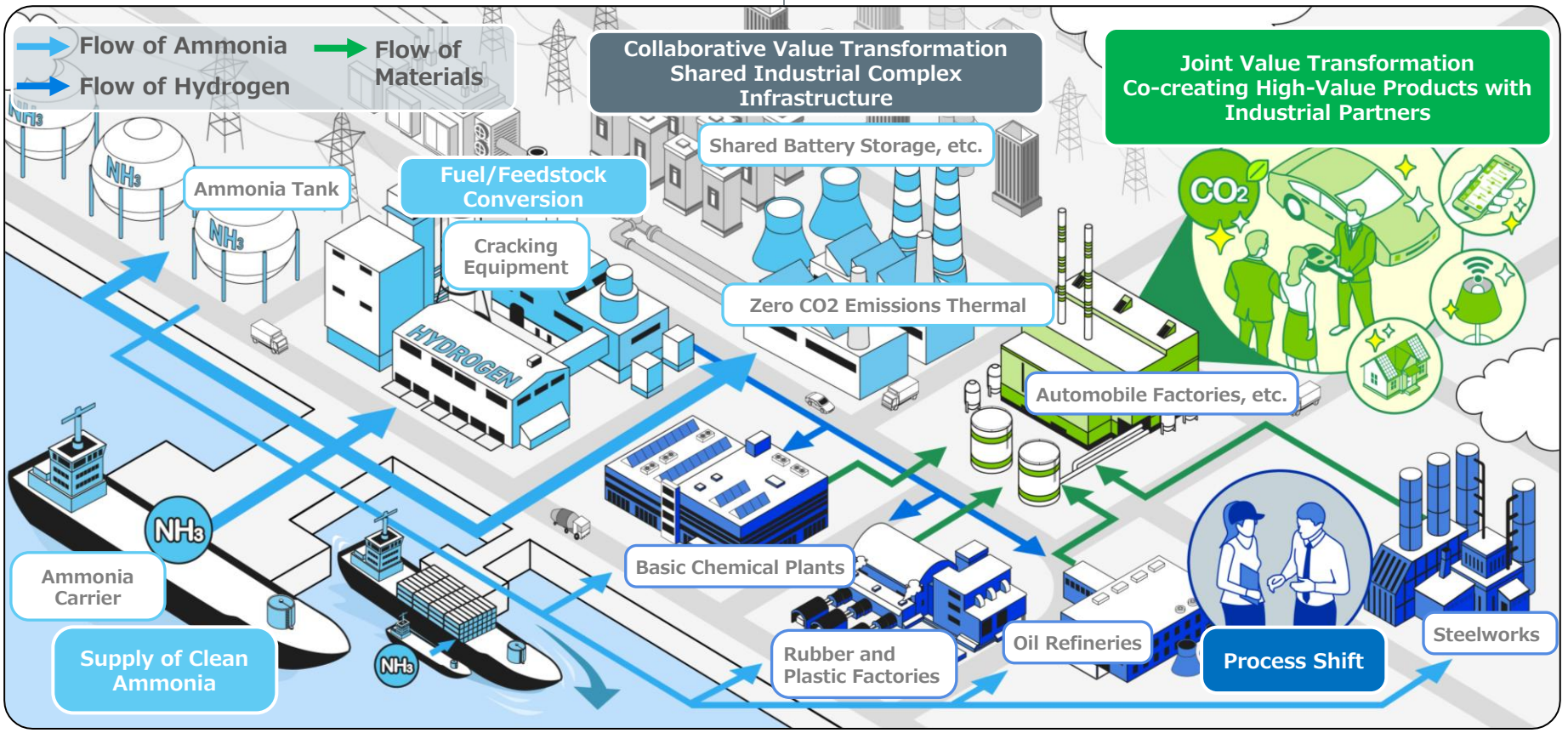


JERA : Offshore Wind Power & Energy Services

Creating Value through a New Industrial Linkage Model Using Clean Fuels

- Collaborating with customers (partners) who aim to transition to carbon-free energy (e.g., hydrogen and ammonia) by jointly utilizing shared infrastructure to enhance the overall value of entire industries clusters in the industrial complexes

- Transforming large-scale hydrogen & ammonia fuel bases for zero emissions operations at JERA thermal power plants into decarbonized heat source and feed stock supply bases for industrial complex
- Support the conversion of basic chemicals plants, rubber and plastic plants, oil refineries, etc. in adjacent industrial complexes, through process shifts and digital transformation (DX)



※Cracking : A chemical reaction that breaks down large molecules into smaller ones. Ammonia Cracking refers to the thermal decomposition of ammonia into hydrogen and nitrogen, enabling the extraction of hydrogen.

Toward a Prosperous Society Rooted in the Green Transformation (GX)

- Tailored energy solutions such as gas/LNG, hydrogen/ammonia, and renewables are offered at prices that reflect their respective value and characteristics
- Developing Mechanisms to deliver energy at fair value-based prices while driving regional revitalization and industrial value creation
- Embedding GX as a meaningful and valuable part of the society

JERA aims to realize a prosperous society where valuable offerings can be delivered and consumed at fair value

Valuable Options Offered at Value Reflective Prices

Gas & LNG
A stable, low-carbon energy source capable of responding to increasing/fluctuating demand

Hydrogen & Ammonia
Carbon-free energy source capable of responding to fluctuating demand

Renewables
Domestically produced carbon-free energy

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Co-creating and Delivering Quality at a Fair Price

Regional Development (Agriculture, Fisheries, and Forestry Industries, Etc.)
Adds value to local strengths through local renewable use and digital transformation (DX).
⇒ Partnership with municipalities and local industry

Industrial Value Enhancement (Industrial Complexes, Etc.)
Adds value to local strengths through local renewable use and digital transformation (GX)
⇒ Partnership alliances with neighboring businesses

Realizing a society where GX is firmly embedded

（Reference）Progress of Thermal Power Generation Replacement – Building up Capacity to Ensure Stable Supply of Electricity