



# **JERA's Initiatives to Foster Evolution in the Asian Market**

November 24<sup>th</sup>, 2016

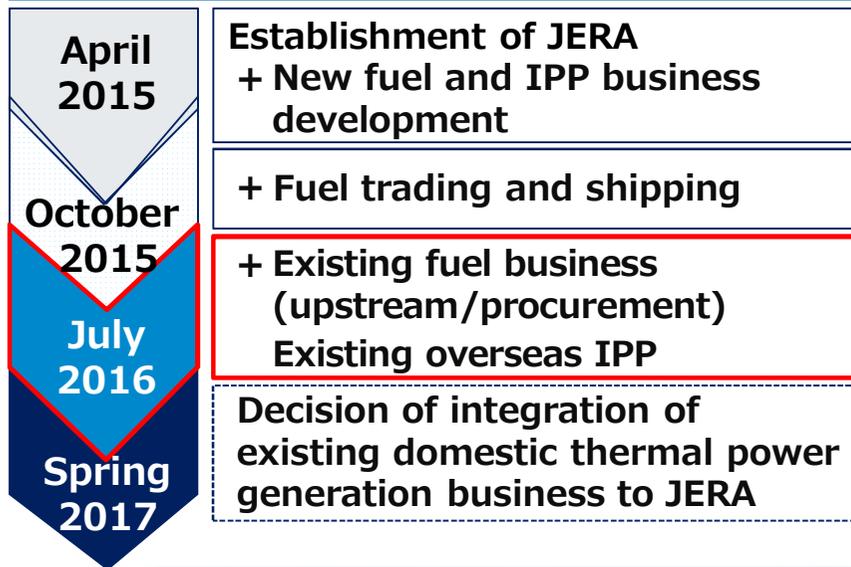
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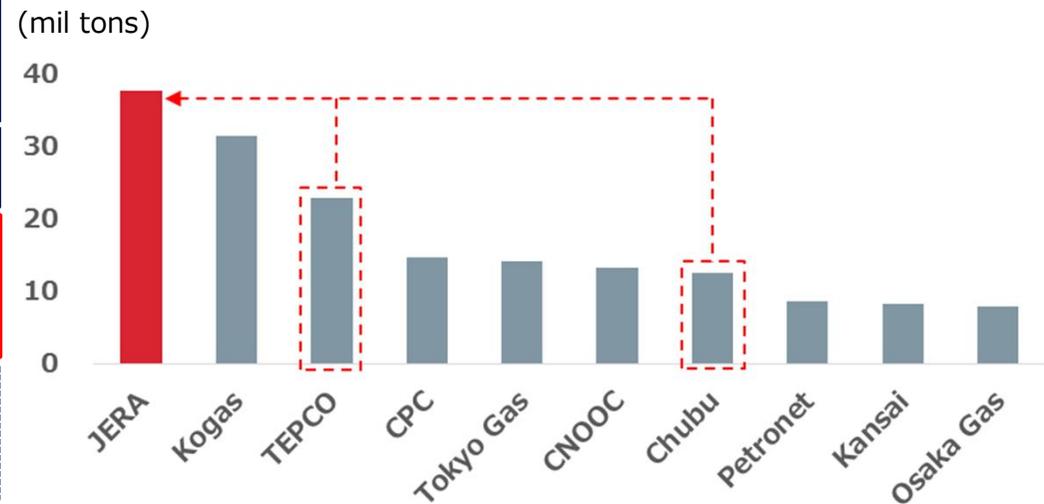
# 1. JERA's Evolution

JERA has succeeded to TEPCO Fuel & Power and Chubu's existing fuel business and the overseas power generation business, and aims to become one of the world's leading energy firms.

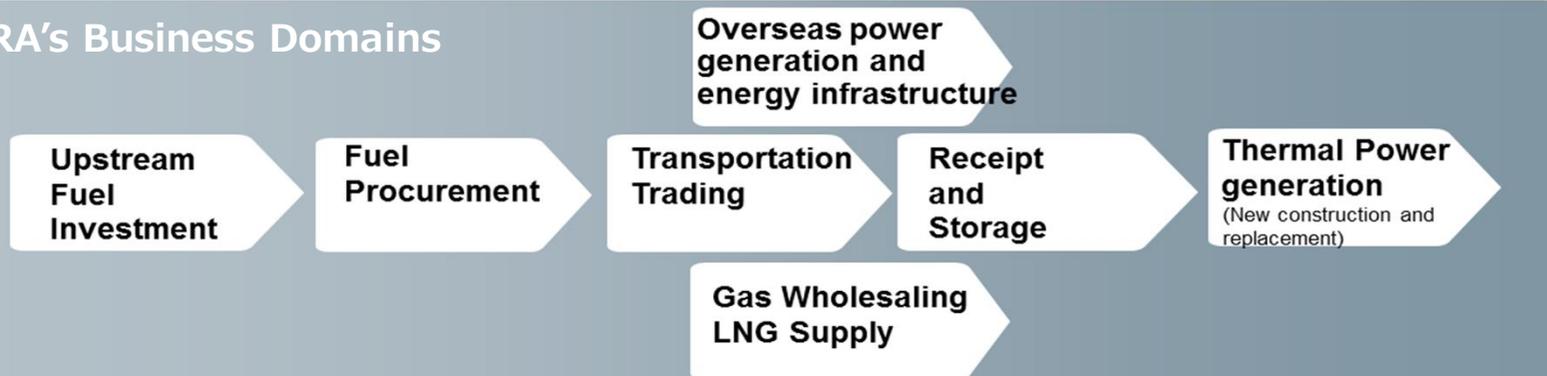
## Roadmap of Comprehensive Alliance



## Scale of LNG Procurement

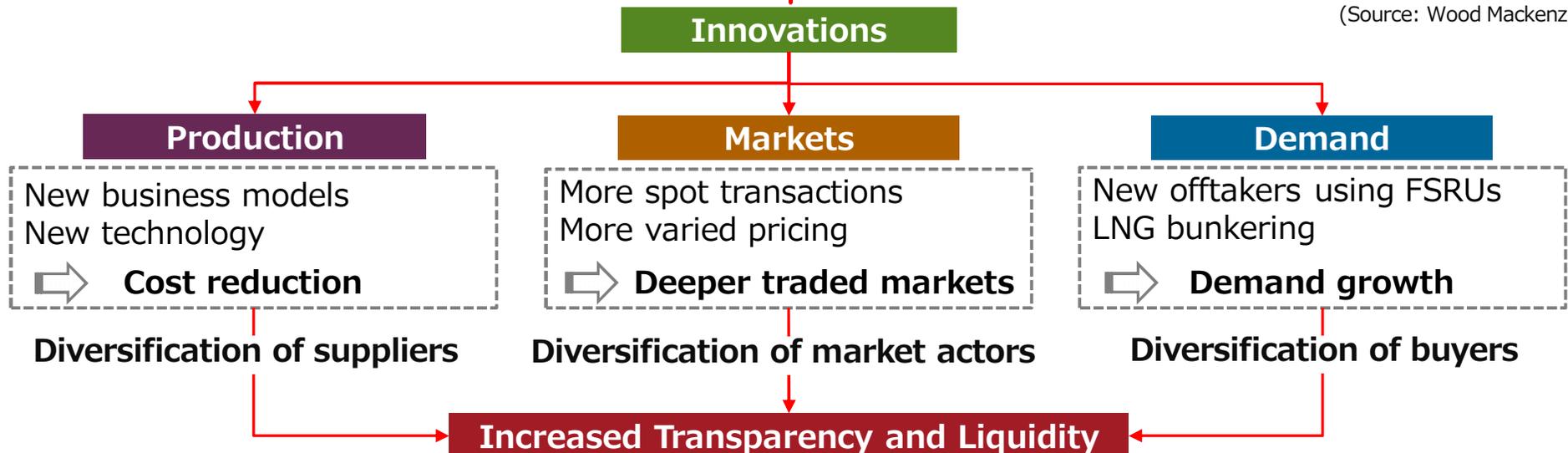
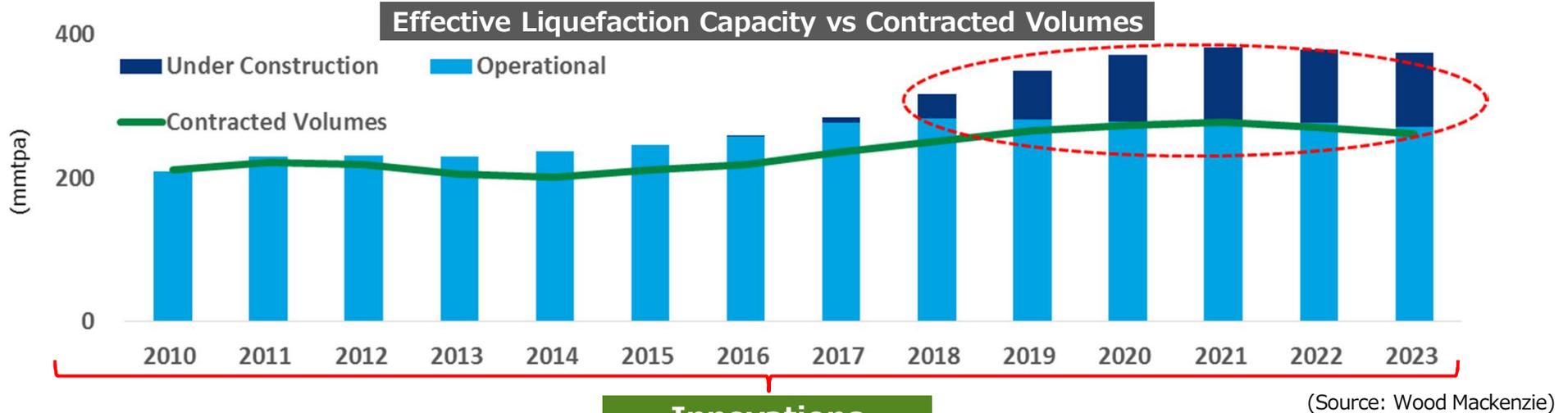


## JERA's Business Domains



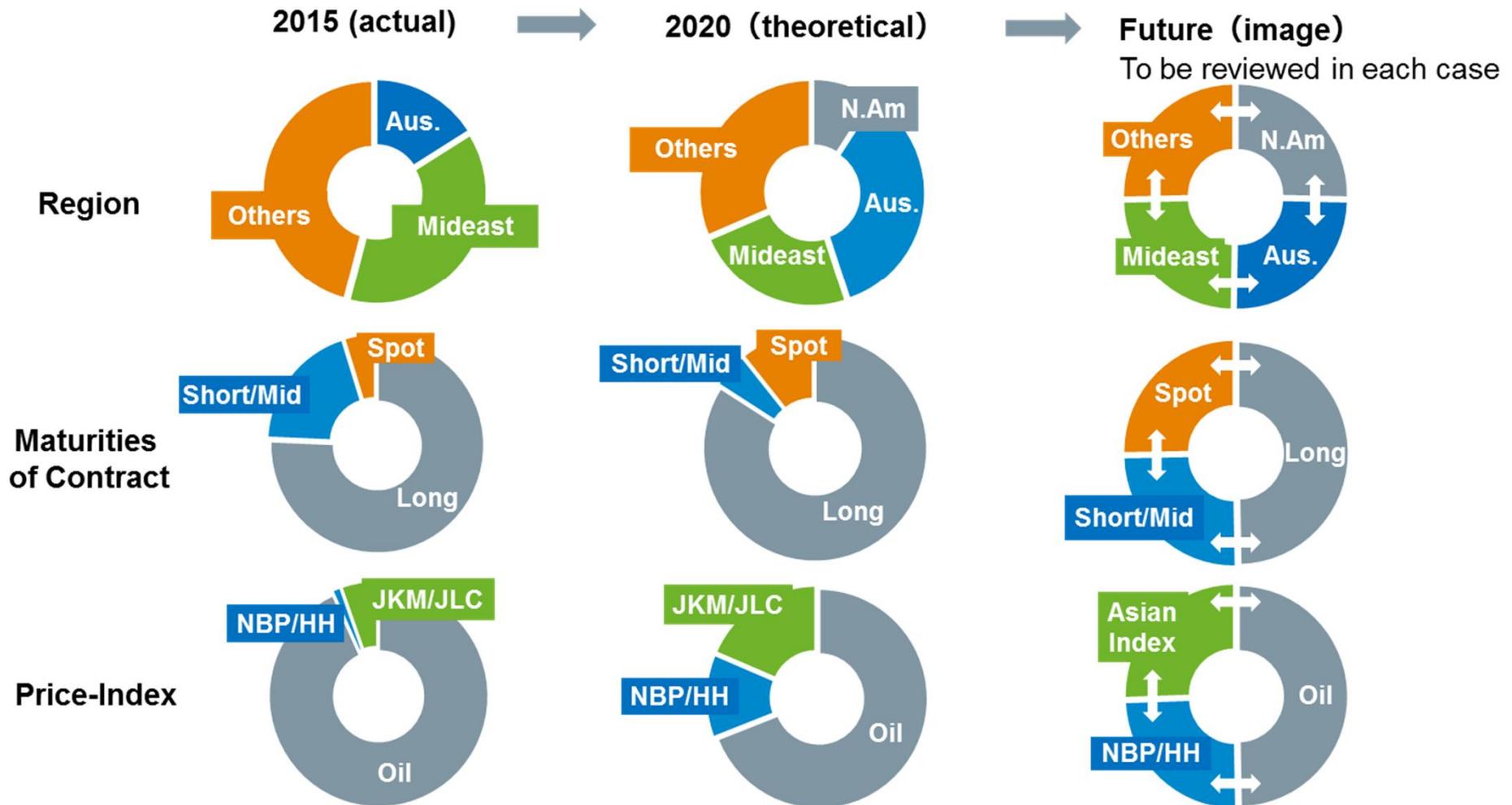
## 2. Changes in the Global LNG Market Potential Supply-Demand Imbalance and Innovations

The expected over supply of LNG from 2018 will have an enormous impact on the market and open the way to significant innovation.



# 3. JERA's LNG Procurement Strategy

JERA will maintain world top-class LNG procurement volume to provide economical, flexible and stable LNG supply to customers and expand LNG business.



## 4. JERA's Initiatives

JERA strategically supports;

### Innovation in LNG projects

JERA supports...

- ✓ Using innovative technology in production and transportation area
- ✓ New business models for LNG project development
- ✓ Innovative flexibility and price terms
- ✓ Innovation in sale of LNG from fully depreciated existing projects

By way of...

- ✓ Robust offtake ability
- ✓ LNG project participation
- ✓ New offtaker consortium leadership

### Innovation in LNG markets

JERA supports...

- ✓ Expansion of traded LNG volume
- ✓ LNG price indices appropriate for Asian market

By way of...

- ✓ Enhanced trading platform
- ✓ Innovative use of price indices
- ✓ Use of new price indices in longer term SPAs
- ✓ Use of LNG tanker fleet to increase market liquidity