



# STORAGE

## TERMINALS MAGAZINE

### **JERA unveils 2035 growth strategy leading decarbonisation as a responsible energy solutions provide**

JERA Co. Inc. has announced a new growth strategy that integrates strategic business pillars and organisational strengths, marking a realistic pathway towards 2035 and ultimately its 2050 zero emission goals. Amidst complex and rapidly changing global energy dynamics, JERA's strategy ensures agility and efficiency, further solidifying its leadership in addressing the energy trilemma: achieving sustainability, affordability, and stability simultaneously.

Leveraging its world-class business acumen and recent evolutionary strides, JERA strategically emphasises three key business pillars: LNG, renewables, and hydrogen & ammonia—a sector pioneered by JERA. These pillars bring complementary synergies instrumental in driving steady and reliable progress toward decarbonisation. They can be dynamically tailored to deliver optimal solutions that align with the unique geographic and economic characteristics of each customer, region, or country.

JERA has set the following goals for the three business pillars by fiscal year 2035:

**LNG:** JERA targets more than 35 million tonnes of transaction volume, positioning itself as one of the world's largest LNG integrated value chain players.

**Renewables:** JERA aims to achieve 20 GW (gigawatts) of capacity, becoming one of the leading players in the renewables industry.

**Hydrogen & Ammonia:** JERA targets approximately 7 million tonnes of handling volume, pioneering the global hydrogen & ammonia value chain.

Based on its business strengths, JERA has organised its operations into three key areas: business development, optimisation, and O&M. This structure is bolstered by top-tier experts from both Japan and around the globe, who collaborate extensively with business groups. Such a setup ensures the agility and scalability required for effective cross-regional collaborations.

The unique integration of JERA's strategic business pillars with robust organisational support sets the company apart as a global leader in the energy sector, unmatched in its capability to deliver energy transition goals together with its partners worldwide.

Yukio Kani, global CEO and chair, stated, "At JERA, we are not just adapting to the evolving global energy landscape; we are actively setting the pace. With our new growth strategy, we are positioning ourselves at the forefront of the energy transition. Our vision will be made possible through strategic collaborations with our global partners. Built on mutual goals and a culture of diversity and openness, we and our partners will join forces to embark on a journey to transform the energy sector."

Additionally, JERA announced its financial strategy and key financial targets. JERA aims to reach a consolidated net profit of 350 billion JPY and an EBITDA of 700 billion JPY. It plans a total cash flow investment of 5 trillion JPY (1-2 trillion JPY for each business pillar of LNG, renewables, and hydrogen & ammonia) with built-in flexibility to make allocation changes between the three business areas in response to external changes. Target levels for capital efficiency (ROIC-WACC spread) and financial soundness (Net DER and Net Debt/EBITDA) are set in line with or exceeding global peers.

Hisahide Okuda, president, director, CEO, and COO, added, "With strong emphasis on capital market valuation comparing with global peers, JERA has set clear financial targets for profitability, capital efficiency, and financial reliability to be achieved by 2035. JERA will actively allocate total capital investment of 5 trillion yen, flexibly adjusting the investment balance across three business areas in response to market trends, technological innovations, and global policy shifts."

JERA is also progressing toward creating zero emissions in thermal power generation and has set ambitious but realistic environmental targets. JERA is committed to reducing CO<sub>2</sub> emissions intensity by 20 percent by 2030 and total CO<sub>2</sub> emissions by 60 percent by FY2035, before achieving zero CO<sub>2</sub> emissions from its domestic and overseas operations by 2050. To achieve these targets, JERA will phase out inefficient coal-fired thermal power by FY2030 and intends to convert 100 percent of other coal-fired power generation to ammonia by the 2040s, ultimately eliminating coal completely.

JERA's efforts are not limited to CO<sub>2</sub> alone. The company has succeeded in reducing NO<sub>x</sub> and SO<sub>x</sub> emissions to the lowest level globally and aims to deliver further reductions through the adoption of new technologies such as low-NO<sub>x</sub> burners.

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