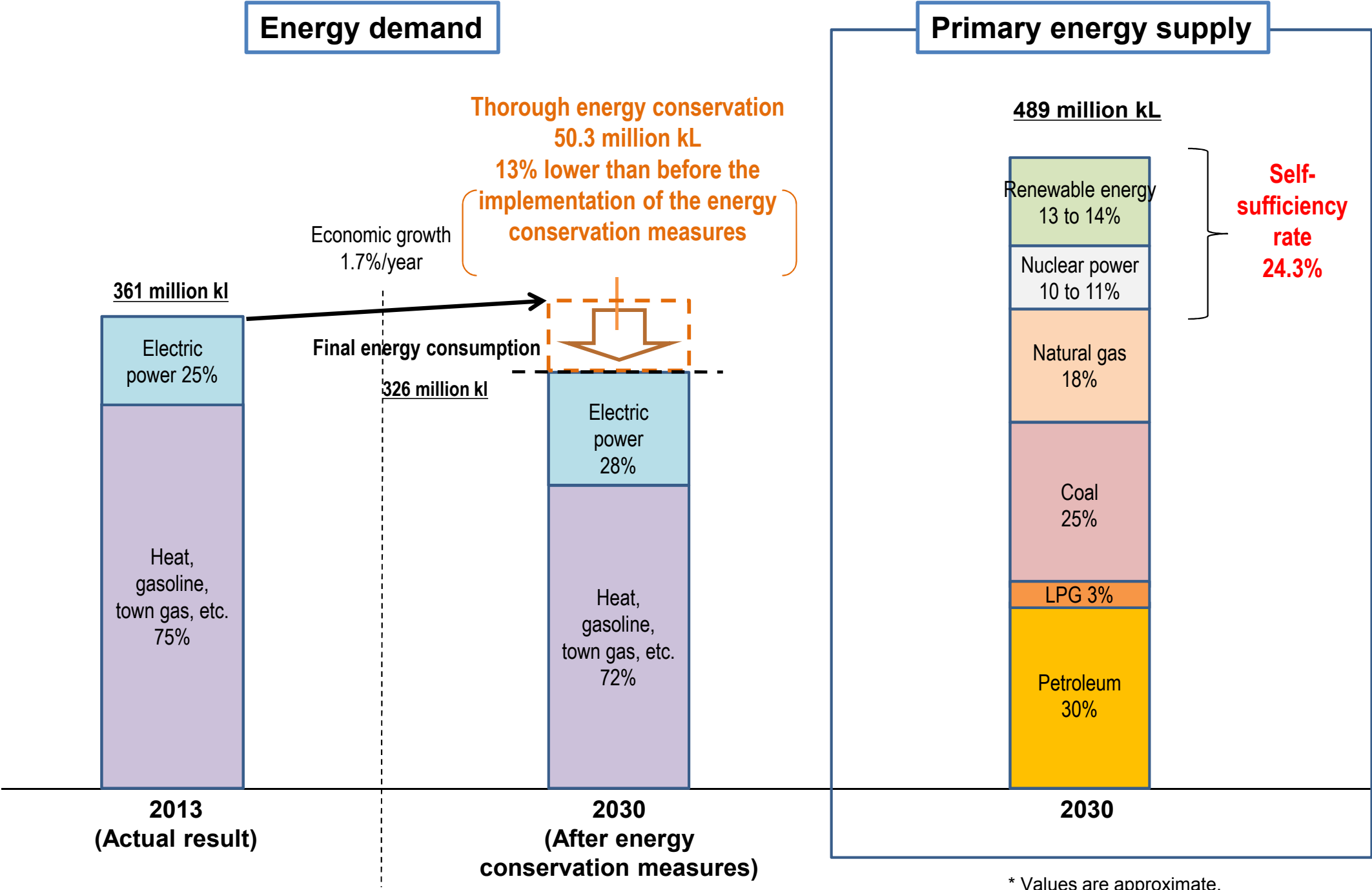


1. Energy demand and primary energy supply



2. Japan continues to be the largest LNG player despite its demand decrease

Ratio of Each Energy Source in Primary Energy Supply

	1970	2010	2012	2030
Fossil Fuel	92%	82%	92%	76%
Others	8%	18%	8%	24%

	1970	2010	2012	2030
Oil	70%	40%	44%	33%
Coal	21%	23%	23%	25%
Natural Gas	1%	19%	25%	18%

	1970	2010	2012	2030
LNG	1 million ton	71 million ton	90 million ton	62 million ton

3. Energy Market Reform

➤ The first comprehensive electricity and gas market reform in 60 years

3 Objectives

- 1) Securing a stable supply of electricity and gas
- 2) Suppressing electricity and gas rates to the maximum extent possible
- 3) Expanding choices for consumers and business opportunities

Full liberalization of the retail energy market

➤ Electricity

Law enacted in June 2014, to be implemented from 2016



Gas

Law enacted in 2015, to be implemented from 2017

Legal unbundling of transmission/ distribution sector, and abolishing retail price regulations

➤ Electricity

Law enacted in June 2015, to be implemented from 2020

Gas

Law enacted in 2015, to be implemented from 2022

4. Japan's supply source

- Japan has tried to mitigate supply disruption and secure stable supply by diversifying supply sources. In June 2014, Papua New Guinea became a new supplier.
- Japan has a diversified portfolio with the largest supplier only accounting for 20% of total supply and the Middle East dependency at 30%.

