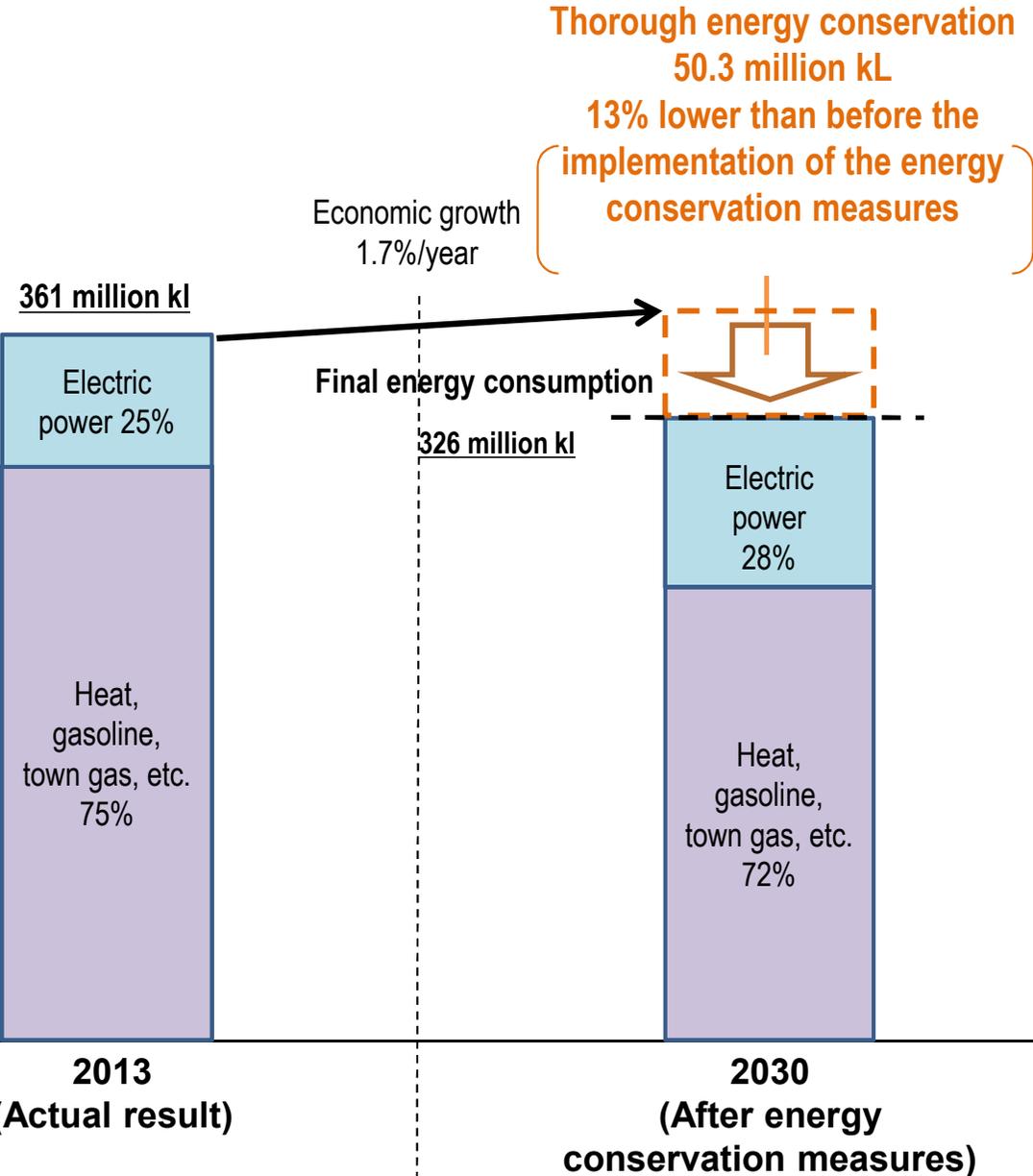
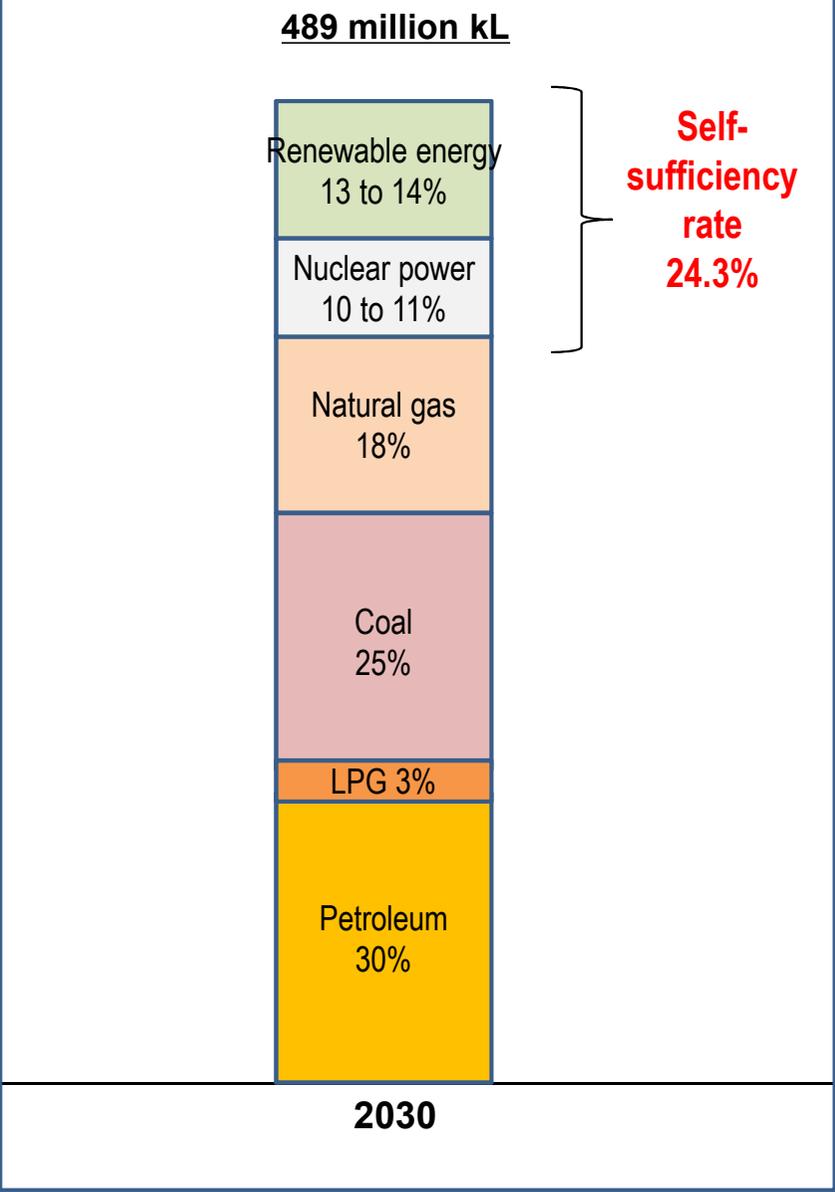


1. Energy demand and primary energy supply

Energy demand



Primary energy supply



* Values are approximate.

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

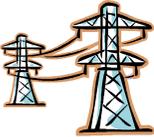
Full liberalization of the retail energy market

➤ 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

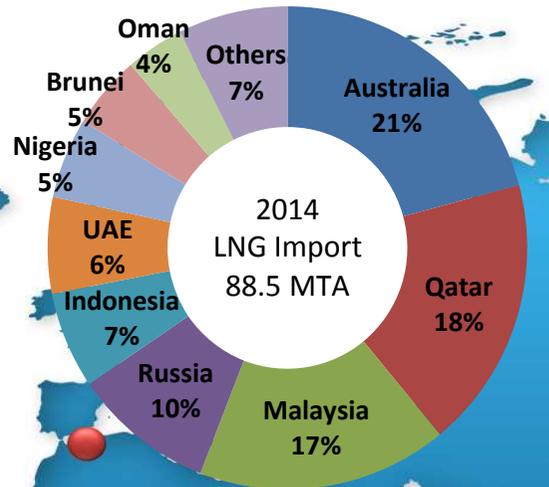
Law enacted in June 2015, to be implemented from 2020

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%.



<production> ● (Red)
 <under construction> ● (Green)
 <planned> ● (Black)



(Canada)
LNG Canada Project (2021-, 13MTA)
Pacific Northwest LNG Project (2019-, 12MTA)

(Southeast Asia)
Abadi Project (7.5MTA)

(U.S.A)
Sabine Pass Project (2016-, 18MTA)
Freeport Project (2018-, 13.9MTA)
Cove Point Project (2017-, 5.8MTA)
Cameron Project (2018-, 12MTA)

(Mozambique, Nigeria)
Rovuma Area 1 (2019-, 12MTA)
Brass LNG Project (10 MTA)

(Australia)
Wheatstone LNG Project (2016-, 8.9MTA)
Ichthys LNG Project (2017-, 8.9 MTA)
Prelude FLNG Project (2017-, 3.6MTA)