Opening Remarks

January 7th ,2025

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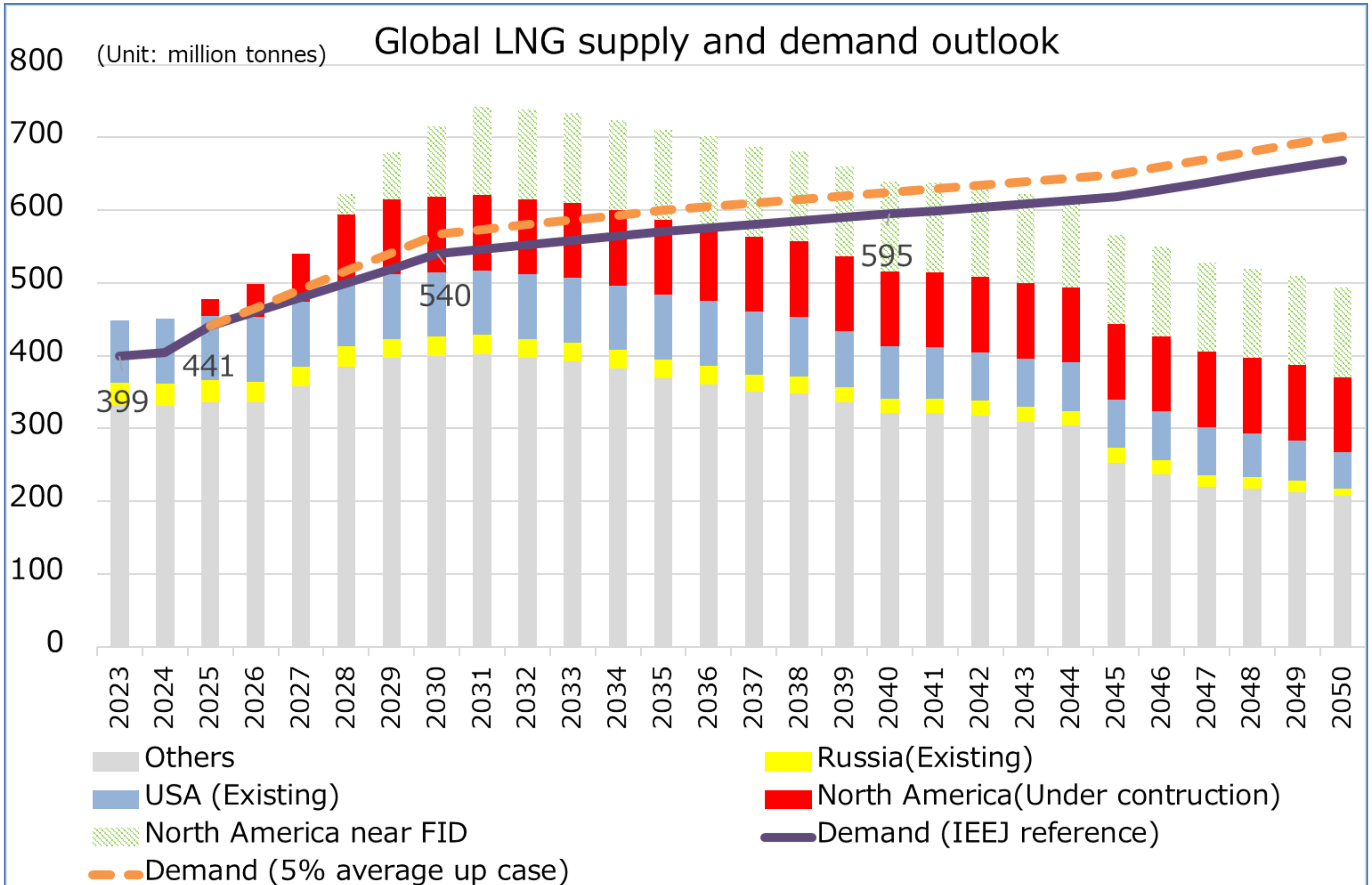
Global LNG Supply and Demand Outlook

- While global supply grows fast, the role of USA is large.
- If one large project fails, S&D would be suddenly tight.
- There is also uncertainty of Russian existing LNG.



(Source) "IEEJ Energy Outlook 2024"

List of Delayed LNG Projects Under Construction

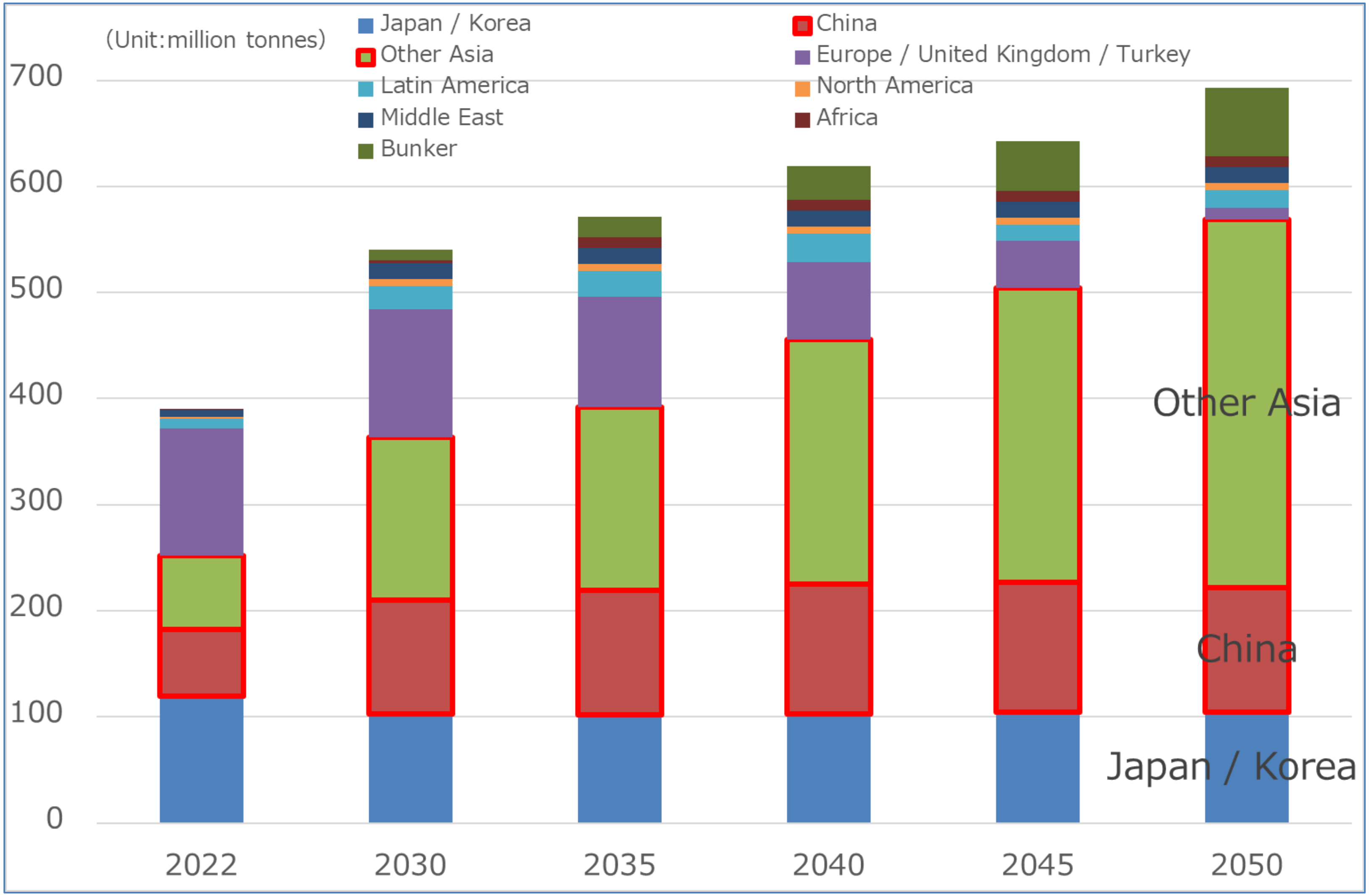
- Delays are seen in the below LNG projects under construction.

Country	Project	Before	After	
USA	Golden Pass Train 1 Golden Pass Train 2 Golden Pass Train 3	2Q2024 (as of 3Q2023) 4Q2024 (as of 3Q2023) 1Q2025 (as of 3Q2023)	Dec-2026 (as of 3Q2024) Jun-2027 (as of 3Q2024) Dec-2027 (as of 3Q2024)	(*1)
Mozambique	Mozambique Area 1 LNG	2024 (at FID in 2019)	2029 (as of 4Q2024)	(*2)
Mauritania/ Senagal	Greater Tortue FLNG	1H2022 (at FID in 2018)	2025 (as of 4Q2024)	(*3)
Nigeria	Nigeria T7	2024 (at FID in late 2019)	2026 (as of 4Q2024)	(*4)

(*1) "U.S. Liquefaction Capacity" (EIA)
(*2) TotalEnergies(Operator)
(*3) bp(Operator)
(*4) estimated based on progress of work

Asia in the Global LNG Demand Outlook

- LNG Demand increases mainly in Asia, especially Southeast Asia and South Asia (showed in “Other Asia”).

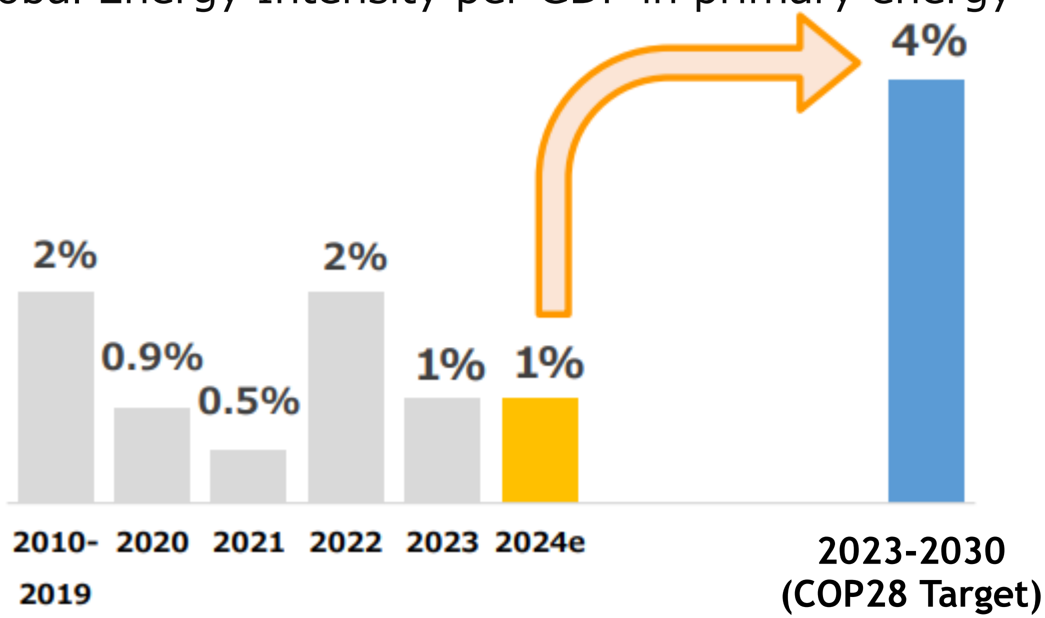


(Source) “IEEJ Energy Outlook 2024” Reference Case

Global Energy Intensity

- In 2022, the global energy intensity improved mostly due to the Ukraine War.
- In 2023 and 2024, the improvement levels were only 1%.
- Considering the past trend, it would not be easy to achieve COP 28 target by 2030.
- Natural Gas/LNG is expected to play an important role to fill the gap caused by the lower efficiency improvement.

Global Energy Intensity per GDP in primary energy

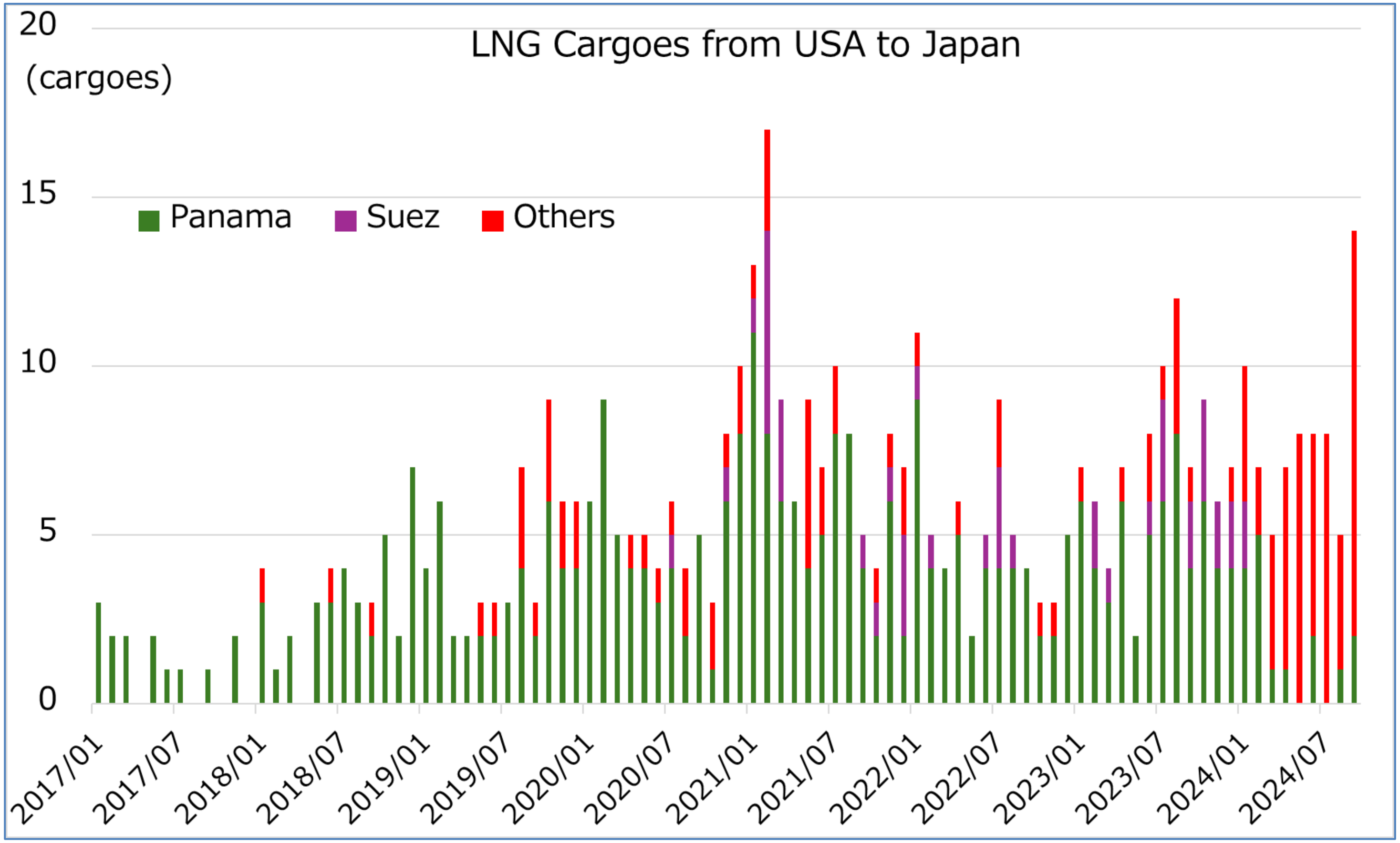


If the intensity keeps the 1% improvement until 2030, the energy consumption would be **28% larger** than the energy consumption calculated based on the COP28 target of a 4% improvement.

(Source) IEA (2024) “World Energy Balances”

Panama Canal Bottleneck

- Panama and Suez Canal bottlenecks have made the route via Cape of Good Hope as default.
- LNG cargoes from the West Coast of America to Asia would be favored from the perspective of shorter voyage days.



(Source)ICIS data

Other Points for LNG's Future

- <u>Finance for fossil energy development projects</u>
  - ✓ ADB: For downstream especially gas-fired power
  - ✓ Others: GFANZ, EU Taxonomy, JETP and their issues
- <u>LNG supply security</u>
  - ✓ Long-term stability, flexibility and diversification
  - ✓ Japan's 7th Strategic Energy Plan and the role of LNG
- <u>GHG emission management</u>
  - ✓ Japan's "CLEAN" initiative
  - ✓ E-methane (E-NG)
- <u>Cooperation with other Asian countries</u>
  - ✓ JUSEP (Japan-US Strategic Energy Partnership)

G7 Statement in Italy (2024)

Fossil Fuels

- We will transition away from fossil fuels in energy systems in a just, orderly, and equitable manner, accelerating actions in this critical decade, to achieve net-zero by 2050 in keeping with the best available science.
- We commit to ensure our international public support for the energy sector is fully prioritized towards supporting the clean energy transition including scaling-up such support for clean energy and including full implementation of our commitment to end new direct public support for the international unabated fossil fuels energy sector except in limited circumstances clearly defined by each country consistent with a 1.5°C warming limit and the goals of the Paris Agreement, recognizing the importance of national security and geostrategic interests.

2024 G7 in Italy, Statement on LNG

LNG

- In this context, we stress the important role that increased deliveries of LNG can play and acknowledge that investment in the sector can be appropriate in response to the current crisis and to address potential gas market shortfalls provoked by the crisis.
- In the exceptional circumstance of accelerating the phase-out of our dependency on Russian energy, publicly supported investments in the gas sector can be appropriate as a temporary response, subject to clearly defined national circumstances, if implemented in a manner consistent with our climate objectives without creating lock-in effects, for example by ensuring that projects are integrated into national strategies for the development of low-carbon and renewable hydrogen.