

Shizuoka Gas Signs Heads of Agreement with JERA
for the Sale and Purchase of LNG

Shizuoka Gas Company, Ltd. (“Shizuoka Gas”) is pleased to announce that it has entered into Heads of Agreement (“HOA”) with JERA Co., Inc. (“JERA”) for the sale and purchase of Liquefied Natural Gas (“LNG”).

This HOA is a portfolio contract for five years beginning in 2022 in which JERA is the seller, and the LNG price is not linked to crude oil price but to the US natural gas market index.

The LNG will be supplied to Shizuoka Gas’s LNG receiving terminal, Shimizu LNG Sodeshi Terminal. In addition, this HOA allows Shizuoka Gas to divert the LNG to the other destinations for the purpose of adjusting Shizuoka Gas’s LNG supply and demand balance or LNG trading. Shizuoka Gas considers this HOA will contribute to enhancing the flexibility of Shizuoka Gas’s LNG procurement portfolio and the diversification of Shizuoka Gas’s LNG price indices.

Shizuoka Gas will make efforts to proceed detailed discussions with JERA to conclude an unconditional LNG sale and purchase agreement.

■ Overview of HOA

Seller	JERA Co., Inc.
Buyer	Shizuoka Gas Company, Ltd.
Contract Term	April 2022 to March 2027 (5 years)
Contract Quantity	1 cargo (approx. 70,000metric tons) per year
Delivery Mode	DES