



December 19, 2023

Summary of Remarks by JGA Chair HONJO Takehiro

1. Trends of e-methane

At the recent 2023 United Nations Climate Change Conference (COP28) in Dubai, it was agreed to "Transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade".

At this COP28, the Japan Gas Association also participated in UNFCCC events and other events to introduce Japan's e-methane initiatives to the world.

The city gas industry will continue to work toward social implementation of e-methane as a path to carbon neutrality.

In Japan, the government's GX (Green Transformation) Executive Committee has presented the items to be supported by the GX Economic Transition Bonds, and is discussing how to support hydrogen and other related technologies, including e-methane.

The "Subcommittee on Hydrogen and Ammonia Policy" has proposed concrete plans for the applicable conditions and targets of support in the direction of such support.

Based on the interim summary presented, we hope that it will be reflected in policy as soon as possible.

As for the domestic methanation demonstration project, it was

announced on December 4 that nine companies, with Saibu Gas as the representative company, will collaborate to launch a joint methanation demonstration project at the Hibiki LNG terminal.

The project aims to reduce the production cost of e-methane by utilizing available local resources such as renewable energy.

Hokkaido Gas, Hiroshima Gas, and Nippon Gas are also participating in the project, and discussions are underway regarding the horizontal development of this business model in each region.

The Japan Gas Association also be involved in this project, and will promote demonstrations through the actual operation of e-methane environmental value transfer.

2. Looking back on 2023

In terms of LNG procurement, the year 2023 showed some signs of stabilization, but the situation remains unpredictable in light of the situation in the Middle East and other factors. Even under such circumstances, we feel that the year was marked by progress in the efforts of various operators and policy discussions toward the social implementation of e-methane.

We believe that this was a year in which local gas companies were able to promote activities that contribute to local revitalization as well as meet social needs, such as the decarbonization of the region.

In 2024, we will continue to respond flexibly to social trends and various changes, while also making firm efforts to become carbon neutral for city gas, which is a medium- to long-term issue.