J-POWER Group's Medium-Term Management Plan

The Japanese energy industry has emerged from an extended period of uncertainty regarding energy policy following the March 2011 earthquake and is entering an era of new challenges. The Long-Term Energy Supply and Demand Outlook up to 2030, which was adopted in July 2015, indicates a composition of electrical sources that include renewable energy, nuclear power, coal-fired power and other forms of energy, and also sets new CO₂ reduction goals geared towards international society. With regard to the deregulation of the electric power business, the amended Electric Power Business Law, adopted in June 2015, will completely deregulate retail electricity and eliminate regulations on wholesale electricity in FY 2016, followed by the separation of the electric power generation and distribution businesses. In response to these developments, the J-POWER Group formulated a Medium-Term Management Plan for addressing the challenges of further growth in the coming 10 years.

The figure below shows the relationship between the J-POWER Group's measures outlined in the Medium-Term Management Plan and the content of this report.

The business environment surrounding J-POWER Group

- →Intensifying market competition due to the electricity system reform
- → Uncertainty surrounding nuclear power policy
- →Climate change
- →Robust growth in electric power demand centered upon developing countries

J-POWER Group's strengths in finding opportunities in environmental changes

- → Competitive power plants producing large volumes of electric power
- →Abundant development pipeline
- →Excellent environmental technology enabling future business development
- →Track record in overseas business development

Responses to risks to overcome

→Initiatives to further reduce carbon emissions

Key concepts of the Medium-term Management Plan based on the above understanding of business environment and J-POWER Group's strengths

- → Realize growth in Japan by "Surviving the Competition in a Liberalized Market"
- → Enhancing "Overseas Business Expansion"
- →Further "Low-carbon Technologies" enabling greater business growth globally

Promotion of development of high-efficiency coal-fired thermal power plants and technology aimed at the next generation

- Development of high-efficiency coal-fired power in Japan
 - → Special Feature: Creating the Future of Coal-Fired Power Generation (pp. 7-12)
 - →Domestic electric power business (pp. 17-26)
- Technology development for higher-efficiency and low-carbon
 - → Special Feature: Creating the Future of Coal-Fired Power Generation (pp. 7-12)

Being competitive in the market created by liberalization and improvement of reliability of facilities

Improvement of efficiency of assets by screening businesses

Promotion of the Ohma Nuclear Power Project based on the premise of safety

→ The Ohma Nuclear Power Plant (pp. 13-16)

Expansion of renewable energy

- → Hydroelectric power (pp. 21-22)
- →Renewable energy (pp. 23-24)

Promotion of overseas power generation business

Overseas business (pp. 27-28)