# Value Creation Process







Fuel procurement

Transmission and transformation

Supply chain-integrated business model P.14

Investment, accumulation, and management of capital backed by strategy and goals Natural



capital









**BLUE MISSION** 

2050

P.25





Intellectual capital









Formulation of

strategy and

goals through

backcasting from material issues

Customers

Changes

in external

environment /

megatrends





















Local













Shareholders

Stakeholders

Enhancement of our business foundation

Medium-Term









**Medium-Term Management** Plan 2024-2026

P.26

Consolidated operating

¥1,316.6 billion

Consolidated ordinary profit

¥140.0 billion

#### Management commitment

meetings for Outside Directors Officers' compensation / Skill matrix

Output

**Enhance corporate** value through complementary financial and nonfinancial initiatives





Manufactured capital

CO<sub>2</sub> reduction goal P.25



Financial capital

Input

P.13

Achievement of our mission

Balancing a stable energy supply with response to climate change

Natural capital

Social and relationship capital

Intellectual capital

Human capital

Manufactured capital

Financial capital

Outcome

P.13

J-POWER's mission

## **J-POWER "BLUE MISSION** 2050"

P.25

We will meet people's needs for energy without fail, and play our part in the sustainable development of Japan and the rest of the world.



P.75

P.45

P.87

P.49

P.78 Human resource development

Respect for human rights

Digital transformation (DX)

Corporate governance

Response to climate change

• Preservation of local environment P.65

• Engagement with local communities P.73

Returns and feedback to all stakeholders

Shareholder returns

## Various disclosures

Integrated Report/TCFD disclosure Financial results briefings/presentation materials, shareholder newsletters, etc.



## Value Creation Process

## **Capital That Has Strength**



Input

Outcome

Natural capital

- Total water withdrawn\*1 59.0 billion m<sup>3</sup>
- Coal consumed\*<sup>2</sup>. \*<sup>3</sup>
- 13.48 million t
- Hydroelectric power plants 61 plants
- Wind power farms/plants 23 farms



Social and relationship capital

- Countries we operate 8 countries
- Subsidiaries
- 109 companies Subsidiaries and affiliates 107 companies



Intellectual capital

- Research and development ¥7.0 billion costs
- Research institutes 2 sites
- Number of patents held domestically

162 patents



The Value We Provide

Human capital

 Consolidated employees 7,127

Engaged in the overseas 668 business

- First-class chief electricity engineers 127
- Chief engineers of reactors 22
- Qualified energy managers 417
- Chief dam/waterway engineers 94



Manufactured capital

Approx. 2,400 km

- Power generation facilities in operation 18,100 MW Domestic
- 7,570 MW Overseas Transmission line distance
- Substations, frequency converter stations, AC/DC converter stations

9 locations



Financial capital

- · Shareholders' equity ¥1,111.5 billion
- Interest-bearing debt ¥1.879.0 billion
- Consolidated equity ratio 36.4%

 Consolidated operating revenue ¥1,316.6 billion  Consolidated ordinary profit ¥140.0 billion  Electric power sales volume Approx. 86.0 billion kWh

- Accelerating the development of renewable
- Reducing greenhouse gas (GHG) emissions

CO<sub>2</sub> emissions

2030

- -46% (compared to FY2013) Achieving net-zero emissions by 2050
- Controlling environmentally harmful substances
- Promoting the creation of a recycling-oriented society
- Preserving the river environment through ecological flow

- Providing power that supports everyday living
- Building a sustainable supply chain

Contributing to the realization of a sustainable world through the technological development of zero-emission technologies for fossil fuel power generation

- Providing safe, healthy, and rewarding workplaces Percentage of people receiving medical check-ups 92.3% Percentage of employees taking childcare leave Men: 100%. Women: 100%
- Developing a workplace for ensuring success of diverse human resources

Appointing women to senior roles: 3 times or more by 2030 (Compared to FY2021)

- Facilities which enable affordable, stable power supply
- Expanding new renewable energy facilities
- Upgrading existing renewable energy facilities and increasing their power generation
- Stable, ongoing shareholder returns
- FY2024 total payout ratio 30%

Dividend paid ¥18.3 billion Share buyback

No dividend cuts since listing

### Strenath (1)

### Global and local business development

Natural capital

Social and relationship capital

Intellectual capital

We develop and operate the power generation facilities in accordance with the characteristics and needs of different regions through global business development. Also, relationships of trust with the local communities where the power generation facilities are based secures the sustainable growth of the Company.

## Strenath (2)

Human resources and technologies that support the wide range of business fields

Intellectual capital

Human capital

Manufactured capital

Well-balanced power supply mix and supply chain-integrated business model are backed by diverse human resources with different expertise and background as well as initiatives for the advanced technological development.

## Strenath (3)

Strong business foundation that can adapt to the changes of external environment

Manufactured capital

Financial capital

Wide range of business portfolio and sound financial portfolio have formed the strong business foundation that enables the realization of long-term and stable shareholder returns as well as a transition to meet the needs of times.

- \*1 The figure includes J-POWER and consolidated subsidiaries, including those operating abroad, in electric power business, electric power-related business, etc.
- \*2 The figure includes J-POWER and consolidated subsidiaries, including those operating abroad, in electric power business, electric power-related business, etc. (Consolidated subsidiaries are considered in terms of investment ratio.)

<sup>\*3</sup> Dry coal: 28 MJ/kg equivalent