

J-POWER Group Businesses

Power Generation Business

The Value We Provide

- Realizing economical and stable power supply through CO₂-free power sources and high-efficiency thermal power sources
- Contributing to ensuring energy security and preventing regional environmental issues such as air pollution

Recognition of Business Environment

- | | |
|----------------------|---|
| Opportunities | <ul style="list-style-type: none"> • Widespread use and expansion of CO₂-free power sources and CO₂-free hydrogen aimed at achieving carbon neutrality • Expansion of new markets and forms of selling |
| Risks | <ul style="list-style-type: none"> • Greater earnings fluctuations resulting from increased volatility in resource and electricity market prices • Earnings deterioration due to CO₂ emissions regulations • Higher operating costs due to inflation |
| Strengths | <ul style="list-style-type: none"> • Well-balanced power source portfolio consisting of renewable energy and thermal power • Comprehensive technological capabilities that can be executed within the Group from development to operation • The highest level of engineering and execution capabilities gained from involvement in global development • Relationships of trust with local communities |

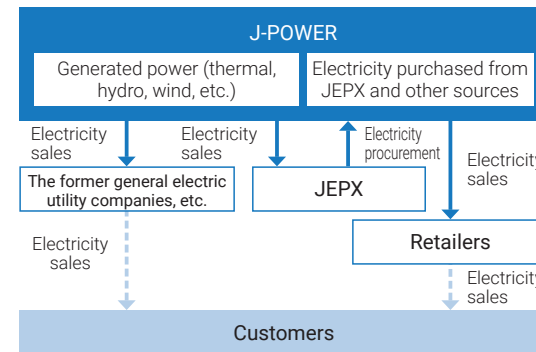
Direction of Responses

- Preferentially allocate investment funds to carbon-neutral assets such as renewable energy and Ohma Nuclear Power Plant
- Aim for improved profitability and further growth of renewable energy by increasing the volume of power generation and realizing environmental value
- For Ohma Nuclear Power Plant, put the highest priority on safety, while utilizing the Long-term Decarbonization Power Source Auction
- Aim to maximize profit by reviewing the operation of existing thermal power plants, while promoting thermal power transition

Overview of Power Generation Business

The J-POWER Group generates electricity from various power sources, including renewable energy and thermal power, and sells it to the former general electric utility companies (EPCOs) and the Japan Electric Power Exchange (JEPX) to ensure a stable supply of electricity in Japan. J-POWER also sells electricity procured from JEPX and other sources to retail electricity suppliers.

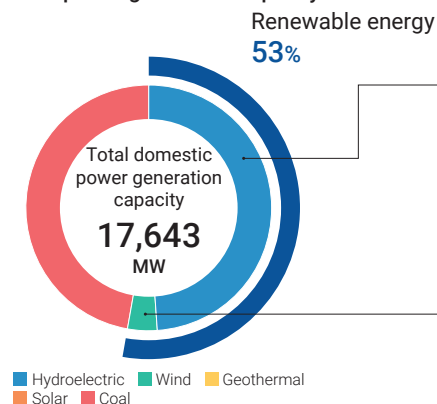
Flow of electricity sales



In principle, the structure of sales charges to EPCOs consists of a baseline charge based on the value of power generation capacity (kW) and a metered charge based on the electric power sales volume (kWh). For the portion equivalent to fuel costs, which account for the majority of the metered charge for thermal power generation, we have introduced a system that reflects fluctuations in market conditions related to fuel procurement as appropriate.

The sales price of the electricity procured from JEPX is determined through discussions with retailers and is revised in a timely manner.

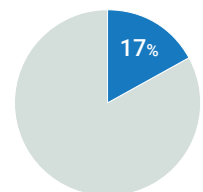
Domestic power generation capacity



As of March 31, 2026

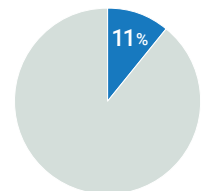
Share of hydroelectric power generation capacity

No. 2 in Japan
8,590 MW



Share of wind power generation capacity

No. 2 in Japan
663 MW



J-POWER Group Businesses

Power Generation Business

Renewable Energy

Hydroelectric power

Hydroelectric power generates stable cash flow because it incurs no fuel costs and is therefore subject to only limited fluctuations in power generation costs. Hydroelectric power plants can be started quickly and their output is adjustable. In particular, pumped storage hydropower plants play an important role in stabilizing the power system as a regulating power source that absorbs surplus power and compensates for power shortages. In addition, hydroelectric power has environmental value as a CO₂-free power source, and we aim to improve profitability by maximizing this value. Meanwhile, given the limited potential for new large-scale hydropower development in Japan, we are steadily expanding earnings by increasing power generation volume through the development of small hydroelectric power plants and the comprehensive renewal of main facilities.

Wind power

The J-POWER Group began engaging in wind power generation early on and is currently developing new projects while also replacing facilities at existing sites with favorable wind conditions. We are also focusing on offshore wind power. In March 2026, Kitakyushu Hibikinada Offshore Wind Farm commenced operation, and we are also advancing the development of an offshore wind power project off the coast of Oga City, Katagami City, and Akita City in Akita Prefecture. Through these initiatives, we aim to increase power generation volume over the medium to long term and achieve sustainable earnings growth by utilizing corporate PPAs while maximizing environmental value.

 [P.33 Wind power project](#)

Geothermal power

Geothermal power is a renewable energy source capable of stable power generation regardless of weather conditions and is expected to generate stable earnings over the long term. Currently, the J-POWER Group operates the following three geothermal power plants: Wasabizawa Geothermal Power Plant, Onikobe Geothermal Power Plant, and Appi Geothermal Power Plant. In addition, we are currently conducting research and advancing plans for new geothermal power development in the Takahinatayama region and the Shiramizugoe area.

Solar power

The J-POWER Group currently operates the Kitakyushu Hibikinada Solar Power Plant and Himeji Oshio Solar Power Plant. We are also promoting the on-site PPA model, where we install solar power generation equipment on the roofs or in open spaces of customers' facilities to supply power, thereby contributing to their needs for self-consumption of renewable energy.

Storage battery business

The introduction of renewable energy is progressing, leading to an increase in power sources whose output fluctuates depending on weather and other conditions. As a result, insufficient balancing capacity in the power system has become a challenge. To meet these needs, the J-POWER Group is developing a storage battery business capable of providing balancing capacity. The Hibikinada Electricity Storage Station, currently under construction with the aim of commencing commercial operation in April 2028, will contribute to power grid stabilization and the avoidance of output curtailment at renewable energy power plants, while creating new earnings opportunities through the provision of balancing capacity.

Thermal Power

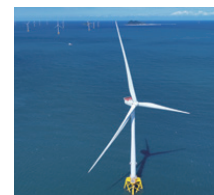
Coal, which supports Japan's power supply, is currently considered an important energy source offering supply stability and economic efficiency because it entails relatively low geopolitical risks in procurement, has a comparatively low unit price per calorific value, and is easy to store.

Coal-fired power generation has traditionally been used as a baseload power source operating at a constant output. In recent years, however, it has increasingly served as an intermediate-load power source whose output is adjusted according to supply and demand in order to accommodate fluctuations in the supply-demand balance resulting from the growing introduction of renewable energy. By adjusting the load, it contributes to the stabilization of the power system. Meanwhile, amid concerns about the impact of tighter CO₂ emissions regulations, we are working to improve efficiency and promote mixed combustion of biomass. We are also exploring the thermal power transition, including the phase-out of inefficient coal-fired thermal power plants, IGCC, CCS, and mixed combustion of hydrogen and ammonia.

Nuclear Power

The J-POWER Group is implementing the Ohma Nuclear Power Plant Project with safety as our top priority, aiming to expand CO₂-free power sources.

 [P.34 Ohma Nuclear Power Plant Project](#)



Kitakyushu Hibikinada
Offshore Wind Farm
Photo credit: Hibiki Wind Energy Co., Ltd.



Nanairo Dam



Appi Geothermal Power Plant



Takehara Thermal Power Plant

J-POWER Group Businesses

Transmission and Transformation Business

The Value We Provide

- Contributing to stabilizing electric power networks and expanding the introduction of renewable energy in Japan through trunk transmission lines and cross-regional interconnection facilities

Recognition of Business Environment

Opportunities

- Expansion of renewable energies
- Growing need to achieve carbon neutrality

Risks

- Impact of intensifying natural disasters on facilities
- Aging of facilities

Strengths

- A broad range of technologies related to power transmission and transformation facilities, including ordinary AC transmission lines and DC transmission lines, submarine cables, cables laid on bridges, and frequency converter stations enabling the exchange of electricity between eastern and western Japan which operate at different frequencies.
- Relationships of trust with local communities cultivated through over 70 years of experience in the construction, maintenance, and management of power transmission and transformation facilities

Direction of Responses

- Based on the premise of ensuring economic efficiency, contribute to the enhancement of electric power networks through efforts leveraging a broad range of technologies, including the expansion of trunk transmission lines and cross-regional interconnection lines, DC transmission facilities, and frequency converter stations.

Overview of Transmission and Transformation Business

J-POWER Transmission Network Co., Ltd. (J-POWER Transmission) is a company which is independent of the J-POWER Group's power generation and retailing divisions, handling its transmission business from a neutral position. With 10 substations and converter stations, and 2,410 km of transmission lines across Japan, J-POWER Transmission contributes to the cross-regional operation of Japan's overall power grid.

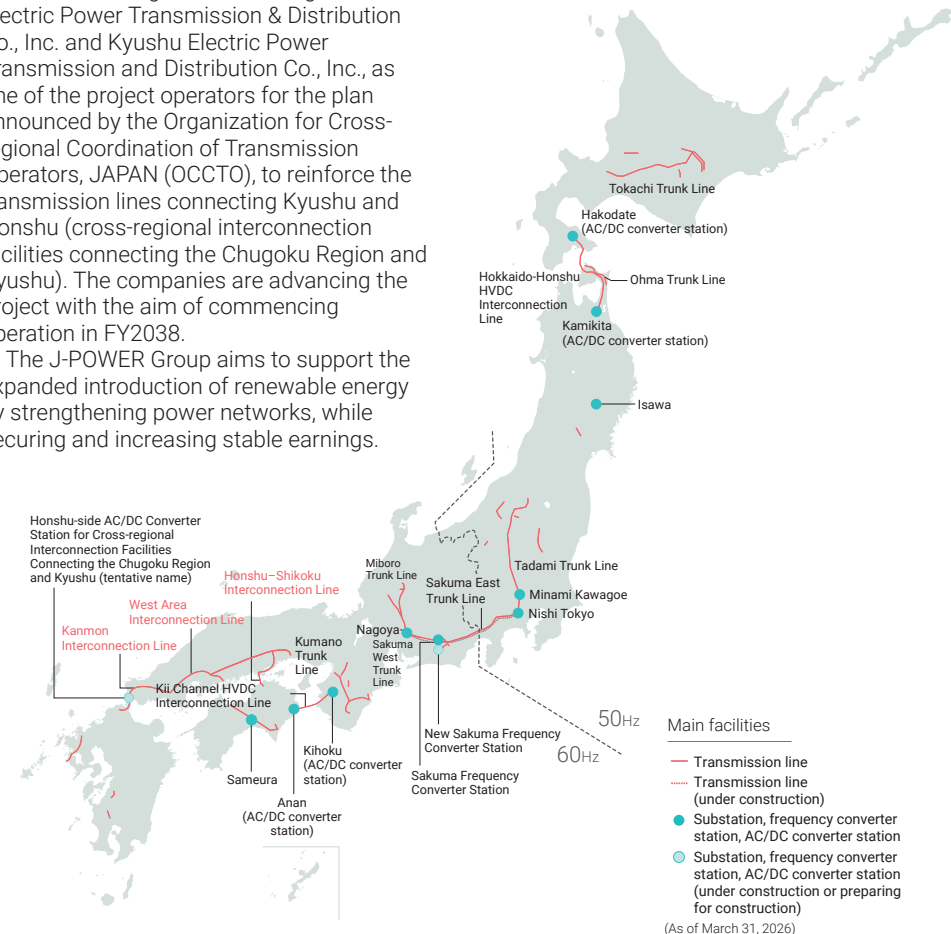
In particular, cross-regional interconnection facilities connecting Honshu with Hokkaido, Shikoku, and Kyushu, and the Sakuma Frequency Converter Station, which was the first in Japan to enable the flexible exchange of power with different frequencies between eastern Japan (50 Hz) and western Japan (60 Hz), are important in enabling the cross-regional operation of power grid in Japan.

Strengthening power networks is a key challenge in achieving the large-scale introduction of renewable energy.

J-POWER Transmission is steadily advancing the construction of the New Sakuma Frequency Converter Station and replacement and expansion of related transmission lines to meet expectations for increased power interchange capacity between eastern Japan, which operates at 50 Hz, and western Japan, which operates at 60 Hz.

In addition, J-POWER Transmission has been selected, together with Chugoku Electric Power Transmission & Distribution Co., Inc. and Kyushu Electric Power Transmission and Distribution Co., Inc., as one of the project operators for the plan announced by the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO), to reinforce the transmission lines connecting Kyushu and Honshu (cross-regional interconnection facilities connecting the Chugoku Region and Kyushu). The companies are advancing the project with the aim of commencing operation in FY2038.

The J-POWER Group aims to support the expanded introduction of renewable energy by strengthening power networks, while securing and increasing stable earnings.



J-POWER Group Businesses

Overseas Business

The Value We Provide

- Contributing to stable power supply through consulting business and the development of power plants overseas
- Contributing to reducing CO₂ emissions and addressing environmental issues through the development of renewable energy and the construction and operation of state-of-the-art environmentally friendly high-efficiency thermal power plants overseas

Recognition of Business Environment

- | | |
|----------------------|--|
| Opportunities | <ul style="list-style-type: none"> • Strengthened international initiatives to achieve carbon neutrality • Growing power demand primarily in emerging economies |
| Risks | <ul style="list-style-type: none"> • Increasingly volatile resource prices • Tighter international environmental regulations |
| Strengths | <ul style="list-style-type: none"> • Project development capabilities • Project promotion capabilities • Ability of management to control risk and replace assets in response to changes in the business environment to increase profitability and sustainability |

Direction of Responses

- Move forward with the development of primarily renewable energy in the U.S., Australia, Southeast Asia, and Middle East
- Acquire developer's profits and improve capital efficiency by selling interests after completion of development projects

Overview of Overseas Business

Overseas Consulting Business

Leveraging the experience and technical prowess acquired through its domestic electric power business, the J-POWER Group conducts businesses including basic design study, feasibility studies, design, construction management, and transfer of environmental technologies on development of power sources and transmission and transformation facilities around the world. Since its first project in 1962, the Group has conducted 376 projects in 64 countries and regions.

(As of March 31, 2026)

Overseas Power Generation Business

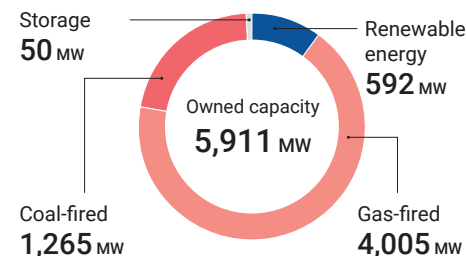
The J-POWER Group has actively identified and developed overseas power generation projects by leveraging its experience, credibility, and networks cultivated through its domestic operations and overseas consulting business.

When the Group first began its overseas power generation business in 1997, it was partial participation primarily in the construction of power plants or plant operations through relatively small-scale investment. The Group has gradually expanded the business, shifting from acquiring interests in existing profitable projects to greenfield development, mainly in Thailand, the U.S., China, and other Asian countries. We have built a business portfolio that currently offers diverse earnings opportunities. This portfolio includes projects primarily in Southeast Asia that are expected to generate stable earnings under PPAs with government-owned electric power companies and other entities, as well as projects in the United States that pursue earnings opportunities by capitalizing on market conditions amid rapidly growing electricity demand driven by data center construction and other factors.

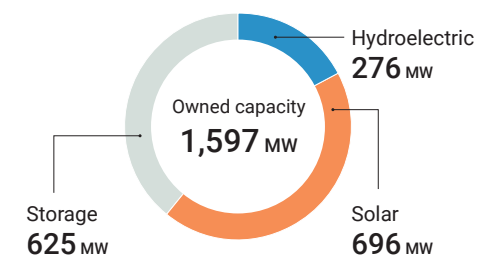
Furthermore, after developing a power plant and commencing its operation, we sell part or all of our interest to acquire developer's profits and use the proceeds for subsequent growth investments, thereby incorporating an asset-recycling business model. Through these initiatives, we are optimizing our business portfolio while improving capital efficiency.

Results of overseas power generation business

Projects in operation



Projects under construction/development



As of March 31, 2026

J-POWER Group Businesses

Electric Power-Related Business

The Value We Provide

- Contributing to ensuring stable power supply and energy security through stable procurement of fuels

Recognition of Business Environment

Opportunities

- Low-cost and stable power supply
- Growing interest in energy security

Risks

- Increasingly volatile resource prices
- Tighter international environmental regulations

Strengths

- Stable and long-term fuel procurement based on diversified sources
- Proven technological capabilities cultivated through the electric power business, which requires high reliability

Direction of Responses

- Continue efforts to diversify procurement sources and methods in pursuit of stable supply and economic efficiency

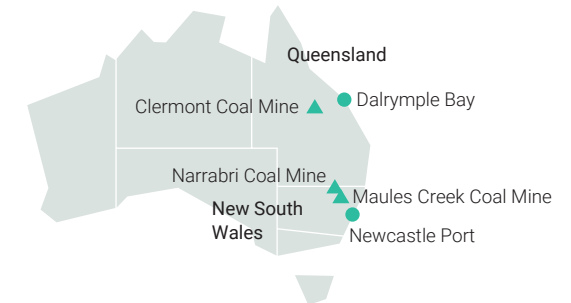
Overview of Electric Power-Related Business

The electric power-related business engages in businesses that complement the power generation and transmission and transformation businesses, and contribute to their smooth and efficient business execution.

Investments in Coal Mines

We have been investing in Australian coal mines since 1980 and currently hold interests in three coal mines in order to provide consistent, long-term supplies of high-grade coal as fuel for thermal power generation.

In the face of increasingly volatile resource prices, we are seeking to optimize the entire supply chain, spanning from fuel procurement to power generation.



Coal mining projects (as of December 31, 2025)

Coal mine	Location	Outport	2025 sales volume	Vested interest	Coal production start
Clermont	Queensland	Dalrymple Bay (Hay Point Port)	11.17 million tons	22.2%	2010
Narrabri	New South Wales	Newcastle Port	3.76 million tons	7.5%	2012
Maules Creek	New South Wales	Newcastle Port	8.82 million tons	10.0%	2014

Telecommunications Network Business

Telecommunications networks are essential infrastructure for operating power plants, as well as transmission and transformation facilities, and thus require high level of reliability. J-POWER Telecommunication Service Co., Ltd. undertakes the construction, maintenance, and management of the J-POWER Group's all telecommunications facilities for electric power systems, contributing to the stable supply of power.