The J-POWER Group’s Businesses

The Flow of Power

Fuel procurement

Power generation

The J-POWER Group’s Businesses

Coal Procurement

Upstream investment to ensure steady fuel procurement

To ensure the stable, long-term procurement of coal, a key fuel, we maintain interests in Australian coal mines through a coal mining subsidiary. (Please refer to page 33.)

Coal Mining Projects

Three locations

Fiscal 2018 Sales Volume

25.59 million t

Power Generation Business

The J-POWER Group’s Electric Power Business—Supporting the Stable Supply of Electric Power in Japan

• Domestic Power Generation Business

The J-POWER Group’s core business is its electric power generation business, comprising the power plants it owns and operates throughout Japan that supply electricity to electric power retailers based on contracts that set out the generating capacity/electric power and fees for each retailer. We also sell some power on the wholesale power trading market. (Please refer to pages 18–19 and 31.)

Power Generation Capacity in Operation

(Owned Capacity Basis)

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Domestic</th>
<th>Overseas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydroelectric Power</td>
<td>35.4%</td>
<td>0.1%</td>
<td>35.5%</td>
</tr>
<tr>
<td>Thermal Power</td>
<td>28.5%</td>
<td>1.8%</td>
<td>29.3%</td>
</tr>
<tr>
<td>Wind Power</td>
<td>23.4%</td>
<td>23.4%</td>
<td>23.4%</td>
</tr>
<tr>
<td>Geothermal Power</td>
<td>3.7%</td>
<td>0.1%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Global Business Development

Overseas Business

The J-POWER Group is leveraging its more than 50 years of overseas achievements and know-how as it engages in its overseas power generation business and overseas consulting business, contributing to the stable supply of electric power and sustainable development throughout the world. (Please refer to pages 28–29.)

Power Generating Capacity of J-POWER and 10 Electric Power Companies (EPCOs) (March 2019)

<table>
<thead>
<tr>
<th>Country</th>
<th>Domestic Power Generation Capacity (MW)</th>
<th>Total Power Generation Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>13.6% 16 locations 3,300 MW</td>
<td>3,308 MW</td>
</tr>
<tr>
<td>China</td>
<td>83% 11 locations 2,016 MW</td>
<td>2,016 MW</td>
</tr>
<tr>
<td>Other</td>
<td>2.7% 5 locations 656 MW</td>
<td>656 MW</td>
</tr>
</tbody>
</table>

Composition of J-POWER Group Electric Power Generation Assets (Owned Capacity Basis)

Renewable Energy

(Owned Capacity Basis)

- Hydroelectric Power
- Wind Power
- Geothermal Power

Coal-Fired

40%

Gas-Fired

23%

Fuel procurement

Power generation
Transmission/Transformation
Core Infrastructure Supporting Japan's Electric Power Network
The J-POWER Group has major transmission lines, including interconnection lines that connect Honshu with Hokkaido, Shikoku, and Kyushu. We also own a frequency converter station that links the different frequencies of eastern and western Japan. These facilities are key infrastructure elements that play extremely important roles in the comprehensive management of Japan’s nationwide power grid. The Company employs its transmission and transforming facilities to provide transmission services based on contracts with general electricity transmission and distribution utilities. The Company also maintains a nationwide communications network for use in facility protection, monitoring, control, and operational management. (Please refer to page 32.)

(As of June 30, 2019)
- Transmission lines: 2,404.6 km
- AC power transmission lines: 2,137.4 km
- DC power transmission lines: 267.2 km
- Substations: 4,301 MVA
- Frequency converter station: 300 MW
- AC/DC converter stations: 2,000 MW
- Wireless communication facilities (circuit length): 5,833 km

Electricity Sales
Entering the Retail Business through Collaboration with Partners
The J-POWER Group has long engaged in retail sales of electricity through its consolidated subsidiary J-POWER SUPPLY & TRADING Co., Ltd. To diversify its sales channels, the Company invested in Suzuyo Power Co., Ltd. and ENERES Co., Ltd. Using the insight gained through market transactions in the power generation business, we are helping customers realize optimized power procurement.

In addition, aiming to take advantage of growth opportunities in new business areas arising from decentralization, in March 2019, the Company invested in VPP Japan, Inc.

Through these investments, the Company will also advance initiatives in the virtual power plant (VPP) business.

Other Business
Initiatives in Environment-Related Businesses
The J-POWER Group is engaged in such multi-faceted businesses as biomass fuel production, waste-fueled power generation and cogeneration systems that employ sewage sludge and unused forestry products. (Please refer to page 34.)

Business Creation Initiatives
Investment in Startups
Looking ahead to coming changes in the business environment and industrial structures, we are expanding our network of business relationships with startups. This new initiative is aimed at turning change into growth opportunities.

- Formed partnership agreement with Plug and Play Japan (November 2018)
- Invested in Green Earth Institute Co., Ltd. (February 2019)
- Invested in Coral Capital II, L.P. (March 2019)
- Invested in WOTA CORP. (May 2019)

Overseas Power Generation Business (As of June 30, 2019)

- In operation: 6 countries/regions, 36 projects, Owned capacity 6,898 MW
- Under construction: 3 countries, 3 projects, Owned capacity 2,095 MW

Overseas consulting service projects (As of June 30, 2019)

- 64 countries/regions, 359 projects

Europe
Overseas power generation business
- In operation: 1 country, 24 MW
- Under construction: 1 country, 1 project, 215 MW
- Consulting service projects: 14 countries, 20 projects

Middle East/Africa
Consulting service projects: 15 countries, 42 projects

Asia
Overseas power generation business
- In operation: 4 countries/regions, 4,856 MW
- Under construction: 1 country, 1 project, 680 MW
- Consulting service projects: 21 countries/regions, 247 projects

North America
Overseas power generation business
- In operation: 1 country, 2,016 MW
- Under construction: 1 country, 1 project, 1,200 MW
- Consulting service projects: 1 country, 1 project

Central and South America
Consulting service projects: 13 countries, 49 projects