

(English Translation)

Quarterly Financial Results (Unaudited) (for the Three Months Ended June 30, 2024)

July 31, 2024

Electric Power Development Co., Ltd. (J-POWER)

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Scheduled date of dividend payment commencement: Not applicable
Preparation of supplementary explanations material: Yes
Quarterly financial results presentation held: No

(Note) All monetary values are rounded down to the nearest units as indicated in each table.

1. Consolidated Financial Results (From April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages (%) represent changes from the same period of the previous year)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-------------------|--------|------------------|------|-----------------|------|---|------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Three months ended June 30, 2024 | 259,056 | (7.9) | 32,676 | 23.0 | 35,044 | 27.7 | 25,469 | 44.6 |
| Three months ended June 30, 2023 | 281,382 | (13.0) | 26,558 | 36.1 | 27,447 | 27.7 | 17,611 | 35.1 |

(Note) Comprehensive income: Three months ended June 30, 2024 49,063 million yen 98.3 %
Three months ended June 30, 2023 24,741 million yen (66.5) %

| | Earnings per share | Fully diluted earnings per share |
|----------------------------------|--------------------|----------------------------------|
| | yen | yen |
| Three months ended June 30, 2024 | 139.27 | — |
| Three months ended June 30, 2023 | 96.31 | — |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|----------------------------------|--------------|-------------|--------------|
| | million yen | million yen | % |
| Three months ended June 30, 2024 | 3,513,637 | 1,369,727 | 35.8 |
| Year ended March 31, 2024 | 3,475,805 | 1,333,135 | 35.0 |

(Reference) Shareholders' equity: Three months ended June 30, 2024 1,256,616 million yen
Year ended March 31, 2024 1,215,978 million yen

2. Dividends

| | Cash dividends per share | | | | |
|--|--------------------------|---------|---------|---------|--------|
| | Record date | | | | Annual |
| | Jun. 30 | Sep. 30 | Dec. 31 | Mar. 31 | |
| | yen | yen | yen | yen | yen |
| Year ended March 31, 2024 | — | 45.00 | — | 55.00 | 100.00 |
| Year ending March 31, 2025 | — | | | | |
| Year ending March 31, 2025 (forecasts) | | 50.00 | — | 50.00 | 100.00 |

(Note) Revisions to dividends forecasts in the current quarter: None

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Percentages (%) represent changes from the same period of the previous year)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|----------------------------|-------------------|-------|------------------|--------|-----------------|--------|---|--------|--------------------|
| Year ending March 31, 2025 | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| | 1,155,000 | (8.2) | 64,000 | (39.5) | 62,000 | (47.7) | 42,000 | (46.0) | 229.67 |

(Note) Revisions to consolidated earnings forecasts in the current quarter: None

4. Other Information

(1) Significant changes in the scope of consolidation during the current quarter: Yes

Included: - company. Excluded: 2 company (PLANT-GIKEN Company Limited, one other company)

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: Yes

(Note) For details, please refer to “(Application of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)” on page 8.

(3) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes in accounting policies due to revisions of accounting standards etc.: Yes

2) Changes in accounting policies except 1): None

3) Changes in accounting estimates: None

4) Restatement of corrections: None

(Note) For details, please refer to “(Changes in accounting policies)” on page 8.

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)

Three months ended June 30, 2024: 183,051,100

Year ended March 31, 2024: 183,051,100

2) Treasury stock at the end of the period

Three months ended June 30, 2024: 178,610

Year ended March 31, 2024: 181,205

3) Average number of shares outstanding during the period

Three months ended June 30, 2024: 182,871,443

Three months ended June 30, 2023: 182,864,247

*The Company has introduced a stock compensation system for directors, and the number of treasury stock at the end of the period includes the Company shares held by the Trust Account for the Trust for Stock Delivery to Directors (175,100 shares three months ended June 30, 2024, 177,700 shares year ended March 31, 2024). The Company shares held by the trust account are included in the number of treasury stock deducted in calculating the average number of shares during the period (176,148 shares three months ended June 30, 2024, 183,514 shares three months ended June 30, 2023).

* Forward-looking statements and other special notes

- The earnings forecasts are forward-looking statements made on the basis of available information current at the time forecasts are made and contain uncertain elements. Therefore, actual earnings may differ from forecast figures as a result of changes in business performance and other factors.
- The supplementary materials are available on our website at <https://www.jpowers.co.jp/english/> under the investor relations section.

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1. Qualitative Information on Consolidated Financial Results

(1) Qualitative Information on Consolidated Operating Results

Sales (operating revenue) decreased by 7.9% from the previous fiscal year to 259.0 billion yen, mainly due to the lower electricity sales prices and decrease in electricity sales volume by the overseas business in Thailand, and the coal price decline by an Australian consolidated subsidiary that owns coal mining interests, despite the increase in electricity sales procured from wholesale electricity markets, etc. and the commencement of the capacity market by the power generation business. Non-operating income increased by 56.1% from the previous fiscal year to 15.0 billion yen, mainly due to the increase in gain on sale of fixed assets. Total ordinary revenue decreased by 5.8% from the previous fiscal year to 274.1 billion yen.

Operating expenses decreased by 11.2% from the previous fiscal year to 226.3 billion yen, mainly due to the decrease in fuel costs for the thermal power plants and overseas business, etc., despite the increase in power supply costs purchased from other suppliers, etc. Non-operating expenses increased by 45.0% from the previous fiscal year to 12.7 billion yen, mainly due to the recognition of foreign exchange losses, etc. Total ordinary expenses decreased by 9.3% from the previous fiscal year to 239.1 billion yen.

As a result, ordinary profit increased by 27.7% from the previous fiscal year to 35.0 billion yen, mainly due to the improvement in gross profit in the power generation business, etc., despite the decrease in profit from an Australian consolidated subsidiary due to a decline in coal sales prices. Profit attributable to owners of parent after corporate income tax increased by 44.6% from the previous fiscal year to 25.4 billion yen.

Operating results by segment for the current fiscal year are as follows.

From the current first quarter consolidated accounting period, the company has changed its business segments reported as reportable segments. The comparison and analysis for the current first quarter consolidated cumulative period are based on the revised classifications. The details regarding the change in reportable segments are provided in “2. Consolidated Financial Statements and Major Notes (3) Notes to the Quarterly Consolidated Financial Statements (Notes on Segment Information, etc.).”

(Power Generation Business)

In the Power Generation Business, electricity sales volume from renewable power plants for the current fiscal year showed 7.7% decrease from the previous fiscal year to 2.8TWh, mainly due to the decrease in water supply rate from 97% to 90%. In thermal power, the decrease in the load factor of thermal power plants from 33% to 30% resulted in 8.4% decrease in electricity sales volume from the previous fiscal year to 5.2TWh. The sales volume of electricity procured from wholesale electricity market, etc. showed 60.0% increase from the previous fiscal year to 3.9TWh. Total electricity sales volume of the Power Generation Business increased by 6.9% from the previous fiscal year to 12.0TWh.

Sales (electric utility operating revenue and other business operating revenue) increased by 4.5% from the previous fiscal year to 177.4 billion yen mainly due to the increase in electricity sales volume and the commencement of the capacity market.

Segment income increased 23.8 billion yen from the previous fiscal year to 24.6 billion yen, mainly due to the improvement in gross profit and increase in sales, etc., despite the increase in

power supply costs purchased from other suppliers, etc.

(Transmission and Transformation Business)

Sales (electric utility operating revenue) increased by 2.8% from the previous fiscal year to 12.5 billion yen mainly due to the increase in transmission revenue, etc.

Segment income decreased by 10.3% from the previous fiscal year to 3.0 billion yen, mainly due to the increases in the transmission expenses, etc.

(Electric Power Related Business)

Sales (other business operating revenue) decreased by 39.6% from the previous fiscal year to 20.5 billion yen mainly due to the coal price decline by an Australian consolidated subsidiary.

Segment income decreased by 65.4% from the previous fiscal year to 5.7 billion yen, mainly due to the decreases in sales.

(Overseas Business)

Electricity sales volume in the overseas business decreased by 4.0% from the previous fiscal year to 4.8TWh, due to the decrease in electricity sales volume in Thailand.

Sales (overseas business operating revenue) decreased by 22.4% from the previous fiscal year to 57.1 billion yen mainly due to the lower electricity sales prices and decrease in electricity sales volume.

Segment income decreased by 81.7% from the previous fiscal year to 1.2 billion yen mainly due to a shift from foreign exchange gains to foreign exchange losses, etc.

(Other Business)

Sales (other business operating revenue) decreased by 26.0% from the previous fiscal year to 2.7 billion yen.

Segment income decreased by 64.0% from the previous fiscal year to 0.0 billion yen.

(2) Qualitative Information on Consolidated Financial Position

Total assets increased 37.8 billion yen from the end of the previous fiscal year to 3.5136 trillion yen. This is mainly due to the depreciation of the yen and others.

Total liabilities increased 1.2 billion yen from the end of the previous fiscal year to 2.1439 trillion yen. Of this amount, interest-bearing debt decreased 2.3 billion yen from the end of the previous fiscal year to 1.8646 trillion yen, and it included 306.4 billion yen of non-recourse loans in overseas business.

Total net assets increased 36.5 billion yen to 1.3697 trillion yen, mainly due to the increase in foreign currency translation adjustment, in addition to the accounting of profit attributable to owners of parent.

As a result, shareholders' equity ratio increased from 35.0% at the end of the previous fiscal year to 35.8%.

(3) Qualitative Information on Consolidated Earnings Forecasts

There is no change in our forecasts announced on May 9, 2024.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

| | (Unit: million yen) | |
|--|---------------------|---------------------|
| | As of Mar. 31, 2024 | As of Jun. 30, 2024 |
| Assets | | |
| Non-current assets | 2,785,551 | 2,816,627 |
| Electric utility plant and equipment | 1,092,687 | 1,101,965 |
| Hydroelectric power production facilities | 378,572 | 376,309 |
| Thermal power production facilities | 364,877 | 356,509 |
| Renewable power production and related facilities | 118,762 | 140,469 |
| Transmission facilities | 136,104 | 135,564 |
| Transformation facilities | 33,506 | 33,109 |
| Communication facilities | 6,523 | 6,238 |
| General facilities | 54,340 | 53,765 |
| Overseas business facilities | 463,421 | 472,629 |
| Other non-current assets | 89,664 | 89,795 |
| Construction in progress | 576,118 | 562,471 |
| Construction in progress | 576,118 | 562,471 |
| Nuclear fuel | 77,101 | 77,072 |
| Nuclear fuel in processing | 77,101 | 77,072 |
| Investments and other assets | 486,557 | 512,692 |
| Long-term investments | 410,175 | 433,093 |
| Retirement benefit asset | 18,157 | 18,491 |
| Deferred tax assets | 41,766 | 41,990 |
| Other | 16,545 | 19,188 |
| Allowance for doubtful accounts | (87) | (71) |
| Current assets | 690,254 | 697,010 |
| Cash and deposits | 278,814 | 277,533 |
| Notes and accounts receivable - trade, and contract assets | 98,119 | 109,396 |
| Short-term investments | 153,146 | 130,862 |
| Inventories | 80,059 | 86,911 |
| Other | 80,118 | 92,345 |
| Allowance for doubtful accounts | (3) | (38) |
| Total assets | 3,475,805 | 3,513,637 |

| | (Unit: million yen) | |
|---|---------------------|---------------------|
| | As of Mar. 31, 2024 | As of Jun. 30, 2024 |
| Liabilities | | |
| Non-current liabilities | 1,793,412 | 1,767,523 |
| Bonds payable | 729,086 | 699,086 |
| Long-term borrowings | 932,304 | 930,019 |
| Lease liabilities | 1,210 | 1,112 |
| Other provisions | 26 | 26 |
| Retirement benefit liability | 31,707 | 32,401 |
| Asset retirement obligations | 34,465 | 35,473 |
| Deferred tax liabilities | 27,677 | 27,685 |
| Other | 36,934 | 41,717 |
| Current liabilities | 349,257 | 376,386 |
| Current portion of non-current liabilities | 196,448 | 226,561 |
| Short-term borrowings | 8,031 | 8,026 |
| Notes and accounts payable - trade | 52,379 | 66,777 |
| Accrued taxes | 27,745 | 21,950 |
| Other provisions | 646 | 567 |
| Asset retirement obligations | 528 | 536 |
| Other | 63,478 | 51,966 |
| Total liabilities | 2,142,670 | 2,143,910 |
| Net assets | | |
| Shareholders' equity | 1,038,258 | 1,053,664 |
| Share capital | 180,502 | 180,502 |
| Capital surplus | 128,178 | 128,178 |
| Retained earnings | 729,940 | 745,341 |
| Treasury shares | (362) | (357) |
| Accumulated other comprehensive income | 177,720 | 202,951 |
| Valuation difference on available-for-sale securities | 26,855 | 28,745 |
| Deferred gains or losses on hedges | 15,434 | 20,791 |
| Foreign currency translation adjustment | 119,358 | 139,923 |
| Remeasurements of defined benefit plans | 16,072 | 13,491 |
| Non-controlling interests | 117,156 | 113,111 |
| Total net assets | 1,333,135 | 1,369,727 |
| Total liabilities and net assets | 3,475,805 | 3,513,637 |

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

Quarterly Consolidated statement of income

(Unit: million yen)

| | Year ended Jun. 30, 2023 | Year ended Jun. 30, 2024 |
|---|-----------------------------|-----------------------------|
| Operating revenue | 281,382 | 259,056 |
| Electric utility operating revenue | 177,655 | 185,958 |
| Overseas business operating revenue | 73,640 | 57,109 |
| Other business operating revenue | 30,086 | 15,988 |
| Operating expenses | 254,824 | 226,379 |
| Electric utility operating expenses | 169,974 | 161,090 |
| Overseas business operating expenses | 67,539 | 50,670 |
| Other business operating expenses | 17,309 | 14,618 |
| Operating profit | 26,558 | 32,676 |
| Non-operating income | 9,663 | 15,088 |
| Dividend income | 1,080 | 1,274 |
| Interest income | 1,455 | 2,220 |
| Share of profit of entities accounted for using equity method | 2,739 | 4,406 |
| Foreign exchange gains | 3,111 | - |
| Gain on sale of non-current assets | 8 | 5,485 |
| Other | 1,268 | 1,702 |
| Non-operating expenses | 8,773 | 12,721 |
| Interest expenses | 7,517 | 7,662 |
| Foreign exchange losses | - | 4,098 |
| Other | 1,256 | 960 |
| Total ordinary revenue | 291,045 | 274,145 |
| Total ordinary expenses | 263,598 | 239,101 |
| Ordinary profit | 27,447 | 35,044 |
| Profit before income taxes | 27,447 | 35,044 |
| Income taxes - current | 8,298 | 9,867 |
| Income taxes - deferred | 236 | 138 |
| Total income taxes | 8,534 | 10,005 |
| Profit | 18,912 | 25,038 |
| Profit (loss) attributable to non-controlling interests | 1,301 | (430) |
| Profit attributable to owners of parent | 17,611 | 25,469 |

Quarterly Consolidated statement of comprehensive income

| | (Unit: million yen) | |
|--|-----------------------------|-----------------------------|
| | Year ended Jun. 30, 2023 | Year ended Jun. 30, 2024 |
| Profit | 18,912 | 25,038 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,821 | 1,888 |
| Deferred gains or losses on hedges | (4,478) | (2,172) |
| Foreign currency translation adjustment | 6,829 | 17,128 |
| Remeasurements of defined benefit plans, net of tax | (1,110) | (2,580) |
| Share of other comprehensive income of entities accounted for using equity method | (232) | 9,759 |
| Total other comprehensive income | 5,829 | 24,024 |
| Comprehensive income | 24,741 | 49,063 |
| (Comprehensive income attributable to abstract) | | |
| Comprehensive income attributable to owners of parent | 23,056 | 50,699 |
| Comprehensive income attributable to non-controlling interests | 1,685 | (1,636) |

(3) Notes to the Quarterly Consolidated Financial Statements

(Changes in accounting policies)

From the beginning of the current first quarter consolidated accounting period, the company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), among others. Regarding the revisions related to the review of the treatment in the consolidated financial statements when deferring tax on gains and losses arising from the sale of subsidiary shares, etc., between consolidated companies, the company has applied the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the current first quarter consolidated accounting period. The change in this accounting policy has been applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and the previous consolidated fiscal year have been restated accordingly.

The impact of these changes on the quarterly consolidated financial statements and consolidated financial statements is minor.

(Application of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after tax effect accounting for income before income tax for the consolidated fiscal year including the first quarter under review, and multiplying the said estimated effective tax rate by quarterly net profit before tax. However, if the calculation of tax expenses using the said estimated effective tax rate brings a significantly irrational result, the statutory effective tax rate is used.

(Notes on Segment Information, etc.)

I Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1 Information concerning amounts in sales and income or loss for each reportable segment

(Unit: million yen)

| | Reportable segments | | | | | | Adjustments *1 | Consolidated *2 |
|---------------------------------|---------------------------------|---|---------------------------------------|----------------------|----------------|---------|-------------------|--------------------|
| | Power Generation Business | Transmission and Transformation Business | Electric Power Related Business | Overseas Business | Other Business | Total | | |
| Sales | | | | | | | | |
| Sales to external customers | 166,892 | 12,014 | 25,376 | 73,640 | 3,459 | 281,382 | - | 281,382 |
| Intersegment sales and transfer | 2,901 | 159 | 8,560 | - | 221 | 11,843 | (11,843) | - |
| Total sales | 169,793 | 12,174 | 33,936 | 73,640 | 3,680 | 293,226 | (11,843) | 281,382 |
| Segment income | 833 | 3,368 | 16,677 | 7,042 | 162 | 28,084 | (636) | 27,447 |

*1 Adjustments represent inter-segment eliminations.

*2 Segment income is adjusted with ordinary profit on quarterly consolidated financial statements.

II Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1 Information concerning amounts in sales and income or loss for each reportable segment

(Unit: million yen)

| | Reportable segments | | | | | | Adjustments *1 | Consolidated *2 |
|---------------------------------|---------------------------------|---|---------------------------------------|----------------------|----------------|---------|-------------------|--------------------|
| | Power Generation Business | Transmission and Transformation Business | Electric Power Related Business | Overseas Business | Other Business | Total | | |
| Sales | | | | | | | | |
| Sales to external customers | 174,341 | 12,356 | 12,714 | 57,109 | 2,534 | 259,056 | - | 259,056 |
| Intersegment sales and transfer | 3,079 | 159 | 7,796 | - | 187 | 11,222 | (11,222) | - |
| Total sales | 177,420 | 12,515 | 20,510 | 57,109 | 2,722 | 270,279 | (11,222) | 259,056 |
| Segment income | 24,648 | 3,022 | 5,772 | 1,291 | 58 | 34,793 | 250 | 35,044 |

*1 Adjustments represent inter-segment eliminations.

*2 Segment income is adjusted with ordinary profit on quarterly consolidated financial statements.

2 Change in segment classification, etc.

From the current first quarter of the consolidated fiscal year, the company decided to change the reportable segments in line with the J-POWER Group Medium-Term Management Plan for 2024-2026, which covers the three-year period from FY2024. The company has changed the reportable segments from conventional “Electric Power Business,” “Electric Power-Related Business,” “Overseas Business,” and “Other Businesses” to “Power Generation Business,” “Transmission and Transformation Business,” “Electric Power-Related Business,” “Overseas Business,” and “Other Businesses.” This is intended to encourage autonomous business operations within the new segments and increase business value by appropriately representing the business segments and actual business activities based on the characteristics of each of the businesses operated by the company.

(Power Generation Business)

Engages in the power generation business, utilizing power plants owned by J-POWER Group companies including hydro, thermal, and wind facilities, as well as the maintenance and operation of these facilities. Additionally, the Group sells electricity procured from the wholesale electricity markets.

(Transmission and Transformation Business)

Engages in the transmission business through a subsidiary owned power transmission and transformation facilities. This subsidiary provides transmission services to nine transmission and distribution companies, excluding The Okinawa Electric Power Company.

(Electric Power-Related Business)

Engages in complementing and contributing to the smooth and efficient execution of the Power Generation Business and Transmission and Transformation Business.

(Overseas Business)

Engages in overseas power generation business and related businesses.

(Other Business)

Engages in activities, including the sale of coal, that fully utilize J-POWER Group’s management resources and expertise.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Premise of Going Concern)

Not applicable.

(Notes on Consolidated Statement of Cash Flows)

The company has not prepared the quarterly consolidated statement of cash flows for the current first quarter consolidated cumulative period. However, depreciation (including amortization of intangible fixed assets) related to the first quarter consolidated cumulative period is as follows.

| (Unit: million yen) | | |
|---------------------|---|---|
| | Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023) | Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024) |
| Depreciation | 26,188 | 27,920 |

(Significant subsequent events)

(Conclusion of an Equity Interest Transfer Agreement Involving a Change in an Affiliate Accounted for the Equity Method)

On June 28, 2024, Electric Power Development Co., Ltd. (J-POWER) decided to transfer its entire equity interest in Green Country Energy, LLC, a company in which J-POWER has a 50% equity interest through its wholly owned subsidiary, J-POWER North America Holdings Co., Ltd., to Public Service Company of Oklahoma. In response to this, Green Country Holding LLC, the direct parent company of Green Country Energy, LLC and in which J-POWER holds a 50% equity interest, entered into an equity interest transfer agreement on the same day.

Going forward, J-POWER will proceed with various procedures in the U.S., including obtaining the necessary permits and approvals, in preparation for the transfer. However, changes to the transfer or the possibility that the transfer may not be executed could occur due to approvals from the federal and state governments in the United States or other contractual conditions.

If this transfer is executed, Green Country Energy, LLC will no longer be an equity-method affiliate of J-POWER.

(1) Reason for the Transfer

To effectively utilize management resources and improve asset efficiency.

(2) Name of the Company to Which the Transfer is Made

Public Service Company of Oklahoma (a wholly owned subsidiary of American Electric Power Company, Inc.)

(3) Timing of the Transfer

The transfer will be executed as soon as the procedures, including obtaining the necessary permits and approvals, are completed (scheduled for the next fiscal year).

(4) Overview of the Equity-Method Affiliate

Company Name: Green Country Energy, LLC

Business: Gas-fired power generation business

(5) Capital Gain and Equity Interest after the Transfer

Capital gain: We expect to record Share of profit of entities accounted for using equity method at the time of the transfer. The amount is currently under review.

Equity interest after the transfer: -%

(Acquisition of Genex Power Limited)

On 12 April 2024, J-POWER decided to begin procedures to acquire 100% of the issued shares (the “share acquisition”) of Genex Power Limited (“Genex”) and convert Genex into a subsidiary.

For the share acquisition, J-POWER plans to purchase the shares held by all shareholders of Genex with cash through a wholly owned subsidiary designated by J-POWER using a scheme of arrangement (“SOA”) procedure under Australia’s Corporations Act, one of the methods for acquiring 100% of the shares of a company listed in Australia. J-POWER entered a transaction implementation deed with Genex, which sets out the terms of the agreement for the share acquisition.

On the execution date of July 31, 2024, Genex becomes a subsidiary of our company J-POWER, following the approval of the SOA at Genex’s shareholders’ meeting and by the Supreme Court of New South Wales, Australia.

1. Reasons for the share acquisition

In line with J-POWER’s corporate philosophy that states “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,” J-POWER has strived for over 70 years to efficiently supply stable sources of electricity and has expanded business operations globally. Today, balancing a stable energy supply with a response to climate change is the most critical issue for the sustainability of human civilization. Given this situation, J-POWER formulated J-POWER BLUE MISSION 2050 in February 2021 and is accelerating initiatives to achieve a carbon-neutral and hydrogen-based world by 2050.

In Australia, the federal government submitted a target to the United Nations in June 2022 to reduce greenhouse gas emissions by 43% from 2005 levels by 2030 and to achieve net zero emissions for the entire country by 2050. Australia is expected to introduce approximately 40 GW of renewable energy and approximately 30 GW of energy storage facilities by 2035. Genex is developing a “clean energy hub” consisting of solar, pumped hydro, and wind power generation at the Kidston site in Queensland. J-POWER has built a deep relationship of trust with Genex since 2020 through the joint development of renewable energy projects. By accelerating the development of renewable energy and energy storage facilities together with Genex through the share acquisition, J-POWER is confident of significantly contributing to achieving the Australian government’s greenhouse gas emission reduction targets and goals of J-POWER’s BLUE MISSION 2050.

2. Name, business description and size of the acquired company

I. Name

Genex Power Limited

II. Business description

Development, construction, and operation of renewable energy and energy storage facilities

III. Size of capital

AUD241 million

3. Schedule of share transfer execution date

July 31, 2024

4. Number of shares to be acquired, acquisition price, and status of shares owned after acquisition

I. Number of shares to be acquired

1,278,187,135 shares

II. Acquisition price

37,610 million yen (AUD351 million) (Calculated at AUD1 = 107.00 yen)

III. Percentage of equity after acquisition

100%

3. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

(Unit: million yen)

| | Three months ended Jun. 30, 2023 (A) | Three months ended Jun. 30, 2024 (B) | Year-on-year change | |
|---|--|--|---------------------|---------|
| | | | (B-A) | (B-A)/A |
| Operating revenue | 281,382 | 259,056 | (22,326) | (7.9)% |
| Electric utility operating revenue | 177,655 | 185,958 | 8,303 | 4.7% |
| Sold power to other suppliers | 164,854 | 172,725 | 7,871 | 4.8% |
| Transmission revenue | 11,908 | 12,246 | 338 | 2.8% |
| Other electricity revenue | 892 | 986 | 94 | 10.6% |
| Overseas business operating revenue | 73,640 | 57,109 | (16,531) | (22.4)% |
| Other business operating revenue | 30,086 | 15,988 | (14,098) | (46.9)% |
| Operating expenses | 254,824 | 226,379 | (28,444) | (11.2)% |
| Electric utility operating expenses | 169,974 | 161,090 | (8,883) | (5.2)% |
| Personnel expense | 7,513 | 6,053 | (1,460) | (19.4)% |
| Fuel cost | 78,144 | 50,444 | (27,700) | (35.4)% |
| Repair expense | 5,757 | 6,134 | 377 | 6.6% |
| Consignment cost | 10,048 | 11,320 | 1,271 | 12.7% |
| Taxes and duties | 6,390 | 6,523 | 133 | 2.1% |
| Depreciation | 18,700 | 19,689 | 989 | 5.3% |
| Other | 43,420 | 60,923 | 17,503 | 40.3% |
| Overseas business operating expenses | 67,539 | 50,670 | (16,869) | (25.0)% |
| Other business operating expenses | 17,309 | 14,618 | (2,690) | (15.5)% |
| Operating profit | 26,558 | 32,676 | 6,118 | 23.0% |
| Non-operating income | 9,663 | 15,088 | 5,425 | 56.1% |
| Dividend income | 1,080 | 1,274 | 193 | 17.9% |
| Interest income | 1,455 | 2,220 | 765 | 52.6% |
| Share of profit of entities accounted for using equity method | 2,739 | 4,406 | 1,666 | 60.8% |
| Foreign exchange gains | 3,111 | - | (3,111) | - |
| Gain on sale of non-current assets | 8 | 5,485 | 5,476 | - |
| Other | 1,268 | 1,702 | 434 | 34.3% |
| Non-operating expenses | 8,773 | 12,721 | 3,947 | 45.0% |
| Interest expenses | 7,517 | 7,662 | 144 | 1.9% |
| Foreign exchange losses | - | 4,098 | 4,098 | - |
| Other | 1,256 | 960 | (295) | (23.6)% |
| Total ordinary revenue | 291,045 | 274,145 | (16,900) | (5.8)% |
| Total ordinary expenses | 263,598 | 239,101 | (24,496) | (9.3)% |
| Ordinary profit | 27,447 | 35,044 | 7,596 | 27.7% |
| Profit before income taxes | 27,447 | 35,044 | 7,596 | 27.7% |
| Income taxes-current | 8,298 | 9,867 | 1,568 | 18.9% |
| Income taxes-deferred | 236 | 138 | (98) | (41.5)% |
| Profit | 18,912 | 25,038 | 6,125 | 32.4% |
| Profit (loss) attributable to non-controlling interests | 1,301 | (430) | (1,731) | - |
| Profit attributable to owners of parent | 17,611 | 25,469 | 7,857 | 44.6% |

[Appendix 2]

(1) Generation capacity

(Unit: kW)

| | As of Jun. 30, 2023 (A) | As of Jun. 30, 2024 (B) | Year-on-year change (B-A) |
|---------------------------|----------------------------|----------------------------|---------------------------------|
| Power generation business | 17,559,279 | 17,608,361 | 49,082 |
| Renewable energy | 9,147,279 | 9,196,361 | 49,082 |
| Hydroelectric power | 8,577,369 | 8,577,369 | - |
| Wind power | 555,010 | 604,092 | 49,082 |
| Geothermal power | 14,900 | 14,900 | - |
| Thermal power | 8,412,000 | 8,412,000 | - |
| Overseas business | 5,190,800 | 5,192,400 | 1,600 |
| Total | 22,750,079 | 22,800,761 | 50,682 |

(2) Electricity sales volume

(Unit: GWh)

| | Three months ended Jun. 30, 2023 (A) | Three months ended Jun. 30, 2024 (B) | Year-on-year change (B-A) |
|---------------------------|--|--|---------------------------------|
| Power generation business | 11,306 | 12,082 | 776 |
| Renewable energy | 3,062 | 2,827 | (234) |
| Hydroelectric power | 2,771 | 2,543 | (227) |
| Wind power | 262 | 270 | 7 |
| Geothermal power | 28 | 14 | (14) |
| Thermal power | 5,754 | 5,273 | (481) |
| Other | 2,488 | 3,981 | 1,492 |
| Overseas business | 5,068 | 4,866 | (202) |
| Total | 16,374 | 16,948 | 573 |

* Other shows sales volume of electricity procured from wholesale electricity market, etc.

(3) Water supply rate and Load factor

(Unit: %)

| | Three months ended Jun. 30, 2023 (A) | Three months ended Jun. 30, 2024 (B) | Year-on-year change (B-A) |
|-------------------|--|--|---------------------------------|
| Water supply rate | 97 | 90 | (7) |
| Load factor | 33 | 30 | (3) |