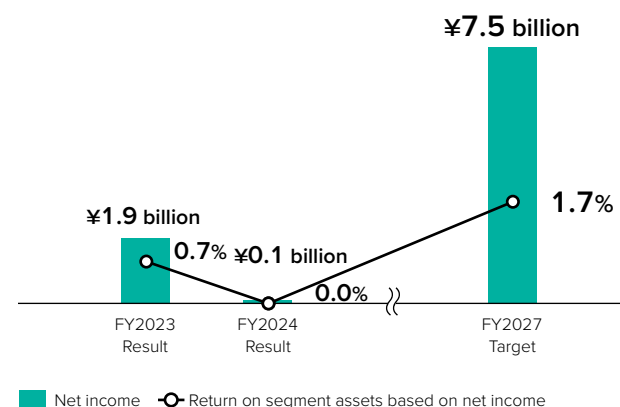


Growth Strategy by Operating Segment

ENVIRONMENTAL
INFRASTRUCTURE

Makoto Nishino
Executive Officer
President, Environmental
Infrastructure Business
Development Unit

Profit Target of Medium-Term Management Plan 2027



Solar power generation



Storage batteries



Overseas renewable energy business

Strengths, Opportunities, Risks, and Growth Strategies

Strengths

- ➔ A stable earnings base from the operation of a solar power portfolio (approx. 1 GW) built up since the beginning of the FIT scheme
- ➔ Advanced asset management services based on a track record in the solar power generation business
- ➔ Accumulation of prime assets through collaboration with highly specialized prime partners (Kyocera, JFE Group, Kraftia (formerly Kyudenko), etc.)

Opportunities

- ➔ Growing social needs toward a decarbonized society
- ➔ Increased electricity demand due to digital technology innovation
- ➔ Earnings opportunities from national systems and policies, such as subsidies
- ➔ Spread of new renewable energy businesses

Risks

- ➔ Intensified competition from an increase in power producers
- ➔ Increased costs due to rising market interest rates and inflation
- ➔ Changes in geopolitical risks and environmental policy
- ➔ Damage and cost increases due to the intensification of extreme weather

Growth Strategies

- ➔ The storage battery business and asset management will be strengthened based on existing businesses centered on domestic solar power generation.
- ➔ Stable earnings will be secured by combining long-term holding and asset sales.
- ➔ Overseas renewable energy business will be developed based on our partnership strategy.
- ➔ The Group's environmental businesses will be driven by our active participation in new areas such as the grid-scale storage battery business.

Key Issues and Initiatives for Improving Profitability

Value Improvement of Existing Businesses

- ➔ Strengthening and expansion of the foundation of the domestic solar power generation business, our core business
- ➔ Enhancement of asset management functions through collaboration with A&Tm and other partners
- ➔ Accumulation of knowledge and construction of a business model by expanding the storage battery co-location business
- ➔ Balancing of new investment and performance by establishing an asset-turnover-based business model

Business Creation in New Areas (Including Green Transformation and Digital Transformation)

- ➔ Acceleration of investment in the grid-scale storage battery business, early start of operations, and project development
- ➔ Participation in overseas renewable energy projects from the development stage and advancement of related asset turnover
- ➔ Enhancement of functions by implementing M&A and partnership strategies to expand growth areas
- ➔ Business development in new technology areas such as next-generation solar cells (perovskite and chalcopyrite)
- ➔ Strengthening of initiatives in the environmental value creation business

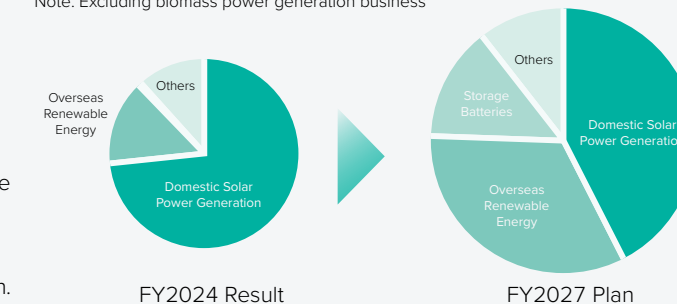
Enhancement of Talent and Organizational Capability

- ➔ Cultivation and acquisition of experts with business acumen and diverse perspectives
- ➔ Development of organizational resilience to market changes and diversifying customer needs
- ➔ Development of a Companywide business in the environmental sector

Vision for the Portfolio

Contribution to an environmentally sound, sustainable economy and society and creation of earnings opportunities

- ➔ Building on our strength in domestic solar assets, we will expand initiatives into key areas, such as storage batteries and overseas renewable energy. We will thereby pursue earnings opportunities in the rapidly changing business environment.
- ➔ We will also explore expansion into new technology and new fuel areas and promote portfolio optimization.

Portfolio (Segment Assets) Composition Ratio
Note: Excluding biomass power generation business

Focus Areas

Seeking to become a frontrunner in the storage battery and electricity trading markets

- ➔ We actively participate in the storage battery and electricity trading markets for profit maximization and further growth opportunities.
- ➔ Through maximization of renewable energy use and power grid stabilization, our initiatives contribute to creating a sustainable society.
- ➔ Our aim is to build expertise and achieve a first-mover advantage through active participation in the nascent grid-scale storage battery business.

Initiatives in the Storage Battery and Electricity Trading Businesses

