



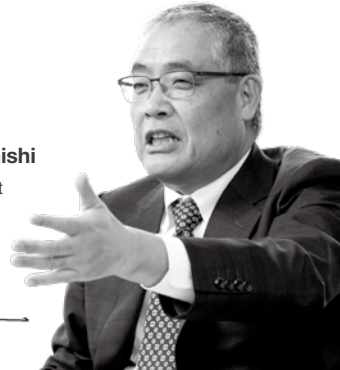
POWER SOLUTION GROUP

OUR VISION

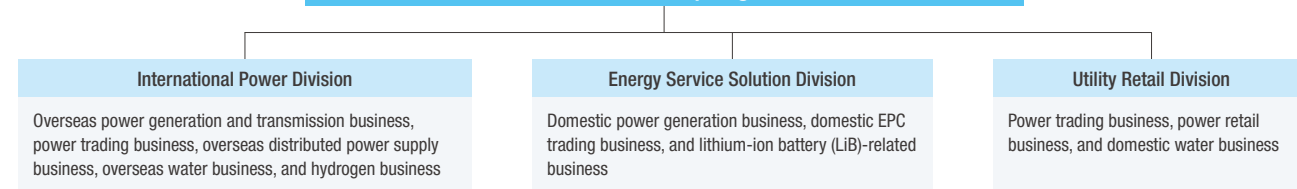
The electricity and water that our Group deals with are the foundations for one of the most important infrastructures. Our Group is helping to secure stable energy supplies by combining renewables and other clean sources with digital technology and a function to balance supply and demand. Our mission is to play its part to build sustainable, low-carbon/decarbonized societies and increase corporate value by providing new added value to our customers, and by conducting new initiatives in the field of hydrogen, a next-generation fuel.

Katsuya Nakanishi

Executive Vice President
Group CEO,
Power Solution Group



Power Solution Group Organization



Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> Major changes in cost structures and power generation systems in the electric power business as part of the transition to low-carbon/decarbonized societies, accelerating efforts to reduce greenhouse gas emissions, including changes to regulations, measures, and loan policies, and a decline in the profitability of thermal power generation using fossil fuels Changes in regulations and policies in each country in regards to the power business 	<ul style="list-style-type: none"> Growth in business opportunities in renewable energy and distributed power supply New business opportunities due to the growing deployment of renewable energy and structural changes in the electric power business, such as the decentralization of power supply systems Growing adoption of battery storage and related services, along with growth in the VPP* business, etc. Expanded use of next-generation energy sources, such as hydrogen Increased opportunities to enter new domains of the electric power business due to changes in regulations and policies in various countries

*Virtual Power Plant (VPP): Serves the function of a power generating station by controlling energy resources such as the facilities of different power consumers, power generating units directly connected to electric power systems, and accumulation equipment.

Strengths of the Power Solution Group

- Extensive track record in terms of development, construction, and operation in the area of renewable energy power generation, especially offshore wind power and offshore transmission business
- The knowledge provided by Eneco, a customer-focused integrated energy company that provides clean energy and related services based on a well-balanced portfolio that encompasses everything from power generation through to retail
- The ability to implement DX initiatives that reflect the rapidly changing electric power business environment, thanks to comprehensive strengths in developing services and partnerships that include knowledge and networking

Elements of the Midterm Corporate Strategy 2021

Through the electricity used regularly by each household and customer, we aim to provide new services that fit the customer's mindset while not limiting those services to sales of electric power. Moreover, in addition to the traditional offering of power generation and transmission ("supply side" of the business), we are engaged in downstream services ("demand side" of the business) including power storage, distributed power supply, and power trading, and seek to maximize our corporate value covering everything from upstream to downstream.

Progress for the fiscal year ended March 31, 2021

- The following initiatives are undertaken for the entire electric power value chain from upstream (supply side) to downstream (demand side).
- On the supply side, we undertook stable business expansion of the domestic and overseas power generation businesses centered on renewable energy and an offshore transmission business to support offshore wind power.
- On the demand side, we established Chubu Electric Power Miraiz Connect, Inc. to expand our electric power retailing and new service activities. The new company will also utilize digital marketing in order to provide various services, including retailing, assisted living, and finance.
- We enhanced our renewable energy development activities through Eneco, which has an integrated business portfolio encompassing both upstream and downstream activities.

EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 ENECO GROEP N.V. (Netherlands)*1	80.00	—	—	—	—	13.2
2 DIAMOND GENERATING ASIA, LIMITED (Hong Kong)*2,3	100.00	6.5	10.8	6.5	11.8	7.3
3 DIAMOND GENERATING CORPORATION (US)	100.00	7.4	22.3	1.1	12.1	3.1
4 DIAMOND GENERATING EUROPE LIMITED (UK)	100.00	2.7	3.4	21.7	6.8	6.2
5 DIAMOND TRANSMISSION CORPORATION (UK)	100.00	6.0	4.1	2.9	8.3	7.8
6 Mitsubishi Corporation Power Ltd.*4	100.00	3.8	7.2	5.3	4.2	13.8

*1 On June 29, 2021, N.V. Eneco Beheer merged with Eneco Group N.V. and changed the name of the business to N.V. Eneco. We invested in Eneco through Diamond Chubu Europe B.V., a joint venture with Chubu Electric Power Co., Inc. A loss of 7 billion yen, including consolidation adjustments, was recorded in the fiscal year ended March 31, 2021, in part because of the amortization of assets evaluated at fair value at the time of acquisition. There were also losses totaling 4.9 billion yen due to the reversal of tax effects following changes to the tax system in the Netherlands. Equity earnings excluding this factor amounted to 11.1 billion yen.

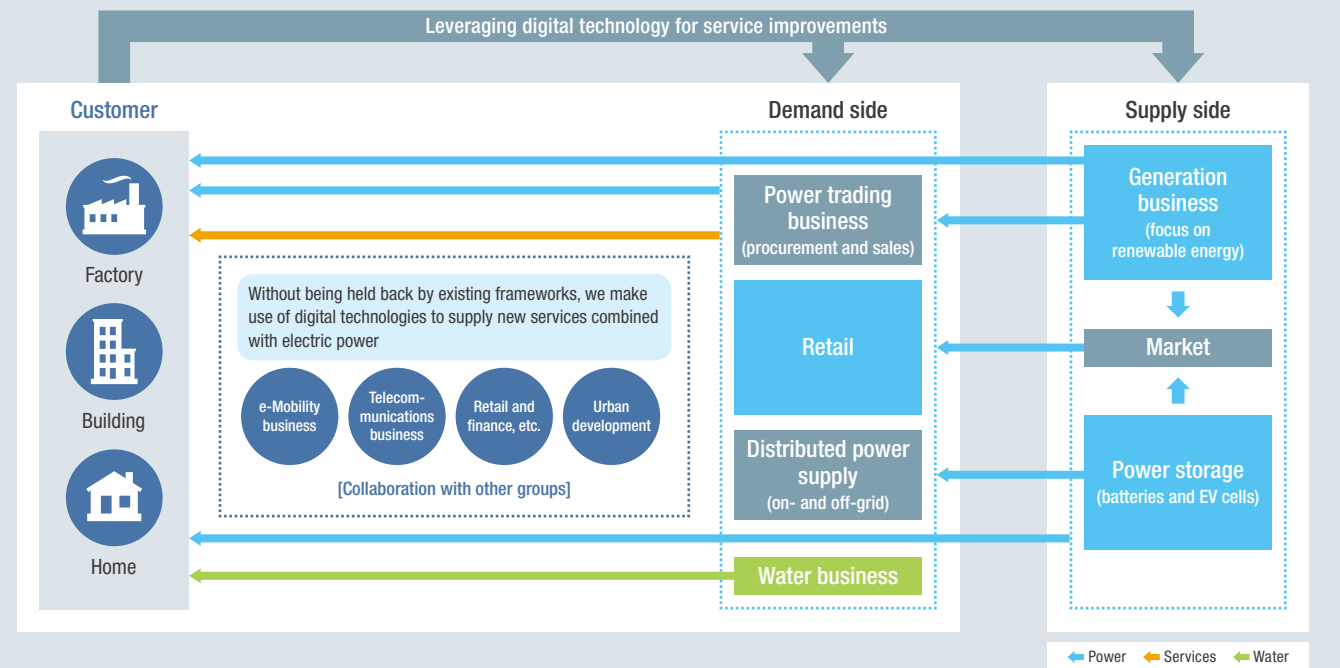
*2 The corresponding figure is the total of nine companies, including companies which are administrated by DIAMOND GENERATING ASIA, LIMITED.

*3 From the disclosure from the fiscal year ended March 31, 2020, tax effects of the parent company are included. The figure from the fiscal year ended March 31, 2019 is also restated retroactively.

*4 On April 1, 2021, the name of the business changed to Mitsubishi Corporations Energy Solutions Ltd.

BUSINESS MODEL OF THE POWER SOLUTION GROUP

Our Company's traditional electric power business is on the supply side centered on generation and transmission. Now, however, through business expansion on the demand side, including a power trading business and a retail business with a customer base, we endeavor to lift corporate value across the entire value chain, including the supply side.



NET EQUITY BASE GENERATION CAPACITY (as of fiscal year ended March 31, 2021)

