

|| The Brand-new Deal

Machinery Company, Plant Project, Marine & Aerospace Division **North American Power Business Briefing**

December 4, 2024

ITOCHU Corporation (8001)

Forward-Looking Statements

Data and projections contained in these materials are based on the information available at the time of publication, and various factors may cause the actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements, and further, that ITOCHU Corporation has no obligation to update any forward-looking statements as a result of new information, future events or other developments.



Overview of Plant Project, Marine & Aerospace Division



Machinery Company Organization



Machinery Company

President: H. Tsubai

As of December 1st, 2024

Plant Project, Marine & Aerospace Division

COO: E. Higashiyama

Green Innovation Business Unit (Decarbonization・Environmental Value Related Business)

Urban Environmental & Power Infrastructure Dept.

GM:T. Kimura, Deputy GM: M. Kanai

Project Development Section No.1

Power IPP Business, Environment and Social Infrastructure Business in Southeast Asia

Project Development Section No.2

Power IPP Business, Environment and Social Infrastructure Business in Other Asian countries, China, Japan, Oceania, Latin America)

Project Development Section No.3

Power IPP Business, Environment and Social Infrastructure Business in Europe, Middle East (west of Pakistan), Africa, Russia, former CIS

Project Development Section No.4

Power IPP Business, Environment and Social Infrastructure Business for North America, Europe

GM: M. Sato

Aerospace Dept.

Marine Dept.

Automobile, Construction Machinery & Industrial Machinery Division

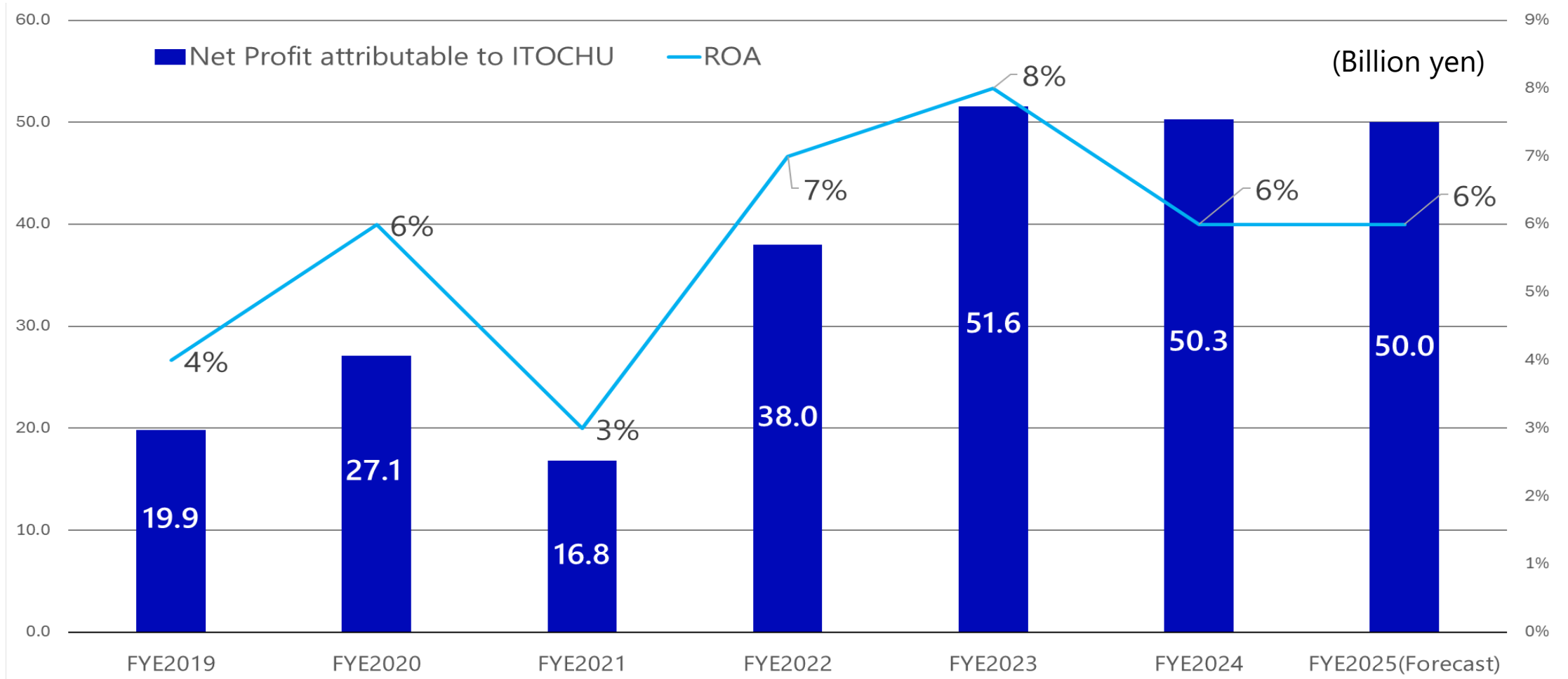
Plant Project, Marine & Aerospace Division Overview

- ▶ A global footprint to deal with the various business models e.g. trading, development, investment and O&M in the sectors of Power & Infrastructure, aerospace and marine.
- ▶ Leveraging the experience and global relationship with partners and customers, we continue to seek new business opportunities.

Department・Unit	Business Overview	
Aerospace Dept.	<ul style="list-style-type: none"> • Variety of businesses with public entities and domestic manufacturers underpinned by relationship with leading aerospace companies. • Aircraft leasing and business for commercial airlines. Satellite data services and other space-related businesses. • New business development to promote decarbonization in the aviation industry. 	
Marine Dept.	<ul style="list-style-type: none"> • Trading and agent work for new and used vessels. • Own and operate the large merchant vessels. • FPSO (Floating Production, Storage and Offloading system for Oil and Gas). 	
Urban Environmental & Power Dept.	<ul style="list-style-type: none"> • Investment and development of projects related to power, water, environment and transportation infrastructures. • Operation and maintenance, repairment, overhaul, engineering, construction, asset management and energy management services in power & infrastructure markets. 	
Green Innovation Business Unit	<ul style="list-style-type: none"> • Promotion of an "integrated project" to develop ammonia-fueled ships and improve the fuel supply system through the integrated way to reduce GHG emissions in a marine sectors. 	

Plant Project, Marine & Aerospace Division Business Performance

- ▶ After 2022, the Division established portfolio which can deliver the base net profit of around 50.0 billion yen
- ▶ Continue to drive initiatives to a profit increase through the combination of orgic and in -organic growth



Business Overview – Power Business (Overseas)

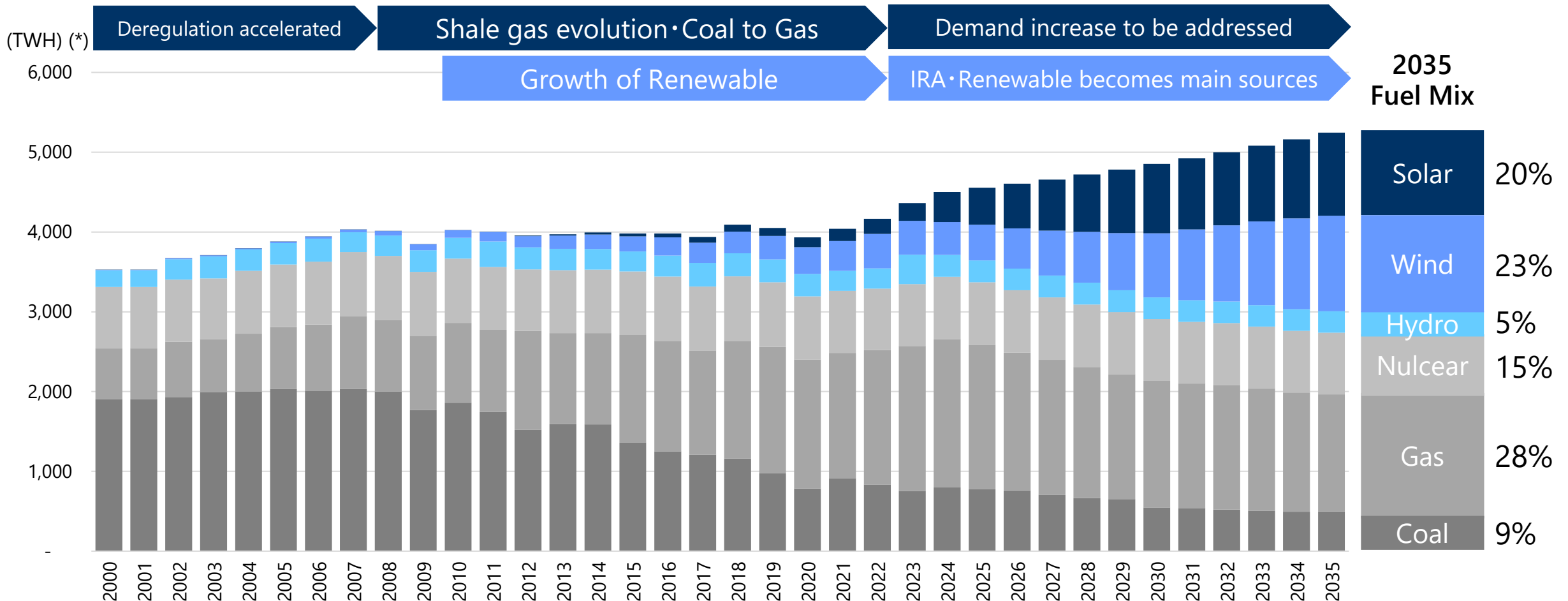


- ▶ 22 projects with 8.5GW worth power assets owned, mainly in North America and Asia (1.4GW of renewable energy).
- ▶ In North America, 5.4GW (15 projects) are owned as an Independent Power Producer (IPP), and through NAES, the world's largest independent O&M provider, a full range of related business including O&M services are developed.

<h2>North America</h2> <p>Renewable Energy 630MW</p>	<h2>Europe • Middle East</h2> <p>Renewable Energy 728MW</p>	<h2>Asia</h2> <p>Renewable Energy 351MW</p>
<p> Tyr Energy Investment platform for our US assets. Total Capacity: 5,400MW (Renewables: 630MW)</p> <p> NAES Corporation World's largest power plant O&M service provider. Servicing more than 50GW.</p> <p> Bay4 Energy A NAES subsidiary specializing in O&M services to solar power. Servicing more than 2GW.</p> <p> TED Renewables A Tyr subsidiary specializing in renewable energy development, mainly for solar power. Currently developing 5.0GW worth of assets.</p> <p>Renewable Energy Fund Asset size 1GW / Investment size USD 2 bil</p>	<p> Germany/Butendiek (Offshore Wind) Total Capacity: 288MW</p> <p> Spain/Solaben (Solar Power) Total Capacity: 100MW</p> <p> United Kingdom/ (Waste to Energy) Total Capacity: 65MW (for 3 projects)</p> <p> Serbia/Belgrade (Waste to Energy) Total Capacity: 33MW</p> <p> UAE/Dubai (Waste to Energy) Total Capacity: 200MW</p>	<p> Indonesia/Sarulla (Thermal Power) Total Capacity: 330MW</p> <p> Indonesia/Central Java (fired Thermal Power) Total Capacity: 2,000MW</p> <p> Philippines/Biogas for Dole Total Capacity: 6MW</p> <p> Vietnam/iREV (Rooftop Solar Business) Total Capacity: 15MW (As of Nov, 2024)</p>

US Power Market Overview

- ▶ The US power market has seen core power sources shifting from Coal, Gas, and to Renewables aligned with political supports, Shale Gas Revolution and market needs.
- ▶ While Renewables would be grown to around 50% share of supply sources through 2035, Gas fired assets continue to be core because of its reliability to meet the expected demand growth driven by AI/data center.



History of US Power Business and ITOCHU's Strength



- ITOCHU's strategy and long-term commitment realize value at each of development, construction and operational phase with firm hands-on management structure.
- To secure strong local human resources, ITOCHU manages a seamless structure by sharing strategies and carrying out fair employment evaluation aligned with market standard.

2001 – 2005
Beginning

- ✓ Establishing local platform (NAES, Tyr), securing profits from O&M, asset management and investment capacities.
- ✓ Starting small from service business, and minority investments, to create track record in the market.

2006 – 2010
Expansion of
Scale and function

- ✓ Steered to scale expansion. Strengthened investment capability to enable large-scale investments, and fostered development activities as core function. Expanded into competitive gas fired assets in response to Shale Gas Revolution. Built relationship with strategic partners.
- ✓ NAES expanded its scale taking opportunity of the power market liberalization.

2011 – 2018
Evolving function
and taking initiative

- ✓ Given strong supports from Obama administration, made full-scale entry into Renewables with GE under strategic partnership.
- ✓ Taking lead on investments and receiving fees from partners. Initiating development on its own.
- ✓ NAES expanded its function and scale through roll-up M&As.

2019 – 2022
Enhance Renewables
business

- ✓ Enhancing functions such as, energy management by reinforcing power, gas sector talents, development activities expanded to Renewables through establishing TED, and initiating fund business to accelerate Renewables business.
- ✓ NAES made full-scale entry into Solar PV O&M business.

2023 –
Monetization in
Renewables

- ✓ Renewable functions, such as Renewable fund and TED, starting to sprout value and profit.
- ✓ Initiating large scale investment utilizing existing function.

US Power Business Strategy



- ▶ Taking initiative on each of development, construction, operational phase and creating value throughout the value chain.
 - Development : Ability to source and create opportunities. Enhance this function more in the growing Renewable market.
 - Investment : Taking lead and diversifying revenue sources (incl. fee income) and improving ROA. Taking advantage of US tax incentive and expanding Renewables business
 - O&M : Strengthen existing organization and execute roll-up M&As to evolve in adjacent service functions.

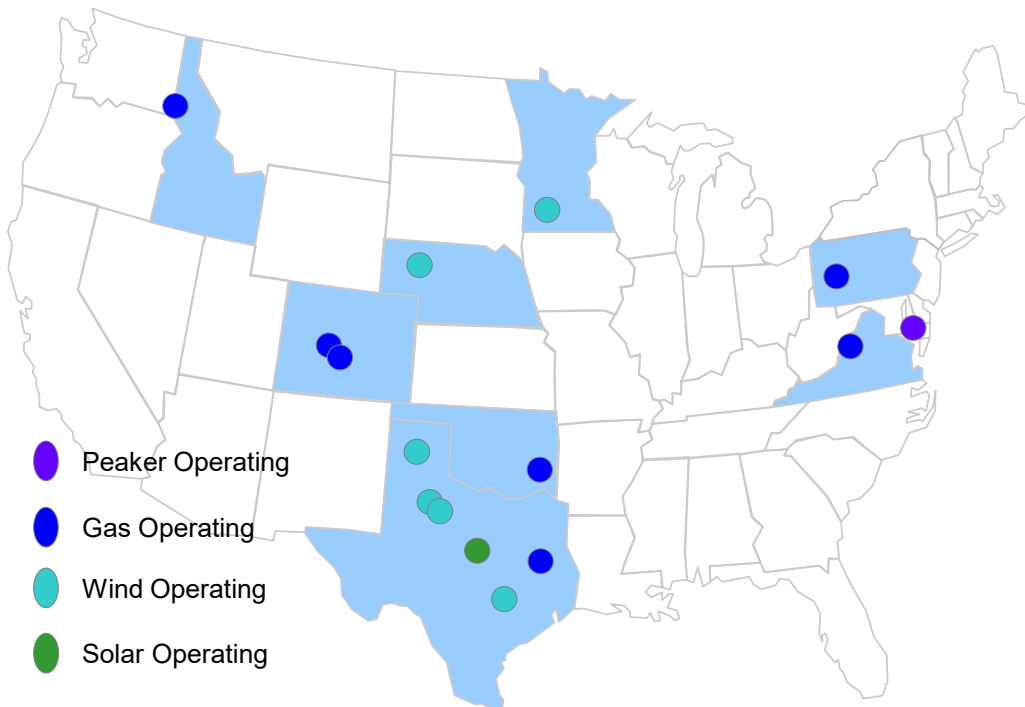
Phase	Development	Construction	Operation (Investment, O&M, Overhaul)	
Business	<ul style="list-style-type: none"> Secure land, permits, grid connection, PPA, and EPC Project Development 	<ul style="list-style-type: none"> Project Management Construction works (e.g. semiconductor factory, data center) 	<ul style="list-style-type: none"> Investment (Own equity, Fund Capital + Tax equity) Utilise capital for stable investment income 	<ul style="list-style-type: none"> O&M for Renewables, Gas-fired assets Asset/Energy Management O&M, Overhaul works
Main Track Record	<ul style="list-style-type: none"> 100MW Biomass × 2 1GW Gas-fired asset 13 Solar assets divested 5GW(29 assets) of Solar assets ongoing 	<ul style="list-style-type: none"> Multiple track records 	<ul style="list-style-type: none"> Investment: Renewables (11 asset), Conventional (22 assets) 	<ul style="list-style-type: none"> Asset Management: 19 assets O&M: Conventional(57GW/250 assets), Solar PV (2GW/1,500 assets)
Revenue Source	<ul style="list-style-type: none"> Capital Gain 	<ul style="list-style-type: none"> Construction Management fees 	<ul style="list-style-type: none"> Stable investment income Other fee incomes (incl. fund related fees) 	<ul style="list-style-type: none"> Fee incomes such as O&M, Asset Management fees

Core US Subsidiary - Tyr Energy



- ▶ Wholly owned by ITOCHU. Hold and manages power generation in the United States. Carries out the entire value chain from development, construction, asset management, and energy management of Renewables and Gas-fired assets.
- ▶ Since foundation in 2002, invested in 33 assets (12.6GW) and developed 16 assets. Currently owns 15 assets (5.4 GW), contributing to power supply for approximately 4 million households in the US.
- ▶ Tyr Energy Development Renewables (TED) was established in Jan, 2022 to focus on development of Renewables.

< Asset Portfolio >



< Example >

Prairie Switch Wind (160MW)

Investment in a new wind farm

- ▶ Mar, 2024, construction complete
- ▶ Long-term corporate PPA with Meta.
- ▶ Energy management services provided by Tyr/NAES.



Hickory Run Project (1,000MW)

Development of large gas-fired asset

- ▶ May, 2020, commercial operation
- ▶ Joint investment with Kansai Electric
- ▶ Tyr led development and financing. Managed by Tyr/NAES



Core US Subsidiary - Tyr Energy – TED (Renewable Developer)

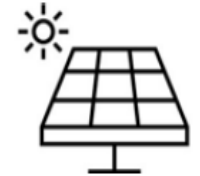


- ▶ Tyr's Renewable development subsidiary. Track record of selling 13 development assets. Currently developing 29 Solar PV assets (approx. 5 GW) in 12 states in the United States.
- ▶ Develop and sell business model, starting from site screening, increasing its value through securing permits, grid connection, contract management, etc.



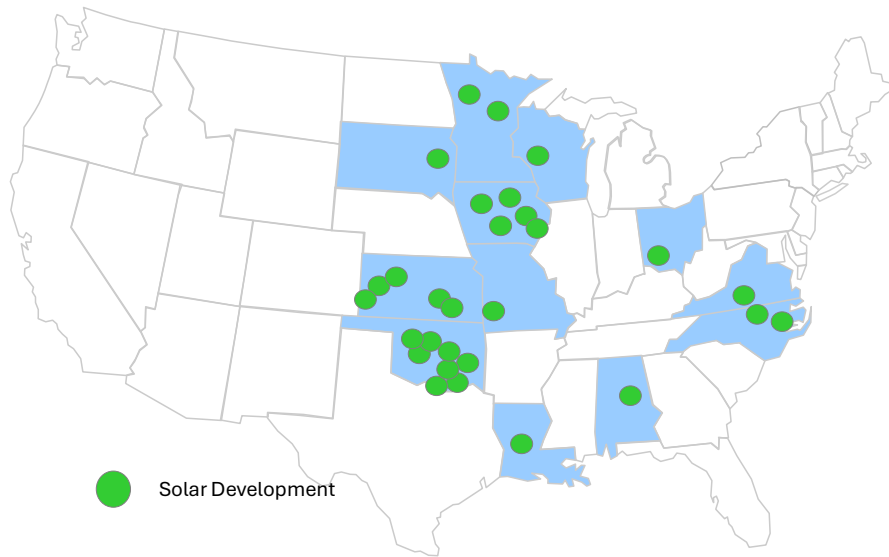
< Site selection >

All development tasks managed in-house
Sell down after increasing asset value



< Completion >

<Development asset portfolio>



Major milestone	Site identified	Early stage	Mid Stage	Late stage	Construction Start/Complete
Site Acquisition	[Progress bar from Site identified to Mid Stage]				
Permit		[Progress bar from Early stage to Late stage]			
PPA			[Progress bar from Mid Stage to Late stage]		
Grid connection		[Progress bar from Early stage to Late stage]			
EPC Contract				[Progress bar from Late stage to Construction Start/Complete]	

Core US Subsidiary - NAES Corporation



- ▶ Wholly owned by ITOCHU. Provides third party O&M services to power plants of approx. 250 gas-fired assets (approx. 57GW) across Americas and others including renewables such as Solar (2GW), Wind, Biomass and energy from waste.
- ▶ Continue to seek growth through organic efforts and Roll-up M&A.

Power Service	O&M Service	Core business since its foundation. Performs O&M work on behalf of power plant owners.
	Asset Management Service	Maintain and improve asset value (profitability, contracts, finance, grid connection, permit management, etc.) on behalf of the owner.
	Energy Solution	Remote O&M for power plants and grids. Technical consulting for plant owners and lenders. Regulatory compliance services including cybersecurity.

MROC* *Maintenance, Repair, Overhaul, Construction	Electrical Services	Design, procure, and repair industrial infrastructure and IT industries such as large hydroelectric power plants and data centers.
	Mechanical Services	Process, manufacture and assemble steel structures for semiconductor manufacturing factories, bridges, and other industrial infrastructure facilities. Large power plant renovation and maintenance work, etc.

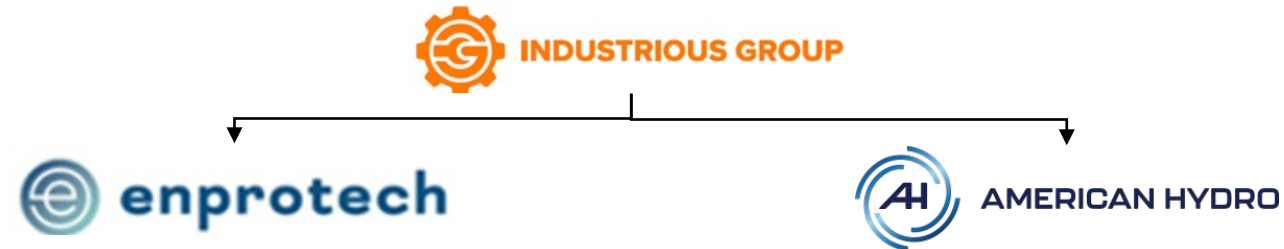
Companies acquired through roll-up M&A




 Renewable O&M	 Asset Management
 Grid O&M Energy Management	 Engineering Consulting
 Electrical Services	 Electrical Services
 Mechanical Services	 Mechanical Services

Core US Subsidiary - Industrious Group



- ▶ Founded in 1984. Provides equipment maintenance and spare parts for hydroelectric assets, steel mills, etc.
- ▶ In 2023, acquired American Hydro, which designs, manufactures and installs hydro turbines and parts.
- ▶ Aim to capture demand for maintenance related to aging hydroelectric power plants and other infrastructure assets in North America and create synergies with existing businesses.



	Enprotech	American Hydro
Business Model	Equipment maintenance and repair services, manufacture replacement parts and new equipment	
Equipment	Press machine 	Metal production machine 
	Hydro electric Turbine 	

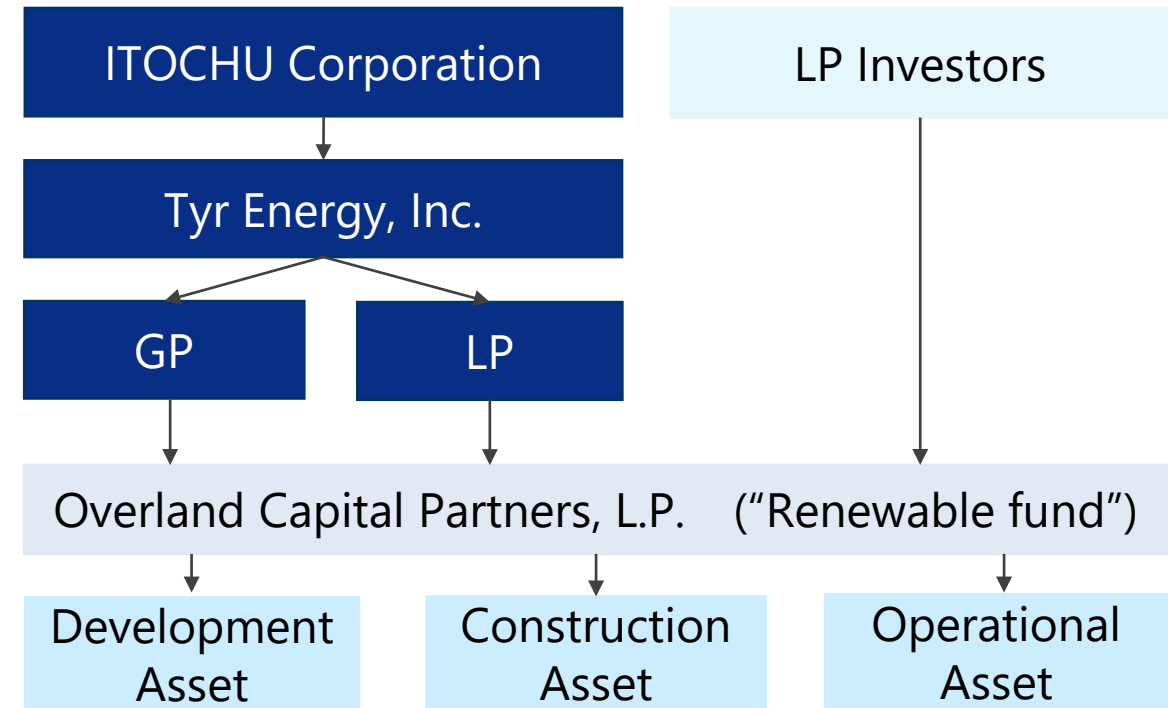
North American Renewable Fund

- ▶ Established Overland Capital Partners, L.P. (“Renewable fund”) in June 2023, a fund managed by Tyr Energy, as the GP. Targets are Renewable assets in North America, such as Solar PV, Wind, and Hydro.

< Fund overview >

Investment Target	North American Renewables (Solar PV、 Wind 、 Hydro etc.)
Asset size	Approx. US\$2 Bil
Fund Period	10 yrs (with 3 yrs extension option)
Fund GP	Tyr Energy, Inc.
LP Investors	Tyr, SMTB、 Fuyo Lease, Tokyu Land, Tokyo Century, Chiba bank, Nishimatsu construction etc

< Investment image >



North American Power Business Target

▶ Targeting PAT of 30 Bil Yen, by accelerating Renewables businesses including development and investment and strengthening services businesses such as O&M, asset management and energy management.

Sector	Action Plan
Renewable	<ul style="list-style-type: none"> • Double portfolio size for Renewable development (currently 5 GW → future 10 GW). • Accelerate Renewable investment through US tax equity and Renewable fund. Establish 2nd, 3rd fund and expand its scale.
O&M, Service	<ul style="list-style-type: none"> • Strengthen adjacent service functions to enhance and supplement business development capabilities <ul style="list-style-type: none"> ✓ Create synergies with existing business and reinforce maintenance activities in power and industrial sector. ✓ Capture demand for renewal of aging power plants and infrastructure equipment.
Gas-fired asset	<ul style="list-style-type: none"> • Optimizing existing asset values (contract renewal, maintenance cost improvement, refinancing, asset replacement, etc.) • Investment in highly competitive gas-fired assets, which is essential for stable regional power supply.

