

## Conclusion of an Agreement With The Power of Forests and Water Co., Ltd.: Toward the Expansion and Development of Our Hydroelectric Power Generation Business

Toda Corporation (Head Office: Chuo-ku, Tokyo; President: Otani Seisuke) has concluded an agreement with The Power of Forests and Water Co., Ltd. (Head Office: Yoshino-gun, Nara Prefecture; Representative Director: Kaimoto Ryuzo) on May 7, 2024, to collaborate on and promote its hydroelectric power generation business in Yonezawa City and Iide Town in Yamagata Prefecture.

This agreement focuses on hydroelectric power generation projects that have the potential to operate for long periods of time, and are capable of delivering a stable supply of power 24 hours a day, unaffected by the time of day. It aims to contribute to the achievement of a decarbonized society and the revitalization of local communities by leveraging the strengths and resources of both companies, working in partnership with local governments and other stakeholders, starting from the investigatory phase.

### 1. Background to the Conclusion of the Agreement

In response to the global trend toward the transition to a decarbonized society in recent years, there has been a growing awareness among companies and local governments of the need to use renewable energy. Having formulated our Future Vision CX150, we have also been working to improve the customer experience in areas such as environmental energy and regional development, and to promote the development of technologies and solutions. The Power of Forests and Water carries out research and development centered on hydroelectric power generation, with the aim of increasing the value of natural capital and revitalizing local communities.

The common themes of both companies' corporate activities are "regional development and the revitalization of local communities" and "the achievement of a decarbonized society."

The two companies have come to this agreement out of their shared desire to further develop their respective corporate activities.

### 2. Overview of the Agreement

#### ■ Objective of the agreement

The objective of this agreement is to effectively utilize the resources of both parties to collaborate and cooperate on feasibility studies (FS) and negotiations with landowners, as well as the design, construction and operation of new hydroelectric power generation projects

#### ■ Main business activities

Toda Corporation's role

- Building partnerships and fostering relationships with local communities and local governments

The Power of Forests and Water's role

- Preliminary surveys for hydroelectric power generation projects and consulting on power plant development

#### ■ Establishment of a joint venture corporation

If the decision is made to commercialize the project, a special purpose company will be established as the project's business organization through joint investment

### 3. Future Developments

When developing hydroelectric power plants, it is important to foster relationships with local communities and to use business methods that are rooted in the local area. By harnessing the strengths of our nationwide network and the development expertise of The Power of Forests and Water, which has experience in developing hydroelectric power plants across Japan, we will promote hydroelectric power generation projects that meet the diverse needs of local communities.

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We will strive to optimize our business portfolio by promoting strategic investments in priority management businesses and intangible assets that will drive future growth, and to achieve our mid- to long-term goal of 8% ROE, as well as to further enhance corporate value.

