

TRANSLATION: This is an English translation of the Japanese original, prepared only for the convenience of shareholders residing outside Japan. Please note that the notes to the financial statements are abbreviated in this translation. The original Japanese version will prevail should there be any difference in the meaning between the English version and the Japanese version. ELECTRIC POWER DEVELOPMENT CO., LTD. does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein. Names of laws of Japan herein are based on those designated in the “Japanese Law Translation Database System,” a website managed by the Ministry of Justice of Japan.



June 2, 2020

Dear Shareholder:

Toshifumi Watanabe
Representative Director President and Chief Executive Officer
Electric Power Development Co., Ltd. (J-POWER)
15-1, Ginza 6-chome, Chuo-ku, Tokyo
(Securities code: 9513)

Notice of the 68th Ordinary General Meeting of Shareholders

1. Date & Time: 11:00 a.m., Thursday, June 25, 2020 (Reception desk will open at 10:30 a.m.)

2. Place: BIZCORE TSUKIJI
6-4, Tsukiji 4-chome, Chuo-ku, Tokyo

Please note that the start time and location are different from those of the previous meeting.

3. Agenda:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 68th fiscal year (from April 1, 2019 to March 31, 2020), in addition to reports on the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 68th fiscal year (from April 1, 2019 to March 31, 2020)

Matters to be resolved:

- Proposal 1.** Appropriation of Surplus
- Proposal 2.** Election of Thirteen (13) Directors
- Proposal 3.** Election of One (1) Audit & Supervisory Board Member

Instructions for Voting:

Please refer to the “Instructions for Exercising Voting Rights” on pages 3-5.

- Should any amendments to the appended Reference Materials for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements arise under any unavoidable circumstances, we will inform you of such amended matters by posting them on the Company website.

- Of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board in preparation of audit report, the following items are not provided in this document.
The following items are posted on the Company's website in accordance with laws and regulations and Article 14 of the Company's Articles of Incorporation.

- Corporate Structure and Policies
- Consolidated Statement of Changes in Equity
- Notes to Consolidated Financial Statements
- Statement of Changes in Equity
- Notes to Non-consolidated Financial Statements

The Company website: <https://www.jpowers.co.jp/english>

Instructions for Exercising Voting Rights

Shareholders are requested to exercise their voting rights by either of the following methods.

To prevent the spread of the coronavirus disease (COVID-19), we strongly request you to exercise voting rights in writing by mail or via the Internet in advance and refrain from attending the meeting regardless of your health condition.

1. Attending the General Meeting of Shareholders

Please **present the enclosed Voting Form to the reception desk** upon your arrival. Please bring this booklet with you as a meeting document.

Shareholders entitled to attend the General Meeting of Shareholders are those who have 100 or more of the Company's shares as of March 31, 2020.

If you wish to attend by proxy, please refer to "Voting by Proxy" shown below.

To prevent the spread of COVID-19, the following measures will be taken at the meeting. We appreciate your kind understanding.

- The number of seats will be significantly reduced from previous years. Therefore, even if you visit the venue on the day, you may be refused entrance.
- Those considered to be in poor health may be refused entrance.
- We will strive to shorten the meeting time.

If you are attending in person, you are kindly requested to take measures to reduce the risk of infection, such as wearing a face mask.

The above measures may be updated depending on the status of the outbreak and government policy, etc. taken up to the day of the meeting.

Please confirm the latest information on the Company website as appropriate.

The Company website

"Investor Relations Shareholders Meeting" page:

<https://www.jpowers.co.jp/english/ir/ir80000.html>

Please note that no gifts will be provided to attending shareholders.

Voting by Proxy

If you wish to attend by proxy, you may vote by appointing **a proxy who is a shareholder of the Company entitled to vote (or if the shareholder is a corporation, an employee of the corporation)**. Please have your proxy submit a written document (a proxy statement, etc.) certifying the authority of proxy to the reception desk.

2. Voting in Writing (by mail)

Voting deadline: Voting Form must reach the Company by 5:30 p.m. on Wednesday, June 24, 2020

Please indicate your vote for or against each of the proposals on the enclosed Voting Form and return the Form to us without putting a stamp.

How to indicate your vote

Please indicate your vote for or against each of the proposals according to below.

Proposal 1 and 3

▶Vote for: Circle “贊” mark

▶Vote against: Circle “否” mark

Proposal 2

▶Vote for all candidates: Circle “贊” mark

▶Vote against all candidates: Circle “否” mark

▶Vote against only some of the candidates: Circle “贊” mark and enter the candidate No. to vote against

3. Voting via the Internet

Voting deadline: Vote must be casted by 5:30 p.m. on Wednesday, June 24, 2020

Smart Vote (by scanning the QR Code)

You can log into the voting website without entering your voting code or password.

(1) Please scan the QR Code printed on the lower right of the Voting Form.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

(2) Please cast your vote by following the instructions on the screen.

<You can vote via Smart Vote only once.>

If you wish to change your vote, please scan again the QR Code, enter your “voting code” and “password” and vote again.

How to enter voting code and password

Voting website: <https://www.web54.net>

(1) Please access the voting website.

Click “Next.”

(2) Enter the “voting code” printed on the Voting Form.

Click “Login” after entering the “voting code.”

(3) Enter the “password” printed on the Voting Form.

Click “Next” after entering the “password.”

(4) Please indicate your vote for or against each of the proposals by following the instructions on the screen.

Handling of your voting code and password

(1) The voting code printed on the Voting Form is valid only for this General Meeting of Shareholders.

(2) Your password is important information used to verify that the voter is the shareholder himself/herself. Please handle it with care just as your seal or security code.

(3) If you fail to enter the correct password more than a certain number of times, your password will be rendered unusable. If you would like your password to be re-issued, please follow the guidance on the screen.

Notes

If you cast multiple votes both by mail and via the Internet, the vote submitted via the Internet shall be deemed valid.

If you vote more than once via the Internet, the vote submitted last shall be deemed valid.

Depending on the Internet environment of your devices such as computer, smartphone or mobile phone, the voting website may be unavailable for access.

For Inquiries relating to voting via the Internet, please contact:

Sumitomo Mitsui Trust Bank, Limited

Dedicated line for stock transfer agency web-support: 0120-652-031

Operating hours: 9:00 a.m. to 9:00 p.m.

For institutional investors:

Institutional investors may exercise voting rights by electronic means, using the Electric Voting Platform operated by ICJ.

REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and Reference Information

Proposal 1: Appropriation of Surplus

The most notable feature of the Company's business model is to gain investment returns from the long-term operation of power plants and other infrastructure based on the Company's long-standing operational capability, which includes the construction of power plants and the like.

Taking into account factors such as the level of profit, earnings forecasts, and financial condition, the Company strives to enhance stable and continuous returns to shareholders in line with a consolidated pay-out ratio of around 30%, except for fluctuations due to short-term factors.

For the fiscal year under review, based on this shareholder return policy, the Company intends to pay the year-end dividend of 40 yen per share. The Company also proposes other items relating to the appropriation of surplus as follows. As the Company has already paid an interim dividend of 35 yen per share in November last year, the Company proposes an annual dividend of 75 yen per share for the 68th fiscal year.

1. Items relating to the year-end dividend:

Type of dividend assets	Cash
Distribution of dividends	40 yen per share of common stock of the Company Total amount: 7,321,946,360 yen
Effective date of the distribution	Friday, June 26, 2020

2. Other items relating to the appropriation of surplus:

Increased surplus	General reserve: 40,000,000,000 yen
Decreased surplus	Retained earnings carried forward: 40,000,000,000 yen

Proposal 2: Election of Thirteen (13) Directors


The term of office for all fourteen (14) Directors expires at the end of this meeting.

Accordingly, the Company proposes to elect thirteen (13) Directors.

This proposal was deliberated by the Nomination and Compensation Committee.

The details of the candidates for Directors are given on pages 8 through 15.

Candidate Number	Name			Current Positions at the Company	
1	Reappointment	Hitoshi Murayama		Representative Director and Executive Vice President	
2	Reappointment	Toshifumi Watanabe		Representative Director President and Chief Executive Officer	
3	Reappointment	Akihito Urashima		Representative Director and Executive Vice President	
4	Reappointment	Yoshiki Onoi		Director and Executive Vice President	
5	Reappointment	Hiromi Minaminosono		Director and Executive Vice President	
6	Reappointment	Makoto Honda		Director and Executive Vice President	
7	Reappointment	Hiroyasu Sugiyama		Director and Executive Managing Officer	
8	Reappointment	Hitoshi Kanno		Director and Executive Managing Officer	
9	New appointment	Yoshikazu Shimada		Executive Managing Officer	
10	New appointment	Hiroshi Sasatsu		Executive Managing Officer	
11	Reappointment	Outside Director	Independent Director	Go Kajitani	Outside Director
12	Reappointment	Outside Director	Independent Director	Tomonori Ito	Outside Director
13	Reappointment	Outside Director	Independent Director	John Buchanan	Outside Director

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
1 Reappointment	 Hitoshi Murayama (February 2, 1954)	<p>April 1980 Joined the Company</p> <p>June 2008 Department Director of Thermal Power Dept.</p> <p>June 2009 Executive Officer, Department Director of Thermal Power Dept.</p> <p>June 2010 Executive Officer, Department Director of Thermal Power Engineering Dept.</p> <p>December 2011 Executive Officer, Department Director of Thermal Power Engineering Dept. (Japanese name changed; English name unchanged)</p> <p>June 2012 Director and Executive Managing Officer</p> <p>June 2015 Executive Vice President and Representative Director</p> <p>April 2019 Representative Director and Executive Vice President (current position)</p> <p><Major Concurrent Positions> None</p>	20,800 shares



Reasons for Nomination as Candidate for Director



Mr. Hitoshi Murayama is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of thermal power maintenance, thermal power engineering, research & development, renewable energy business, procurement, and digital innovation since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director and Executive Managing Officer, Executive Vice President and Director, and Director and Executive Vice President. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.


2 Reappointment	 Toshifumi Watanabe (March 10, 1955)	<p>April 1977 Joined the Company</p> <p>April 2002 Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept.</p> <p>October 2002 Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept. (Japanese name changed; English name unchanged)</p> <p>June 2004 Department Director of Corporate Planning & Administration Dept.</p> <p>June 2006 Director</p> <p>June 2009 Executive Managing Director</p> <p>June 2012 Director and Executive Managing Officer</p> <p>June 2013 Executive Vice President and Representative Director</p> <p>June 2016 President and Representative Director</p> <p>April 2019 Representative Director President and Chief Executive Officer (current position)</p> <p><Major Concurrent Positions> None</p>	21,600 shares
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Reasons for Nomination as Candidate for Director


Mr. Toshifumi Watanabe is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in planning, secretarial affairs & public relations, accounting & finance, personnel & employee relations, general affairs, siting & environment, and other departments since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director, Executive Managing Director, Executive Vice President and Director, President and Director, and Director President and Chief Executive Officer. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.


Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
3 <u>Reappointment</u>	 Akihito Urashima (July 18, 1955)	April 1980 Joined the Company December 2009 Office Director of Ohma Nuclear Power Station Construction Office, Ohma General Management Dept. June 2010 Executive Officer, Office Director of Ohma Nuclear Power Station Construction Office, Ohma General Management Dept. June 2014 Executive Managing Officer June 2015 Director and Executive Managing Officer June 2017 Executive Vice President and Representative Director April 2019 Representative Director and Executive Vice President (current position) <Major Concurrent Positions> None	15,800 shares
Reasons for Nomination as Candidate for Director Mr. Akihito Urashima is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of thermal power engineering, thermal power maintenance, planning, and nuclear power since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director and Executive Managing Officer, Executive Vice President and Director, and Director and Executive Vice President, while also serving as Department Director of Nuclear Power Business. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			
4 <u>Reappointment</u>	 Yoshiki Onoi (July 14, 1955)	April 1979 Joined the Company July 2006 Department Director of Business Planning Dept. June 2009 Executive Officer, Department Director of Business Planning Dept. January 2011 Executive Officer June 2013 Executive Managing Officer June 2015 Director and Executive Managing Officer June 2018 Executive Vice President and Director April 2019 Director and Executive Vice President (current position) <Major Concurrent Positions> None	12,100 shares
Reasons for Nomination as Candidate for Director Mr. Yoshiki Onoi is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of civil engineering, planning, and international business since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director and Executive Managing Officer, Executive Vice President and Director, and Director and Executive Vice President, while also serving as Department Director of International Business. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			


Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company		Number of Shares of the Company Held
5 Reappointment	 Hiromi Minaminosono (October 19, 1956)	April 1981 June 2009 December 2011 June 2012 June 2013 June 2014 June 2016 June 2018 April 2019	Joined the Company Department Director of Personnel & Employee Relations Dept. Department Director of Secretarial Affairs & Public Relation Dept. and Office Director of Public Relation Office, Secretarial Affairs & Public Relation Dept. Department Director of Secretarial Affairs & Public Relation Dept. Executive Officer, Department Director of Secretarial Affairs & Public Relation Dept. Executive Managing Officer, Department Director of Ohma General Management Dept. Director and Executive Managing Officer Executive Vice President and Director Director and Executive Vice President (current position) <Major Concurrent Positions> None	9,620 shares
Reasons for Nomination as Candidate for Director Mr. Hiromi Minaminosono is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of personnel & employee relations, secretarial affairs & public relations, nuclear power, and siting & environment since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director and Executive Managing Officer, Executive Vice President and Director, and Director and Executive Vice President, while also serving as Department Deputy Director of Nuclear Power Business. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.				
6 Reappointment	 Makoto Honda (July 6, 1958)	April 1982 June 2010 June 2014 June 2016 June 2017 April 2020	Joined the Company Department Director of Power Sales Dept. Executive Officer, Department Director of Corporate Planning & Administration Dept. Executive Managing Officer Director and Executive Managing Officer Director and Executive Vice President (current position) <Major Concurrent Positions> None	7,100 shares
Reasons for Nomination as Candidate for Director Mr. Makoto Honda is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of sales, planning, accounting & finance, procurement, and international business since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director and Executive Managing Officer and Director and Executive Vice President, while also serving as Department Deputy Director of International Business. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.				

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
7 Reappointment	 Hiroyasu Sugiyama (April 11, 1956)	April 1981 Joined the Company July 2012 Department Director of International Business Development Dept. June 2013 Executive Officer, Department Director of International Business Development Dept. June 2015 Executive Managing Officer June 2016 Director and Executive Managing Officer (current position) <Major Concurrent Positions> None	14,120 shares
Reasons for Nomination as Candidate for Director Mr. Hiroyasu Sugiyama is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of civil engineering, international business, thermal power engineering, and renewable energy business since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director and Executive Managing Officer, while also serving as Department Deputy Director of Nuclear Power Business and Department Director of Renewable Energy. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			
8 Reappointment	 Hitoshi Kanno (April 19, 1961)	April 1984 Joined the Company January 2011 Department Director of Business Planning Dept. June 2015 Executive Officer, Department Director of Business Planning Dept. October 2015 Executive Officer, Department Director of Power Business Planning & Development Dept. June 2016 Executive Officer, Department Director of Corporate Planning & Administration Dept. June 2017 Executive Managing Officer June 2019 Director and Executive Managing Officer (current position) <Major Concurrent Positions> None	9,400 shares
Reasons for Nomination as Candidate for Director Mr. Hitoshi Kanno is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of planning, general affairs, and siting & environment since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Executive Officer, Executive Managing Officer, and Director and Executive Managing Officer. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
9 New appointment	 Yoshikazu Shimada (May 16, 1957)	April 1982 Joined the Company June 2012 Department Director of Civil & Architectural Engineering Dept. June 2015 Executive Officer, Department Director of Civil & Architectural Engineering Dept. June 2017 Executive Managing Officer (current position) <Major Concurrent Positions> None	10,020 shares
Reasons for Nomination as Candidate for Director Mr. Yoshikazu Shimada is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of civil engineering, wind power business, international business, and hydroelectric power engineering since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Executive Officer and Executive Managing Officer, while also serving as Department Deputy Director of Renewable Energy. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			
10 New appointment	 Hiroshi Sasatsu (March 15, 1962)	April 1986 Joined the Company June 2015 Department Director of Research & Development Dept. June 2016 Executive Officer, Department Director of Research & Development Dept. June 2018 Executive Officer April 2019 Executive Managing Officer (current position) <Major Concurrent Positions> None	4,700 shares
Reasons for Nomination as Candidate for Director Mr. Hiroshi Sasatsu is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of thermal power maintenance, research & development, and thermal power engineering since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Executive Officer and Executive Managing Officer. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
11 Reappointment Outside Director Independent Director	 Go Kajitani (November 22, 1936)	<p>April 1967 Registered as an attorney at law (Dai-ichi Tokyo Bar Association) Joined KAJITANI LAW OFFICES</p> <p>April 1998 President of Dai-ichi Tokyo Bar Association, Vice President of Japan Federation of Bar Associations</p> <p>April 1999 Senior Partner of KAJITANI LAW OFFICES</p> <p>June 2003 Outside Audit & Supervisory Board Member of NICHIAS Corporation</p> <p>April 2004 President of Japan Federation of Bar Associations</p> <p>June 2007 Chairman of the Central Third-Party Committee to Check Pension Records, the Ministry of Internal Affairs and Communications</p> <p>June 2009 Outside Director of the Company (current position)</p> <p>April 2011 President of Japan Legal Support Center</p> <p>June 2011 Outside Audit & Supervisory Board Member of The Yokohama Rubber Co., Ltd.</p> <p><Major Concurrent Positions></p> <ul style="list-style-type: none"> • Attorney at law (KAJITANI LAW OFFICES) 	0 shares
Reasons for Nomination as Candidate for Outside Director			
<p>Mr. Go Kajitani has distinguished knowledge as an attorney at law and abundant experience in the legal profession, and has been serving as Outside Director of the Company. For this reason, the Company has judged that he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and has nominated him as a candidate to serve as Outside Director. Although he has no experience in the management of a company other than as an Outside Director/Outside Audit & Supervisory Board Member, for the aforementioned reasons, the Company has judged that he would be able to appropriately execute the duties of Outside Director.</p>			
Independence of Outside Director			
<p>The Company maintains special transactional relationships with neither Mr. Kajitani nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.</p>			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
12 Reappointment Outside Director Independent Director	 Tomonori Ito (January 9, 1957)	<p>April 1979 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)</p> <p>March 1990 Vice President of Investment Banking Group, Bank of Tokyo Trust Company, New York Branch</p> <p>April 1994 Vice President of Emerging Market Group, The Bank of Tokyo, Ltd., New York Branch</p> <p>March 1995 Manager of Business Development Daini, Union Bank of Switzerland, Tokyo Branch (currently UBS)</p> <p>August 1997 General Manager of Tokyo Branch and Head of Investment Banking, Union Bank of Switzerland</p> <p>June 1998 Head of Investment Banking and Managing Director, UBS Securities Japan Co., Ltd.</p> <p>April 2011 Visiting Professor of Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>May 2012 External Director of PARCO CO., LTD.</p> <p>October 2012 Professor of Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>June 2014 Outside Director of Aozora Bank, Ltd. (current position)</p> <p>June 2016 Outside Director of the Company (current position)</p> <p>April 2018 Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University</p> <p>April 2020 Adjunct Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University (current position)</p> <p><Major Concurrent Positions></p> <ul style="list-style-type: none"> • Adjunct Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University • Outside Director of Aozora Bank, Ltd. 	2,100 shares
Reasons for Nomination as Candidate for Outside Director			
<p>Mr. Tomonori Ito has abundant experience in investment banking business both inside and outside Japan, and also has distinguished knowledge acquired through researches in financial theory at the Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University. He also has been serving as Outside Director of the Company. For this reason, the Company has judged that he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and has nominated him as a candidate to serve as Outside Director.</p>			
Independence of Outside Director			
<p>The Company maintains special transactional relationships with neither Mr. Ito nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.</p> <p>Moreover, although MUFG Bank, Ltd. (formerly The Bank of Tokyo, Ltd.), at which he served in the past as an executive officer, is currently one of the Company’s major lenders and shareholders, he resigned from the bank in February 1995, since which time roughly 25 years have elapsed. In addition, although UBS Securities Japan Co., Ltd. (formerly Union Bank of Switzerland / UBS Securities Japan Co., Ltd.), at which he served in the past as an executive officer, was the lead managing underwriter when the Company was listed on the stock exchange, he resigned from the company in March 2011, since which time roughly 9 years have elapsed.</p>			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
13 Reappointment Outside Director Independent Director	 John Buchanan (October 31, 1951)	<p>October 1974 Joined Lloyds Bank Group (Bank of London and South America, Lloyds Bank International, Lloyds Merchant Bank)</p> <p>January 1981 Representative, subsequently Branch Manager, Lloyds Bank International, Osaka</p> <p>August 1983 Branch Manager, Bank of London and South America, Barcelona</p> <p>October 1987 Joined S.G. Warburg & Co. Ltd.</p> <p>October 1992 Director of S.G. Warburg & Co. Ltd.</p> <p>October 1995 Joined The Sumitomo Bank, Limited, London Branch</p> <p>May 2000 Joined Daiwa Securities SB Capital Markets Europe Limited</p> <p>August 2006 Research Associate of Centre for Business Research, University of Cambridge (current position)</p> <p>June 2016 Outside Director of the Company (current position)</p> <p><Major Concurrent Positions></p> <ul style="list-style-type: none"> • Research Associate of Centre for Business Research, University of Cambridge 	0 shares

Reasons for Nomination as Candidate for Outside Director

Mr. John Buchanan has abundant experience in investment advisory business both inside and outside Japan, and also has distinguished knowledge acquired through researches concerning corporate governance at University of Cambridge. He also has been serving as Outside Director of the Company. For this reason, the Company has judged that he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and has nominated him as a candidate to serve as Outside Director.

Independence of Outside Director

The Company maintains special transactional relationships with neither Mr. Buchanan nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.

Moreover, although Sumitomo Mitsui Banking Corporation (formerly The Sumitomo Bank, Limited), at which he served in the past as a person who executes business, is currently one of the Company’s major lenders and shareholders, he resigned from the bank in April 2000, since which time roughly 20 years have elapsed. Also, although he served in the past as a person who executes business of Daiwa Securities SB Capital Markets Europe Limited, a group company of Sumitomo Mitsui Banking Corporation, he resigned from the company in August 2002, since which time roughly 18 years have elapsed.

- Notes:
1. There is no conflict of interest between any of the Director candidates and the Company.
 2. Roles and responsibilities of the Director candidates are as described in Attachments (page 40 to page 43).
 3. Mr. Go Kajitani currently serves as an Outside Director of the Company, and his term of office will be 11 years as of the end of this General Meeting of Shareholders.
 4. Mr. Tomonori Ito currently serves as an Outside Director of the Company, and his term of office will be 4 years as of the end of this General Meeting of Shareholders.
 5. Mr. John Buchanan currently serves as an Outside Director of the Company, and his term of office will be 4 years as of the end of this General Meeting of Shareholders.
 6. Mr. Tomonori Ito retired from the post of Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University and assumed office as Adjunct Professor of the same organization on April 1, 2020.
 7. Mr. Tomonori Ito retired from the post of External Director of PARCO CO., LTD. on May 25, 2019.
 8. The Company has entered into a contract with Messrs. Go Kajitani, Tomonori Ito and John Buchanan that limits their liability for damages arising from failure to perform duties in accordance with Article 427, Paragraph 1 of the Companies Act. The limit under that contract will be the amount prescribed by the applicable laws and regulations. If they are elected, the Company plans to renew such contracts.


Proposal 3: Election of One (1) Audit & Supervisory Board Member

The term of office for Mr. Naori Fukuda, who serves as an Audit & Supervisory Board Member, expires at the end of this meeting.

Accordingly, the Company proposes to elect one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board has approved this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Brief Personal History, and Duties at the Company	Number of Shares of the Company Held
 Naori Fukuda (March 25, 1956)	April 1979 Joined the Company June 2008 Department Director of Civil and Electrical Engineering Dept. June 2010 Executive Officer, Department Director of Civil and Electrical Engineering Dept. December 2011 Executive Officer, Department Director of Civil & Architectural Engineering Dept. June 2012 Executive Managing Officer June 2013 Director and Executive Managing Officer June 2016 Senior Audit & Supervisory Board Member (current position)	17,900 shares
<p>Reasons for Nomination as Candidate for Audit & Supervisory Board Member</p> <p>Mr. Naori Fukuda is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of planning, civil engineering, nuclear power, and international business since joining the Company and also through his service as Director and Executive Managing Officer and Department Deputy Director of Nuclear Power Business. Since taking office as Audit & Supervisory Board Member in June 2016, he has demonstrated distinguished knowledge and highly specialized expertise and therefore the Company has nominated him as a candidate for Audit & Supervisory Board Member.</p>		

Notes: There is no conflict of interest between the Audit & Supervisory Board Member candidate and the Company.

(Reference) Corporate Governance

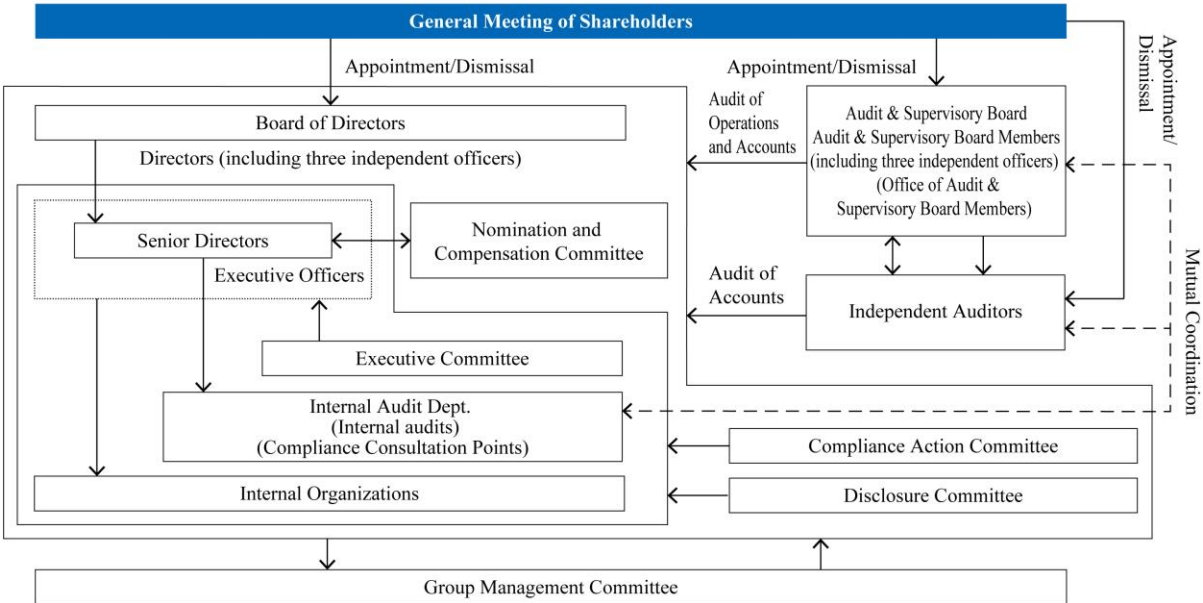
Corporate Governance System

At the Company, where a company system with an Audit & Supervisory Board structure has been adopted, Senior Directors and Executive Officers bear responsibility of executing business. The Company has also put in place a system for mutual oversight among Directors by holding meetings of the Board of Directors attended by, among others, Outside Directors who, as non-executive directors, participate in the Company's management decision-making from an independent position.

In FY2019, the Company established a Nomination and Compensation Committee, where a majority of the members are Independent Officers, thereby enhancing independence, objectivity and accountability of the Board's functions in nominating Directors and senior management and determining their remuneration.

Further, the execution of duties by Directors is constantly monitored at the meetings of the Board of Directors and other management meetings by Audit & Supervisory Board Members in attendance, including Outside Audit & Supervisory Board Members with abundant experience in such areas as the management of leading Japanese listed companies and the execution of financial administration. The Company believes that this system sufficiently supports the function of corporate governance.

Corporate Governance Structure and Internal Control System Chart (As of April 1, 2020)



Roles and Obligations of the Board of Directors

1. Based on its fiduciary responsibilities and accountability to the shareholders, the Board of Directors appropriately undertakes its roles and obligations, including
 - i) setting the broad direction of management plans, etc.
 - ii) establishing an environment that supports risk-taking by the management, and
 - iii) carrying out effective supervision of the management from an independent and objective standpoint,
in order to promote sustainable growth and enhancement of corporate value over the medium-to-long term and to improve profitability and capital efficiency
2. When establishing and publishing management plans and management strategies, the Board of Directors and the management articulate basic policies regarding revenue plans and capital policies after accurately understanding the Company's cost of capital, and endeavor to clearly and carefully explain initiatives for their realization. In addition, recognizing that a management plan is one of their commitments to the shareholders, the Board of Directors and the management understand and analyze the progress of the plan, provide explanations to shareholders, and integrate the results into the following plans.

Composition of the Board of Directors

1. The Board of Directors is composed of Directors with abundant experience, distinguished knowledge and advanced specialization, ensuring that a balance and diversity of knowledge, experience and abilities are maintained as a whole. The number of Directors, including inside and outside directors, is 14 or less.
2. In order to ensure the effectiveness of independent and objective management supervision by the Board of Directors, the Company endeavors to appoint at least 2 Independent Outside Directors who satisfy the criteria to determine the independence of Outside Officers, considering their experience, knowledge, specialization and other attributes. It then receives respective advice from a specialized and broad standpoint, through the deliberation of various kinds of proposals at the meetings of the Board of Directors.

Appointment of Directors, etc.

When nominating candidates for Director, the Board of Directors nominates persons with abundant experience, distinguished knowledge and advanced specialization who are deemed appropriate for selection as a Director after deliberations undertaken based on the recommendations of the President. The recommendation of Director candidates by the President is made after deliberation by the Nomination and Compensation Committee.

Roles and Obligations of Audit & Supervisory Board Members and the Audit & Supervisory Board

1. The Audit & Supervisory Board Members and the Audit & Supervisory Board make appropriate judgments from an independent and objective standpoint, positively and proactively exercise their authority, and appropriately express their views at meetings of the Board of Directors or to the management, in order to carry out their roles and obligations, based on their fiduciary responsibilities to the shareholders.

2. The Audit & Supervisory Board comprises a maximum of 5 Audit & Supervisory Board Members, at least half of whom are Outside Audit & Supervisory Board Members. The effectiveness of audits is enhanced by a combination of robust independence, resulting from the composition of the Audit & Supervisory Board, and the advanced information collection capabilities of the full-time Audit & Supervisory Board Members. In addition, at least 1 person with adequate knowledge of finance and accounting is appointed as an Audit & Supervisory Board Member.
3. The Audit & Supervisory Board Members and the Audit & Supervisory Board endeavor to enhance coordination with the Independent Outside Directors by means such as exchange of information as needed.

Criteria to Determine the Independence of Outside Officers

The Company determines that an outside officer is independent when the candidate does not fall under any of the following criteria.

1. Persons who executed the business of the Company or the Company's subsidiaries in the past.
2. Persons whose major business partner^{*1} is the Company or the Company's subsidiaries, or persons executing business for such persons.
3. Persons who are major business partners^{*1} of the Company or the Company's subsidiaries, or persons executing business for such persons.
4. Consultants, accounting professionals, and legal professionals who have received large amounts of money^{*2} and/or other properties other than officers' remuneration from the Company or the Company's subsidiaries. (If the persons that have received such properties are corporations, general partnerships, or other organizations, this means persons that belong to such organizations.)
5. Persons who fall under any of 2 to 4 above during the past ten years.
6. Persons who are close relatives of any of the persons listed in (1) to (4) below (excluding immaterial persons):
 - (1) Persons listed in paragraphs 2 to 5 above;
 - (2) Persons who executes business, or Directors who do not execute business of the Company or the Company's subsidiaries;
 - (3) Audit & Supervisory Board Members of the Company or the Company's subsidiaries; or
 - (4) Persons who fall under (2) or (3) above during the past ten years.

*1 "Major business partners" refer to business partners whose annual amount of transactions with the Company or the Company's subsidiaries during the past 3 fiscal years accounted for more than 2% of the total consolidated sales of the Company or that of the other party.

*2 "Large amounts of money" refers to ten million yen or more a year, on average during the past 3 fiscal years.

(Attachments)

BUSINESS REPORT (from April 1, 2019 to March 31, 2020)

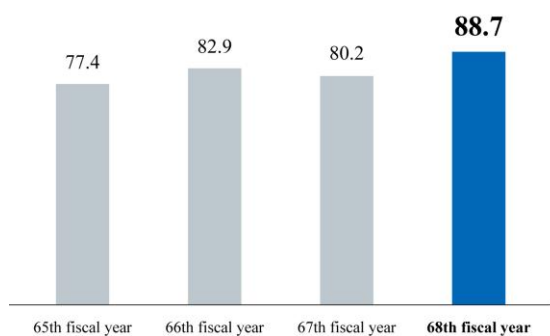
I Items Regarding the Status of J-POWER Group Operations

1. Trend in Assets and Profit/Loss

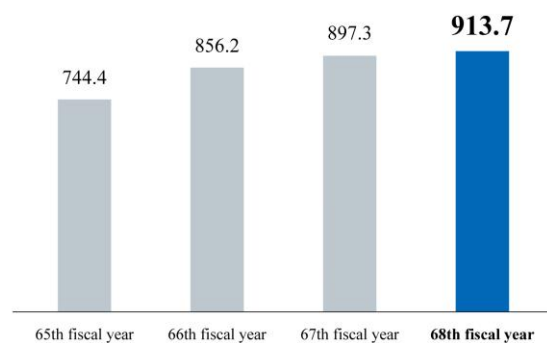
	(millions of yen)			
	65th Fiscal Year (FY2016)	66th Fiscal Year (FY2017)	67th Fiscal Year (FY2018)	68th Fiscal Year (FY2019)
Electricity sales volumes (TWh)	77.4	82.9	80.2	88.7
Operating revenue	744,402	856,252	897,366	913,775
Operating income	81,726	104,336	78,844	83,638
Ordinary income	67,150	102,476	68,539	78,085
Profit attributable to owners of parent	41,429	68,448	46,252	42,277
Earnings per share (yen)	226.33	373.93	252.68	230.96
Total assets	2,606,285	2,647,054	2,766,179	2,805,390
Net assets	764,019	836,124	845,582	857,387
ROE (%)	6.0	9.1	5.8	5.3
J-POWER EBITDA* (billions of yen)	170.6	196.3	168.4	177.9

* J-POWER EBITDA = Operating income + Depreciation and amortization + Share of profit of entities accounted for using equity method

■ Electricity sales volumes (TWh)



■ Operating revenue (billions of yen)



2. Overview of Operations

In the fiscal year under review that ended March 31, 2020, the overall global economy achieved a moderate recovery partly due to economic recovery in the U.S., despite remaining uncertainty over the economic policies of certain major countries, such as the trade friction between the U.S. and China and the Brexit issues. However, the worldwide outbreak of the COVID-19 brought about a rapid slowdown. While Japan's economy continued its moderate recovery trend supported by improvement in the employment and income conditions, it is also faced by harsh conditions with significant downward pressure due to the effects of COVID-19.

In the electric power business, electricity sales volume from hydroelectric power plants for the 68th fiscal year showed 5.3% decrease from the previous fiscal year to 9.1TWh, due mainly to the decrease in water supply rate from 106% to 101%. In thermal power, the decrease in the load factor of thermal power plants of J-POWER (non-consolidated) from 79% to 77% resulted in 5.3% decrease in electricity sales volume from the previous fiscal year to 52.0TWh. Despite these factors, the increase in sales volume of electricity which was procured from wholesale electricity market, etc. and sold to retailers contributed to 5.4% increase in total electricity sales volume of the electric power business from the previous fiscal year to 73.1TWh.

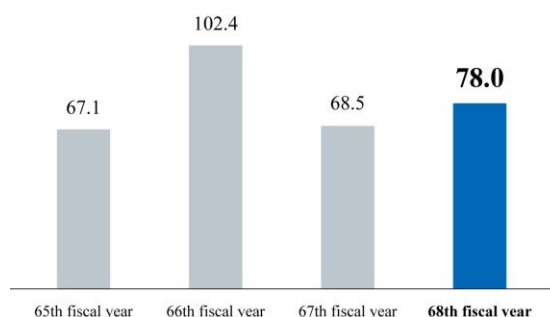
Electricity sales volume in the overseas business increased 43.1% from the previous fiscal year to 15.6TWh.

Sales (operating revenues) increased 1.8% from the previous fiscal year to 913.7 billion yen, due mainly to the increase in electricity sales volume in the overseas business. Non-operating revenue increased 40.5% from the previous fiscal year to 26.5 billion yen mainly due to the posting of foreign exchange gains. Total ordinary revenue increased 2.6% from the previous fiscal year to 940.3 billion yen.

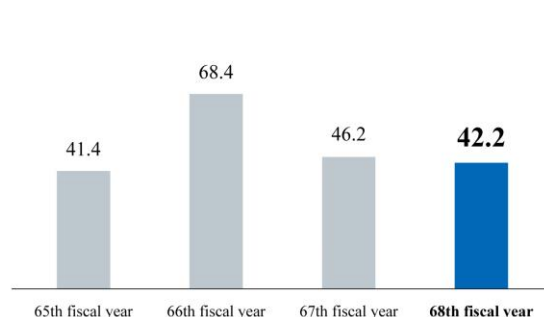
Operating expenses increased 1.4% from the previous fiscal year to 830.1 billion yen. This was mainly due to the increase in purchased power from other suppliers and the increase in fuel costs in the overseas business, despite decrease in fuel costs associated with the decrease in load factor of thermal power plants in the electric power business. Total ordinary expenses including non-operating expenses increased 1.7% from the previous fiscal year to 862.2 billion yen.

As a result, ordinary income increased 13.9% from the previous fiscal year to 78.0 billion yen. In addition, factors including posting of amounts equivalent to impairment losses related to the business of Birchwood Power Partners, L.P. which is a company accounted for using equity method as loss on business of subsidiaries and affiliates under extraordinary losses led to 8.6% decrease in profit attributable to owners of parent from the previous fiscal year to 42.2 billion yen.

■ Ordinary income (billions of yen)

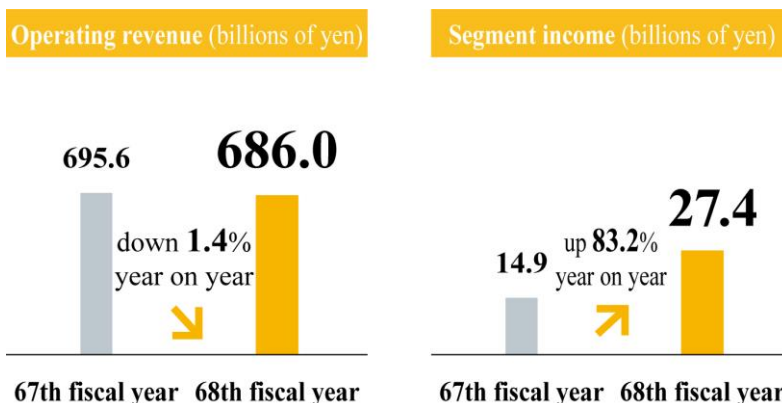


■ Profit attributable to owners of parent (billions of yen)



3. Major Areas of Operation

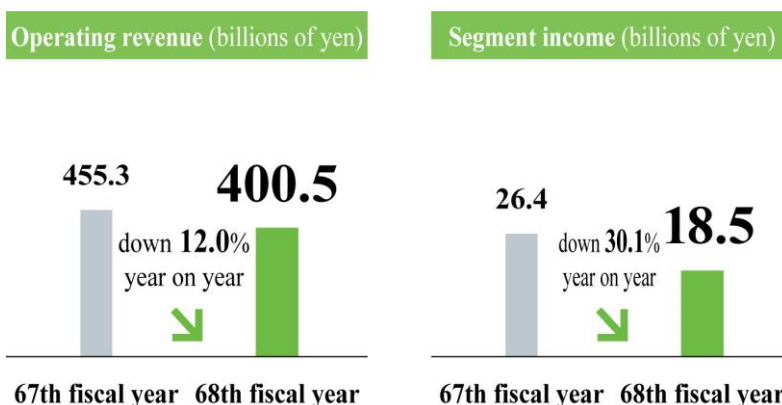
Electric Power Business	Power generation business, transmission businesses
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Sales (electric utility operating revenue) decreased 1.4% from the previous fiscal year to 686.0 billion yen mainly due to the decrease in both fuel price and the load factor of thermal power plants, despite increase in the sales volume of electricity procured from wholesale electricity market, etc. and sold to retailers.

Segment income increased 83.2% from the previous fiscal year to 27.4 billion yen. While the increase in retirement benefit cost negatively impacted, the decrease in fuel costs associated with lower fuel price and lower load factor of thermal power plants contributed to the increase of segment income together with decrease in removal cost of existing facilities.

Electric Power-Related Business	Design, construction, inspection, maintenance, and repair of power generation, transmission and transformation facilities; operation of port facilities to handle fuel and coal ash; coal mine development; import and transportation of coal; biomass fuel procurement and production; management of welfare facilities; and computer services, etc.
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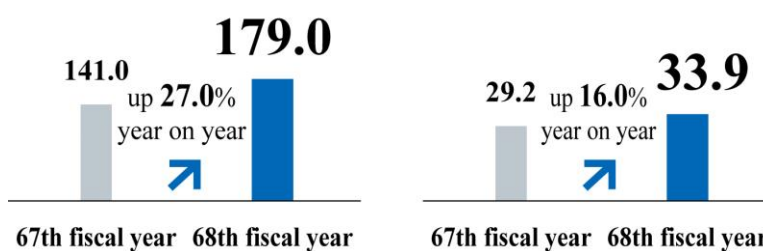
Sales (other business operating revenue) decreased 12.0% from the previous fiscal year to 400.5 billion yen mainly due to the decrease in sales of coal in a consolidated subsidiary.

Segment income decreased 30.1% from the previous fiscal year to 18.5 billion yen due mainly to the decrease in sales.

Overseas Business	Overseas power generation and its related businesses; overseas engineering and consulting business, etc.
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Operating revenue (billions of yen)

Segment income (billions of yen)



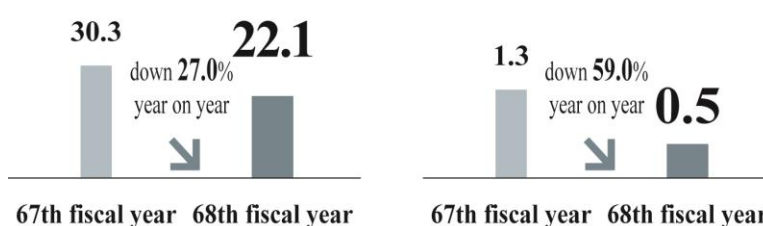
Sales (overseas business operating revenue) increased 27.0% from the previous fiscal year to 179.0 billion yen due mainly to the increase in electricity sales volume.

Segment income increased 16.0% from the previous fiscal year to 33.9 billion yen due mainly to posting of foreign exchange gains.

Other Business	Waste power generation; cogeneration system business; environment-related businesses; IT communications; domestic engineering and consulting business; and coal sales business, etc.
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Operating revenue (billions of yen)

Segment income (billions of yen)



Sales (other business operating revenue) decreased 27.0% from the previous fiscal year to 22.1 billion yen.

Segment income decreased 59.0% from the previous fiscal year to 0.5 billion yen.

4. Current Challenges

The business environment for electric power business in Japan is changing on a large scale. These changes include, in addition to presenting new CO₂ reduction targets to the international society, the full-scale liberalization of retail business and abolishment of wholesale regulations came into force in April 2016, the unbundling of power generation and transmission from April 2020, and the creation of new markets (the baseload market started in July 2019, the capacity market scheduled to start in 2020, etc.).

On the other hand, the energy industry faces a big turning point in the long term, because of actions against climate change, growth in electricity demand in developing countries, and the advancement of digital transformation.

Amid these conditions, the J-POWER Group will develop its business globally for further growth with a long-term direction toward 2050 for realizing a CO₂-free electricity supply in Japan and contributing to both economic development and measures against climate change overseas. Specifically, based on the Medium-term Management Plan (announced on July 31, 2015), the Group is promoting the following six key initiatives to create opportunities for growth amongst such radical changes in business environment, to enhance its corporate value.

Although the global economic outlook is highly uncertain due to the effects of COVID-19, the Group will make efforts to ensure safety and security for our stakeholders with the highest priority on the stable supply of electric power.

(1) Further expansion of Renewable Energy

From its establishment, the J-POWER Group has been producing a large amount of electricity by hydroelectric power which largely contributes to a stable supply of electric power and reducing CO₂ emissions. While working to maintain stable operation over the long term, the Group will strive for a further increase in power generation volume (development of small- to medium-scale hydroelectric power plants, increasing the capacity of existing plants through comprehensive renewals of main power generating machinery, etc.).

With regard to wind power, the Group will steadily promote onshore wind farming projects (Kuzumaki No. 2, Kaminokuni No.2, and Minami Ehime No.2) already under construction or preparation for construction and will also continue to find and cultivate new sites, as well as replacing facilities in existing sites with larger wind turbines. For offshore wind farming, the Group will aim to further acquire new development projects by utilizing business know-how gained through participation in development projects (Hibikinada offshore and Triton Knoll offshore wind project) in the port area of the Kitakyushu-shi and the U.K. that is an advanced region.

Also, in geothermal power, a baseload power source, the Group will steadily promote projects currently under construction (Onikobe and Appi) and make efforts to find new sites.

As a leader of renewables such as hydroelectric and wind power generation with one of the largest generation capacity in Japan, the Group will further expand its scale and strengthen business foundations through these measures.

(2) Zero emission from fossil fuel power generation

The J-POWER Group will contribute to realizing a balanced energy mix through utilization of coal, a stable energy source that is widely available around the world, while striving to achieve zero emission in coal use.

To realize zero emission in coal use, the J-POWER Group will push ahead the development of the oxygen-blown integrated coal gasification combined cycle (IGCC) commercial plant, which is well-suited for separation and capture of CO₂, and may be utilized for multiple purposes other than power generation, while also advancing R&D such as use and storage of

CO₂ separated and captured (CCUS).

As one of such R&D initiatives, at OSAKI CoolGen Corporation, a joint venture with The Chugoku Electric Power Co., Inc., the Group had been working on the demonstration test for the oxygen-blown IGCC project (Phase 1) since 2017. The test completed in February 2019, achieving targets in all testing items including basic performance, controllability and operability. In addition, the Group commenced a demonstration test of the oxygen-blown IGCC project with CO₂ separation and capture (Phase 2) in December 2019. Further, the demonstration project regarding integrated coal gasification fuel cell combined cycle (IGFC) with CO₂ separation and capture, which is an oxygen-blown IGCC facility with CO₂ separation and capture incorporating a fuel cell (Phase 3), was commenced in March 2019.

The Group is also considering carbon recycling of CO₂ separated and captured in the Phase 2 demonstration test with The Chugoku Electric Power Co., Inc. for agricultural and other uses. Furthermore, the Group participates in Japan-Australia joint demonstration test to construct a supply chain for CO₂-free hydrogen utilizing coal gasification technologies that the Group has accumulated so far.

(3) Promotion of the Ohma Nuclear Power Project, with safety as the major prerequisite

The J-POWER Group is constructing the Ohma Nuclear Power Plant (output capacity of 1,383 MW, start of operation to be determined) which uses uranium-plutonium mixed oxide (MOX) fuel in Ohma-machi, Shimokita-gun, Aomori Prefecture.

The power plant will meet social needs for securing a baseload power source to support stable energy supply and for measures to address climate change issues, while also playing a central role in the nuclear fuel cycle to utilize plutonium. The Group will continuously pursue further enhancement of safety. In addition, the Group will continue to improve information disclosure and mutual communication to gain the understanding and trust from the local community.

In December 2014, the Company submitted to Nuclear Regulation Authority (NRA) an application for permission for alteration of reactor installment license and an application for construction plan approval in order to undergo review of compliance with the new safety standards for nuclear power plants. Currently the Group is sincerely and appropriately responding to compliance reviews by NRA and will aim to restart full-scale construction work at an early stage by continuously and steadily taking the necessary safety measures, etc.

(4) Exploring new fields in overseas business

The J-POWER Group has participated in the overseas power generation business in full scale since 2000 and expanded its scale and revenue mainly through the new development of thermal power projects since 2010. Meanwhile, demand for power source development has been diversifying in various countries and also, power business structures are changing in countries where deregulation and the introduction of renewables are expanding.

While the Group is currently promoting the development of thermal power projects in Indonesia and the U.S. (Central Java coal-fired thermal power and Jackson gas-fired thermal power), we will also work on the new development of renewables such as Triton Knoll offshore wind power under construction in the U.K. and large-scale solar power in the U.S. in response to these changes in the business environment. In addition, for countries where power business structures are changing, the Group will consider dealing with electric businesses other than power generation business.

(5) Initiatives for distributed energy service

In order to address climate change issues, power sources are expected to be decentralized, driven primarily by renewables such as solar power, alongside of the advancement of CO₂-free power supplies by large-scale power plants. The J-POWER Group will work on distributed energy services as new business areas of the Group, which are expected to spread and expand through this movement.

Specifically, the Group is making efforts to create new value such as the retail supply of green power and the virtual power plant (VPP) business in the power retail sales business that the Group operates together with partners. Moving forward, the Group will pursue new business opportunities in response to the advancement of distributed energy services by developing those efforts further in cooperation with partners.

In addition, the Group has promoted the creation of new businesses by expanding networks with start-ups and in this effort, it will pursue various business opportunities for distributed energy services.

(6) Strengthening profit base, financial discipline and human resource strategy

(a) Strengthening profit base

The J-POWER Group will steadily promote projects currently under construction in Japan and overseas including Takehara New Unit No.1, Kashima Power, Central Java coal-fired IPP, and Jackson gas-fired thermal power to strengthen the revenue base further.

For power plants in operation, the maintenance and operation of thermal power plants will be concentrated into an existing maintenance subsidiary and the maintenance and operation of windfarms will be transferred to a hydro, transmission and transformation maintenance subsidiary. Thus, the Group will further strengthen competitiveness through the transformation of its maintenance and operation system.

For electricity sales, as electricity sales volumes are expected to grow in the wholesale electricity market, the Group will aim to increase and stabilize revenue by diversifying sales methods.

The transmission business was transferred from the Company to a wholly owned subsidiary, J-POWER Transmission Network Co., Ltd. on April 1, 2020. Through this subsidiary, the J-POWER Group will maintain and enhance reliability of facilities, expand the Sakuma frequency converter facilities and related transmission lines, and contribute to stable supply, enhanced resilience, and furthermore, improve the wide area power network.

(b) Financial discipline and human resource strategy

As a policy on financial discipline, the J-POWER Group will utilize interest-bearing debt within a certain range to maintain financial soundness. Also, when making investment decisions, the Group conducts reviews based on the profitability standards specified internally for each project. After investment, regular monitoring is conducted for ex post checking.

For human resource strategy supporting these efforts, the Group will encourage employees with diverse personalities, generations and values to play an active role. Specific efforts will include: acquiring human resources with the ability and individuality supporting business expansion in Japan and overseas, and putting them into growing fields; an open call system to support voluntary learning; realizing diverse work styles; developing a safe work environment; and promoting the health of human resources.

Reference: Major projects under development (as of April 30, 2020)

	Project	Output Capacity	Remarks
Hydro	Shinkatsurazawa/ Kumaoui	21.9MW	Start of operation: FY2022 (planned)
	Ashoro (Repowering)	40.0MW	Completion of work: FY2022 (planned)
	Ogamigo (Repowering)	21.3 MW	Completion of work: FY2023 (planned)
	Nagayama (Repowering)	39.5 MW	Completion of work: FY2025 (planned)
Wind	Kuzumaki No.2	44.6MW	Start of operation: FY2020 (planned)
	Kaminokuni No.2	Phase I 41.5MW (Max. 120.4MW)	Start of operation: FY2021 (planned)
	Minami Ehime No.2	Max. 40.8MW	Preparing for construction
	Tomamae (Replacement)	30.6MW	Preparing for construction
	Shimamaki (Replacement)	4.3MW	Preparing for construction
	Kita-Kagoshima	Max. 215MW	Preparing for development
	Seiyo Yusuhara	Max. 163.4MW	Preparing for development
	Wajima	Max. 90.3MW	Preparing for development
	Youra	Max. 64.5MW	Preparing for development
	Reihoku Kunimiyama	Max. 50.6MW	Preparing for development
	Nikaho (Replacement)	24.8MW	Preparing for development
	Kuzumaki (Replacement)	21.0MW	Preparing for development
	Sarakitomanai (Replacement)	14.9MW	Preparing for development
	Offshore wind	Hibikinada Offshore* ¹	Max. 220MW
Hiyama-area Offshore* ²		Max. 722MW	Researching for development
Saikai Offshore* ²		Max. 513MW	Researching for development
Awara Offshore* ²		Max. 350MW	Researching for development
Geo-thermal	Onikobe (Replacement)	14.9MW	Start of operation: April 2023 (planned)
	Appi* ³	14.9MW	Start of operation: April 2024 (planned)
	Takahinatayama-area	-	Researching for development
Thermal	Takehara New Unit No.1	600MW	Start of operation: June 2020 (planned)
	Kashima Power* ⁴	645MW	Start of operation: July 2020 (planned)
	Yamaguchi Ube Power	-	Plan under review
Nuclear	Ohma	1,383MW	Under review of compliance with the new safety standards
Transmission	New installation of New Sakuma Frequency Converter Station and replacement and augmentation of related transmission lines	300MW	Increase in capacity to 600MW in addition to existing facilities
Overseas* ⁵	Central Java coal-fired IPP (Indonesia)* ⁶	2,000MW	Start of operation: FY2020 (planned)
	Triton Knoll offshore wind (U.K.)* ⁷	860MW	Start of operation: 2021 (planned)
	Jackson gas-fired thermal (U.S.)	1,200MW	Start of operation: 2022 (planned)
	Large-scale solar power in Texas in the U.S.* ⁸	490MW (DC)	Start of operation: early 2022 (expected)

*1 J-POWER's owned capacity: 40% Joint venture with Kyuden Mirai Energy Company, Hokutaku, Saibu Gas, and Kyudenko Corporation

*2 Operator is determined by bid after each sea area is designated as a promotion area.

*3 J-POWER's owned capacity : 15% Joint venture with Mitsubishi Materials Corporation and Mitsubishi Gas Chemical Company

*4 J-POWER's owned capacity : 50% Joint venture with NIPPON STEEL CORPORATION

*5 Effects of COVID-19 are being examined.

*6 J-POWER's owned capacity : 34% Joint venture with PT. ADARO POWER and ITOCHU Corporation

*7 J-POWER's owned capacity : 25% Joint venture with innogy SE and Kansai Electric Power

*8 Joint venture with AP Solar

Note: Projects with "Max." notation is under scrutinization of capacity.

Reference: Environmental Initiatives

Based on our Corporate Philosophy—“We will meet people’s needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world”—the J-POWER Group engages in business conduct aimed at harmonizing energy supply and the environment.

Specifically, under our Corporate Conduct Rules and the J-POWER Group Environmental Management Vision Basic Policy, we regard contribution to the reduction of CO₂ emissions on a global scale and the preservation of local environments as important issues.

The J-POWER Group is implementing a medium-term management plan for the period leading up to 2025. Initiatives going forward under this plan include the further expansion of renewable energy and efforts toward zero emission from fossil fuel power generation as well as the promotion of the Ohma Nuclear Power Plant Project with safety as a major prerequisite.

In line with these policies, the J-POWER Group is promoting specific initiatives that address global environmental issues, including those concerning climate change, as well as initiatives directed at coexistence with the local environment.

J-POWER Group Environmental Management Vision Basic Policy

The J-POWER Group adheres to the following Basic Policy.

Basic Stance

As an energy supplier, we will contribute to the sustainable development of Japan and the rest of the world by harmonizing our operations with the environment and ensuring the constant supply of energy essential to human life and economic activity.

Addressing Global Environmental Issues

Directing our most intensive efforts toward ensuring a stable energy supply, we will also steadily advance initiatives toward realizing zero-emission energy supply both domestically and internationally and will contribute to the reduction of CO₂ emissions on a global scale.

To that end, we will work from medium- and long-term perspectives with technologies as our central focus to realize a stable energy supply and reduction in CO₂ emissions domestically and internationally aiming at expanding CO₂-free power generation facilities and achieving zero-emission fossil-fuel power generation through measures such as the capture, utilization and storage of CO₂ produced by fossil fuel combustion.

Addressing Local Environmental Issues

We will seek to operate in harmony with local environments by adopting measures to reduce the environmental impact of our operations while working to save, recycle, and reuse resources in order to limit waste.

Ensuring Transparency and Reliability

We will ensure that our business activities comply with all applicable laws and regulations, disclose a wide range of environmental information, and enhance communication with stakeholders.

5. Capital Investment

Total Capital Investment during the 68th Fiscal Year: 162,696 million yen

Major Facilities under Construction

Segment	Type	Name	Capacity
Electric Power Business	Power Generation (Nuclear Power)	Ohma Nuclear Power Plant	1,383 MW
Electric Power Business	Power generation (Thermal Power)	Takehara Thermal Power Plant New Unit No. 1	600 MW
Overseas Business	Power generation (Thermal Power)	Jackson Gas-fired Thermal Power Plant	1,200 MW

6. Research and Development Activities

The J-POWER Group aims to continue stable supply of high quality power at low costs. In order to utilize the technological expertise it has developed through electric power business and to better respond to the changing business environment, research and development activities of the Group focus on the following areas, which would serve response to decarbonized society, corporate value enhancement based on ESG (environment, society and governance), and enhancement of competitiveness.

Total amount of research and development expenses in the fiscal year under review was 16.1 billion yen.

Principal areas of the research and development activities are as follows.

- Carbon Reduction and decarbonization technology (oxygen-blown Integrated Coal Gasification Combined Cycle (IGCC), mixed combustion with biomass fuel, CO₂ capture, utilization and storage, hydrogen production, etc.)
- Environmental technology (environmental protection technology for reservoirs, etc.)
- Technology to improve competitiveness (optimization of maintenance and operation of power plant, etc.)
- Nuclear power related technology (full MOX-ABWR technology)
- Distribution related technology (system simulation technology, etc.)

7. Financing Activities

The following issuance of bonds, and long-term loans has been made in order to fund capital investment and pay down interest-bearing debt.

Category	Amount	Remarks
Bonds	70,000 million yen	Domestic straight bonds
Long-term Loans	87,624 million yen	
Total	157,624 million yen	

8. Major Lenders (as of March 31, 2020)

Lender	Loan Balance at End of this Fiscal Year
Mizuho Bank, Ltd.	101,860 million yen
Sumitomo Mitsui Banking Corporation	93,112 million yen
MUFG Bank, Ltd.	74,357 million yen
The Norinchukin Bank	55,500 million yen
Nippon Life Insurance Company	51,900 million yen

Note: In addition to those listed above, there are two other major loans for overseas business projects under loan syndication arrangements (166,522 million yen in total).

9. Major Subsidiaries (as of March 31, 2020)

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
Electric Power Business				
J-POWER Supply and Trading Co., Ltd.	Chuo-ku, Tokyo	2,400	100	Power supply business
Mihama Seaside Power Co., Ltd.	Chiba-shi, Chiba Pref.	914	100	Thermal power business
J-Wind Kaminokuni Co., Ltd.	Kaminokuni-cho, Hiyanagun, Hokkaido	217	100	Wind power business
J-Wind Co., Ltd.	Chuo-ku, Tokyo	100	100	Wind power business
J-Wind NIKAHO Co., Ltd.	Chuo-ku, Tokyo	5	100	Wind power business
J-Wind KUZUMAKI Co., Ltd.	Chuo-ku, Tokyo	5	100	Wind power business
J-Wind SETANA Co., Ltd.	Chuo-ku, Tokyo	5	100	Wind power business
Electric Power Development Electricity Transmission Business Division Co., Ltd.	Chuo-ku, Tokyo	5	100	Transmission business
Nagasaki-Shikamachi Wind Power Co., Ltd.	Sasebo-shi, Nagasaki Pref.	490	70	Wind power business
ITOIGAWA POWER Inc.	Itoigawa-shi, Niigata Pref.	1,006	64	Thermal power business
Electric Power-Related Businesses				
J-POWER AUSTRALIA PTY. LTD.	Australia	548 (million AUD)	100	Investment in coal mines in Australia
JPec Co., Ltd.	Chuo-ku, Tokyo	500	100	Construction, technical development, design, consulting, maintenance, and research for thermal and nuclear power plants; unloading and transporting of coal at thermal power plants; sales of fly ash; shipping of coal for thermal power plants; research and planning of environmental conservation
JPHYTEC Co., Ltd.	Chiyoda-ku, Tokyo	500	100	Construction, technical development, design, consulting, maintenance, and research for hydroelectric power plants, substations, and transmission lines; surveying of and compensation for construction sites; civil engineering, construction management, and construction services
J-POWER Business Service Corporation	Chuo-ku, Tokyo	450	100	Operation of welfare facilities; facility maintenance; business process outsourcing; development of computer software
J-POWER RESOURCES Co., Ltd.	Chuo-ku, Tokyo	450	100	Imports, sales and transportation of coal
J-POWER EnTech Inc.	Minato-ku, Tokyo	177	100	Engineering services for atmospheric and water pollutant removal equipment

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
KEC Corporation	Bunkyo-ku, Tokyo	110	100	Construction and maintenance of electronic and communications facilities
J-Wind Service Co., Ltd.	Chuo-ku, Tokyo	50	100	Maintenance and operation of wind power plants
JP Design Co., Ltd.	Chiyoda-ku, Tokyo	20	100	Design, management, and research for electric power facilities and other facilities and construction consulting
Miyazaki Wood Pellet Co., Ltd.	Kobayashi-shi, Miyazaki Pref.	300	98	Operation of manufacturing facilities of wood pellets and procurement of forest offcut
JM Activated Coke, Inc.	Kitakyushu-shi, Fukuoka Pref.	490	90	Manufacturing, sales, and marketing of activated coke
EPDC CoalTech and Marine Co., Ltd.	Chuo-ku, Tokyo	20	100 (100)	Marine transportation of ash and fly ash
Overseas Business				
JP Renewable Europe Co., Ltd.	U.K.	247 (million GBP)	100	Management of investments
J-Power Investment Netherlands B.V.	The Netherlands	56 (million USD)	100	Management of investments
J-POWER Consulting (China) Co., Ltd.	China	6 (million RMB)	100	Management of investments, research and development of projects
J-POWER North America Holdings Co., Ltd.	U.S.A.	1 (USD)	100	Management of investments
J-POWER Holdings (Thailand) Co., Ltd.	Thailand	25,257 (million bahts)	100 (100)	Management of investments
J-POWER Generation (Thailand) Co., Ltd.	Thailand	39 (million bahts)	100 (100)	Management of investments, research and development of projects
J-POWER USA Investment Co., Ltd.	U.S.A.	32 (USD)	100 (100)	Management of investments
J-POWER USA Development Co., Ltd.	U.S.A.	1 (USD)	100 (100)	Management of investments, research and development of projects
Gulf JP Co., Ltd.	Thailand	32,890 (million bahts)	60 (60)	Management of investments
Gulf JP UT Co., Ltd.	Thailand	11,933 (million bahts)	60 (60)	Thermal power business
Gulf JP NS Co., Ltd.	Thailand	11,104 (million bahts)	60 (60)	Thermal power business

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
Gulf JP NNK Co., Ltd.	Thailand	1,490 (million bahts)	60 (60)	Thermal power business
Gulf JP CRN Co., Ltd.	Thailand	1,440 (million bahts)	60 (60)	Thermal power business
Gulf JP NK2 Co., Ltd.	Thailand	1,370 (million bahts)	60 (60)	Thermal power business
Gulf JP TLC Co., Ltd.	Thailand	1,365 (million bahts)	60 (60)	Thermal power business
Gulf JP KP1 Co., Ltd.	Thailand	1,360 (million bahts)	60 (60)	Thermal power business
Gulf JP KP2 Co., Ltd.	Thailand	1,275 (million bahts)	60 (60)	Thermal power business
Gulf JP NLL Co., Ltd.	Thailand	1,384 (million bahts)	45 (45)	Thermal power business
Other Businesses				
Kaihatsu Hiryou Co., Ltd.	Takehara-shi, Hiroshima Pref.	450	100	Production and sales fertilizer using ash
Japan Network Engineering Co., Ltd.	Chuo-ku, Tokyo	50	100	Telecommunications; operation and maintenance of telecommunications facilities
Omuta Plant Service Co., Ltd.	Omuta-shi, Fukuoka Pref.	50	100	Operation and maintenance of a waste-fueled power generation plant
J-Power Latrobe Valley Pty. Ltd	Australia	100 (AUD)	100	Implementation of demonstration tests in Australian brown coal hydrogen pilot test project
Greencoal Saikai Co., Ltd.	Saikai-shi, Nagasaki Pref.	100	60	Operation of an ordinary waste-based fuel manufacturing facility
Biocoal Osaka-Hirano Co., Ltd.	Osaka-shi, Osaka Pref.	50	60	Construction and operation of a sewage sludge-based fuel manufacturing facility

- Notes: 1. The percentages in parentheses present indirect holding ratios.
2. The Company has 74 consolidated subsidiaries, including the major subsidiaries as listed above, and 91 affiliates accounted for by the equity method.
3. Electric Power Development Electricity Transmission Business Division Co., Ltd. changed its trade name to J-POWER Transmission Network Co., Ltd. as of April 1, 2020.

10. Major Business Locations (as of March 31, 2020)

The Company's Major Offices and Power Plants

(a) Head Office

Name	Location
Head Office	Chuo-ku, Tokyo

(b) Offices

Name	Location	
Regional Headquarters	East Regional Headquarter	Kawagoe-shi, Saitama Pref.
	Chubu Regional Headquarter	Kasugai-shi, Aichi Pref.
	West Regional Headquarter	Osaka-shi, Osaka Pref.
Regional Transmission System & Telecommunications Center*	North Regional Transmission System & Telecommunications Center	Nanae-cho, Kameda-gun, Hokkaido Pref.
	East Regional Transmission System & Telecommunications Center	Kawagoe-shi, Saitama Pref.
	Central Regional Transmission System & Telecommunications Center	Kasugai-shi, Aichi Pref.
	West Regional Transmission System & Telecommunications Center	Kurashiki-shi, Okayama Pref.

*: It was transferred to J-POWER Transmission Network Co., Ltd. on April 1, 2020.

(c) Power Plants

Sector	Power Plant Name (Location)
Hydroelectric Power (Output of 100 MW or more)	Okutadami, Tagokura, Otori, Shimogo (all in Fukushima Pref.), Okukiyotsu, Okukiyotsu #2 (both in Niigata Pref.), Numappara (Tochigi Pref.), Shintoyone (Aichi Pref.), Sakuma (Shizuoka Pref.), Miboro (Gifu Pref.), Nagano (Fukui Pref.), Tedorigawa #1 (Ishikawa Pref.), Ikehara (Nara Pref.), Sendaigawa #1 (Kagoshima Pref.) (46 other power plants with output below 100 MW)
Thermal Power	Isogo (Kanagawa Pref.), Takasago (Hyogo Pref.), Takehara (Hiroshima Pref.), Tachibanawan (Tokushima Pref.), Matsuura, Matsushima (both in Nagasaki Pref.), Ishikawa Coal Thermal (Okinawa Pref.)

Location of Major Subsidiaries

Head office locations of major subsidiaries are provided in “9. Major Subsidiaries” on pages 33 to 35.

11. Employees (as of March 31, 2020)

Employees of the J-POWER Group

Segment	Number of Employees
Electric Power Business	2,373
Electric Power-Related Businesses	4,066
Overseas Business	647
Other Businesses	176
Total	7,262

Notes: 1. The number of employees represents a number of employees at work.

2. The number of temporary employees is omitted as it is less than 10% of the total.

Employees of the Company

Number of Employees	Change Since Previous FY	Average Age	Average Years of Service
2,449	+4	41.1	19.7

Notes: 1. The number of employees represents a number of employees at work, and does not include 627 employees on loan, etc.

2. The number of temporary employees is omitted as it is less than 10% of the total.

II Items Regarding Stock of the Company

Stock Status (as of March 31, 2020)

1. **Number of authorized shares** 660,000,000
2. **Number of shares issued** 183,051,100
(including 2,441 shares of treasury stock)
3. **Number of shareholders** 30,916
4. **Major shareholders (top 10 shareholders)**

Name of Shareholders	Number of shares held (thousands)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	12,284	6.71
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,276	6.71
Nippon Life Insurance Company	9,152	5.00
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8,044	4.39
Mizuho Bank, Ltd.	6,055	3.31
JP MORGAN CHASE BANK 385632	5,596	3.06
J-POWER Employees Shareholding Association	4,061	2.22
Sumitomo Mitsui Banking Corporation, Ltd.	3,436	1.88
MUFG Bank, Ltd.	3,331	1.82
Japan Trustee Services Bank, Ltd. (Trust Account 5)	3,239	1.77

Note: The above shareholding ratios are calculated excluding treasury stock.

III Items Regarding Directors/Audit & Supervisory Board Members of the Company

1. Directors and Audit & Supervisory Board Members (as of March 31, 2020)

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Chairman and Representative Director	Masayoshi Kitamura	<ul style="list-style-type: none"> • Company-wide compliance
Representative Director President and Chief Executive Officer	Toshifumi Watanabe	
Representative Director and Executive Vice President	Hitoshi Murayama	<ul style="list-style-type: none"> • General operations: Production/technology oversight • Digital Innovation Dept. • Procurement Dept.
Representative Director and Executive Vice President	Masato Uchiyama	<ul style="list-style-type: none"> • General operations • Department Director of Energy Business (delegation of administrative works) • Corporate Planning & Administration Dept. • Accounting & Finance Dept. • General Affairs Dept.
Representative Director and Executive Vice President	Akihito Urashima	<ul style="list-style-type: none"> • General operations • Department Director of Nuclear Power Business (delegation of administrative works)
Director and Executive Vice President	Yoshiki Onoi	<ul style="list-style-type: none"> • General operations • Department Director of International Business (delegation of administrative works)
Director and Executive Vice President	Hiromi Minaminosono	<ul style="list-style-type: none"> • General operations • Department Deputy Director of Nuclear Power Business (delegation of administrative works) • Secretarial Affairs & Public Relation Dept. • Personnel & Employee Relations Dept. • Siting & Environment Dept.
Director and Executive Managing Officer	Hiroyasu Sugiyama	<ul style="list-style-type: none"> • Department Director of Renewable Energy (delegation of administrative works) • Department Deputy Director of Nuclear Power Business (delegation of administrative works) • Civil & Architectural Engineering Dept. • Renewable Energy Business Strategy Dept. • Thermal Power Engineering Business and International Business (matters under special assignment)
Director and Executive Managing Officer	Hideki Tsukuda	<ul style="list-style-type: none"> • Thermal Power Dept. • Thermal Power Engineering Dept. • International Business (matters under special assignment)
Director and Executive Managing Officer	Makoto Honda	<ul style="list-style-type: none"> • Department Deputy Director of International Business (delegation of administrative works) • Accounting & Finance Dept. • Procurement Dept. • International Business Management Dept. • International Business Development Dept. • Corporate Planning & Administration (matters under special assignment)

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Director and Executive Managing Officer	Hitoshi Kanno	<ul style="list-style-type: none"> • Corporate Planning & Administration Dept. • General Affairs Dept. • Siting & Environment Dept. • Planning & Development (matters under special assignment)
Outside Director	Go Kajitani	<ul style="list-style-type: none"> • Attorney at law (KAJITANI LAW OFFICES)
Outside Director	Tomonori Ito	<ul style="list-style-type: none"> • Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University • Outside Director of Aozora Bank, Ltd.
Outside Director	John Buchanan	<ul style="list-style-type: none"> • Research Associate of Centre for Business Research, University of Cambridge
Senior Audit & Supervisory Board Member (Full-time)	Naori Fukuda	
Outside Senior Audit & Supervisory Board Member (Full-time)	Hiroshi Fujioka	<ul style="list-style-type: none"> • Audit and Supervisory Committee Member (Outside Director) of The Nishi-Nippon City Bank, Ltd.
Senior Audit & Supervisory Board Member (Full-time)	Shinichi Kawatani	
Outside Audit & Supervisory Board Member	Mutsutake Otsuka	<ul style="list-style-type: none"> • Advisor of East Japan Railway Company • Outside Director of JXTG Holdings, Inc. • Outside Director of NIPPON STEEL CORPORATION
Outside Audit & Supervisory Board Member	Kiyoshi Nakanishi	

- Notes: 1. Messrs. Go Kajitani, Tomonori Ito and John Buchanan who serve as Outside Directors of the Company, were appointed by the Company as independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
2. KAJITANI LAW OFFICES has no special relationship with the Company.
3. The Graduate School of Business Administration, Hitotsubashi University and Aozora Bank, Ltd. have no special relationship with the Company.
4. Mr. Tomonori Ito, who serves as a Director, retired from the post of Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University and assumed office as Adjunct Professor of the same organization on April 1, 2020.
5. Mr. Tomonori Ito, who serves as a Director, retired from the post of External Director of PARCO CO., LTD. on May 25, 2019.
6. PARCO CO., LTD. has no special relationship with the Company.
7. Centre for Business Research, University of Cambridge has no special relationship with the Company.
8. Messrs. Hiroshi Fujioka, Mutsutake Otsuka and Kiyoshi Nakanishi, who serve as Outside Audit & Supervisory Board Members of the Company, were appointed by the Company as independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
9. Mr. Hiroshi Fujioka, who serves as an Outside Senior Audit & Supervisory Board Member of the Company, has a high level of knowledge in the area of finance and accounting as he has had long experience in the administration of fiscal and financial issues, etc.
10. The Nishi-Nippon City Bank, Ltd. has no special relationship with the Company.
11. Mr. Shinichi Kawatani, who serves as a Senior Audit & Supervisory Board Member of the Company, has a high level of knowledge in the area of finance and accounting as he has had long experience in the departments of accounting & finance in the Company.
12. East Japan Railway Company and JXTG Holdings, Inc. have no special relationship with the Company.
13. JXTG Holdings, Inc. is scheduled to change its trade name to ENEOS Holdings, Inc. at its Annual Shareholders Meeting to be held in June 2020.
14. NIPPON STEEL CORPORATION and the Company established, by joint capital investment, "Kashima

Power Co., Ltd.,” to promote a plan to construct a coal-fired thermal power plant (645 MW).

15. Mr. Mutsutake Otsuka, who serves as an Outside Audit & Supervisory Board Member, is scheduled to retire from the post of Outside Director of NIPPON STEEL CORPORATION at its General Meeting of Shareholders to be held on June 24, 2020.
16. Mr. Kiyoshi Nakanishi, who serves as an Outside Audit & Supervisory Board Member, retired from the post of Adviser of GENESIS RESEARCH INSTITUTE, INC. on June 28, 2019.
17. GENESIS RESEARCH INSTITUTE, INC. has no special relationship with the Company.

18. The positions and responsibilities of Inside Directors as of April 1, 2020 are as follows.

Title	Name	Responsibilities
Chairman and Representative Director	Masayoshi Kitamura	<ul style="list-style-type: none"> ● Company-wide compliance
Representative Director President and Chief Executive Officer	Toshifumi Watanabe	
Representative Director and Executive Vice President	Hitoshi Murayama	<ul style="list-style-type: none"> ● General operations (Production/technology oversight) ● Digital Innovation Dept.
Representative Director and Executive Vice President	Akihito Urashima	<ul style="list-style-type: none"> ● General operations ● Department Director of Nuclear Power Business (delegation of administrative works)
Director and Executive Vice President	Yoshiki Onoi	<ul style="list-style-type: none"> ● General operations ● Department Director of International Business (delegation of administrative works)
Director and Executive Vice President	Hiromi Minaminosono	<ul style="list-style-type: none"> ● General operations ● Department Deputy Director of Nuclear Power Business (delegation of administrative works) ● Secretarial Affairs Dept. ● Public Relation Dept. ● Personnel & Employee Relations Dept. ● General Affairs Dept. ● Siting & Environment Dept.
Director and Executive Vice President	Makoto Honda	<ul style="list-style-type: none"> ● General operations ● Department Deputy Director of International Business (delegation of administrative works) ● Corporate Planning & Administration Dept. ● Accounting & Finance Dept. ● Procurement Dept.
Director and Executive Managing Officer	Hiroyasu Sugiyama	<ul style="list-style-type: none"> ● Department Director of Renewable Energy (delegation of administrative works) ● Department Deputy Director of Nuclear Power Business (delegation of administrative works) ● Civil & Architectural Engineering Dept. ● Renewable Energy Business Strategy Dept. ● Thermal Power Engineering Business and International Business (matters under special assignment)
Director and Executive Managing Officer	Hitoshi Kanno	<ul style="list-style-type: none"> ● Department Director of Energy Business (delegation of administrative works) ● Corporate Planning & Administration Dept. ● Accounting & Finance Dept. ● Siting & Environment Dept. ● Energy Planning Dept. ● Energy Trading Dept. ● Planning & Development (matters under special assignment)
Director	Masato Uchiyama	
Director	Hideki Tsukuda	

2. Policy for the Determination of Remuneration for Directors and Audit & Supervisory Board Members

The Company has established a policy for determining the amount of remuneration for Directors and Audit & Supervisory Board Members as follows:

By resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, total remuneration for Directors was capped at 625 million yen annually (a fixed monthly salary calculated according to position and a performance-linked bonus paid once a year. Employee salaries for Directors who serve in dual capacity as employees are excluded).

By resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, total remuneration for the Audit & Supervisory Board Members was capped at 120 million yen annually (a fixed monthly salary calculated according to position).

Directors' remuneration is determined by means of discussion at meetings of the Board of Directors within the cap prescribed above, and Audit & Supervisory Board Members' remuneration by means of consultation among Audit & Supervisory Board Members within the cap prescribed above.

3. Directors' and Audit & Supervisory Board Members' Remuneration

	Category	Number of Persons	Total Amount
Directors	Directors (excluding Outside Directors)	11	413 million yen
	Outside Directors	3	28 million yen
	Total	14	442 million yen
Audit & Supervisory Board Members	Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	2	68 million yen
	Outside Audit & Supervisory Board Members	3	51 million yen
	Total	5	119 million yen
Total		19	562 million yen

Notes: 1. The Directors' remuneration includes a performance-linked bonus of 50 million yen for this fiscal year.

2. The Company established voluntary Nomination and Compensation Committee on April 1, 2019.

Remuneration of Directors is determined by means of discussion at meetings of the Board of Directors, after comprehensively taking into account corporate performances, his or her position, and other factors, in the light of the characteristics of the Company's business, namely, aiming to recover investment through the long-term operation of power plants, etc. based on proposals by the President after deliberation by the Nomination and Compensation Committee.

4. Items Regarding Outside Directors/Audit & Supervisory Board Members

Major Concurrent Positions of Outside Officers and Their Relationships with the Company

Details of major concurrent positions of Outside Directors/Audit & Supervisory Board Members and their relationships with the Company are described under “1. Directors and Audit & Supervisory Board Members” on pages 40 to 43.

Key Activities in this Fiscal Year

Name (Title)	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Key Activities
Go Kajitani (Outside Director)	100% (12/12)	–	He made comments primarily based on his distinguished knowledge and a wide range of experience as an attorney at law.
Tomonori Ito (Outside Director)	100% (12/12)	–	He made comments primarily based on his distinguished knowledge and abundant experience in investment banking business both inside and outside Japan, and researches in financial theory.
John Buchanan (Outside Director)	100% (12/12)	–	He made comments primarily based on his distinguished knowledge and abundant experience in investment advisory business both inside and outside Japan, and researches concerning corporate governance.
Hiroshi Fujioka (Outside Senior Audit & Supervisory Board Member)	100% (12/12)	100% (12/12)	He made comments primarily based on his distinguished knowledge and abundant experience in the administration of fiscal and financial issues, etc.
Mutsutake Otsuka (Outside Audit & Supervisory Board Member)	100% (12/12)	100% (12/12)	He made comments primarily based on his distinguished knowledge and abundant experience in the management of a listed company.
Kiyoshi Nakanishi (Outside Audit & Supervisory Board Member)	100% (12/12)	100% (12/12)	He made comments primarily based on his distinguished knowledge and abundant experience in the management of a listed company.

5. Overview of Limitation of Liability Contracts

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with its Outside Directors and Outside Audit & Supervisory Board Members that limit their liability for damages arising from failure to perform duties. The limit under these contracts is the amount prescribed by the applicable laws and regulations.

IV Status of Accounting Auditors

1. Name of Accounting Auditors

Ernst & Young ShinNihon LLC

2. Amount of Accounting Auditor Compensation

Segment	Amount Paid
Amount of compensation paid in this fiscal year	108 million yen
Total amount owed to Accounting Auditor by the Company and its subsidiaries in the form of cash or other financial benefit	184 million yen

- Notes: 1. According to the Auditing Agreement between the Company and its Accounting Auditor, no separation is made in auditor compensation between auditing under the Companies Act and auditing under the Financial Instruments and Exchange Act, and since the two cannot, in fact, be distinguished, the amount noted above represents total compensation for services under both categories in the current fiscal year.
2. After examining the accounting audit plan for the fiscal year including the number of days for audit and the allocation of personnel, the assessment and evaluation of the audit in the previous fiscal year, the appropriateness of the audit conducted by the Accounting Auditor, and the grounds for calculating the estimate of the compensation, the Audit & Supervisory Board gave its consent to the amount of Accounting Auditor's compensation.
3. Certain consolidated subsidiaries of the Company use the accounting audit services of other audit firms.

3. Non-audit Services

The Company has entrusted its Accounting Auditor to provide certain services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (non-audit services), such as an advisory service for the introduction of accounting policy for the revenue recognition.

4. Policy Regarding Dismissal or Non-re-election of Accounting Auditors

When it is acknowledged that an Accounting Auditor is subject to the Items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will dismiss the Accounting Auditor with the consent of all Audit & Supervisory Board Members. Besides the foregoing, if the Accounting Auditor is deemed unable to adequately perform its duties, or there is another justifiable reason, the Audit & Supervisory Board shall set a proposal for discharge or non-re-election of the Accounting Auditor to be presented to the General Meeting of Shareholders.

(Attachments)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (as of March 31, 2020)

	(millions of yen)
Assets	
Non-current assets	2,471,347
Electric utility plant and equipment	965,082
Hydroelectric power production facilities	353,720
Thermal power production facilities	296,715
Internal combustion engine power production facilities	2,377
Renewable power production facilities	72,492
Transmission facilities	147,922
Transformation facilities	28,896
Communication facilities	8,597
General facilities	54,359
Overseas business facilities	316,333
Other non-current assets	90,924
Construction in progress	647,160
Construction and retirement in progress	647,160
Nuclear fuel	74,812
Nuclear fuel in processing	74,812
Investments and other assets	377,033
Long-term investments	288,706
Deferred tax assets	59,413
Other	28,994
Allowance for doubtful accounts	(81)
Current assets	334,043
Cash and deposits	159,325
Notes and accounts receivable - trade	80,466
Inventories	50,375
Other	43,876
Allowance for doubtful accounts	(0)
Total assets	2,805,390

CONSOLIDATED BALANCE SHEET (as of March 31, 2020) *(Continued)*

(millions of yen)

Liabilities	
Non-current liabilities	1,642,354
Bonds payable	604,993
Long-term loans payable	865,369
Lease obligations	2,218
Other provision	29
Net defined benefit liability	60,119
Asset retirement obligations	30,877
Deferred tax liabilities	16,715
Other	62,031
Current liabilities	305,648
Current portion of non-current liabilities	161,013
Short-term loans payable	14,952
Notes and accounts payable - trade	28,729
Accrued taxes	19,430
Other provision	622
Asset retirement obligations	386
Other	80,514
Total liabilities	1,948,003
Net Assets	
Shareholders' equity	806,197
Capital stock	180,502
Capital surplus	119,877
Retained earnings	505,825
Treasury stock	(8)
Accumulated other comprehensive income	1,567
Valuation difference on available-for-sale securities	6,156
Deferred gains or losses on hedges	(23,263)
Foreign currency translation adjustment	22,479
Remeasurements of defined benefit plans	(3,806)
Non-controlling interests	49,623
Total net assets	857,387
Total liabilities and net assets	2,805,390

CONSOLIDATED STATEMENT OF INCOME (from April 1, 2019 to March 31, 2020)

(millions of yen)

Ordinary revenue	
Operating revenue	913,775
Electric utility operating revenue	684,155
Overseas business operating revenue	179,094
Other business operating revenue	50,525
Non-operating income	26,537
Dividend income	1,465
Interest income	1,264
Share of profit of entities accounted for using equity method	11,320
Foreign exchange gains	7,498
Other	4,989
Total ordinary revenue	940,313
Ordinary expenses	
Operating expenses	830,136
Electric utility operating expenses	629,287
Overseas business operating expenses	151,810
Other business operating expenses	49,039
[Operating income	83,638]
Non-operating expenses	32,091
Interest expenses	26,293
Other	5,797
Total ordinary expenses	862,228
Ordinary income	78,085
Extraordinary losses	12,497
Loss on business of subsidiaries and affiliates	8,911
Impairment loss	3,586
Profit before income taxes	65,587
Income taxes - current	15,611
Income taxes - deferred	(3,620)
Profit	53,596
Profit attributable to non-controlling interests	11,319
Profit attributable to owners of parent	42,277

(Attachments)

NON-CONSOLIDATED FINANCIAL STATEMENTS

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2020)

(millions of yen)	
Assets	
Non-current assets	2,252,958
Electric utility plant and equipment	916,563
Hydroelectric power production facilities	367,545
Thermal power production facilities	303,682
Transmission facilities	150,839
Transformation facilities	30,175
Communication facilities	9,312
General facilities	55,007
Incidental business facilities	2,507
Non-operating facilities	505
Construction in progress	591,528
Construction in progress	589,775
Retirement in progress	1,753
Nuclear fuel	74,812
Nuclear fuel in processing	74,812
Investments and other assets	667,041
Long-term investments	43,948
Long-term investment for subsidiaries and affiliates	572,635
Long-term prepaid expenses	16,408
Deferred tax assets	34,047
Current assets	167,147
Cash and deposits	63,040
Accounts receivable - trade	32,596
Other accounts receivable	1,034
Supplies	35,601
Prepaid expenses	2,668
Short-term receivables from subsidiaries and affiliates	9,482
Other current assets	22,723
Total assets	2,420,106

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2020) *(Continued)*

(millions of yen)

Liabilities	
Non-current liabilities	1,279,081
Bonds payable	604,993
Long-term loans payable	604,686
Long-term accrued liabilities	5,269
Lease obligations	208
Long-term debt to subsidiaries and affiliates	1,505
Provision for retirement benefits	44,550
Asset retirement obligations	4,549
Other non-current liabilities	13,317
Current liabilities	480,208
Current portion of non-current liabilities	144,258
Short-term loans payable	14,750
Accounts payable - trade	4,642
Accounts payable - other	14,870
Accrued expenses	13,514
Accrued taxes	6,259
Deposits received	319
Short-term debt to subsidiaries and affiliates	278,286
Other advances	710
Other current liabilities	2,597
Total liabilities	1,759,289

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2020) *(Continued)*

	(millions of yen)
Net Assets	
Shareholders' equity	657,456
Capital stock	180,502
Capital surplus	109,904
Legal capital surplus	109,904
Retained earnings	367,057
Legal retained earnings	6,029
Other retained earnings	361,028
Reserve for special disaster	74
Exchange-fluctuation preparation reserve	1,960
General reserve	302,861
Retained earnings brought forward	56,132
Treasury stock	(8)
Valuation and translation adjustments	3,360
Valuation difference on available-for-sale securities	4,562
Deferred gains or losses on hedges	(1,201)
Total net assets	660,817
Total liabilities and net assets	2,420,106

NON-CONSOLIDATED STATEMENT OF INCOME (from April 1, 2019 to March 31, 2020)

(millions of yen)

Ordinary revenue	
Operating revenue	571,291
Electric utility operating revenue	563,813
Sold power to other suppliers	510,429
Transmission revenue	49,673
Other electricity revenue	3,710
Incidental business operating revenue	7,478
Operating revenue - consulting business	1,320
Operating revenue - coal sale business	5,040
Operating revenue - other businesses	1,117
Non-operating income	52,749
Financial revenue	50,594
Dividends income	49,781
Interest income	812
Non-operating revenue	2,155
Gain on sales of non-current assets	13
Miscellaneous revenue	2,141
Total ordinary revenue	624,041
Ordinary expenses	
Operating expenses	546,405
Electric utility operating expenses	539,708
Hydroelectric power production expenses	62,337
Thermal power production expenses	355,331
Purchased power from other suppliers	11,813
Transmission expenses	24,738
Transformation expenses	5,446
Selling expenses	1,110
Communicating expenses	4,599
General and administrative expenses	65,722
Expenses for third party's power transmission service	1,446
Enterprise tax	7,162

NON-CONSOLIDATED STATEMENT OF INCOME

(from April 1, 2019 to March 31, 2020) (Continued)

	(millions of yen)
Incidental business operating expenses	6,697
Operating expenses - consulting business	884
Operating expenses - coal sale business	4,987
Operating expenses - other businesses	825
[Operating income	24,886]
Non-operating expenses	17,037
Financial expenses	13,012
Interest expenses	12,711
Bond issuance cost	301
Non-operating expenses	4,024
Loss on sales of non-current assets	0
Miscellaneous expenses	4,023
Total ordinary expenses	563,443
Ordinary income	60,597
Profit before income taxes	60,597
Income taxes	3,219
Income taxes-current	3,457
Income taxes-deferred	(238)
Profit	57,377

(Attachments)

AUDIT REPORTS

THE AUDIT REPORT OF INDEPENDENT AUDITORS
CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

May 14, 2020

The Board of Directors

Electric Power Development Co., Ltd.

Ernst & Young ShinNihon LLC

Tokyo, Japan

Ryuzo Shiraha

Certified Public Accountant

Designated and Engagement Partner

Koki Takahashi

Certified Public Accountant

Designated and Engagement Partner

Katsuhiko Saito

Certified Public Accountant

Designated and Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Electric Power Development Co., Ltd. (the “Company”) for the fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the J-POWER Group, which consists of the Company and consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Consolidated Financial Statements.” We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors’ duties related to designing and operating the financial reporting process.

Auditor’s Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken

on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

THE AUDIT REPORT OF INDEPENDENT AUDITORS
CONCERNING THE NON-CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

May 14, 2020

The Board of Directors
Electric Power Development Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan
Ryuzo Shiraha
Certified Public Accountant
Designated and Engagement Partner
Koki Takahashi
Certified Public Accountant
Designated and Engagement Partner
Katsuhiro Saito
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the accompanying supplementary schedules of Electric Power Development Co., Ltd. (the “Company”) for the 68th fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and of the Company as of March 31, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules.” We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors’ duties related to designing and operating the financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the

financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

REPORT OF THE AUDIT & SUPERVISORY BOARD

Audit Report

The Audit & Supervisory Board, hereby reports as follows regarding the performance of duties by the Directors of the Electric Power Development Co., Ltd. (the “Company”) during its 68th fiscal year, from April 1, 2019 to March 31, 2020. This Audit Report was prepared as the consensus of opinion of all Audit & Supervisory Board Members, based on reports prepared by each Audit & Supervisory Board Member, and as a result of subsequent deliberations.

1. Method of the audits by the individual Audit & Supervisory Board Members and the Audit & Supervisory Board; content of audits
 - (1) In addition to receiving reports on the progress in and results of audits by the individual Audit & Supervisory Board Members, based on the Audit & Supervisory Board’s policies and audit plans, the Audit & Supervisory Board also received reports from the Directors and the Accounting Auditors regarding the performance of their duties, and requested explanations from them as necessary.
 - (2) In accordance with the auditing standards, policies, and plans set forth by the Audit & Supervisory Board, each of the Audit & Supervisory Board Members worked to communicate with the Directors, the Internal Audit Department, and other employees in collecting information and establishing an appropriate audit environment, and audits were implemented as follows:
 - (i) Audit & Supervisory Board Members participated in meetings of the Board of Directors and other key meetings, received reports from the Directors and other employees regarding the performance of their duties, and when necessary, requested explanations of those reports. Audit & Supervisory Board Members also reviewed key decision documents, and conducted surveys of the operations and assets of both the head office and other local offices. Regarding subsidiaries, Audit & Supervisory Board Members worked to communicate with Directors, Audit & Supervisory Board Members, and other parties at those subsidiaries, and when necessary conducted hearings regarding the status of their performance of duties, including surveys of operations and assets.
 - (ii) Audit & Supervisory Board Members were responsible for monitoring and verifying the status of creation and operation of various corporate structures, including those necessary to ensure that Directors’ duties are executed in compliance with laws and regulations, and the Articles of Incorporation, and those needed for ensuring the fair performance of operations of the J-POWER Group comprising the Company as a stock corporation and its subsidiaries as described in the Business Report, namely decisions by the Board of Directors regarding the establishment of systems as set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act (the internal control system).
 - (iii) Additional consideration was given to the policies set forth in Article 118, Item 3 (a) of the Ordinance for Enforcement of the Companies Act, as noted in the Business Reports, based on the status of deliberations at the meeting of Board of Directors and other key meetings.
 - (iv) While also monitoring and reviewing the audit of the Accounting Auditor to ensure they maintained an independent position and conducted their audits fairly, Audit & Supervisory Board Members received reports from them regarding the performance of their duties, and when necessary, asked for further explanation regarding those reports. Audit & Supervisory Board Members also received notice from the Accounting Auditor in accordance with “the system for ensuring appropriate execution of their duties” (as enumerated in each Item of Article 131 of the Company Accounting Regulation Ordinance) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Deliberations Council in October 28, 2005), and, where necessary, Audit & Supervisory Board Members requested further explanation regarding that notice.

Based on the above methods, Audit & Supervisory Board Members proceeded to review the Business Report and supplemental statements, the non-consolidated financial statements (consist of the

non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in shareholders' equity, and notes on significant accounting policies used in preparation of the non-consolidated financial statements) with supplemental statements, and the consolidated financial statements (consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in shareholders' equity, and notes on significant accounting policies used in preparation of the consolidated financial statements) for the fiscal year under review.

2. Audit Results

(1) Results of Audit of Business Reports, etc.

- (i) The Audit & Supervisory Board confirms that the Business Reports and supplemental statements conformed to the applicable laws and regulations, and the Articles of Incorporation, and that they accurately present the situation of the Company.
- (ii) With respect to the performance of duties by Directors, the Audit & Supervisory Board found no improper acts or important violation of applicable laws and regulations or the Articles of Incorporation.
- (iii) The Audit & Supervisory Board confirms that decisions by the Board of Directors regarding the Company's internal control systems to be fair and adequate, and found no areas that require mention regarding the description of the internal control systems in the Business Report and the performance of duties by Directors.
- (iv) The Audit & Supervisory Board found no items that need to be pointed out regarding the Basic Policy Regarding Control of the Company, noted in the Business Report.

(2) Results of Audit of Non-consolidated Financial Statements and Supplemental Statements

The Audit & Supervisory Board confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

(3) Results of Audit of Consolidated Financial Statements

The Audit & Supervisory Board confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

May 18, 2020

Audit & Supervisory Board
Electric Power Development Co., Ltd.

Naori Fukuda (seal)
Senior Audit & Supervisory Board Member (Full-time)

Hiroshi Fujioka (seal)
Senior Audit & Supervisory Board Member (Full-time)

Shinichi Kawatani (seal)
Senior Audit & Supervisory Board Member (Full-time)

Mutsutake Otsuka (seal)
Audit & Supervisory Board Member

Kiyoshi Nakanishi (seal)
Audit & Supervisory Board Member

Note: Senior Audit & Supervisory Board Member Hiroshi Fujioka, Audit & Supervisory Board Members Mutsutake Otsuka and Kiyoshi Nakanishi are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.