

*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, 2021

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 69th Ordinary General Meeting of Shareholders

**1. Date & Time:** 11:00 a.m., Friday, June 25, 2021 (Reception desk will open at 10:30 a.m.)

**2. Place:** Ho-Oh-No-Ma, 2F, Tokyo Prince Hotel  
3-1, Shiba-koen 3-chome, Minato-ku, Tokyo

### 3. Agenda:

#### Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 69th fiscal year (from April 1, 2020 to March 31, 2021), 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 69th fiscal year (from April 1, 2020 to March 31, 2021)

#### Matters to be resolved:

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

Instructions for Voting:

Please refer to the "Measures in Place on the Day of the General Meeting of Shareholders" and "Guide to Exercising Voting Rights by Mail or via the Internet" on pages 3 to 6.

- 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>

## Measures in Place on the Day of the General Meeting of Shareholders

In order 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. In particular, please refrain from attending the meeting on the day of the General Meeting of Shareholders if you are elderly, have an underlying health condition, or are pregnant.

### ○ Measures in Place on the Day of the Meeting

The following measures will be implemented on the day of the meeting. We appreciate your kind understanding.

- The number of seats will be limited in order to increase the space between seats for the purpose of social distancing. Therefore, even if you visit the venue on the day, you may be refused entrance.
- If you are attending in person, you are kindly requested to cooperate with infection prevention measures, including the wearing of face masks at all times, disinfecting your hands, and having your temperature taken.
- Admission may be denied to anyone who is considered to be in poor health or who is unable to cooperate with the infection prevention measures.
- We will shorten the meeting time through such measures as simplifying the reporting of matters to be reported.
- Please note that no gifts or drinks will be provided to attending shareholders.

### ○ Other Information

- If you are attending in person, please present the enclosed Voting Form to the reception desk upon your arrival. Please bring this booklet with you as a meeting document.
- 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.
- As a reference for exercising voting rights, we plan to upload a video presentation by the President to our website in advance for shareholders.
- You may submit questions regarding the Agenda of the General Meeting of Shareholders on our website in advance. Questions of high interest to shareholders will be answered on the day and will also be posted on the website at a later date.

Please note that we cannot provide individual responses to questions. We appreciate your kind understanding.

- For details on the presentation video and our acceptance of questions in advance via the Internet, please refer to the enclosed “Information on the Internet Presentation Video and Acceptance of Questions in Advance for the 69th Ordinary General Meeting of Shareholders.”

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>

## “Guide to Exercising Voting Rights by Mail or via the Internet”

### 1. Voting in Writing (by mail)

Voting deadline: Voting Form must reach the Company by 5:30 p.m. on Thursday, June 24, 2021

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

### 2. Voting via the Internet

Voting deadline: Vote must be casted by 5:30 p.m. on Thursday, June 24, 2021

#### (1) 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.

## **(2) 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. 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 69th fiscal year.

**1. Items relating to the year-end dividend:**

<b>Type of dividend assets</b>	Cash
<b>Distribution of dividends</b>	40 yen per share of common stock of the Company Total amount: 7,321,934,360 yen
<b>Effective date of the distribution</b>	Monday, June 28, 2021

## Proposal 2: Election of Thirteen (13) Directors

The term of office for all thirteen (13) 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 9 through 18.


Candidate Number	Name			Current Positions at the Company	
1	Reappointment		Hitoshi Murayama	Chairman and Representative Director	
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 Vice President	
8	Reappointment		Hitoshi Kanno	Director and Executive Managing Officer	
9	Reappointment		Yoshikazu Shimada	Director and Executive Managing Officer	
10	Reappointment		Hiroshi Sasatsu	Director and 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)	April 1980      Joined the Company June 2008      Department Director of Thermal Power Dept. June 2009      Executive Officer, Department Director of Thermal Power Dept. June 2010      Executive Officer, Department Director of Thermal Power Engineering Dept. December 2011 Executive Officer, Department Director of Thermal Power Engineering Dept. (Japanese name changed; English name unchanged) June 2012      Director and Executive Managing Officer June 2015      Executive Vice President and Representative Director April 2019      Representative Director and Executive Vice President June 2020 <b>Chairman and Representative Director (current position)</b> <Major Concurrent Positions> None	24,200 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, Director and Executive Vice President, and Chairman and Representative Director. 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
2 Reappointment	 Toshifumi Watanabe (March 10, 1955)	April 1977    Joined the Company April 2002    Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept. 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) June 2004    Department Director of Corporate Planning & Administration Dept. June 2006    Director June 2009    Executive Managing Director June 2012    Director and Executive Managing Officer June 2013    Executive Vice President and Representative Director June 2016    President and Representative Director April 2019 <b>Representative Director President and Chief Executive Officer (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	24,200 shares



**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.

3 Reappointment	 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 <b>Representative Director and Executive Vice President (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	18,100 shares
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**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.


Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
4 Reappointment	 Yoshiaki 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 <b>Director and Executive Vice President (current                                     position)</b> <Major Concurrent Positions> None	14,400 shares
<b>Reasons for Nomination as Candidate for Director</b> Mr. Yoshiaki 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.			
5 Reappointment	 Hiromi Minaminosono (October 19, 1956)	April 1981      Joined the Company June 2009      Department Director of Personnel & Employee Relations Dept. December 2011 Department Director of Secretarial Affairs & Public Relation Dept. and Office Director of Public Relation Office, Secretarial Affairs & Public Relation Dept. June 2012      Department Director of Secretarial Affairs & Public Relation Dept. June 2013      Executive Officer, Department Director of Secretarial Affairs & Public Relation Dept. June 2014      Executive Managing Officer, Department Director of Ohma General Management Dept. June 2016      Director and Executive Managing Officer June 2018      Executive Vice President and Director April 2019 <b>Director and Executive Vice President (current                                     position)</b> <Major Concurrent Positions> None	12,020 shares
<b>Reasons for Nomination as Candidate for Director</b> 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.			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
6  Reappointment	 Makoto Honda (July 6, 1958)	<p>April 1982      Joined the Company</p> <p>June 2010      Department Director of Power Sales Dept.</p> <p>June 2014      Executive Officer, Department Director of Corporate Planning &amp; Administration Dept.</p> <p>June 2016      Executive Managing Officer</p> <p>June 2017      Director and Executive Managing Officer</p> <p>April 2020      <b>Director and Executive Vice President (current position)</b></p> <p>&lt;Major Concurrent Positions&gt; None</p>	9,200 shares
<p><b>Reasons for Nomination as Candidate for Director</b></p> <p>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 &amp; 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.</p>			
7  Reappointment	 Hiroyasu Sugiyama (April 11, 1956)	<p>April 1981      Joined the Company</p> <p>July 2012      Department Director of International Business Development Dept.</p> <p>June 2013      Executive Officer, Department Director of International Business Development Dept.</p> <p>June 2015      Executive Managing Officer</p> <p>June 2016      Director and Executive Managing Officer</p> <p>June 2020      <b>Director and Executive Vice President (current position)</b></p> <p>&lt;Major Concurrent Positions&gt; None</p>	18,620 shares
<p><b>Reasons for Nomination as Candidate for Director</b></p> <p>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, renewable energy business 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, and Director and Executive Vice President 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.</p>			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
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 <b>Director and Executive Managing Officer (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	12,100 shares
<b>Reasons for Nomination as Candidate for Director</b> 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, siting & environment, sales, and accounting & finance 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, while also serving as Department Director of Energy 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.			
9 Reappointment	 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 June 2020 <b>Director and Executive Managing Officer (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	12,520 shares
<b>Reasons for Nomination as Candidate for Director</b> 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, hydroelectric power engineering, 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 Executive Officer, Executive Managing Officer, and Director 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.			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
10 Reappointment	 Hiroshi Sasatsu (March 15, 1962)	<p>April 1986      Joined the Company</p> <p>June 2015      Department Director of Research &amp; Development Dept.</p> <p>June 2016      Executive Officer, Department Director of Research &amp; Development Dept.</p> <p>June 2018      Executive Officer</p> <p>April 2019      Executive Managing Officer</p> <p>June 2020      <b>Director and Executive Managing Officer (current position)</b></p> <p>&lt;Major Concurrent Positions&gt; None</p>	6,600 shares
<p><b>Reasons for Nomination as Candidate for Director</b></p> <p>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 &amp; 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, 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.</p>			
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 &amp; 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      <b>Outside Director of the Company (current position)</b></p> <p>April 2011      President of Japan Legal Support Center</p> <p>June 2011      Outside Audit &amp; Supervisory Board Member of The Yokohama Rubber Co., Ltd.</p> <p>&lt;Major Concurrent Positions&gt;</p> <ul style="list-style-type: none"> <li>• Attorney at law (KAJITANI LAW OFFICES)</li> </ul>	0 shares
<p><b>Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles</b></p> <p>Mr. Go Kajitani has abundant experience in the legal profession, distinguished knowledge and capability of addressing various management issues as an attorney at law, and has also played appropriate roles to date as Outside Director of the Company. For this reason, the Company has nominated him as a candidate to serve as Outside Director in the expectation that he will contribute to strengthening supervisory functions over business execution and will offer advice from a wide range of perspectives. Although he has no experience in the management of a company other than as an Outside Director/Outside Audit &amp; 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>			
<p><b>Independence of Outside Director</b></p> <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)	April 1979    Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) March 1990    Vice President of Investment Banking Group, Bank of Tokyo Trust Company, New York Branch April 1994    Vice President of Emerging Market Group, The Bank of Tokyo, Ltd., New York Branch March 1995    Manager of Business Development Daini, Union Bank of Switzerland, Tokyo Branch (currently UBS) August 1997    General Manager of Tokyo Branch and Head of Investment Banking, Union Bank of Switzerland June 1998    Head of Investment Banking and Managing Director, UBS Securities Japan Co., Ltd. April 2011    Visiting Professor of Graduate School of International Corporate Strategy, Hitotsubashi University May 2012    External Director of PARCO CO., LTD. October 2012    Professor of Graduate School of International Corporate Strategy, Hitotsubashi University June 2014    Outside Director of Aozora Bank, Ltd. (current position) June 2016 <b>Outside Director of the Company (current position)</b> April 2018    Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University April 2020    Adjunct Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University (current position) <b>&lt;Major Concurrent Positions&gt;</b> <ul style="list-style-type: none"> <li>• Adjunct Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University</li> <li>• Outside Director of Aozora Bank, Ltd.</li> </ul>	2,100 shares
<b>Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles</b> Mr. Tomonori Ito has abundant experience in investment banking business both inside and outside Japan, distinguished knowledge and capability of addressing various management issues acquired through researches in financial theory at the Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University, and has also played appropriate roles to date as Outside Director of the Company. For this reason, the Company has nominated him as a candidate to serve as Outside Director in the expectation that he will contribute to strengthening supervisory functions over business execution and will offer advice from a wide range of perspectives.			
<b>Independence of Outside Director</b> 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. 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 26 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 10 years have elapsed.			

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 &amp; Co. Ltd.</p> <p>October 1992    Director of S.G. Warburg &amp; 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        <b>Outside Director of the Company (current position)</b></p> <p>&lt;Major Concurrent Positions&gt;</p> <ul style="list-style-type: none"> <li>• Research Associate of Centre for Business Research, University of Cambridge</li> </ul>	0 shares

#### Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles

Mr. John Buchanan has abundant experience in investment advisory business both inside and outside Japan, distinguished knowledge and capability of addressing various management issues acquired through researches concerning corporate governance at University of Cambridge, and has also played appropriate roles to date as Outside Director of the Company. For this reason, the Company has nominated him as a candidate to serve as Outside Director in the expectation that he will contribute to strengthening supervisory functions over business execution and will offer advice from a wide range of perspectives.

#### 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 21 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 19 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 42 to page 44).
  3. Mr. Go Kajitani currently serves as an Outside Director of the Company, and his term of office will be 12 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 5 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 5 years as of the end of this General Meeting of Shareholders.
  6. 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.
  7. The Company has entered into a Directors’ and officers’ liability insurance contract in accordance with Article 430-3, Paragraph 1 of the Companies Act. The insurance contract will cover legal damages and litigation expenses to be borne by the insured due to a claim for damages being made against the insured during the insurance period arising from the execution of business by the insured. If they are elected, they will be included in the insured under the insurance contract.



### Proposal 3: Election of Two (2) Audit & Supervisory Board Members


The term of office for Mr. Shinichi Kawatani, who serves as an Audit & Supervisory Board Member, expires at the end of this meeting. In addition, Mr. Mutsutake Otsuka, who serves as an Audit & Supervisory Board Member, will resign at the end of this meeting.

Accordingly, the Company proposes to newly elect two (2) Audit & Supervisory Board Members.

The Audit & Supervisory Board has approved this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties at the Company	Number of Shares of the Company Held
1 <u>Reappointment</u>	 Shinichi Kawatani (February 14, 1957)	April 1980    Joined the Company May 2008    Department Director of Nuclear Power Management Dept. June 2012    Department Director of International Business Management Dept. June 2013    Executive Officer, Department Director of International Business Management Dept. June 2015    Executive Managing Officer, Department Director of International Business Management Dept. June 2016    Executive Managing Officer June 2017    Audit & Supervisory Board Member June 2018 <b>Senior Audit &amp; Supervisory Board Member (current position)</b>	15,600 shares
<b>Reasons for Nomination as Candidate for Audit &amp; Supervisory Board Member</b> Mr. Shinichi Kawatani is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of accounting & finance, planning, nuclear power, and international business since joining the Company and also through his service as Executive Officer, Executive Managing Officer and Department Deputy Director of International Business. Since taking office as Audit & Supervisory Board Member in June 2017, he has demonstrated distinguished knowledge and highly specialized expertise and therefore the Company has nominated him as a candidate for Audit & Supervisory Board Member.			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties at the Company	Number of Shares of the Company Held
2	 Kimiko Oga (October 1, 1953)	April 1977 Joined Nippon Telegraph and Telephone Public Corporation April 1991 Senior Manager, Marketing Division, Service Development Department, Nippon Telegraph and Telephone Corporation July 2004 Executive Manager, Customer Equipment Department, Nippon Telegraph and Telephone East Corporation July 2005 Deputy General Manager, Tokyo Branch, Nippon Telegraph and Telephone East Corporation and President & Representative Director, NTT East – Tokyo Chuo Corporation July 2007 Representative Director and Managing Director, NTT Learning Systems Corporation June 2013 Audit & Supervisory Board Member, Nippon Telegraph and Telephone West Corporation June 2019 Outside Director, SKY Perfect JSAT Holdings Inc. (current position) March 2020 Outside Director (Audit & Supervisory Committee Member), BroadBand Tower, Inc. (current position) April 2020 Outside Director (Audit & Supervisory Committee Member), Tokyo Water Co., Ltd. (current position) June 2020 Outside Audit & Supervisory Board Member, ALCONIX CORPORATION (current position)	0 shares
New appointment			
Outside Audit & Supervisory Board Member			
Independent Audit & Supervisory Board Member			
<b>&lt;Major Concurrent Positions&gt;</b>			
<ul style="list-style-type: none"> <li>• Outside Director, SKY Perfect JSAT Holdings Inc.</li> <li>• Outside Director (Audit &amp; Supervisory Committee Member), BroadBand Tower, Inc.</li> <li>• Outside Director (Audit &amp; Supervisory Committee Member), Tokyo Water Co., Ltd.</li> <li>• Outside Audit &amp; Supervisory Board Member, ALCONIX CORPORATION</li> </ul>			

**Reasons for Nomination as Candidate for Audit & Supervisory Board Member**

In view of Ms. Kimiko Oga's distinguished knowledge as a corporate manager and her abundant experience and highly specialized expertise in the information and communications industry, the Company expects her to observe the Company's management thoroughly, and therefore has nominated her as a candidate for Audit & Supervisory Board Member.

**Independence of Outside Director**

The Company maintains special transactional relationships with neither Ms. Oga nor the entities where she concurrently serves, and she 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 intends to appoint her as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.

Although the Company commissioned Ms. Oga in FY2020 to provide management-related advice and other services aimed at obtaining multifaceted and objective advice and recommendations that will contribute to the enhancement of the corporate value of the Company, the annual compensation for these services is approximately three million yen and the Company deems that there are no concerns regarding her independence.

- Notes: 1. There is no conflict of interest between the Audit & Supervisory Board Member candidates and the Company.
2. If Ms. Kimiko Oga is elected, the Company intends to enter into a contract with her to limit her 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.
3. The Company has entered into a Directors' and officers' liability insurance contract in accordance with Article 430-3, Paragraph 1 of the Companies Act. The insurance contract will cover legal damages and litigation expenses to be borne by the insured due to a claim for damages being made

against the insured during the insurance period arising from the execution of business by the insured. If they are elected, they will be included in the insured under the insurance contract.

## **(Reference) 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<sup>\*1</sup> is the Company or the Company's subsidiaries, or persons executing business for such persons.
3. Persons who are major business partners<sup>\*1</sup> 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<sup>\*2</sup> 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, 2020 to March 31, 2021)

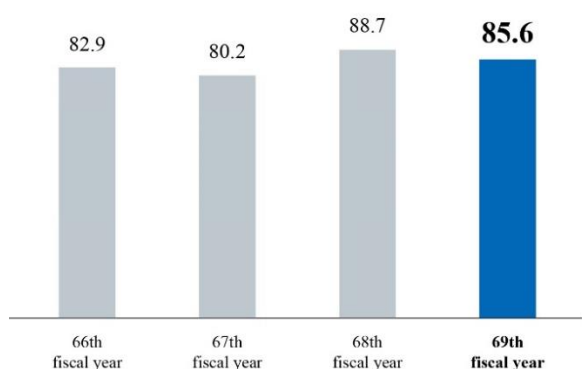
**I Items Regarding the Status of J-POWER Group Operations**

**1. Trend in Assets and Profit/Loss**

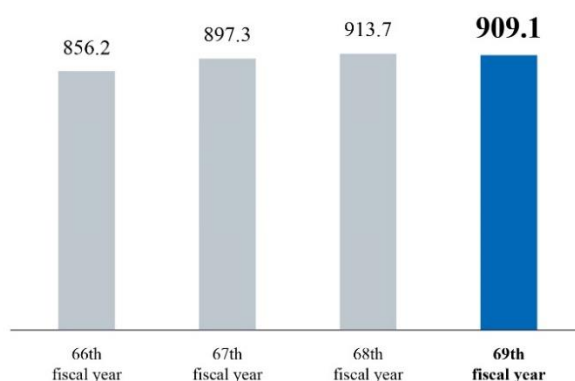
(millions of yen)

	66th Fiscal Year (FY2017)	67th Fiscal Year (FY2018)	68th Fiscal Year (FY2019)	69th Fiscal Year (FY2020)
Electricity sales volumes (TWh)	82.9	80.2	88.7	85.6
Operating revenue	856,252	897,366	913,775	909,144
Operating income	104,336	78,844	83,638	77,775
Ordinary income	102,476	68,539	78,085	60,903
Profit attributable to owners of parent	68,448	46,252	42,277	22,304
Earnings per share (yen)	373.93	252.68	230.96	121.85
Total assets	2,647,054	2,766,179	2,805,390	2,841,960
Net assets	836,124	845,582	857,387	853,685
ROE (%)	9.1	5.8	5.3	2.8
Capital adequacy ratio (%)	29.7	28.8	28.8	28.5

■ Electricity sales volumes (TWh)



■ Operating revenue (billions of yen)



## 2. Overview of Operations

In the fiscal year under review that ended March 31, 2021, the global economy, following a rapid slowdown due to the worldwide outbreak of COVID-19, showed signs of recovery despite discrepancies in each country in the midst of ongoing harsh conditions. Japan's economy also experienced a rapid slowdown due to the effects of COVID-19, and despite continued signs of recovery, partly as a result of various policies and an improvement in overseas economies, weakness is seen in some areas, such as individual consumption, amidst the ongoing harsh situation.

In the electric power business, electricity sales volume from hydroelectric power plants for the 69th fiscal year showed a 3.2% decrease from the previous fiscal year to 8.9TWh, due mainly to the decrease in water supply rate from 101% to 96%. In thermal power, despite the decrease in the load factor of thermal power plants of J-POWER (non-consolidated) from 77% to 75%, electricity sales volume remained largely the same as the previous fiscal year at 52.1TWh as a result of the start of commercial operations at Takehara Thermal Power Plant New Unit No. 1 (June 30, 2020). Although the sales volume of electricity which was procured from wholesale electricity market, etc. and sold to retailers decreased, an increase in the sales volume of electricity which was procured from Kashima Thermal Power Plant Unit No. 2 (started commercial operations on July 1, 2020) contributed to a 2.0% increase in total electricity sales volume of the electric power business from the previous fiscal year to 74.5TWh.

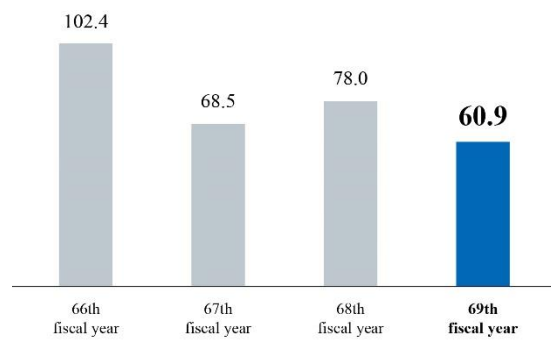
Electricity sales volume in the overseas business decreased 29.0% from the previous fiscal year to 11.0TWh.

Despite the electric power business experiencing an increase in electricity sales volume and soaring electricity transaction prices on the Japan Electric Power Exchange from the latter half of December 2020 through January 2021, sales (operating revenues) decreased 0.5% from the previous fiscal year to 909.1 billion yen, due mainly to the decrease in electricity sales volume in the overseas business. Non-operating revenue decreased 57.7% from the previous fiscal year to 11.2 billion yen mainly due to decreases in share of profit of entities accounted for using equity method and foreign exchange gains. Total ordinary revenue decreased 2.1% from the previous fiscal year to 920.3 billion yen.

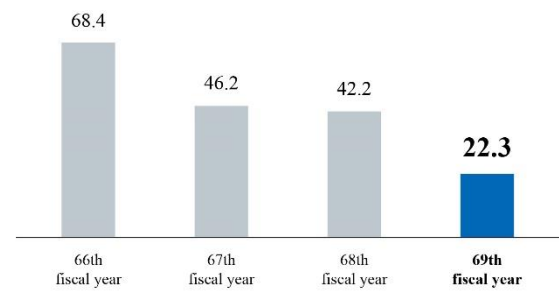
Operating expenses increased 0.1% from the previous fiscal year to 831.3 billion yen. This was mainly due to the increase in purchased power from other suppliers, despite decrease in fuel costs associated with lower fuel price in the electric power business and a decrease in repair costs, including for regular inspections. Total ordinary expenses including non-operating expenses decreased 0.3% from the previous fiscal year to 859.4 billion yen.

As a result, ordinary income decreased 22.0% from the previous fiscal year to 60.9 billion yen. Despite factors for an increase, including the posting of a gain on sale of shares of subsidiaries and affiliates associated with the transfer of the Company's entire shareholding in Taiwan Chiahui Power Corporation, an affiliate accounted for by the equity method, and a reactionary downturn in loss on business of subsidiaries and affiliates (extraordinary loss) posted in the previous fiscal year, profit attributable to owners of parent decreased 47.2% from the previous fiscal year to 22.3 billion yen, partly due to increases in impairment losses (extraordinary losses) and income taxes – current.

■ Ordinary income (billions of yen)



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

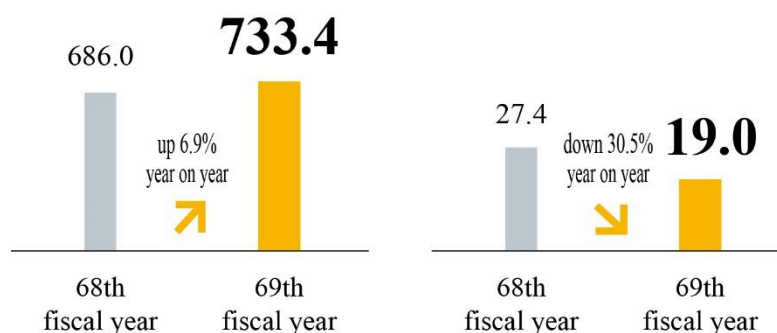


### 3. Major Areas of Operation

Electric Power Business	Power generation business, transmission businesses
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Operating revenue (billions of yen)

Segment income (billions of yen)



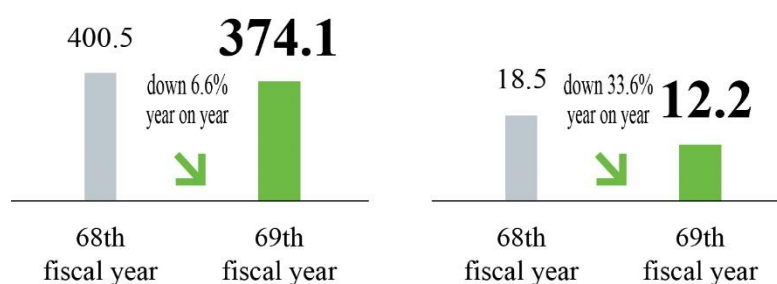
Sales (electric utility operating revenue) increased 6.9% from the previous fiscal year to 733.4 billion yen mainly due to an increase in the sales volume of electricity and the soaring electricity transaction prices on the Japan Electric Power Exchange from the latter half of December 2020 through January 2021.

Segment income decreased 30.5% from the previous fiscal year to 19.0 billion yen mainly due to a loss posted by an equity-method affiliate that sells electricity procured from Japan Electric Power Exchange to retailers caused by an upsurge in electricity transaction prices, despite a decrease in repair costs, including for regular inspections at thermal power plants.

Electric Power-Related Business	Consigned operation of power generation facilities; design, construction, inspection, maintenance, and repair of 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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Operating revenue (billions of yen)

Segment income (billions of yen)



Sales (other business operating revenue) decreased 6.6% from the previous fiscal year to 374.1 billion yen mainly due to the decrease in sales of coal in a consolidated subsidiary.

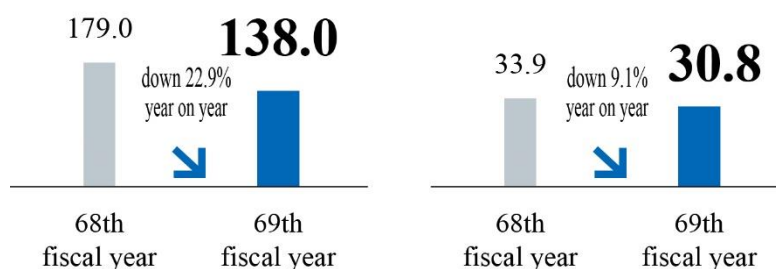
Segment income decreased 33.6% from the previous fiscal year to 12.2 billion yen due mainly to the decrease in sales.



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)



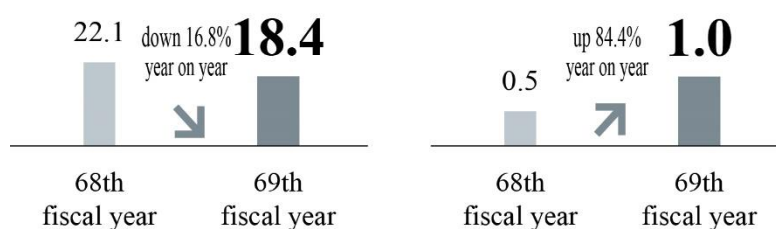
Sales (overseas business operating revenue) decreased 22.9% from the previous fiscal year to 138.0 billion yen due mainly to the decrease in electricity sales volume.

Segment income decreased 9.1% from the previous fiscal year to 30.8 billion yen due mainly to the impact from foreign exchange.

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 16.8% from the previous fiscal year to 18.4 billion yen.

Segment income increased 84.4% from the previous fiscal year to 1.0 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 CO<sub>2</sub> reduction targets to the international society, the full-scale liberalization of retail business and abolishment of wholesale regulations that came into force in April 2016, the unbundling of power generation and transmission from April 2020, and the creation of new markets (the capacity market started in 2020, the supply and demand adjustment market in 2021, etc.). In addition, the energy industry is reaching a turning point with the acceleration of the global trend of decarbonization, decentralization of the energy demand and supply structure, and the advancement of digitalization.

Amid these conditions, in October 2020 the Japanese Government declared that it will reduce greenhouse gas emissions to net zero in an aim to realize a carbon-neutral, carbon-free society by 2050. At around the same time, the Government announced specific measures that included the fading out of inefficient coal-fired thermal power and green growth strategies. Based on J-POWER “BLUE MISSION 2050” announced in February 2021, the Group will take on the challenge of realizing a carbon-neutral power generation business by 2050. As a milestone toward achieving that goal, we set a target of reducing CO<sub>2</sub> emissions by 40%<sup>\*1</sup> by 2030, and in April 2021 announced a new Medium-term Management Plan (FY2021 - FY2023) as the first step in these initiatives.

In the new Medium-term Management Plan, J-POWER will take multifaceted approaches toward realizing carbon neutrality through creativity and ingenuity based on the comprehensive technical and development capabilities that it has cultivated so far. J-POWER will strive to increase its corporate value through working on the realization of carbon neutrality by combining three approaches: accelerating the development of CO<sub>2</sub>-free power sources<sup>\*2</sup> in Japan and abroad, the creation of new value from existing assets (upcycling), and taking on the challenge of new business areas.

J-POWER will build a solid business foundation that supports advancing these approaches while responding to society’s requests for a stable power supply and strengthening resilience. While focusing on improved profitability and higher efficiency in asset management, J-POWER will realize sustainable growth by promoting ESG<sup>\*3</sup> management, share the results with all stakeholders, and contribute to sustainable social development.

<sup>\*1</sup> CO<sub>2</sub> emissions from the Group’s domestic power generation business compared to the 3-year average of actual emissions in FY2017 – FY2019.

<sup>\*2</sup> Refers to renewable energy power sources, including hydroelectric power, wind power, and solar power, as well as nuclear power, which do not emit CO<sub>2</sub> during power generation.

<sup>\*3</sup>An acronym consisting of the first letters of Environment, Social, and Governance

### (1) Accelerated development of CO<sub>2</sub>-free power sources

#### (a) Accelerated development of global renewable energy

The J-POWER Group is a leader in renewable energy with the largest domestic output capacity, centering on hydroelectric power generation and wind power generation, and has also been working on the development of renewable energy overseas, with a focus on wind power generation and solar power generation, etc. Going forward, we will further accelerate the development of renewable energy in Japan and overseas by prioritizing investment allocation and increasing human resources.

In Japan, in addition to the steady progress we are making with onshore wind power generation projects (Kaminokuni No. 2, Minami Ehime No. 2), hydroelectric power generation projects (Shinkatsurazawa, Kumaoui), and geothermal power generation projects (Onikobe, Appi), all of which are in the construction stage, we will also expand the output capacity of renewable energy by cultivating sites at the development and research stage and

by finding new sites. For offshore wind power generation, which is attracting attention as an initiative to make renewable energy the main energy source, we aim to participate in offshore wind power development projects in general sea areas to follow the project in the port area of the Kitakyushu-shi (Hibikinada offshore wind project), which is undergoing a feasibility study.

Overseas, we will accelerate initiatives aimed at participating in new renewable energy development projects to follow the Triton Knoll offshore wind project under construction in the U.K., and large-scale solar power in the U.S.

**(b) Steady 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 is a baseload power source to support stable energy supply, and in addition to its role as a CO<sub>2</sub>-free power source to meet social needs to address climate change issues, it plays a central role in the nuclear fuel cycle through the full use of MOX. In particular, as the Japanese Government presents the “Basic Concept of Plutonium Utilization” (determined by the Japan Atomic Energy Commission in July 2018) and requests a reduction in plutonium holdings, Ohma Nuclear Power Plant, which is capable of consuming a large volume of plutonium, will become increasingly important.

The Group will continuously pursue further enhancement of safety, and 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.

**(c) Contributing to the expanded introduction of renewable energy**

The mass introduction of renewable energy in the future will require the expansion of the power network in order to deliver the electricity generated at renewable energy areas (Hokkaido, Tohoku, Kyushu, etc.) to consumption areas. The J-POWER Group is steadily promoting the ongoing augmentation work on the New Sakuma Frequency Converter Station and related transmission lines, and is pursuing further business opportunities utilizing the wide-ranging technologies and knowledge of DC transmission lines and undersea cables, etc. that it has accumulated so far.

In addition, we will continue to contribute to the stable supply of electric power by working to strengthen our resilience to aging facilities and intensifying natural disasters.

## **(2) Creating new value with existing assets (upcycling)**

By not only introducing new facilities, but also by creating new value through the restructuring of existing assets into high value-added assets (upcycling), we will reduce environmental impacts as early as possible by applying new technologies in an economically viable way while maintaining a stable power supply.

### **(a) Upcycling existing thermal power assets**

The Group has to date been working on technological development and demonstration tests with the aim of realizing CO<sub>2</sub>-free hydrogen power generation by combining coal gasification technology (technology that converts gas generated from coal into H<sub>2</sub> and CO<sub>2</sub>) with CO<sub>2</sub> separation and capture technology.

The Matsushima Plant is Japan's first thermal power plant that uses imported coal as fuel in response to the demand for diversification of energy sources following the oil crisis. By adding coal gasification facilities, a new technology, to this power plant that has been in operation for 40 years, we will take the first step toward the realization of CO<sub>2</sub>-free hydrogen power generation (GENESIS Matsushima Plan). Currently, preparations are underway for an environmental impact assessment, but by utilizing existing power generation facilities, we aim to put new technologies into practical use as early as possible in an economically viable way while maintaining a stable power supply.

### **(b) Upcycling renewable energy assets**

Utilizing the knowledge accumulated over the Group's 70 years of renewable energy development, we will work to maximize the value of renewable energy assets, centering on hydroelectric power and wind power generation.

In hydroelectric power generation, in addition to the application of the latest water turbines and generators (Ashoro, Ogamigo, Nagayama) and the development of small hydroelectric power plants (Onabara), we will also consider upcycling large-scale impoundment hydroelectric power plants whose equipment is aging, such as the Sakuma Hydroelectric Power Plant, and work to maximize the use of abundant water resources and increase the associated output capacity and power generation volume. We will also endeavor to strengthen our resilience against intensifying natural disasters.

In wind power generation, by repowering wind turbines approaching the end of their equipment life to the latest large wind turbines (Tomamae, Shimamaki), we will simultaneously achieve the maximum utilization of areas with favorable wind conditions, reduce the environmental impact through a reduction in the number of wind turbines, and increase the volume of power generation.

## **(3) Taking on challenges in new areas**

The shift to carbon neutrality and the progress in innovation, including digital technology, are expected to bring about major changes in social and economic structures. The J-POWER Group aims to expand into new business domains with the keywords of decentralization of energy use, decarbonization, and digital transformation.

The realization of a hydrogen-based society requires a large and stable supply of hydrogen and, in addition to renewable energy, requires CO<sub>2</sub>-free hydrogen production from fossil fuels. As well as endeavoring to put coal gasification technology to practical use in Japan, the Group is also participating in Japan-Australia joint demonstration test to construct a supply chain for hydrogen, and is pursuing the possibility of producing CO<sub>2</sub>-free hydrogen from coal in Japan and overseas.

In addition, in order to expand the introduction of renewable energy, whose output fluctuates rapidly depending on the weather, it is important to secure balancing capability to

compensate for such fluctuations. As well as providing environmental value to consumers through electricity retailing by utilizing the abundant renewable energy we possess, the Group is working to create new added value, including by securing and utilizing balancing capability by bundling resources such as private power generation and production equipment and air conditioning equipment owned by consumers, and controlling them remotely in an integrated manner.

Furthermore, we will explore the possibility of providing a variety of decentralized services in the creation of new businesses through the expansion of networks with startup companies that we have been working on so far.

#### **(4) Strengthening business foundations**

In the midst of an uncertain economic situation due to the effects of COVID-19, the Group will build solid business foundations that will support our endeavors to achieve carbon neutrality while responding to requests for a continued stable power supply and strengthened resilience.

##### **(a) Promoting ESG management**

The Group has contributed to the resolution of various energy-related social issues throughout each era through its business. Based on “harmonizing energy supply and the environment,” we are aiming for sustainable growth with a view to the future, including through a prompt response to climate change issues from the early 2000s.

In April 2021, J-POWER appointed the director in charge and established the management department for ESG, and will further strengthen the initiatives we have undertaken so far, including our response to climate change and other environmental issues, and the strengthening of business activities and governance as a good member of society.

##### **(b) Developing human resources**

J-POWER will develop human resources that can take on the challenge of various management issues, by fostering a culture in which employees can contribute to learn regardless of their generation and supporting the self-sustaining growth of diverse human resources. J-POWER will meet the diverse needs of individual employees through the realization of flexible working styles. At the same time, J-POWER will develop human resources and workplaces by ensuring workplace safety and employee health at sufficiently high levels so that diverse human resources can work enthusiastically and promote continuous innovations.

##### **(c) Improving profitability and asset management efficiency**

J-POWER will accelerate the ongoing efforts to reduce power generation costs and management/indirect department costs, including business process transformation and sophisticated equipment maintenance with the help of digital transformation, in an aim to further improve profitability. J-POWER will reduce investment in renewal while balancing it with facility reliability. At the same time, J-POWER will try to improve the efficiency of assets by reviewing and replacing owned assets as needed.

##### **(d) Expanding overseas business foundation**

For more than half a century, the J-POWER Group has been engaged in the development of power sources and the consulting business related to power transmission and transformation facilities throughout the world. By utilizing the experience, credibility, and networks that we have cultivated in our domestic business and overseas consulting business, we have participated in the overseas power generation business overseas in full scale since 2000, and expanded its scale and revenue mainly through the new development of thermal power projects since 2010. As a result, our overseas business has grown to

become one of the Group's main businesses both in terms of output capacity and profit contribution.

The J-POWER Group is proceeding with construction work on large-scale projects in the U.K., U.S. and Indonesia (Triton Knoll offshore wind power, Jackson gas-fired thermal power, and Central Java coal-fired thermal power), and will work to further strengthen our profit base by steadily implementing these projects. In addition, we aim to participate in renewable energy and other new development projects in response to the need for diversified development of power production facilities, with the U.S., Australia and Asia as priority regions.

**Reference: Major projects under development (as of April 30, 2021)**

	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)	
	Onabara	1MW	Completion of work: FY2024 (planned)	
	Nagayama (Repowering)	39.5 MW	Completion of work: FY2025 (planned)	
Wind	Kaminokuni No.2	41.5MW (Max. 120.4MW)	Start of operation: FY2022 (planned)	
	Shin Tomamae (Replacement)	30.6MW	Start of operation: FY2022 (planned)	
	Minami Ehime No.2	34.0MW Max. 40.8MW	Preparing for construction	
	Shin Shimamaki(Replacement)	4.3MW	Preparing for construction	
	Hibikinada Offshore*1			
	Seiyo Yusuhara			
	Kita-Kagoshima			
	Wajima			
	Youra			
	Reihoku Kunimiyama			
	Naka-noto	Max. Approx. 900MW	Planned point during environmental impact assessment procedure	
	Fukui Ono/Ikeda			
	Kichu			
	Hisatsu			
	Hiroshima Nishi			
	Watarai			
	New Tahara Bayside (Replacement)			
	Saikai Offshore*2			
	Hiyama-area Offshore	Max. Approx. 1,400MW		Researching for development
	Awara Offshore*3			
Off Akita Prefecture	-	Formed a consortium for business development*4		
Geo-thermal	Onikobe (Replacement)	14.9MW	Start of operation: FY2023 (planned)	
	Appi*5	14.9MW	Start of operation: FY2024 (planned)	
	Takahinatayama-area	-	Researching for development	
Nuclear	Ohma	1,383MW	Under review of compliance with the new safety standards	
Trans-mission	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	Central Java coal-fired IPP (Indonesia)*6	2,000MW	Start of operation: FY2021 (planned)	
	Triton Knoll offshore wind (U.K.)*7	857MW	Start of operation: 2021 (planned)	
	Jackson gas-fired thermal (U.S.)	1,200MW	Start of operation: 2022 (planned)	
	Wharton solar (U.S.)*8	350MW	Start of operation: 2022 (planned)	
	Refugio solar (U.S.)*8	400MW	Start of operation: 2023 (planned)	
	Birchwood (U.S.)*9	Solar Storage 50MW 190MW	Start of solar operation: 2023 (planned)	
	Kidston Stage 3 Wind Power (Australia)*10	150MW	Start of operation: 2024 (planned)	

- \*1 J-POWER's owned capacity: 40% Conducting jointly with Kyuden Mirai Energy Company, Hokutaku, Saibu Gas, and Kyudenko Corporation
- \*2 Conducting jointly with SUMITOMO CORPORATION
- \*3 Conducting jointly with Mitsui Fudosan Co., Ltd.
- \*4 The Company, JERA Co., Inc. and Equinor ASA
- \*5 J-POWER's owned capacity: 15% Joint venture with Mitsubishi Materials Corporation and Mitsubishi Gas Chemical Company
- \*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 RWE AG and Kansai Electric Power
- \*8 J-POWER's owned capacity : 25% Joint venture with AP Solar
- \*9 J-POWER's owned capacity : 50% Joint venture with Fortress
- \*10 J-POWER's owned capacity : 50% Joint venture with Genex
- \*11 Projects with "Max." notation is under scrutinization of capacity.



## 5. Capital Investment

Total Capital Investment during the 69th Fiscal Year: 171,509 million yen

### Major Facilities Completed

Segment	Type	Name	Capacity
Electric Power Business	Power Generation (Thermal Power)	Takehara Thermal Power Plant New Unit No. 1	600MW

### Major Facilities under Construction

Segment	Type	Name	Capacity
Electric Power Business	Power Generation (Nuclear Power)	Ohma Nuclear Power Plant	1,383MW
Overseas Business	Power generation (Thermal Power)	Jackson Gas-fired Thermal Power Plant	1,200MW

## 6. Research and Development Activities

In order to better respond to the changing business environment while utilizing the knowledge it has developed through electric power business, and sustainably strengthen competitiveness, the research and development activities of the Group focus on research and development with a view to strengthening the current foundation and realizing carbon neutrality by 2050.

Total amount of research and development expenses in the fiscal year under review was 15.6 billion yen.

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

Carbon neutrality-compatible technology	Oxygen-blown Integrated Coal Gasification Combined Cycle (IGCC), hydrogen production (Australia), CO <sub>2</sub> capture, utilization and storage, green oil, biomass fuel, etc.
Environmental technology	Environmental protection technology for reservoirs, remote monitoring using satellite image data, etc.
Technology to improve competitiveness	Optimization and digitalization of maintenance and operation of power plants, maintenance of concrete structures, monitoring of geothermal areas, 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	106,706 million yen	
Total	176,706 million yen	

## 8. Major Lenders (as of March 31, 2021)

Lender	Loan Balance at End of this Fiscal Year
Mizuho Bank, Ltd.	101,860 million yen
Sumitomo Mitsui Banking Corporation	92,996 million yen
MUFG Bank, Ltd.	74,119 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 three other major loans for overseas business projects under loan syndication arrangements (217,701 million yen in total).

## 9. Major Subsidiaries (as of March 31, 2021)

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
<b>Electric Power Business</b>				
J-POWER Transmission Network Co, Ltd.	Chuo-ku, Tokyo	16,000	100	Transmission 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 KUZUMAKI Co., Ltd.	Chuo-ku, Tokyo	5	100	Wind power business
J-Wind SETANA Co., Ltd.	Chuo-ku, Tokyo	5	100	Wind power 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
<b>Electric Power-Related Businesses</b>				
J-POWER AUSTRALIA PTY. LTD.	Australia	548 (million AUD)	100	Investment in coal mines in Australia
J-POWER Generation Service Co., Ltd.	Chuo-ku, Tokyo	500	100	Operation of thermal power plants; sales of fly ash; shipping of coal for thermal power plants; research, planning and analysis of environmental conservation
J-POWER HYTEC 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
J-POWER Telecommunication Service Co., Ltd.	Bunkyo-ku, Tokyo	110	100	Construction and maintenance of electronic and communications facilities
J-POWER Design Co., Ltd.	Chiyoda-ku, Tokyo	20	100	Design, management, and research for electric power facilities and other facilities and construction consulting

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
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
J-Wind Service Co., Ltd.	Chuo-ku, Tokyo	50	100 (100)	Maintenance and operation of wind power plants
EPDC CoalTech and Marine Co., Ltd.	Chuo-ku, Tokyo	20	100 (100)	Marine transportation of ash and fly ash
<b>Overseas Business</b>				
JP Renewable Europe Co., Ltd.	U.K.	256 (million GBP)	100	Management of investments
J-Power Investment Netherlands B.V.	The Netherlands	61 (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
JP Generation Australia Pty. Ltd.	Australia	900,001 (AUD)	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
JPGA Partners Pty. Ltd.	Australia	300,001 (AUD)	100 (100)	Management of investments
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
J-POWER Renewables Capital, LLC	U.S.A.	-	100 (100)	Development business
Jackson Generation, LLC	U.S.A.	-	100 (100)	Thermal power business
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 NNN 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
<b>Other Businesses</b>				
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 72 consolidated subsidiaries, including the major subsidiaries as listed above, and 88 affiliates accounted for by the equity method.
3. The Company transferred its power transmission business to J-POWER Transmission Network Co., Ltd. through an absorption-type split as of April 1, 2020.
4. For a Limited Liability Company (LLC) under U.S. law, the amount of capital is not stated as there is not an exact match for the concept of capital.
5. JPec Co., Ltd. changed its trade name to J-POWER Generation Service Co., Ltd. as of August 1, 2020.
6. JPHYTEC Co., Ltd. changed its trade name to J-POWER HYTEC Co., Ltd., JP RESOURCES Co., Ltd. changed its trade name to J-POWER RESOURCES Co., Ltd., KEC Corporation changed its trade name to J-POWER Telecommunication Service Co., Ltd., and JP Design Co., Ltd. changed its trade name to J-POWER Design Co., Ltd. as of October 1, 2020.

## 10. Major Business Locations (as of March 31, 2021)

### The Company's Major Offices and Power Plants

#### (a) Head Office

<b>Name</b>	<b>Location</b>
Head Office	Chuo-ku, Tokyo

#### (b) Offices

<b>Name</b>		<b>Location</b>
Regional Headquarters	East Regional Headquarter	Kawagoe-shi, Saitama Pref.
	Chubu Regional Headquarter	Kasugai-shi, Aichi Pref.
	West Regional Headquarter	Osaka-shi, Osaka Pref.

### (c) Power Plants

Sector	Power Plant Name (Location)
Hydroelectric Power (Output of 100MW 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 100MW)
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.)

Note: Regional Transmission System & Telecommunications Center was transferred to J-POWER Transmission Network Co., Ltd. on April 1, 2020.

### Location of Major Subsidiaries

Head office locations of major subsidiaries are provided in “9. Major Subsidiaries” on pages 35 to 37.

## 11. Employees (as of March 31, 2021)

### Employees of the J-POWER Group

Segment	Number of Employees
Electric Power Business	1,873
Electric Power-Related Businesses	4,473
Overseas Business	647
Other Businesses	163
Total	7,156

- Notes: 1. The number of employees represents the 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
1,722	-727	42.1	19.8

- Notes: 1. The number of employees represents the number of employees at work, and does not include 1,251 employees on loan, etc.  
2. The number of temporary employees is omitted as it is less than 10% of the total.  
3. The number of employees has decreased by 727 compared with the previous fiscal year. The main reason for this decrease is the transfer of the Company's transmission business to J-POWER Transmission Network Co., Ltd., a consolidated subsidiary, as of April 1, 2020, and the transfer of the Company's entire thermal power plant operations to J-POWER Generation Service Co., Ltd., a consolidated subsidiary, as of August 1, 2020.



## II Items Regarding Stock of the Company

### Stock Status (as of March 31, 2021)

1. **Number of authorized shares** 660,000,000
2. **Number of shares issued** 183,051,100  
(including 2,741 shares of treasury stock)
3. **Number of shareholders** 66,304
4. **Major shareholders (top 10 shareholders)**

<b>Name of Shareholders</b>	<b>Number of shares held (thousands)</b>	<b>Shareholding ratio (%)</b>
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,150	7.18
Nippon Life Insurance Company	9,152	5.00
Custody Bank of Japan, Ltd. (Trust Account)	8,847	4.83
Mizuho Bank, Ltd.	5,155	2.82
J-POWER Employees Shareholding Association	4,394	2.40
JP MORGAN CHASE BANK 385635	3,649	1.99
Sumitomo Mitsui Banking Corporation, Ltd.	3,436	1.88
MUFG Bank, Ltd.	3,331	1.82
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE:UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	3,064	1.67
Fukoku Mutual Life Insurance Company	3,029	1.65

Notes: 1. The above shareholding ratios are calculated excluding treasury stock.

2. The number of shares held by Fukoku Mutual Life Insurance Company includes its contribution of 600 thousand shares to the employees' retirement benefit trust and 3.2 thousand shares in special accounts.

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

#### 1. Directors and Audit & Supervisory Board Members (as of March 31, 2021)

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

<b>Title</b>	<b>Name</b>	<b>Roles and responsibilities of the current position and other major concurrent positions</b>
Director and Executive Managing Officer	Yoshikazu Shimada	<ul style="list-style-type: none"> <li>• Department Deputy Director of Renewable Energy (delegation of administrative works)</li> <li>• Digital Innovation Dept.</li> <li>• Wind Power Business Dept.</li> <li>• International Business (matters under special assignment)</li> </ul>
Director and Executive Managing Officer	Hiroshi Sasatsu	<ul style="list-style-type: none"> <li>• Thermal Energy &amp; Value Creation Dept.</li> <li>• Research &amp; Development Dept.</li> <li>• Corporate Planning &amp; Administration and International Business (matters under special assignment)</li> </ul>
Outside Director	Go Kajitani	<ul style="list-style-type: none"> <li>• Attorney at law (KAJITANI LAW OFFICES)</li> </ul>
Outside Director	Tomonori Ito	<ul style="list-style-type: none"> <li>• Adjunct Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University</li> <li>• Outside Director of Aozora Bank, Ltd.</li> </ul>
Outside Director	John Buchanan	<ul style="list-style-type: none"> <li>• Research Associate of Centre for Business Research, University of Cambridge</li> </ul>
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"> <li>• Audit and Supervisory Committee Member (Outside Director) of The Nishi-Nippon City Bank, Ltd.</li> </ul>
Senior Audit & Supervisory Board Member (Full-time)	Shinichi Kawatani	
Outside Audit & Supervisory Board Member	Mutsutake Otsuka	<ul style="list-style-type: none"> <li>• Advisor of East Japan Railway Company</li> <li>• Outside Director of ENEOS Holdings, Inc.</li> </ul>
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. Centre for Business Research, University of Cambridge has no special relationship with the Company.
6. 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.
7. 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.
8. The Nishi-Nippon City Bank, Ltd. has no special relationship with the Company.
9. 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.
10. East Japan Railway Company and ENEOS Holdings, Inc. have no special relationship with the Company.
11. Mr. Mutsutake Otsuka, who serves as an Outside Audit & Supervisory Board Member, is scheduled to retire from the post of Outside Director of ENEOS Holdings, Inc. at its General Meeting of Shareholders to be

held in June 2021 due to the expiration of his term of office.

12. Mr. Mutsutake Otsuka was an Outside Director of NIPPON STEEL CORPORATION but retired as of June 24, 2020.
13. Mr. Mutsutake Otsuka was appointed as Advisor of East Japan Railway Company as of June 1, 2020.
14. NIPPON STEEL CORPORATION and the Company established, by joint capital investment, “Kashima Power Co., Ltd.,” and Kashima Thermal Power Plant Unit No. 2, which is operated by “Kashima Power Co., Ltd.,” started commercial operations on July 1, 2020.
15. “ESG oversight” was newly assigned to the duties of Mr. Makoto Honda, who serves as an Executive Vice President of the Company, as of April 1, 2021.

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

By resolution of the Board of Directors, the Company has established a policy for determining details of individual remuneration, etc. for Directors as stipulated in Article 361, Paragraph 7 of the Companies Act, as follows. In accordance with this policy and based on delegation by the Board of Directors, Mr. Toshifumi Watanabe, who serves as Representative Director President of the Company, will determine the specific details of individual monthly salaries and performance-linked bonuses for Directors of the Company. The reason for delegating the authority for these decisions to the Representative Director President is that the Company has deemed that the Representative Director President is the most appropriate person to conduct evaluations while maintaining an overview of the performance of the Company as a whole. In addition, in light of the fact that the Nomination and Compensation Committee, whose chairperson and majority of members are independent officers, appropriately deliberate on the propriety of the performance evaluation and amount of remuneration proposed by the Representative Director President, and the fact that the results of those deliberations are reported to the Board of Directors by the Representative Director President, the Board of Directors has deemed that the details of individual remuneration for Directors are in accordance with this decision-making policy.

[Policy for Determining Remuneration for Directors]

Total remuneration for Directors, by resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, 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), and the method for determining Directors' remuneration is determined by means of discussion at meetings of the Board of Directors within this maximum amount.

Based on this maximum amount, the basic policy is to set an appropriate level taking into account each responsibility, while considering the characteristics of the Company's business, that is, to recover investment through the long-term operation of power plants, etc. Accordingly, the policy for determining individual remuneration for Directors shall be as follows:

- Payment details
  - Remuneration for Directors shall be fixed monetary remuneration, and shall consist of a monthly salary paid to all Directors and a performance-linked bonus paid to Directors excluding Outside Directors
  - The monthly salary shall be calculated based on position, and the performance-linked bonus shall be calculated based on the comprehensive consideration of the Company's business performance and dividend status, etc.
- Method of determination
  - Details of individual remuneration for Directors shall be delegated by the Board of Directors to the Representative Director President after deliberations by the Nomination and Compensation Committee, the majority of whose members are independent officers, and the report of deliberation results to the Board of Directors.
  - The authority delegated to the Representative Director President shall consist of the evaluation of the proportion of performance-linked bonus calculated based on the comprehensive consideration of the monthly salary of each Director and the Company's business performance and dividend status, etc., and the Representative Director President shall make a determination in accordance with the results of deliberation by the Nomination and Compensation Committee.

- Payment timing
  - With regard to the timing of payment of remuneration, etc., 1. the monthly salary shall be paid monthly on a regular basis and 2. the performance-linked bonus shall apply to the fiscal year under review and be paid promptly in a lump sum at the conclusion of the Ordinary General Meeting of Shareholders held in the following fiscal year.

In addition, 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, etc.), and remuneration for each Audit & Supervisory Board Member is determined by means of consultation among Audit & Supervisory Board Members within the cap prescribed above.

The number of Directors as at the conclusion of the abovementioned Ordinary General Meeting of Shareholders was 13 and the number of Audit and Supervisory Board Members was 5.

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

	Category	Number of Persons	Total Amount
Directors	Directors (excluding Outside Directors)	13	399 million yen
	Outside Directors	3	28 million yen
	Total	16	428 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		21	548 million yen

- Notes: 1. The Directors' remuneration includes a performance-linked bonus of 47 million yen for this fiscal year. The Company's performance-linked bonus is not based solely on indicators showing the status of profits, indicators showing the status of the market price of shares, or indicators showing the business performance of other companies; and thus does not fall under performance-linked remuneration as stipulated in Article 98-5, Item 2 of the Ordinance for Enforcement of the Companies Act.
2. The "Number of Persons" above includes 3 Directors who retired at the conclusion of the 68th Ordinary General Meeting of Shareholders held on June 25, 2020.

#### 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 42 to 44.

##### Outline of Duties Performed by Outside Directors Regarding their Key Activities and Expected Roles in this Fiscal Year

Name (Title)	Attendance at Board of Directors meetings	Key Activities
Go Kajitani (Outside Director)	100% (12/12)	He has abundant experience in the legal profession, distinguished knowledge and capability of addressing various management issues as an attorney at law, and he is expected to fulfill his supervisory function from these perspectives. In the current fiscal year under review, he has again appropriately fulfilled his role by providing oversight and advice on business execution as an Outside Director of the Company, including by making proactive statements from these perspectives to the Board of Directors of the Company. In addition, he has been involved in deliberations over the nominations and remuneration of the management team as a member of the Nomination and Compensation Committee, and has expressed definitive opinions.
Tomonori Ito (Outside Director)	100% (12/12)	He has abundant experience in investment banking business both inside and outside Japan, distinguished knowledge and capability of addressing various management issues acquired through researches in financial theory at the Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University, and he is expected to fulfill his supervisory function from these perspectives. In the current fiscal year under review, he has again appropriately fulfilled his role by providing oversight and advice on business execution as an Outside Director of the Company, including by making proactive statements from these perspectives to the Board of Directors of the Company.
John Buchanan (Outside Director)	100% (12/12)	He has abundant experience in investment advisory business both inside and outside Japan, distinguished knowledge and capability of addressing various management issues acquired through researches concerning corporate governance at University of Cambridge, and he is expected to fulfill his supervisory function from these perspectives. In the current fiscal year under review, he has again appropriately fulfilled his role by providing oversight and advice on business execution as an Outside Director of the Company, including by making proactive statements from these perspectives to the Board of Directors of the Company.

### Key Activities by Outside Audit & Supervisory Board Members in this Fiscal Year

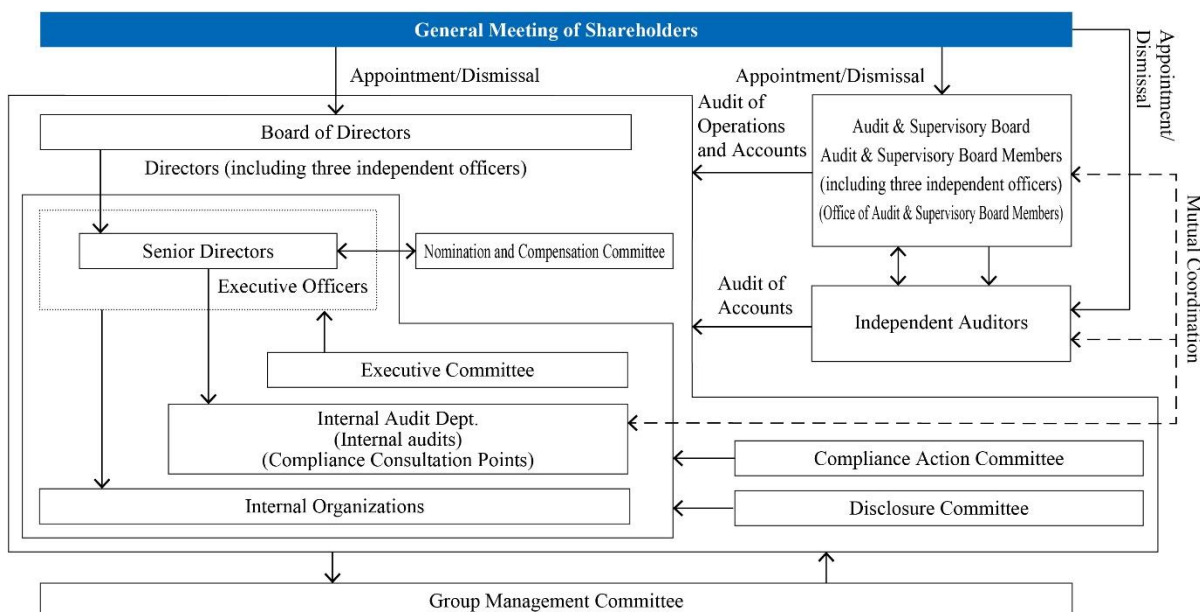
Name (Title)	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Key Activities
Hiroshi Fujioka (Outside Senior Audit & Supervisory Board Member)	100% (12/12)	100% (12/12)	He made comments primarily based on his abundant experience and distinguished knowledge in the administration of fiscal and financial issues, etc.
Mutsutake Otsuka (Outside Audit & Supervisory Board Member)	92% (11/12)	92% (11/12)	He made comments primarily based on his abundant experience and distinguished knowledge 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 abundant experience and distinguished knowledge 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.

**(Reference) Corporate Governance Structure and Internal Control System Chart** (As of April 1, 2021)



**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	120 million yen
Total amount owed to Accounting Auditor by the Company and its subsidiaries in the form of cash or other financial benefit	209 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, 2021)**

	(millions of yen)
<b>Assets</b>	
<b>Non-current assets</b>	2,475,202
<b>Electric utility plant and equipment</b>	1,107,399
Hydroelectric power production facilities	356,513
Thermal power production facilities	422,645
Internal combustion engine power production facilities	1,460
Renewable power production facilities	84,040
Transmission facilities	145,989
Transformation facilities	31,743
Communication facilities	7,054
General facilities	57,952
<b>Overseas business facilities</b>	286,958
<b>Other non-current assets</b>	91,106
<b>Construction in progress</b>	588,222
Construction in progress	588,222
<b>Nuclear fuel</b>	75,359
Nuclear fuel in processing	75,359
<b>Investments and other assets</b>	326,156
Long-term investments	252,425
Net defined benefit asset	87
Deferred tax assets	54,221
Other	19,521
Allowance for doubtful accounts	(99)
<b>Current assets</b>	366,757
Cash and deposits	189,842
Notes and accounts receivable - trade	66,140
Inventories	46,085
Other	65,042
Allowance for doubtful accounts	(352)
<b>Total assets</b>	2,841,960

**CONSOLIDATED BALANCE SHEET** (as of March 31, 2021) *(Continued)*

(millions of yen)

<b>Liabilities</b>	
<b>Non-current liabilities</b>	1,713,159
Bonds payable	654,994
Long-term loans payable	892,350
Lease obligations	2,484
Other provision	26
Net defined benefit liability	45,647
Asset retirement obligations	35,378
Deferred tax liabilities	15,403
Other	66,874
<b>Current liabilities</b>	275,115
Current portion of non-current liabilities	87,332
Short-term loans payable	8,947
Commercial papers	20,005
Notes and accounts payable - trade	23,625
Accrued taxes	43,865
Other provision	661
Asset retirement obligations	493
Other	90,185
<b>Total liabilities</b>	1,988,274
<b>Net Assets</b>	
<b>Shareholders' equity</b>	814,772
Capital stock	180,502
Capital surplus	119,877
Retained earnings	514,401
Treasury stock	(8)
<b>Accumulated other comprehensive income</b>	(5,627)
Valuation difference on available-for-sale securities	11,156
Deferred gains or losses on hedges	(33,968)
Foreign currency translation adjustment	9,096
Remeasurements of defined benefit plans	8,088
<b>Non-controlling interests</b>	44,540
<b>Total net assets</b>	853,685
<b>Total liabilities and net assets</b>	2,841,960

**CONSOLIDATED STATEMENT OF INCOME** (from April 1, 2020 to March 31, 2021)

(millions of yen)

<b>Ordinary revenue</b>	
<b>Operating revenue</b>	909,144
Electric utility operating revenue	731,302
Overseas business operating revenue	138,087
Other business operating revenue	39,754
<b>Non-operating income</b>	11,214
Dividend income	2,839
Interest income	515
Share of profit of entities accounted for using equity method	2,759
Insurance claim income	2,202
Other	2,897
<b>Total ordinary revenue</b>	920,359
<b>Extraordinary income</b>	9,478
Gain on sale of shares of subsidiaries and affiliates	9,478
<b>Ordinary expenses</b>	
<b>Operating expenses</b>	831,369
Electric utility operating expenses	675,837
Overseas business operating expenses	109,167
Other business operating expenses	46,364
[Operating income	77,775]
<b>Non-operating expenses</b>	28,086
Interest expenses	23,746
Other	4,340
<b>Total ordinary expenses</b>	859,456
<b>Ordinary income</b>	60,903
<b>Extraordinary losses</b>	5,706
Impairment loss	5,706
<b>Profit before income taxes</b>	64,674
<b>Income taxes - current</b>	35,451
<b>Income taxes - deferred</b>	(1,960)
<b>Profit</b>	31,183
<b>Profit attributable to non-controlling interests</b>	8,879
<b>Profit attributable to owners of parent</b>	22,304

(Attachments)

NON-CONSOLIDATED FINANCIAL STATEMENTS

**NON-CONSOLIDATED BALANCE SHEET** (as of March 31, 2021)

(millions of yen)	
<b>Assets</b>	
<b>Non-current assets</b>	2,060,081
<b>Electric utility plant and equipment</b>	870,713
Hydroelectric power production facilities	371,305
Thermal power production facilities	434,615
Communication facilities	7,811
General facilities	56,980
<b>Incidental business facilities</b>	2,500
<b>Non-operating facilities</b>	691
<b>Construction in progress</b>	436,375
Construction in progress	436,375
<b>Nuclear fuel</b>	75,359
Nuclear fuel in processing	75,359
<b>Investments and other assets</b>	674,441
Long-term investments	50,457
Long-term investment for subsidiaries and affiliates	584,829
Long-term prepaid expenses	7,304
Deferred tax assets	31,850
<b>Current assets</b>	190,420
Cash and deposits	76,769
Accounts receivable - trade	28,023
Other accounts receivable	2,416
Supplies	28,901
Prepaid expenses	1,356
Short-term receivables from subsidiaries and affiliates	29,567
Other current assets	23,386
<b>Total assets</b>	2,250,502

**NON-CONSOLIDATED BALANCE SHEET** (as of March 31, 2021) *(Continued)*

(millions of yen)

<b>Liabilities</b>	
<b>Non-current liabilities</b>	1,336,610
Bonds payable	654,994
Long-term loans payable	615,736
Long-term accrued liabilities	5,599
Lease obligations	190
Long-term debt to subsidiaries and affiliates	2,043
Provision for retirement benefits	46,323
Asset retirement obligations	7,172
Other non-current liabilities	4,551
<b>Current liabilities</b>	243,363
Current portion of non-current liabilities	68,820
Short-term loans payable	8,750
Commercial papers	20,005
Accounts payable - trade	7,566
Accounts payable - other	7,911
Accrued expenses	11,822
Accrued taxes	22,338
Deposits received	315
Short-term debt to subsidiaries and affiliates	92,362
Other advances	1,157
Other current liabilities	2,311
<b>Total liabilities</b>	1,579,973

**NON-CONSOLIDATED BALANCE SHEET** (as of March 31, 2021) *(Continued)*

	(millions of yen)
<b>Net Assets</b>	
<b>Shareholders' equity</b>	659,259
<b>Capital stock</b>	180,502
<b>Capital surplus</b>	109,904
Legal capital surplus	109,904
<b>Retained earnings</b>	368,861
Legal retained earnings	6,029
Other retained earnings	362,832
Reserve for special disaster	77
Exchange-fluctuation preparation reserve	1,960
General reserve	342,861
Retained earnings brought forward	17,933
<b>Treasury stock</b>	(8)
<b>Valuation and translation adjustments</b>	11,268
Valuation difference on available-for-sale securities	9,632
Deferred gains or losses on hedges	1,636
<b>Total net assets</b>	670,528
<b>Total liabilities and net assets</b>	2,250,502



**NON-CONSOLIDATED STATEMENT OF INCOME** (from April 1, 2020 to March 31, 2021)

(millions of yen)

<b>Ordinary revenue</b>	
<b>Operating revenue</b>	589,915
<b>Electric utility operating revenue</b>	583,812
Sold power to other suppliers	566,068
<b>Other electricity revenue</b>	17,744
<b>Incidental business operating revenue</b>	6,102
Operating revenue - consulting business	957
Operating revenue - coal sale business	4,094
Operating revenue - other businesses	1,051
<b>Non-operating income</b>	49,648
<b>Financial revenue</b>	46,706
Dividends income	43,930
Interest income	2,776
<b>Non-operating revenue</b>	2,941
Gain on sales of non-current assets	18
Miscellaneous revenue	2,923
<b>Total ordinary revenue</b>	639,564
<b>Ordinary expenses</b>	
<b>Operating expenses</b>	512,060
<b>Electric utility operating expenses</b>	506,536
Hydroelectric power production expenses	62,723
Thermal power production expenses	315,632
Purchased power from other suppliers	48,433
Selling expenses	1,224
Communicating expenses	4,669
General and administrative expenses	65,007
Expenses for third party's power transmission service	2,363
Enterprise tax	6,480

**NON-CONSOLIDATED STATEMENT OF INCOME**

(from April 1, 2020 to March 31, 2021) (Continued)

	(millions of yen)
<b>Incidental business operating expenses</b>	5,524
Operating expenses - consulting business	655
Operating expenses - coal sale business	4,030
Operating expenses - other businesses	838
[Operating income	77,854]
<b>Non-operating expenses</b>	13,462
<b>Financial expenses</b>	11,852
Interest expenses	11,635
Bond issuance cost	217
<b>Non-operating expenses</b>	1,609
Loss on sales of non-current assets	1
Miscellaneous expenses	1,608
<b>Total ordinary expenses</b>	525,523
<b>Ordinary income</b>	114,041
<b>Extraordinary losses</b>	77,694
Impairment loss	3,170
Loss on waiver of debt of subsidiaries and affiliates	57,001
Loss on valuation of shares of subsidiaries and affiliates	17,522
<b>Profit before income taxes</b>	36,346
<b>Income taxes</b>	20,813
Income taxes-current	21,445
Income taxes-deferred	(631)
<b>Profit</b>	15,532

(Attachments)

AUDIT REPORTS

**THE AUDIT REPORT OF INDEPENDENT AUDITORS**  
**CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS**

Report of Independent Auditors

May 14, 2021

The Board of Directors

Electric Power Development Co., Ltd.

Ernst & Young ShinNihon LLC

Tokyo, Japan

Ryuzo Shiraha

Certified Public Accountant

Designated and Engagement Partner

Katsuhiro 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, 2020 through March 31, 2021.

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, 2021

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

Ernst & Young ShinNihon LLC  
Tokyo, Japan  
Ryuzo Shiraha  
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 69th fiscal year from April 1, 2020 through March 31, 2021.

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, 2021, 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 69th fiscal year, from April 1, 2020 to March 31, 2021. 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, 2021

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.