

The background of the cover is a collage of seven vertical panels. From left to right: 1. A large concrete dam with water cascading over it. 2. A white wind turbine on a green grassy hill under a blue sky with clouds. 3. A dark industrial facility with smokestacks and buildings at night, with a dark blue sea in the foreground. 4. A large industrial power plant with complex piping and structures. 5. A high-voltage electrical substation with tall metal towers and insulators. 6. A view of a city skyline at sunset or sunrise, with a prominent red and white striped tower. 7. A close-up of a city street with buildings and a clear sky.

J-POWER GROUP INTEGRATED REPORT 2023

The Corporate Philosophy of the J-POWER Group states

We will meet people's needs for energy without fail, and play our part in the sustainable development of Japan and the rest of the world.

Our Credo

Integrity and pride

We value integrity and pride, which drive everything we do.

Harmony with the environment

We pursue harmony with the environment, and thrive in the trust of communities where we live and work.

Growth

We regard profits as the source of our growth, and share the fruits with the society.

Continuing to improve

We refine our knowledge constantly, to be the pioneering leader in technologies and wisdom.

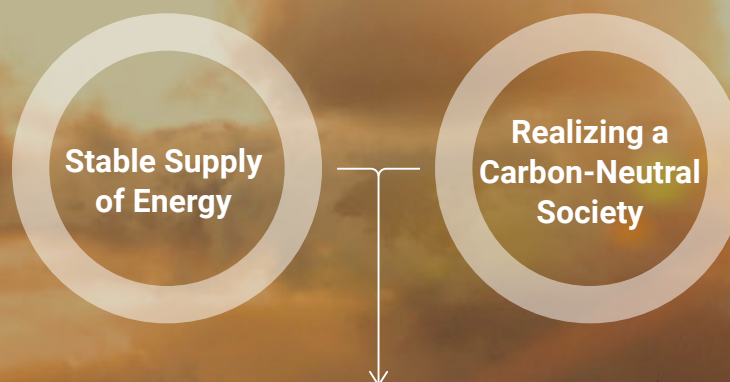
Dare to create

We unite diverse personalities and passions as one, and dare create a better tomorrow.

Mission

Balancing a Stable Energy Supply and Climate Change Response

J-POWER bears the responsibility of the stable supply of electric power while meeting the needs of the time through the development of power networks and diversified power sources, including hydroelectric, thermal, geothermal, wind, and solar power. Through our well-balanced power supply portfolio and diversified technologies, we are striving to achieve carbon neutrality.



J-POWER is committed to the development of renewable energy sources as well as the enhancement of the power network necessary to achieve its goal of carbon neutrality in 2050. In conjunction with these efforts, we will advance the development of nuclear power and CO₂-free hydrogen power generation, contributing to a stable energy supply and steady reduction of CO₂.

Creation of Social Value

Transitioning to carbon neutrality while realizing a prosperous society by maintaining a stable supply of energy

For humans to exist and thrive on Earth well into the future, a reliable energy source and a solution to the climate change issue are both necessary. By becoming carbon neutral while preserving energy supplies through 2050, the J-POWER Group will contribute to the sustainable growth of human civilization.

The interests of our stakeholders and society as a whole are taken into consideration while developing strategic scenarios

The J-POWER Group's materiality is identified on the basis of issues facing society and the social environment. To achieve materiality, we pursue specific initiatives under our long-term strategy and roadmap, J-POWER "BLUE MISSION 2050." The Group boasts a wide range of options to accomplish our mission even if the business environment should change.

Social Issues and Social Environment
Engagement with Stakeholders

Material Issues



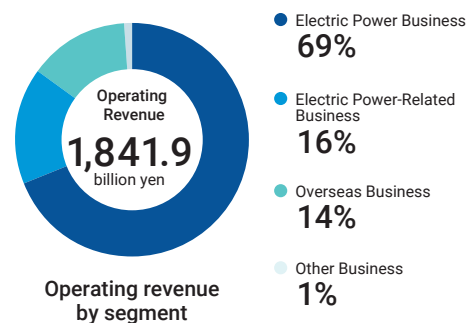
Action through business

J-POWER "BLUE MISSION 2050"
Medium-Term Management Plan
Goals for Material Issues (KPIs)

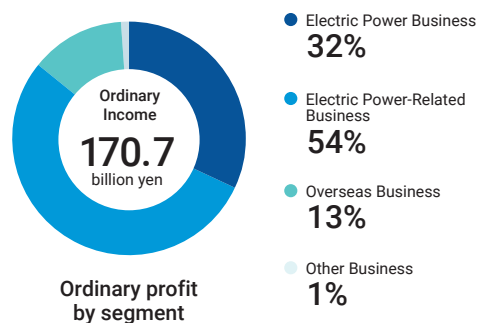
Improving Corporate Value and
Contributing to the Promotion of
Sustainability throughout Society

Overview of FY2022

Operating Revenue
1,841.9 billion yen

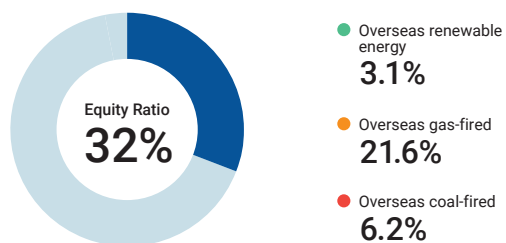


Ordinary Income
170.7 billion yen

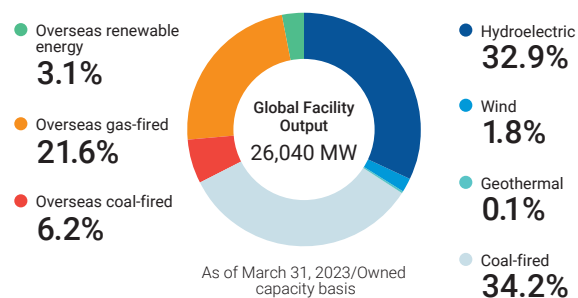


Note: Percentages for operating revenue and ordinary income for each segment are percentages of the simple sum of the unadjusted segment figures.

Stable Financial Base



Well-Balanced Portfolio



A leading renewable energy provider

Hydroelectric history

70
years

Geothermal history

50
years

Wind power history

20
years

Share of hydroelectric and wind power generation capacity

No. 2 in Japan
As of March 31, 2023

Integrated Strengths

Diverse expertise in research, project development, siting, construction, operation, maintenance, power sales, and portfolio management

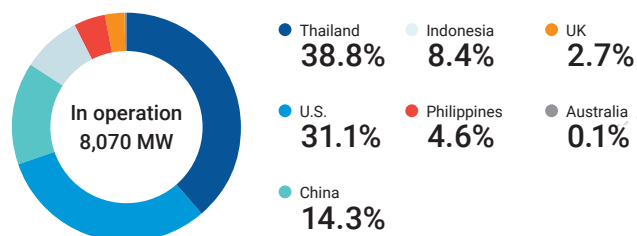
Unique equipment and technology

- Electric power network that connects all of Japan
* Operated by J-POWER Transmission Network Co., Ltd.
2,400 km of nationwide transmission lines and cross-regional interconnection facilities
Extensive knowledge of submarine DC power transmission
- Technologies to realize CO₂-free hydrogen
Producing hydrogen from coal and aiming for production of CO₂-free hydrogen with CCS

Global Business Foundation

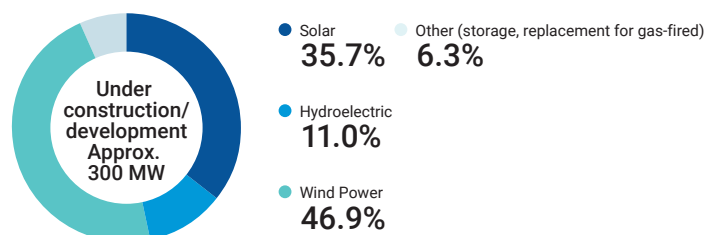
As of March 31, 2023/Owned capacity basis

Widely expanded mainly in Thailand and the U.S.



Acceleration and expansion of the development of renewable energies

Expanding new renewable energy sources from the profits and knowledge gained
(Renewable energy accounts for 95% of new projects)



Supporting our Business Base with Stable Profits

34.8% Five-year average

Overseas business as a percentage of ordinary profit

The United States

In operation 11 projects
2,510 MW
Under construction/
under development 1 project
100 MW

The United Kingdom

In operation 1 project
210 MW

China

In operation 4 projects
1,150 MW

Thailand

In operation 14 projects
3,130 MW
Under construction/
under development 2 projects
20 MW
Replacement

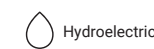
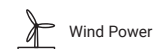
The Philippines/Indonesia

In operation 5 projects
1,050 MW
Under construction/
under development 1 project
10 MW

In operation 2 projects
10 MW
Under construction/
under development 3 projects
160 MW

Australia

Key



Editorial Policy

The J-POWER Group began releasing integrated reports in fiscal 2019. Through these reports, we work to present financial and non-financial information in a systematic and highly readable format aimed at explaining how we will achieve the value we create to society and enhance our corporate value.

Reporting Period

April 1, 2022 to March 31, 2023
(also contains reporting on important matters after this period)

Publication of Previous Report

August 31, 2022

Guidelines Referenced, etc.

- GRI Standards (Global Reporting Initiative)
- International Integrated Reporting Framework (ISSB)
- SASB Standards (ISSB)
- Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry)

Forward-Looking Statements

Statements in this integrated report, other than those of historical fact, are forward-looking statements about the future performance of the J-POWER Group that are based on management's assumptions and beliefs in light of information currently available, and involve both known and unknown risks and other uncertainties. Actual events and results may differ materially from those anticipated in these statements.

Presentation of Monetary Amounts and Other Figures

For monetary amounts and electric power sales volumes, figures less than the indicated unit are rounded down. For other amounts, figures less than the indicated unit are rounded to the nearest unit unless otherwise mentioned. Therefore, the sums may not total 100% in the composition ratio.

Relationship with other reports



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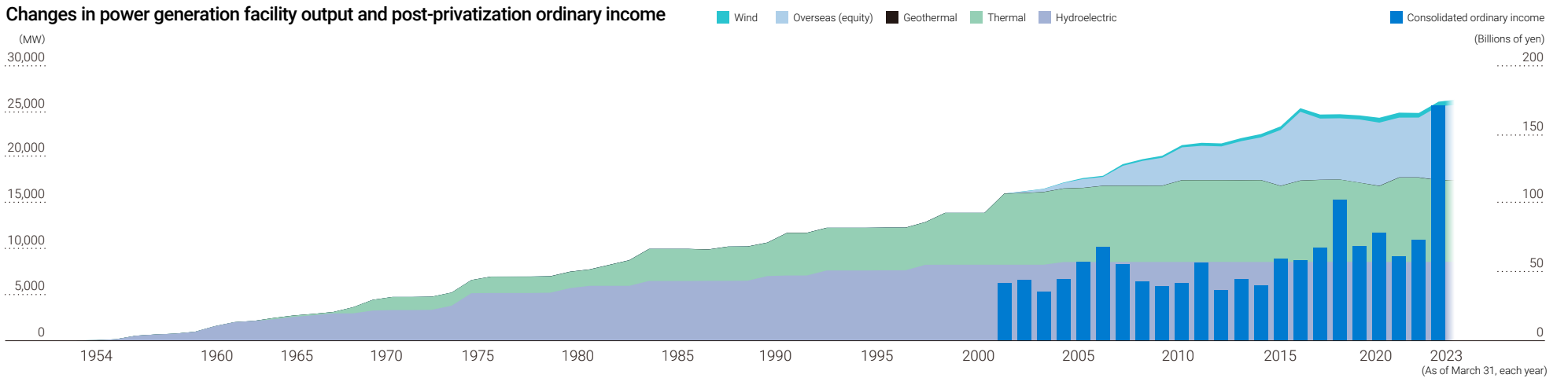
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J-POWER Group's History

Over the past 70 years, J-POWER has continued growing to meet the power needs of the times.
Our current power supply mix is a well-balanced portfolio, enabling us to respond flexibly with the aim of becoming carbon neutral by 2050.



From post-war power shortage to period of rapid economic growth

Construction of large-scale hydroelectric and domestic coal-fired power plants

The J-POWER Group was established in September 1952. We developed massive dams, hydroelectric power plants, and electric power transmission and substation facilities to address Japan's postwar electricity crisis. Our domestic coal-fired power plants also supported the ensuing period of fast economic growth.

Development of pumped storage hydropower plants and cross-regional interconnecting lines

To fulfill peak demand, we continued construction of pumped storage hydropower plants, and to connect the different regions, we established interconnection lines.

Development of overseas consulting business

Overseas, we accumulated relevant experience in technical support and consulting services for power plant and transmission line construction.



Sakuma Dam (completed in 1956)



Consulting business in Peru (1962)

The oil crisis and a growing interest in environmental issues

Diversification of power sources through development of overseas coal-fired power plants

Following two oil crises, we responded to the growing need for stable resource procurement and power source diversification by building Japan's first coal-fired power plant to utilize overseas coal and acquiring stakes in overseas coal mines.

Development of wind power generation begins

J-POWER became one of the first in Japan to operate a large-scale commercial wind farm in 2000, expanding the options for decarbonization at a time of rising concern over global environmental issues.



Matsushima Thermal Power Plant (Commercial operation began in 1981)



Tomamae Winvilla (Commercial operation began in 2000) *Under replacement

Global expansion and responding to issues of climate change

Privatization and global expansion

We began expanding our power generation business after being fully privatized in 2004, focusing primarily on Asia and the United States, to achieve profitable growth.

Provision of a stable supply of energy while addressing climate change

We are aiming for goals such as further developing renewable energy in Japan and abroad, building nuclear power plants, and converting thermal power plants to zero-emission plants in order to become carbon neutral by 2050 while maintaining a stable supply of electric power.

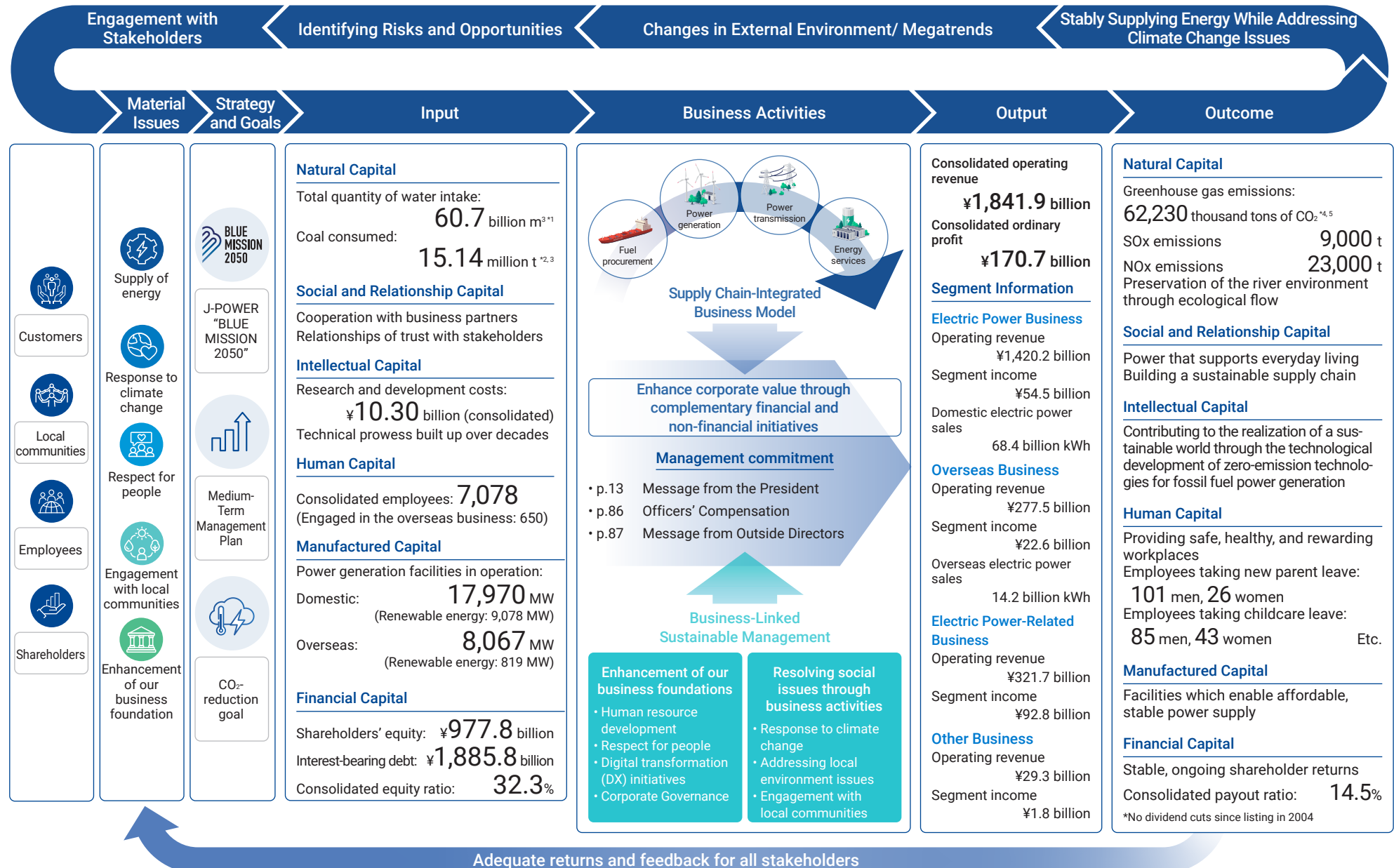


Triton Knoll Offshore Wind Farm (Commercial operation began in 2022)

J-POWER GROUP INTEGRATED REPORT 2023 Page 7

Value Creation Process

• Climate change • Stable power supply • Energy security
• Decline in domestic population • Growing interest in ESG



*1 Consolidated subsidiaries, including those operating at home and abroad, are included in the figure for J-POWER and Electric Power Business and Electric Power-Related Business, etc.

*2 Consolidated subsidiaries, including those operating at home and abroad, are included in the figure for J-POWER and Electric Power Business and Electric Power-Related Business, etc. (Consolidated subsidiaries are considered in terms of investment ratio.)

*3 Dry coal: 28 MJ/kg equivalent

*4 The figure includes J-POWER and domestic consolidated subsidiaries and equity-method affiliates in Electric Power Business, Electric Power-Related Business, etc. (Consolidated subsidiaries and equity-method affiliates are considered in terms of investment ratio.)

*5 Total of Scope 1, 2, and 3

J-POWER Group's Business Model

Contributing to sustainable development of Japan and the rest of the world

The Group's business model is one in which revenue is earned through the construction and operation of power plants in Japan and overseas and the sale of generated electricity. With electric power transmission and substation facilities in Japan, the Company also earns revenue by receiving and transmitting electricity on consignment the former general utility companies.* Furthermore, as the J-POWER Group, we have the expertise to development, design, construct, and operate power plants, which are maintained and operated by Group companies, in an integrated manner.

In the thermal power generation business, we are involved in the establishment of supply chains for the stable supply of energy by investing in upstream interests in fuel. We have also established the Risk Management Committee with the aim of controlling the risks associated with electricity sales, as well as a system that enables us to flexibly respond to changes in the external environment, such as by performing maintenance in response to changes in power plant operation patterns.

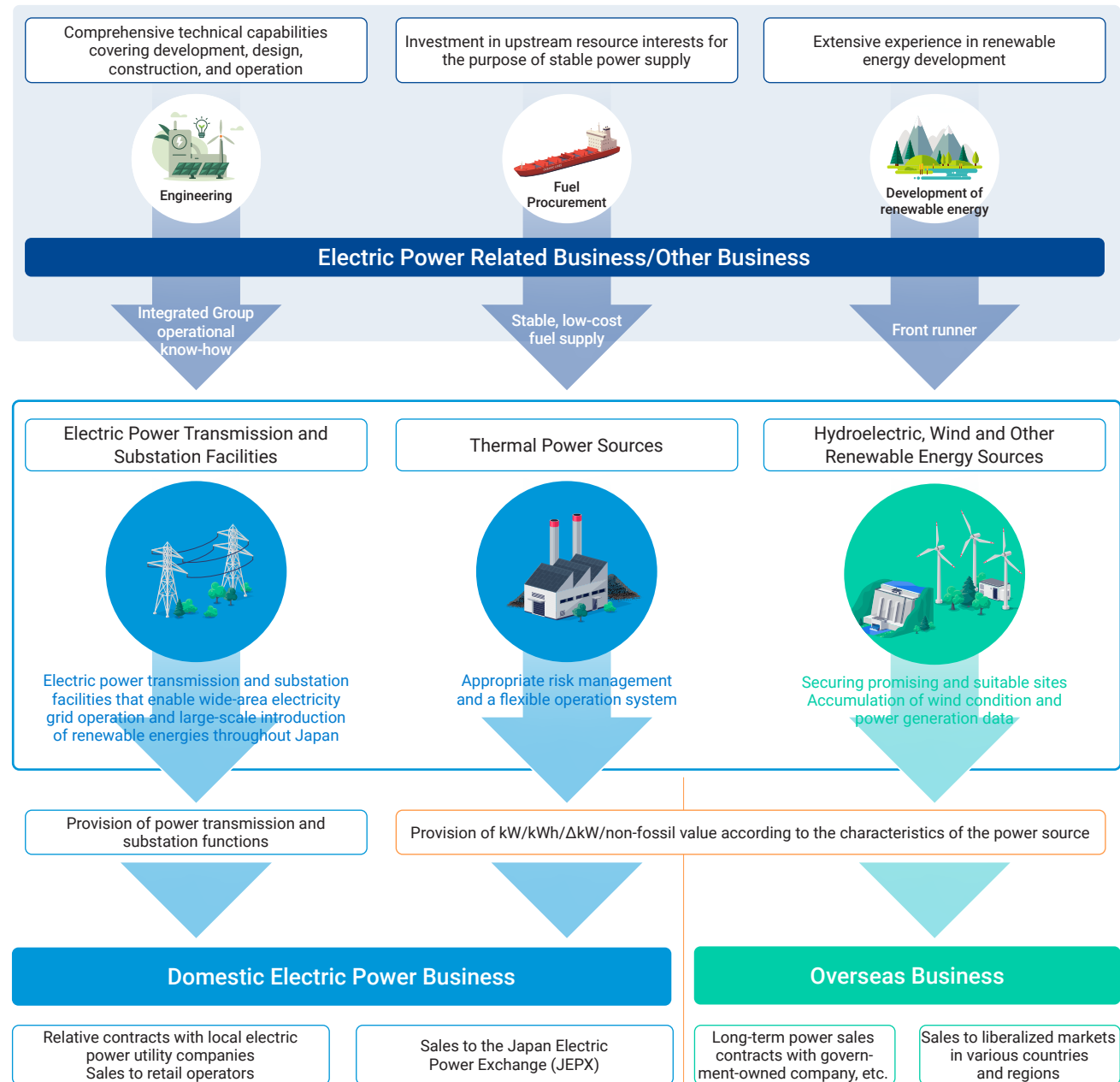
The Company has established itself as a front runner in the field of renewable energy through its abundant development and many years of operational experience, including wind power generation, which has been developed in an advanced manner since the early 2000s, and the hydroelectric power generation business, which was developed on a large scale to compensate for postwar power shortages.

The main products of the above power generation businesses are the sale of electricity according to supply and demand (kWh), generation capacity (kW), the ability to adjust supply and demand in a short time (Δ kW), and the provision of CO₂-free electricity (non-fossil value).

The transmission and substation business plays a role in enabling wide-area electricity grid operation and further expansion of renewable energy throughout Japan with unique facilities such as inter-regional connection lines, HVDC (high-voltage direct current) power transmission systems, and frequency conversion stations.

In the overseas power generation business, with the knowledge we have gathered in Japan and the networks we have developed via our consulting business, we are collaborating with trustworthy local partners to develop and provide energy sources that match the demands of each region of the world.

*The transmission and substation business is an initiative of J-POWER Transmission Network Co., Ltd.



Risks, Opportunities and Material Issues

J-POWER Group's Material Issues

Under our Corporate Philosophy of "We will meet people's needs for energy without fail, and play our part in the sustainable development of Japan and the rest of the world," the J-POWER Group has worked to improve its corporate value by contributing to the achievement of an affluent society through its business activities.

In order to further enhance our corporate value in 2021, we identified social issues that are important to the J-POWER Group, and have identified five material issues, taking into consideration the interests of our stakeholders, the relationship with our Corporate

Philosophy, and the impact on our business. After preparing a materiality proposal based on third-party opinions, the Sustainability Promotion Committee and the Executive Committee discuss it, and then the Board of Directors makes a resolution.

We have decided to set targets (KPIs) for 2022 and further disclose actual results in 2023, as well as to add five material issues as non-financial indicators to the evaluation indexes for executive compensation (performance-linked compensation).

By steadily promoting materiality initiatives, we will contribute to

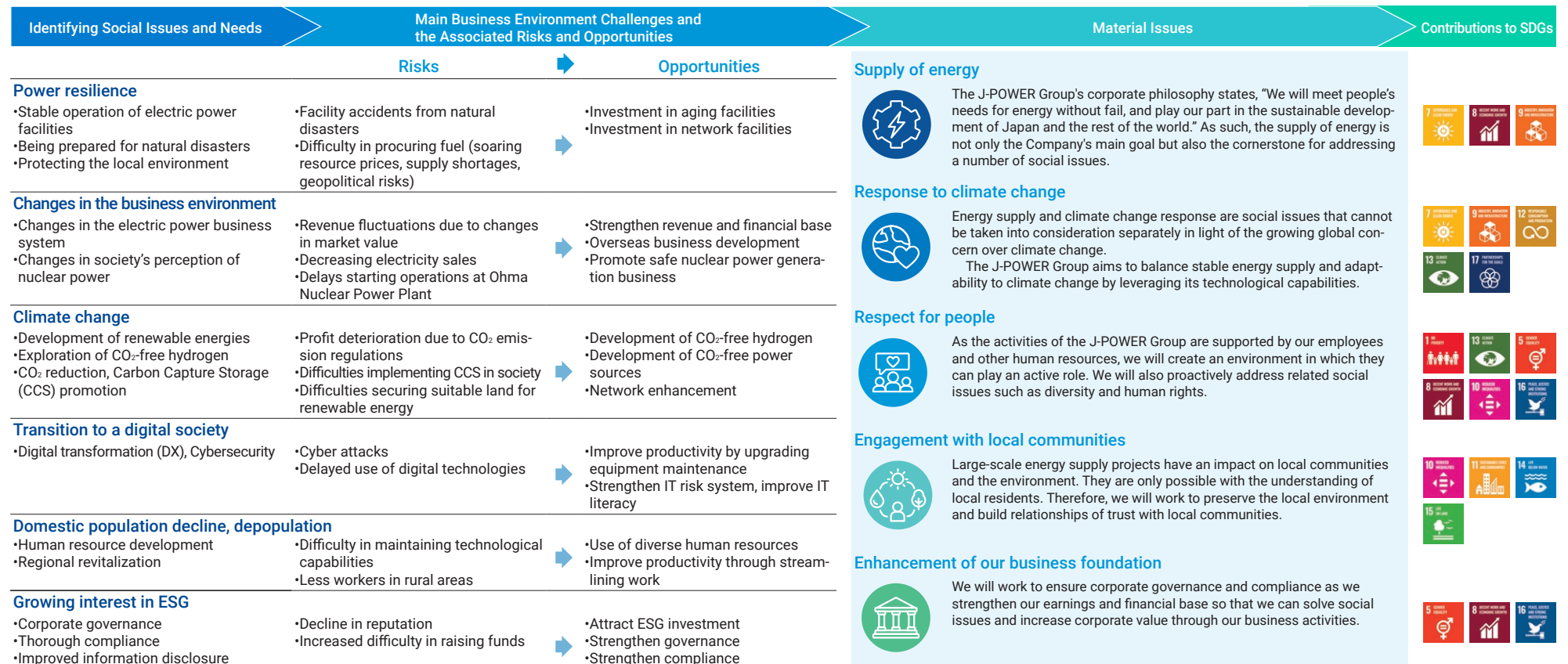
the achievement of the SDGs and work to enhance our corporate value over the medium- to long-term.

*Targets (KPIs) and their status of achievement in FY2022 are shown on page 11.

FY2021 Identification of material issues

FY2022 Identification of KPIs

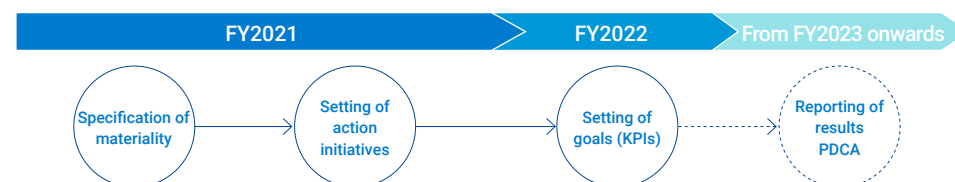
FY2023 Adopt material issues as non-financial evaluation indicators for performance-based remuneration






Progress Toward KPIs for Material Issues

FY2022 Progress

The progress toward KPIs for material issues set for FY2022 is presented on this page. Each fiscal year, we report the status of our goals to the Sustainability Promotion Board and the Board of Directors as well as make a public announcement as part of our efforts toward the enhancement our business foundation. In order to steadily advance toward achieving materiality and improve our corporate value for the medium- to long-term, we will also periodically assess our goals and apply the PDCA cycle.



Material Issues	Initiatives	Goals (KPIs)	Results						Evaluation	Reference	
<div>Supply of energy</div> <div></div>	Stable operation of electric facilities	•Electricity Sales: Achieve initial fiscal year forecasts* ¹	(Total)	(Items)				Overseas Business	Achievements	p.96 p.32 p.43	
			Electricity Sales Volume	Hydroelectricity	Thermal	Wind	Other* ²	Overseas* ³			
			Achievement rate	100%	94%	104%	91%	117%			82%
			Results	82.7 billion kWh	8.8 billion kWh	45.6 billion kWh	1.0 billion kWh	12.8 billion kWh			14.2 billion kWh
			Initial fiscal year forecasts	82.7 billion kWh	9.4 billion kWh	43.8 billion kWh	1.1 billion kWh	10.9 billion kWh			17.4 billion kWh
	* Due to the processing of fractions, totals do not add up.										
<div>Response to climate change</div> <div></div>	Reduction of greenhouse gases	•CO ₂ reduction from the domestic power generation business (Compared to FY2013) •Reduction of 9.2 million tons by FY2025* ⁴ •Reduction of 46% (22.5 million tons) by 2030* ⁴	•CO ₂ emissions in FY2022 40.64 million tons (Compared to a 8.13 million ton reduction in FY2013)						Ongoing	p.18-20 p.56 p.102	
	Development of renewable energy	•New development of renewable energy to 1,500 MW or more by FY2025 (compared to FY2017)	FY2022 Results	FY2017-FY2022 Accumulated Results					Ongoing	p.21-22	
	Steady promotion of the Ohma Nuclear Power Plant Project, with safety as a major prerequisite	•Promotion of the CO ₂ -free Ohma Nuclear Power Plant Project on the basis of safety	Start of commercial operation	Start of operation	Start of construction	Start of surveys					
271 MW			432 MW	301 MW	Approx. 1,050 MW						
* Data for April 2023 is included.											
<div></div> <div></div>	Pursuit of the possibility of CO ₂ -free hydrogen	•Promotion of green and blue hydrogen production and utilization of technologies in Japan and overseas	•(Overseas blue hydrogen) Deliberations on whether to participate in a large-scale export project of blue ammonia to Asia -Investigations on the commercialization of clean hydrogen production through brown coal gasification in Victoria, Australia •(Overseas green hydrogen) Deliberations on possible participation in demonstration and commercial projects for green hydrogen production in Europe •(Domestic green hydrogen) Investigation on the cost of overseas projects, and consideration of the commercialization of hydrogen production and supply using domestic renewable energy sources •(CCS) Establishment of a joint venture to commercialize CCS in 2030 in Japan (February 2023) * CCS is an essential technology for blue hydrogen production						Ongoing	p.24-27	

*1 Initial forecast of electricity sales for the fiscal year ended March 31, 2022 (FY2021), as announced in the financial results presentation.




*2 Sales of electricity procured from the wholesale electricity trading market, etc.

*3 Electricity sales by overseas consolidated subsidiaries (excluding electricity sales by equity method affiliates)

*4 In the Progress of the Medium-Term Management Plan released on May 10, 2023, the base year for the CO₂ emissions reduction target was changed from the three-year average results for FY2017-2019 to the FY2013 results.

In addition, we have raised our 2030 CO₂ emissions reduction target by 1.3 million tons. Compared to the three-year average results for FY2017-2019, the target for FY2025 is a reduction of 7 million tons, and the target for FY2030 is a reduction of 44% / 20.3 million tons.

Progress Toward KPIs for Material Goals (KPI)

Material Issues	Initiatives	Goals (KPIs)	Results	Evaluation	Reference
Respect for people 	Respect for human rights	•Formulation of a Human Rights Policy and promote initiatives	•Formulation and publishing of the J-POWER Group Basic Policy on Human Rights •Establishing a Human Rights Subcommittee under the Sustainability Promotion Board and initiating human rights due diligence	Ongoing	p.67
	Human resource development	•Fostering human resources who can take on various management issues through the creation of a workplace that promotes continuous innovation	•Average hours of training per employee 33.9 hours/person •Training cost per employee ¥245 thousand/person	Ongoing	p.71-73 p.103
	Assurance occupational health and safety	•Eliminate major disasters (zero fatalities or serious injuries) •Maintain and improve high uptake rate of thorough medical check-ups (over 90%) •Employee satisfaction surveys*1	•Fatalities: None Serious injuries: 8 (previous year: 11) *See p.75 for efforts to eliminate industrial accidents.	Not yet achieved	p.74-76 p.103
			•Percentage of people receiving medical check-ups: 93%	Achieved	
			•Conducting an employee satisfaction survey	Achieved	
	Promotion of diversity	•Number of female employees with senior roles: More than three times the number of employees in FY2021 (24 employees) by 2030*1 •Appointment of foreign nationals to senior roles: Increase from FY2021 (147 employees) by 2030 in line with expanded overseas business •Number of employees in senior roles among mid-career hires: More than 1.5 times the number of employees in FY2021 (110 employees) by 2030*1 •Percentage of female employees among new hires: 20% or more*1 •Percentage of employees taking childcare leave: 100%*1	•Number of female employees in senior roles 32	Ongoing	p.64-70 p.74 p.103
			•Number of foreign nationals appointed to senior roles 150	Achieved (Ongoing)	
			•Number of employees with senior roles among mid-career hires 124	Ongoing	
Engagement with local communities 	Preservation of local environment	•Zero serious violations of environmental laws and agreements •Effective utilization rate of industrial waste: Approx. 97%	•Number of serious violations of environmental laws, agreements, etc.: 0	Achieved	p.61
			•Effective utilization rate of industrial waste: 96%	Largely achieved	p.63-64 p.101
	Creation of relationships of trust with local communities	•Active participation in local contribution activities	•Number of activities: 453 •3,263 J-POWER Group employee participants in total (a significant increase from 2,182 in FY2021). The activities include tree planting, cleanup activities, visiting lectures, facility tours, participation in local events and financial support, traffic safety patrols, etc.	Ongoing	p.65-66
Enhancement of our business foundation 	Enforcement of corporate governance	•Continuous efforts to identify issues and improve them through annual evaluation of the effectiveness of the Board of Directors	•Steady transition to a company with an Audit & Supervisory Committee •Based on the results of the evaluation from the previous year, some significant business execution decisions were delegated to Directors, decision-making authority was transferred to positions from the president and below, and a list of opinions and feedback from the Board of Directors was given.	Ongoing	p.80-86
	Enforcement of compliance	•Strengthening efforts through the Compliance Action Committee via compliance activity reports, understanding the issues, and incident analysis	•Identification of issues and analysis of cases through questionnaires targeting J-POWER Group employees and opinion exchange meetings where directors and employees directly communicate with each other, and reflection in compliance promotion activities such as various training programs and events in the next fiscal year.	Ongoing	p.89-90
	Strengthening of our profit and financial bases	•Consolidated ordinary income: 90 billion yen or more in FY2023 •Consolidated equity ratio: 30% or more in FY2023	•Consolidated ordinary profit 170.7 billion yen Consolidated equity ratio 32.3%	Ongoing	p.29 p.32-34

*1 Applies to J-POWER only

*2 In August 2023, the name of the Company-wide Compliance Committee was changed to the J-POWER Group Compliance Committee.

Message from the President

Creating a path toward carbon neutrality and a hydrogen society as envisioned in “BLUE MISSION 2050”



Our Mission

Find practical solutions in the energy sector's increasingly complex business environment with our extensive technological skills

As of June 2023, I have taken up the mantle of president of J-POWER. Through the implementation of J-POWER “BLUE MISSION 2050,” which was announced in February 2021, I believe we will support our Company's mission of providing a stable supply of energy accessible to everyone and at the lowest possible cost as we simultaneously contribute to the realization of a carbon-neutral society both in Japan and around the world.

While this mission's significance has been reaffirmed in recent years, its difficulty has increased with the complexity of the energy sector. The need for CO₂-free energy is rising amid mounting public pressure to combat climate change. However, the introduction of significant amounts of renewable energy sources, such as wind and solar power, will necessitate changes to power systems, transmission and transformation networks, with each nation obligated to adopt a path of change appropriate to its own specific national circumstances. Furthermore, as renewable energy is very dependent upon local natural resources, development must meet each region's particular requirements. The conversion of thermal energy sources to CO₂-free power sources is necessary to combat climate change, and also because thermal energy is subject to supply volatility and resource price changes resulting from global geopolitical threats. As systems that balance global requirements with national realities and technologies that balance renewable and thermal energy are all still under development, we remain committed to innovation.

We believe that the energy industry, both in Japan and overseas, is undergoing significant upheaval. As the COVID-19 pandemic eased in 2023, people's lives have begun returning to normal, which will boost both the economy and demand for energy. This increased need for a reliable energy supply and a response to climate change marks the start of a new challenge. We will carry out our unwavering mission by listening carefully to our stakeholders, integrating ourselves into the community, fostering people, and providing sustainable energy, even in the face of an uncertain future caused by the complex business climate.

H. Kanno

Representative Director
President and Chief Executive Officer

Message from the President

Our Strengths

Between 2020 and 2022, J-POWER has developed an additional 3 million kW of generation capacity from renewable energy (including solar, wind, and geothermal energy) and thermal power, in Japan and overseas. I believe that the Company's business foundation has expanded. Never before have so many different types of power sources been created on such a vast scale in so little time. J-POWER has built and operates a wide range of power sources around the world, as well as transmission and transformation facilities that link various parts of Japan. Over time, we have amassed integrated capabilities as a result of our ongoing development of the power supplies that the times demand.

Our integrated capabilities include not only engineering technology, but also the technology to ensure the stable sales of electricity and how to engage with the local communities when constructing power plants. Engagement with local communities is crucial when utilizing power sources like renewable energy, which relies on local natural energy. We cannot move forward with development without being mindful of how the power plants we create are seen by the local communities because once a power plant is constructed, it remains with the community for decades.

We consider our integrated capabilities to be one of our greatest strengths and will hasten the transition of our power sources to carbon neutrality, which we believe will be the key to our future development. These capabilities allow us to develop power sources and then continue to deliver electricity to our customers in a stable manner over an extended period of time.

According to the Basic Energy Plan adopted by the Japanese government, hydroelectric power generation will make up around 10% of the mix of energy sources in 2030, with renewable energies making up the remaining 36-38%. Accelerating new development is necessary, as is making sure that outdated hydroelectric power facilities are renovated.

The NEXUS Sakuma Project, which was announced in 2022, aims to renovate and upcycle the Sakuma Power Plant, where J-POWER got its start, as well as to create more added value.

The development of renewable energy, however, takes time. We must actively engage with the local community and encourage appropriate development. Additionally, Japan's land constraints and dearth of suitable sites make



the development of renewable energy increasingly challenging. We anticipate offshore wind power will be developed as a large-scale renewable energy source, and the electricity sales system will change from a fixed-rate feed-in tariff (FIT) to a feed-in premium (FIP) connected to market pricing. The entire strength of the business operator is necessary to create renewable energy and thereafter steadily generate, sell, and recoup the investment.

In the two years since J-POWER "BLUE MISSION 2050" was announced, I believe we have successfully kept our stakeholders informed by outlining its three main goals. We're currently in the phase of making and carrying out decisions. Though our decision-making process may appear slow in some contexts, it prioritizes certainty and requires time to discern the results because J-POWER primarily engages in the wholesale electric power business. We anticipate tremendous advancements in technology, electric power development, and electricity system reform by 2030. Though I prefer to make decisions quickly, I have no intention of making bad ones. Amid the reform process, I would like to determine whether a decision being made is appropriate.



New Shimamaki Wind Farm



Onikobe Geothermal Power Station



Shinkatsurazawa Power Station



Nikaho No. 2 Wind Farm



Triton Knoll Offshore Wind Farm (UK)



Jackson Generation Power Plant (U.S.)



Batang Power Plant (Indonesia)
Photo credit: PT Bhimasena Power
Indonesia



Takehara Thermal Power Plant New Unit
No. 1

Message from the President

Mission as the New President

Investors who first meet with us frequently inquire about the decarbonization of thermal power sources, the progress of the development of renewable energy and Ohma Nuclear Power Plant, CO₂-free power sources, and the future expansion plans of power networks. These three strategies make up the J-POWER “BLUE MISSION 2050,” and based on our challenges and potential for growth, I think investors are interested in them.

In addition, the Tokyo Stock Exchange requests listed companies to take measures that are conscious of capital cost and stock price. Our price to book-value ratio (PBR) has continued to be below 1, which management acknowledges as a significant concern. To enhance our PBR, we want to work on both our return on equity (ROE) and our price-earnings ratio (PER). According to this definition, ROE represents our earnings power, whereas PER represents the expansion and sustainability of the Company.

I believe that to improve our PER, we must demonstrate that our business will expand in order to capitalize on

upcoming business opportunities. Due to rising coal prices and fewer unplanned outages at thermal power plants in FY2022, the Company experienced record earnings. ROE improved and so did the share price, although not to the same extent as earnings. We interpret this as the stock market’s skepticism about the expansion and sustainability of profits reliant on fossil fuels. Gradual phasing out of aged thermal power plants and the implementation of upcycling to hydrogen power generation and CCS are laid out in the J-POWER “BLUE MISSION 2050,” which states that J-POWER will achieve zero-emission thermal power generation by 2050. However, the capital market probably suspects that we lack a clear strategy for how to raise funds and organize investments to reach this goal. A compliance review of the CO₂-free Ohma Nuclear Power Plant is taking quite some time. This leads me to think the capital market is evaluating the uncertainty surrounding return on investment for planned developments. Investors have already asked me on multiple occasions about my primary priorities as president. My response is usually the same: I aim to show that J-POWER will grow by developing as much renewable energy as possible as early as possible. This is a growth area. Moreover, we will grow by working to strengthen our network to deliver this energy to areas where it is in demand. I will also demonstrate J-POWER’s business continuity by paving the road for the earliest possible decarbonization of thermal power sources to lower the Company’s carbon footprint and by fully harnessing our efforts toward completing Ohma’s compliance review. Not only is this my duty as president, but I also believe it will improve the our PER.

By FY2022, all of the substantial domestic and overseas projects we had been working on over the mid- to long-term had been put into operation. From this point forward, our attention will be focused on initiatives that seek to transition our business portfolio in order to increase PER as previously mentioned. In parallel with these investments,



improving ROE will require higher capital efficiency by selling or replacing assets, in addition to improving efficiency by continuing the stable operation of existing power plants, responding to market fluctuations, and utilizing DX. We are considering using return on invested capital (ROIC) as a measure of how well these advancements are being managed overall.

At the end of FY2022, we were ahead of schedule in achieving the targets in the Medium-Term Management Plan for ordinary income of 90 billion yen and an equity ratio of 30%. As the current Medium-Term Management Plan will expire in FY2023, we are presently developing our new strategy for upcoming years. The asset composition in 2030, the amount of investment required to reach this target, and the proportion of debt to equity in terms of fundraising must all be forecasted in the new medium-term plan. In addition, we would like to keep the conversation going with specifics so that the capital market understands that our assets and initiatives will ensure continued generated profit in the future.

 p.29 Medium-Term Management Plan
p.32 Financial Initiatives

J-POWER “BLUE MISSION 2050”

Expansion of CO ₂ -free power source	Renewable energy
	Nuclear Power
Zero-emission power sources	CO ₂ -free hydrogen power generation
	Production of CO ₂ -free hydrogen
Power network stabilization and enhancement	Stabilizing power network
	Power network enhancement

Message from the President

Sustainability

Human resource development

Despite having a small workforce, J-POWER is characterized by its wide range of power generation, transmission and transformation facilities, which are deployed all over the world. As a result of this wide-ranging involvement, we encounter many of the same difficulties currently facing the global energy business. The energy sector must strike a balance between local challenges such as electricity system reform and electric power supply development, which vary in reality from nation to nation, and global imperatives like combating climate change. In a business environment that is becoming more complex, it is difficult to maintain a stable energy supply and this state could last for a long period. Though electric power providers have a challenging obligation to maintain a stable power supply despite the circumstances, I'd like to perform this duty in order to meet the high expectations of society. From this perspective, we will cultivate diverse expertise and broad viewpoints in human resource development to address a wide range of issues as well as the capacity to manage projects and human resources in a changing environment. Above all, I believe it's essential to push ourselves to recognize and address new issues. We will support the development of workplaces where such human resources can engage with one another and develop each other's skills, positioning them as "professional human resources" with these essential qualities.

As I reflect on my own experiences with the benefit of hindsight, I believe that it was only when I accepted responsibility for my actions that I was able to own both my achievements and mistakes, and that this allowed for further development. Employee growth depends on both human resource allocation and human resource development. We will give decision-making rights and responsibility to employees, regardless of age, gender, ethnicity, or experience and provide the opportunity to put what they have learned in the training program into practice.

We are currently dealing with an increasing age range of managers in particular, so I believe we must offer younger members the chance to take on challenges at work while also moving them into new positions as quickly as we can. We will turn the growth of each of these employees into a driving force for the Company's growth as we transform toward carbon neutrality and increase J-POWER's corporate value.

Engagement with local communities

Power generation projects entail the construction of substantial facilities as well as their long-term operation.

Therefore, each project must be constructed and operated in a manner appropriate to each individual community and its environment. Furthermore, developing a trusting relationship and an awareness of the local community serves as the cornerstone for J-POWER's business activities. It is our duty to consider how we might help as both a power supplier and a local member of the community. Being attentive is necessary in order to understand how the community perceives the work we do.

The aforementioned NEXUS Sakuma Project is one example of our efforts to create new value while aiming for harmony between hydroelectric power generation, the local area its people, and the watershed.

Professional human resources



Message from the President

Governance

J-POWER transitioned from a company with an Audit & Supervisory Board to one with an Audit & Supervisory Committee at the Annual General Meeting of Shareholders in 2022. The most significant outcome of this change has been increased discussion among board members. Discussions have been very active with the newly appointed members of the Board of Directors and Audit & Supervisory Committee members stepping up to the plate. Opportunities outside of Board of Directors meetings are also provided in order to discuss long-term strategies, such as a response to climate change, which is an important management issue, future areas of focus that leverage our strengths, and the Company's vision for the future.

We make an effort to present the most recent information as an additional mechanism to advance discussions. The members of the Board of Directors bring varied and specialized skills, and work together to disseminate the most recent knowledge on electricity system reform and climate change response. Despite the fact that the Board of Directors meetings have traditionally included a variety of discussions, we felt the need to further deepen those discussions in light of rapid changes in the environment. We have been able to encourage and improve strategic talks on the issues facing the Company by changing the organizational structure, expanding opportunity for discussion, and providing up-to-date information.

Through discussions at Board of Directors meetings and other forums between outside directors (with a wealth of experience and diversity) and internal directors (who are also serving as executive officers and skilled in the specialized technologies and business promotion), we flexibly adapt to changes in the business environment based on the premise of both a stable energy supply and response to climate change. The question of whether the number of board members is appropriate for spirited conversation has been posed. Evaluation from various technical aspects is crucial when discussing the power

generation business, especially when it comes to large-scale project development. Our Board of Directors' diversity and technical proficiency are crucial for determining the best course of action to resolve problems, as well as weighing the pros and cons of developing large-scale projects. We consider one of the strengths of our Board to be its capacity for technical discussion at meetings.

By 2030, we must complete a number of projects before we can transition our power supply toward carbon neutrality. The Board of Directors will decide whether taking risks is appropriate by considering a number of factors, such as energy systems, profitability, and the Company's response to climate change. In February 2021, J-POWER "BLUE MISSION 2050" was announced. Since

then, we've engaged in a number of conversations with different stakeholders, and we believe we now have a better understanding of three strategies: the development of renewable energy and Ohma Nuclear Power, a CO₂-free power source; decarbonization of coal-fired thermal power; and the enhancement our power network. However, carrying out all of these suitable investments isn't possible. Going forward, the Board of Directors should, in my opinion, develop a shared understanding of how to strategically apply these three approaches, convey it to stakeholders, and foster discussion.

 p.80 Corporate Governance



J-POWER “BLUE MISSION 2050”

- J-POWER “BLUE MISSION 2050” is a strategy and roadmap toward achieving carbon neutrality and a hydrogen society.
- Three approaches will guide us as we prioritize acceleration and upcycling.

Action Plan

Expansion of CO₂-free power sources, zero emissions from power sources, and power network stabilization and enhancement are all essential to achieving carbon neutrality while maintaining a stable power supply.

The J-POWER Group has a diverse power supply portfolio and know-how, and will advance the transition to carbon neutrality based on three action plans.

Expansion of CO₂-free power sources

- Further expansion of renewable energy
- Steady promotion of nuclear power generation

Zero emissions from power sources

- Conversion from thermal power generation to CO₂-free hydrogen power generation
- Production and supply of CO₂-free hydrogen

Power network stabilization and enhancement

- Stabilizing power network
- Power network enhancement

Priorities for Implementation

Acceleration

Having deployed renewable energies nationwide to date, the J-POWER Group will further accelerate their expansion. By offering power balancing capabilities through technologies such as CO₂-free hydrogen power generation, and by contributing to the enhancement of the power network, the Group will also support the expansion of renewable energy throughout Japan.

Upcycling

Conducting creative value transformation (upcycling), such as applying new technology to existing assets, to transform them into high value-added assets. By applying the latest technology to existing power generation equipment and facilities, we can reduce environmental impact rapidly and economically.

Raising the 2030 CO₂ Emission Reduction Target

As part of the short- and long-term goals toward achieving carbon neutrality by 2050, we have set goals for eliminating CO₂ emissions from the Group’s domestic power generation business by FY2025 and 2030.

In 2023, we further advanced our CO₂ reduction target, raising the 2030 reduction target by 1.3 million tons. In addition, the reduction standard was changed from the average actual results for FY2017-2019 to the actual results for FY2013, in conformity with the target set by the Japanese government. As a result, the reduction target for 2025 is a reduction of 9.2 million tons compared to the base year, and the reduction target for 2030 is 22.5 million tons fewer tons, a 46% reduction.

FY2025 target

A reduction of 9.2 million tons compared to FY2013

2030 target

A 46% reduction of 22.5 million tons compared to FY2013

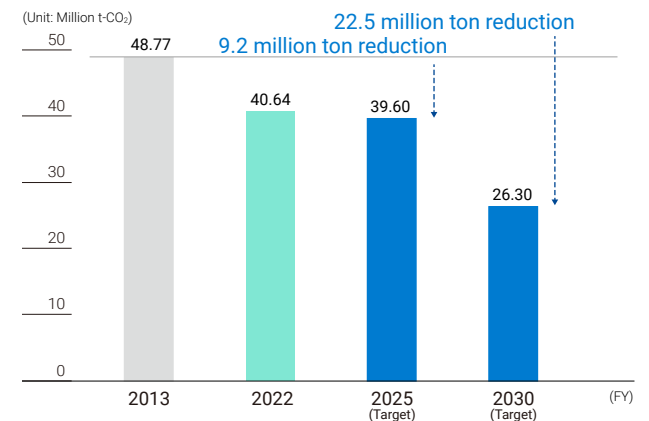
Overseas Power Generation Business

Among the J-POWER Group’s Scope 1 reductions, its domestic power generation business accounts for the majority of emissions, approximately 80%. On the other hand, reductions from the Overseas Power Generation Business will be made in accordance with the energy policy of the country concerned. As these targets cannot be determined solely on our judgment, future reduction plans will be considered, taking into account the relevant countries’ policies, the current situation regarding energy supply and demand, and agreements made with partners.

Relationship between renewable and nuclear power sources and target achievement

The J-POWER Group’s CO₂ reduction target represents aggregate amount of the planned emissions reduction from thermal power sources compared to FY2013. Although the development of renewable energy sources and the operation of the Ohma nuclear power plant won’t directly result in CO₂ reductions at our thermal power plants, they are anticipated to reduce emissions intensity and support CO₂ reductions at power generators and consumers throughout Japan through electricity sales.

p.53 Our CO₂-free power sources contribute to CO₂ reduction in Japan nationwide



Transition strategy J-POWER "BLUE MISSION 2050"

Why do we need a transition strategy?

The ways we transition to carbon neutrality and the speed at which this transition takes place will vary depending on the circumstances of each country and industrial sector. Innovation and its implementation also require much time and R&D, making it difficult for all countries and industries to achieve carbon neutrality in a single bound.

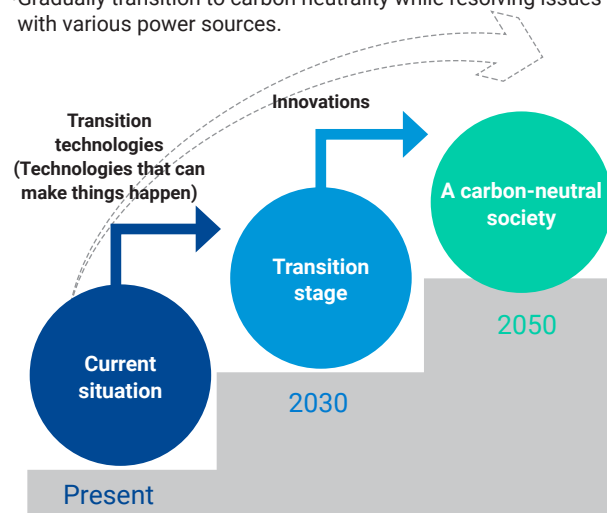
Electric power in particular, which forms the basis of our social and economic activities, needs to shift toward decarbonization while maintaining both stable supply and stable prices.

Additionally, it is imperative that we consult with the stakeholders before any decision is made as the closure or decommissioning of large-scale power plants will bring about significant changes to both the local economy and employment.

The J-POWER "BLUE MISSION 2050" is a transition strategy that facilitates a transition to carbon neutrality while maintaining stable power supplies, all while gradually overcoming the challenges of renewable energy, thermal power supply, and power networks.

Steps toward the transition to carbon neutrality

- It is difficult for all countries and industries to achieve carbon neutrality in one go.
- Gradually transition to carbon neutrality while resolving issues with various power sources.



Based on the Ministry of Economy, Trade and Industry's (METI), Transition Finance - Toward a Transition to Decarbonization

Strategies of the J-POWER "BLUE MISSION 2050"

Expansion of CO₂-free power sources

Our goal is to increase the use of renewable energy worldwide. With the objective of generating 1.5 million kW of new capacity by FY2025, we are engaged in a number of construction projects, mostly focused on onshore wind power, but also offshore wind power, small-scale hydroelectric power, geothermal power, and solar power (compared to FY2017). Also, we are promoting the efficient use of resources by upcycling already existing infrastructure, such as the comprehensive renewal of water turbines and generators and the reconstruction of huge wind turbines.

Also, we are implementing the Ohma Nuclear Power Plant Project as a stable CO₂-free energy source by ensuring safety as its top priority.

Zero-emission power sources and realization of a hydrogen society

J-POWER is gradually shifting thermal power sources, which are responsible for large and stable power supply, toward becoming carbon neutral as we implement measures to reduce CO₂. In addition to biomass and ammonia mixed combustion, we will expand hydrogen power generation using demonstrated coal gasification and CO₂ capturing technologies. In the future, we aim to realize CO₂-free hydrogen power generation by utilizing CCUS technology.

We are also engaged in clean hydrogen production not only from fossil fuels but also via renewable energy sources. Through the production and supply of various types of hydrogen, we will contribute to the decarbonization of society as a whole, including industrial sectors outside of electric power.

Solving issues through J-POWER "BLUE MISSION 2050"

Expansion of CO ₂ -free power sources	•Expansion toward main power source
Zero emission power supply	•Reduction of CO ₂ emissions and maintenance of stable power supply •Ensuring diversity of resources for energy security •Large-scale and stable hydrogen production and development of a supply network
Power network stabilization and enhancement	•Mass introduction of renewable energies causing grid instability •Development of a high-capacity power grid from suitable locations for power generation

Power network stabilization and enhancement

Japan's power network is confined within its own territory and distinguished by insufficient regional interconnection infrastructure. It will be crucial to have the ability to adjust the power supply when renewable energies like solar and wind power are introduced in substantial amounts so that unexpected output variations caused by the weather and time of day do not affect the stable supply of electricity.

In addition to using hydroelectric power and CO₂-free hydrogen as balancing power sources that enable flexible demand fluctuations, J-POWER will also use large-scale pumped-storage power to essentially serve as batteries. Distributed energy services like VPP (Virtual Power Plant) and demand response also aid in network stabilization and promote the widespread adoption of renewable energy.

Expanding the power network that transports renewable energy from the suitable locations for power generation to the major cities where the power is consumed is another issue. By utilizing its expertise in DC transmission lines and submarine cables, the J-POWER Group is moving forward with construction to upgrade the Sakuma Frequency Conversion Station, which links the eastern and western regions. By doing so, it will help to stabilize and improve the power network across all of Japan.

See p.21 - p.28 for the progress of each initiative

Roadmap J-POWER“BLUE MISSION 2050”



*This roadmap will be updated and refined as needed based on policy conditions and industry development. In addition, the Group will review its contents in light of any changes in assumptions.

CO₂ reduction target from domestic power generation business CO₂ emissions (compared to FY2013)

		-9.2 million tons ^{*1}		-22.5 million tons -46% ^{*1}		Realization of carbon neutrality Net-zero emissions	
		2020	2025	2030	2040	2050	
Expansion of CO ₂ -free power sources	Renewable energy	New developments on the scale of 1,500 MW globally		Additional new developments, upcycling of existing facilities			
	Nuclear power	Construction and start of operations at Ohma Nuclear Power Plant					
Zero-emission power sources	Domestic coal-fired power	Gradual phase-out of aging power plants, coupled with CO ₂ reduction initiatives (Expansion of mixed combustion with biomass, introduction of mixed combustion with ammonia, etc.)					
	CCS	Development of business environment, design and construction of facilities		CO ₂ injection and storage		CO ₂ -free hydrogen power generation	
	Hydrogen power generation	Demonstration tests in Japan	Upcycling (adding gasifiers to existing assets)				
	Fuel production (CO ₂ -free hydrogen)	Demonstration tests overseas	Utilization in other industries				
Power network stabilization and enhancement	Stabilization	Upscaling hydroelectric power, J-POWER GENESIS, and distributed energy services					
	Enhancement* ²	Completion of the New Sakuma Frequency Converter Station, etc.		Contribution to power network enhancement			
Investment Plans	<div><div></div><div>700 billion yen</div><div></div></div> <div>Strategic investments for FY2023 to FY2030 (Mainly for onshore wind development, power network enhancement, and zero-emission power sources)</div>						

*1 Compared to the three-year average results for FY2017-2019, 2025 target: 7.0 million ton reduction; 2030 target: 44% / 20.3 million ton reduction

*2 Enhancing the power network is an initiative of J-POWER Transmission Network Co., Ltd.

Expansion of CO₂-free power sources J-POWER “BLUE MISSION 2050”



Development of Renewable Energy

Integrated strengths of the J-POWER Group

With a history of nearly 70 years in the development of renewable energy, J-POWER boasts a wealth of equipment and human resources, as well as a wide range of expertise in everything from the siting and construction of power plants to maintenance, operation, and sales of electricity.

Leveraging our advantage as one of Japan's leading renewable energy suppliers, we aim to promote new development of onshore and offshore wind, hydroelectric, geothermal, and solar power, as well as maximize the use of renewable energy through upcycling of existing facilities.

Strengths in offshore wind power

We intend to generate additional offshore wind power while leveraging our experience in construction and project management through initiatives such as the Kitakyushu-Hibikinada Offshore Wind Farm and the Triton Knoll Offshore Wind Farm in the United Kingdom, both of which we participate in.

In order to lower prices and hasten the adoption of floating offshore wind power generation, which is anticipated to be deployed in Japan, where shallow seas are rare, we are also collaborating with technology development manufacturers and electric power businesses in the creation of technologies*.

* Selected for the Green Innovation Fund Project of the New Energy and Industrial Technology Development Organization (NEDO), a national research and development corporation

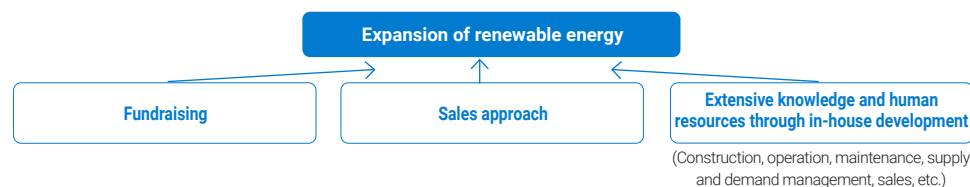
Strategic investments

During FY2023 to FY2030, ¥700 billion strategic investment is planned with which we primarily intend to make significant investments in accelerating the implementation of renewable energy and enhancing the essential power supply network. We will utilize green bonds and green/transition finance to raise funds.

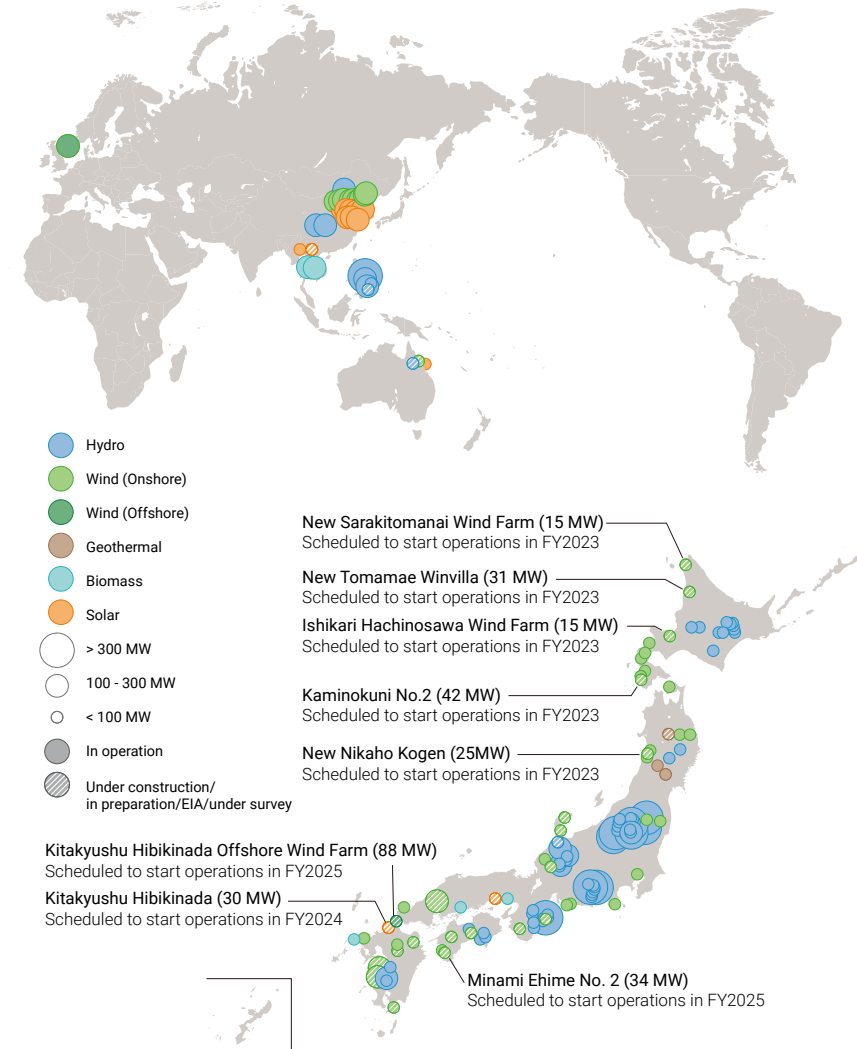
Diversification of sales methods

In the future, we will consider sales of renewable energy directly to clients through corporate PPAs in addition to utilizing the FIT and FIP programs. In order to do this, we are working on supply-demand operations (aggregate), including projections for the power output of renewable energy sources, whose power generation varies depending on the weather.

On behalf of our clients, we also sell and purchase non-fossil certificates, which virtually transform electricity into renewable energy. We also offer tracking information that discloses attribute details like the power source type and power plant location.



Development Status of Renewable Energy (As of April 30, 2023)



- Generation capacity is calculated on owned capacity and, if capacity is not yet decided, on estimated maximum owned capacity.
- Wind power generation during the survey and construction phase includes replacement without an increase in generation output.
- In addition to the above, studies on the development of wind power in Japan's general offshore areas are in progress (for offshore wind power in general offshore areas, the operator is selected through bidding after designating the promotion area).

p.38 J-POWER Group Business (Renewable Energy)
p.73 Human Resource Development and Management (Offshore Wind Project)
p.110 Major Projects Under Construction and Development

Expansion of CO₂-free power sources J-POWER "BLUE MISSION 2050"



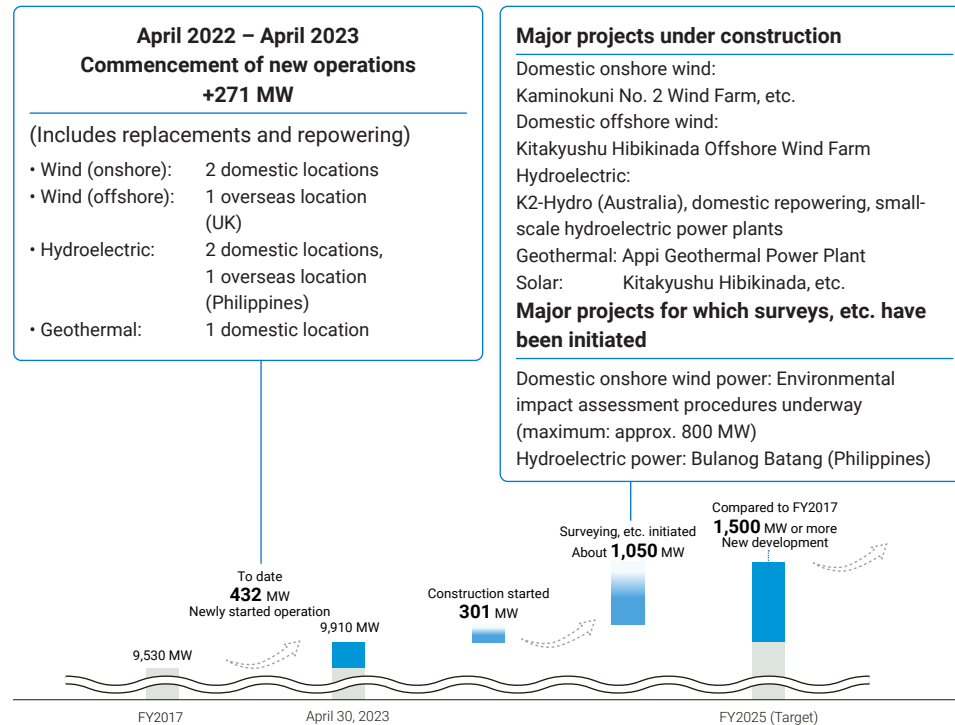
Expansion of Renewable Energy

Development targets and expansion status

In comparison to FY2017, we will add 15 million MW of new development by FY2025. We have been steadily growing since FY2017, beginning with the Triton Knoll Offshore Wind Farm in the UK. Between April 2022 and April 2023, we finished the construction and replacement of new hydroelectric and wind power facilities. The Onikobe Geothermal Power Project started operating commercially in April 2023, raising the overall amount of operating renewable energy to 430 MW more than in FY2017 (as of the end of April 2023).

Several projects focusing on construction and replacement of domestic onshore wind power plants, are currently in progress, including the installation of domestic offshore wind power, small-scale hydroelectric power, geothermal power and solar power, and repowering of existing facilities. The overall quantity of renewable energy projects in development is 13 million MW, including domestic onshore wind sites undergoing environmental impact assessment procedures (up to about 8 million MW) and sites planned abroad, like in Australia and the Philippines.

Renewable Energy Development Goals and Progress



The NEXUS Sakuma Project

The Sakuma Power Station, which has contributed to a reliable supply of electricity for more than 60 years, is being renovated as part of the NEXUS Sakuma Project to make it a next-generation hydroelectric power plant. By bringing together hydroelectric generation, local community/basins, and people, we are trying to produce new value and energy in addition to repowering older facilities. We are proceeding with designing and preliminary preparation construction for starting main construction of main electric facilities and buildings.

Next-generation hydroelectric power plant to create new value and energy

Hydroelectric Generation

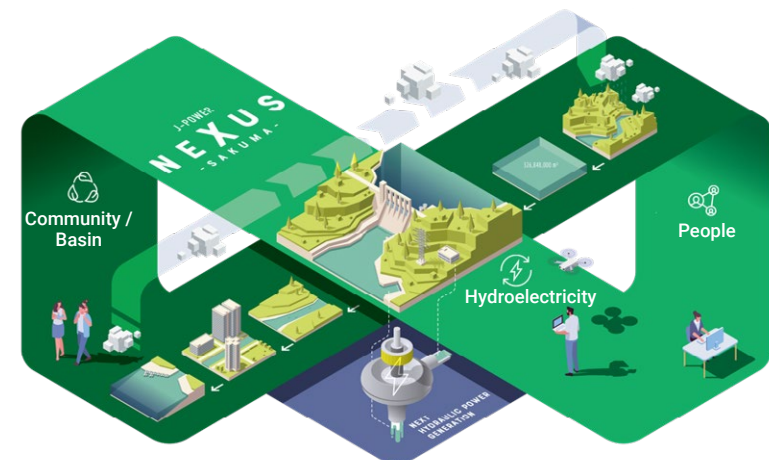
By applying modern technologies to renovate aged facilities, we aim to further increase both output and the amount of electricity to be generated, as well as to drastically solve issues in the existing facilities.

Local Communities and Basins

To deploy our sustainable hydroelectric business under the understanding and cooperation by those who are living in the involving areas, we live together with them in the basins around our facilities and take efforts to create together new values.

People

With a fusion of the local employees' force (people) and digital technologies, we realize highly-advanced, highly efficient maintenance services, as well as we create time and motivation for new challenges.



Final Conceptual Image

The image of hydroelectricity, community and watershed, and people working together around a power plant is expressed based on atmospheric and water circulation systems and the infinity symbol (∞).

Expansion of CO₂-free power sources J-POWER “BLUE MISSION 2050”

The Ohma Nuclear Power Plant Project

Plan overview and significance

The Ohma Nuclear Power Project will be a CO₂-free energy source capable of steadily providing substantial amounts of electricity once it is operational. In addition, it will be the only power plant in Japan capable of using MOX fuel, made by recycling spent fuel, for the entire core.

For energy resource-scarce Japan, nuclear power is a power source that excels in terms of large-scale CO₂-free power, stable procurement and storage of fuel. The operation of the Ohma Nuclear Power Plant will promote the reprocessing of spent fuel in Japan, contributing to the stable operation of other nuclear power plants nationwide, which are CO₂-free power sources, helping to improve the energy self-sufficiency of Japan. The J-POWER Group is implementing the Ohma Nuclear Power Plant Project by ensuring safety as its top priority.

Overview of the Ohma Nuclear Power Plant Construction Plans

Location	Ohma-machi, Shimokita-gun, Aomori Prefecture
Capacity	1,383 MW
Type of nuclear reactor	Advanced boiling water reactor (ABWR)
Fuel	Enriched uranium and uranium-plutonium mixed oxide
Start of construction	May 2008
Start of operations	To be determined



Ohma's position in the pluthermal project

In July 2018, the Japanese government issued The Basic Principles on Japan's Utilization of Plutonium, a new policy paper published by Japan's Atomic Energy Commission (JAEC), which stated that Japan will reduce the size of its plutonium stockpile. The Federation of Electric Power Companies of Japan (FEPC) unveiled in December 2020 its Pluthermal Program and a new plan for the utilization of plutonium in February 2023. J-POWER also released its MOX Fuel Utilization Plan at the Ohma Nuclear Power Plant in February 2023. Approximately 1.7 tons* of plutonium can be used annually at the stage of loading MOX fuel into all reactor cores, thereby helping to reduce the size of plutonium stockpiles.

* This had been set to the amount of fissile plutonium (about 1.1 tons). However, since July 2018, when the Japan Atomic Energy Commission set "The Basic Principles on Japan's Utilization of Plutonium," which indicates the total amount of plutonium, we have used this basis (about 1.7 tons).

Ohma Nuclear Power Plant Safety Reinforcement Measures

In the wake of the accident at the Fukushima Daiichi Nuclear Power Station, the new regulatory standards established by the Nuclear Regulation Authority are now thought to be the strictest safety standards in the world. At the Ohma Nuclear Power Plant, we are learning the lessons from the accident at the Fukushima Daiichi Nuclear Power Plant and incorporating measures to strengthen safety based on these new regulatory standards.

Examples include strengthening design standards to protect the functions of power plant safety equipment from natural disasters such as tsunamis and earthquakes, measures to respond promptly in the event of a severe accident, and measures to prevent serious accidents caused by terrorism and other causes. Furthermore, by not limiting ourselves to these measures and voluntarily and consistently improving safety based on the latest knowledge, we will continue to strive to make the Ohma Nuclear Power Plant the world's safest power plant so that we can contribute to the local community and Japan.

For details of safety enhancement measures, please refer to the J-POWER website. (Japanese only)
https://www.jpower.co.jp/bs/nuclear/safety_measure/index.html

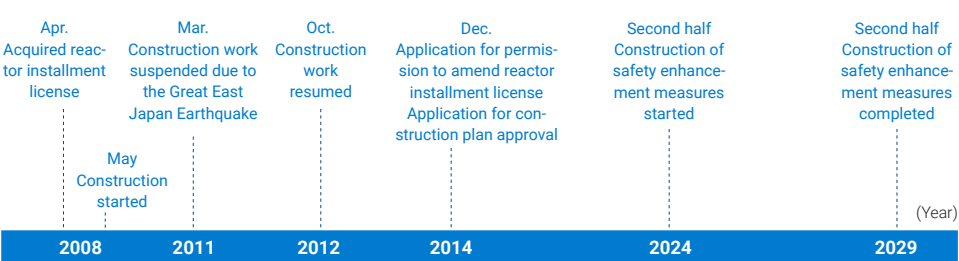
Status of Ohma Nuclear Power Plant Review

The Nuclear Regulation Authority is currently reviewing the Ohma Nuclear Power Plant's compliance with the New Safety Standards for Nuclear Power Stations. Sixty one review meetings have been held as of the end of April 2023, and in order for our explanation to be understood, we respond forthrightly to the review.

Standard seismic motion and standard tsunamis are currently the main topic of discussion. As the business operator, we are unable to predict the progress of the compliance review. However, once the review has been passed, we will begin construction on facility safety reinforcement in the latter half of 2024 based on the review findings, with the aim of completion in the latter half of 2029.

To gain the community's understanding and trust, we shall keep working toward providing more detailed information and communication.

Process (actual results and outlook)



Creating a zero-emission power supply J-POWER “BLUE MISSION 2050”

Hydrogen initiatives of J-POWER “BLUE MISSION 2050”

The use of hydrogen is crucial to achieving carbon neutrality and the promotion of electrification and decarbonization of energy sources. The J-POWER “BLUE MISSION 2050” calls for the gradual introduction of CO₂ emission reduction technologies such as the mixed combustion of biomass or ammonia and CCS as well as the decrease or elimination of thermal power generation with the ultimate conversion to CO₂-free hydrogen power generation. Through the production and supply of hydrogen, J-POWER will also contribute to the global reduction of carbon emissions.

Hydrogen production by leveraging our strengths

Originating from fossil fuels

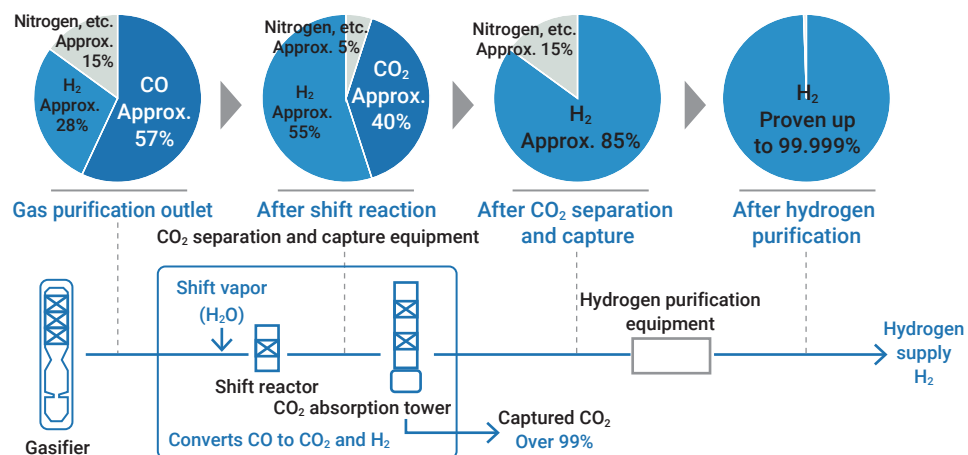
Utilizing oxygen-blown coal gasification and CO₂ separation and recovery technologies that have been under research and development for more than 20 years, J-POWER is capable of producing high-purity hydrogen from coal and using it to generate power. These technologies are one step closer to commercialization (Ready). Regarding CCS, which is essential for CO₂-free energy production, we have begun initiatives to make large-scale storage a reality in Japan.

The combination of these technologies is intended to create a large-scale source of hydrogen. Additionally, employing biomass as fuel will result in negative emissions.

Hydrogen production via renewable energy sources

The J-POWER Group is exploring hydrogen production utilizing renewable energy sources and boasts vast infrastructure and operating experience in the field.

Hydrogen production process via oxygen-blown coal gasification



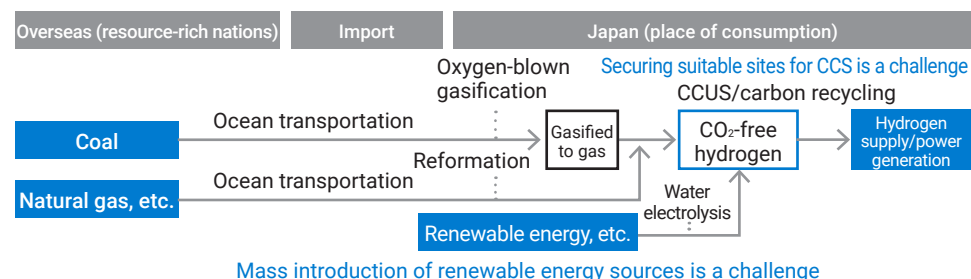
Hydrogen production in Japan and overseas

We are working to demonstrate various production methods, examining the benefits and difficulties of each both in Japan and overseas, in order to realize CO₂-free hydrogen production and power generation in the future.

Produced in japan

There are two methods for domestic hydrogen production: utilizing local renewable energy sources and importing materials from overseas. Geographical conditions and power supply network limitations in Japan limit the amount of renewable energy that can be introduced. Therefore, the use of fossil fuels can contribute to the production of hydrogen in large and stable quantities.

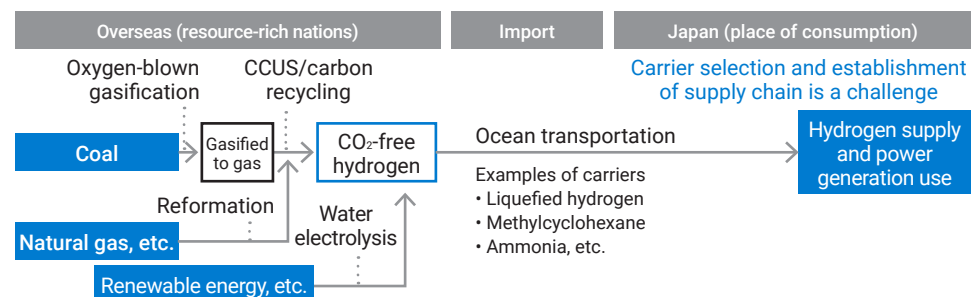
Importing fossil fuels enables the utilization of existing supply systems, especially coal, which has excellent storability and low geopolitical risk. On the other hand, it is essential to treat the CO₂ generated in the manufacturing process, and securing a suitable site for large-scale CCS in Japan is a challenge.



Overseas production

Hydrogen can be manufactured at low cost and in large quantities overseas. It is also feasible to create hydrogen from cheap, non-exportable resources in resource-rich nations with adjacent CCS-suitable sites.

On the other hand, concerns with transport to Japan need to be addressed, including the choice of economically viable carriers and the creation of a worldwide supply chain.



Creating a zero-emission power supply J-POWER "BLUE MISSION 2050"

Expansion of mixed combustion with biomass

At the existing Takehara Thermal Power Plant New Unit No. 1 (600,000kW), equipment for combined combustion of biomass was added in FY2022, enabling large-scale mixed combustion of 10% (by weight). This will contribute to an annual reduction of approximately 250,000 tons of CO₂ emissions.

Osaki CoolGen Project

The Osaki CoolGen Project* is currently conducting a demonstration test of a system that produces CO₂-free hydrogen in Japan using coal gasification technology and uses it to generate electricity. The third phase of testing for the integrated gasification fuel cell mixed cycles was conducted in FY2022. From FY2023, we will demonstrate CO₂ separation and capture, combined cycle power generation, and gasification by mixing biomass and coal.



*Joint project between J-POWER and the Chugoku Electric Power Co., Inc. (NEDO subsidized project)

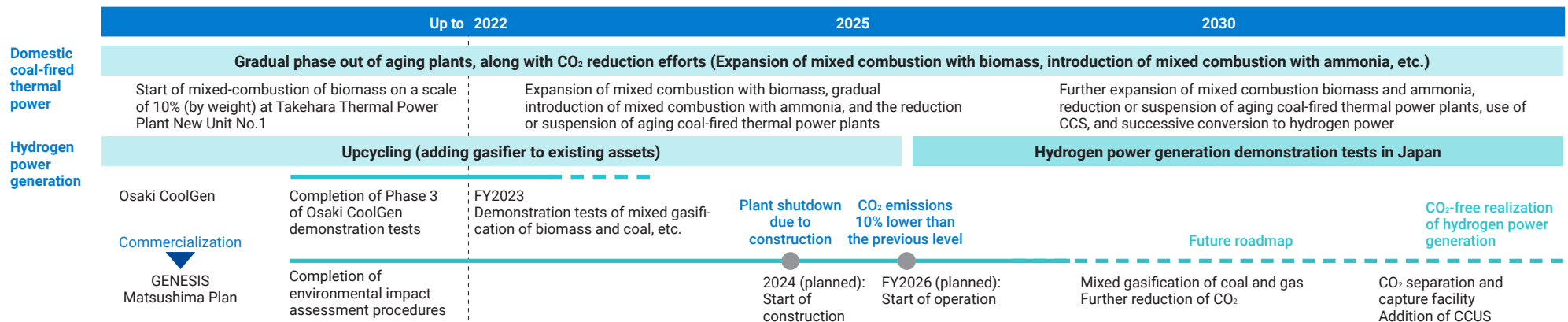
Key features demonstrated by Osaki CoolGen

- Phase 1, oxygen-blown IGCC*¹ demonstrations for coal gasification resulted in a 28% hydrogen concentration. A gross thermal efficiency of 51.9% (LHV), the best power generating efficiency in the world, and an excellent load flexibility were also confirmed.
- In Phase 2, in which CO₂ separation and capture were included, production of gas with an 85% hydrogen concentration and high CO₂ capture efficiency (CO₂ capture rate of over 90% and captured CO₂ purity of over 99%) was shown.
- In Phase 3, IGFC*² demonstration with CO₂ separation and capture, a fuel cell power generation test was conducted using highly concentrated hydrogen after CO₂ separation and capture. A power generation efficiency of 66% (LHV) is expected to be achieved in a future commercial machine.

*1 IGCC: Integrated gasification combined cycle

*2 IGFC: Integrated gasification fuel cell cycle

Status of Initiatives



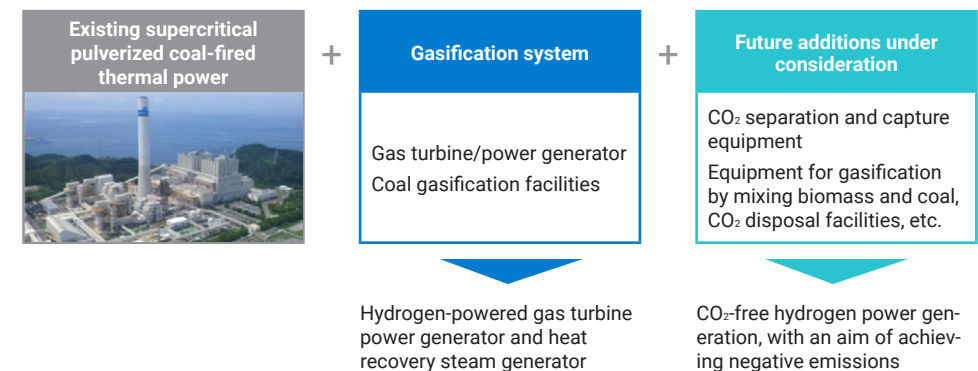
The GENESIS Matsushima Plan

The GENESIS Matsushima Plan will commercialize the coal gasification technology demonstrated through the Osaki CoolGen Project by applying it to the existing Matsushima Thermal Power Plant No. 2, at which CO₂ emissions can be reduced by 10% compared to its predecessor due to its higher efficiency. The plan will also contribute to the stabilization of the power network in the Kyushu area, which is rich in renewable energy, by demonstrating high load tracking.

J-POWER is currently conducting environmental impact assessment procedures.

If gasification by mixing biomass and coal is implemented in the future, CO₂ emissions can be further reduced. A CCUS/carbon recycling facility and a facility for CO₂ separation and capture can also be added in the future thanks to the design, which will enable gradual implementation of CO₂-free hydrogen power generation.

Concept



Creating a zero-emission power supply J-POWER “BLUE MISSION 2050”

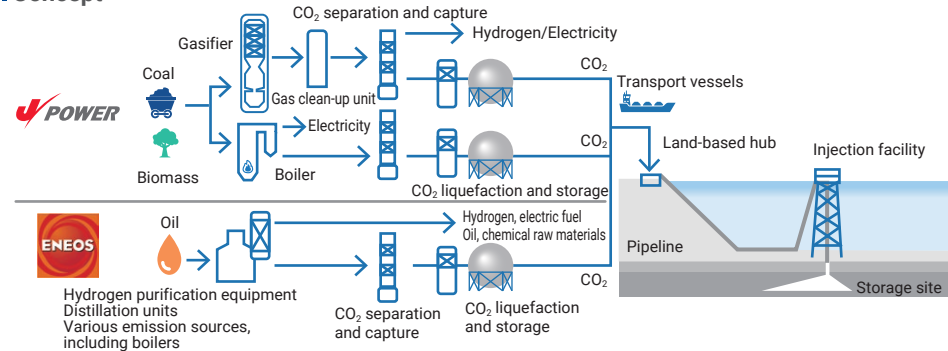
Established CCS technologies

Storage of CO₂ in the ground is an efficient method for reducing CO₂ emissions from existing coal-fired power facilities on a broad scale. Enhanced oil recovery (EOR) has previously introduced CO₂ injection technology into the ground, and storage technology has already been successfully applied globally. Up until now, J-POWER has also acquired knowledge through efforts such as its Tomakomai CCS Demonstration Project.

Initiatives for large-scale CCS in Japan

With the goal of creating Japan's first full-scale CCS supply chain by 2030, J-POWER established a joint venture, West Japan Carbon dioxide Storage Survey Co., Ltd., with ENEOS Corporation and JX Nippon Oil & Gas Exploration Corporation. In western Japan, where the emission sources of J-POWER and ENEOS are located and where considerable CO₂ storage potential is anticipated, research and other preparations are being made. The project was designated as a “Study on Implementation of Japan's Advanced CCS Project” in August 2023. Going forward, we will promote research on facilities for capture, transportation and storage in the future.

Concept



Status of Initiatives

	Up to 2022	2025	2030
CCS	Development of project environment, design and construction of facilities		Injection and storage
Domestic CCS	Establishment of West Japan Carbon dioxide Storage Survey Co., Ltd.	2023 Selected for the “Study on Implementation of Japan's Advanced CCS Project” Subsurface structure in-depth study Create basic design Select candidate storage sites Create detailed design	FY2026 (target) Commercialization decision FY2030 Begin injection and storage Reduction of CO ₂ emissions from domestic thermal power generation To make hydrogen power generation CO ₂ -free
Overseas CCS	Participation in CTSCo Project in Queensland, Australia	Obtained environmental approval for CO ₂ storage Construction of CO ₂ capture plant 2025 (planned) Capture plant operation and injection start	Storage target: 110,000 t-CO ₂ per year

Large-scale CO₂ storage overseas

Since FY2022, J-POWER has been a part of an integrated demonstration project in Queensland, Australia that focuses on the capture, transportation, and underground storage of CO₂ from coal-fired thermal power plants. 500 million tons of CO₂ storage space is anticipated in this region, and starting in 2025, we plan to begin storing up to 110,000 tons of CO₂ annually.

Demonstration of Japan's first integrated carbon recycling process

In a demonstration test, the Osaki CoolGen Project liquefied the collected CO₂ and moved it to a greenhouse growing tomatoes to aid in photosynthesis. In cooperation with Osaki CoolGen Corporation, Sera Saiken Co., Ltd. and NIPPON EKITAN Corporation, this is the first demonstration of integrated carbon recycling from collection, liquefaction, transportation, and utilization in Japan.



CO₂ injection site near Moonie in Queensland, Australia



Osaki CoolGen's liquefied CO₂ production facility

Creating a zero-emission power supply J-POWER "BLUE MISSION 2050"

Hydrogen Energy Supply Chain Project between Japan and Australia

From 2016 to 2022, J-POWER participated in a demonstration project to establish a hydrogen supply chain using Australian brown coal. We have achieved high purity hydrogen production by gasifying brown coal, which is still abundant and unused in the state of Victoria, Australia. The liquefied hydrogen was transported by sea on a liquefied hydrogen carrier and arrived at the demonstration terminal in Kobe in 2022, where it was unloaded, verifying the possibility of establishing a supply chain.



J-POWER Latrobe Valley/HySTRA

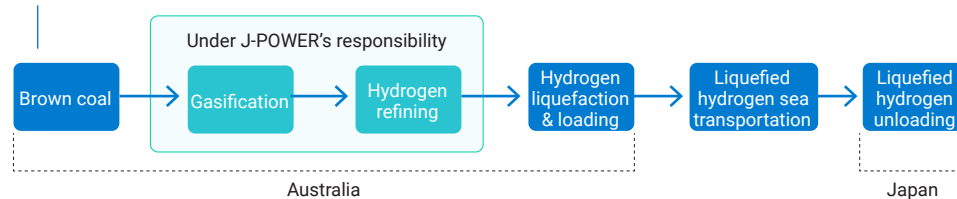
Insights gained from the project

- 99.999% purity hydrogen production from brown coal achieved
- Hydrogen production using three different types of biomass and six different types of brown coal demonstrated
- Design and operational data for commercialization obtained (gasification characteristics, oxygen content adjustment, hydrogen purity improvement, etc.)

Overall view of the global hydrogen supply chain

Benefits of using brown coal

- Abundant near the ground surface
- Low and stable prices can be expected due to inefficient transportability and lack of coal market distribution



Feasibility Study on Clean Hydrogen Production in Australia

In order to research the commercialization of clean hydrogen production utilizing brown coal from the same region, J-POWER and Sumitomo Corporation jointly signed a memorandum of understanding after the successful completion of the demonstration test.

In cooperation with a local CCS operator, we intend to clean the hydrogen via CO₂ processing. By 2030, our initial goal is to create 30,000 to 40,000 tons of hydrogen annually.

In addition to utilizing the hydrogen produced within Australia^{*1}, the Company is also considering cooperation with the "Demonstration Project for the Commercialization of a Liquefied Hydrogen Supply Chain^{*2}," which was selected as a NEDO Green Innovation Fund Project.

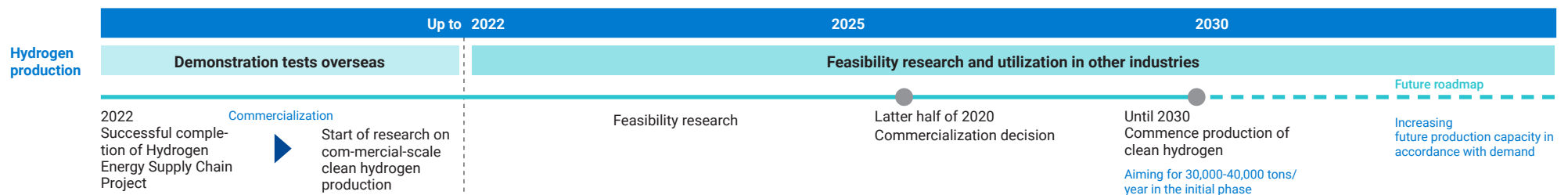
^{*1} The supply of not only pure hydrogen but also ammonia, urea, fertilizers and methanol producers are currently under review

^{*2} A large-scale liquefied hydrogen supply chain demonstration project collaboratively conducted by Japan Suiso Energy, Ltd., Iwatani Corporation, and ENEOS Corporation



Signed a Memorandum of Understanding for cooperation at AZEC (Asian Zero Emission Community) Ministerial Meeting. The public and private sectors in Australia and Japan will work together to promote investment.

Status of Initiatives



Power network stabilization and enhancement J-POWER "BLUE MISSION 2050"

Power Network Stabilization

Renewable energies like solar and wind power are vulnerable to sudden fluctuations in output depending on weather conditions. When they are introduced in large amounts, the need to be able to adjust to control the supply-demand balance becomes even more critical.

The J-POWER Group plans to aid in the widespread use of renewable energy by stabilizing the power grid.

Hydroelectric power and hydrogen power generation

Hydroelectric power generation is capable of quick startup and shutdown as well as rapid output fluctuations. Pumped storage power plants in particular can take in extra electricity. Moreover, oxygen-blown IGCC has been shown to be adaptable and load-adjustable by the Osaki CoolGen Project. J-POWER promotes the upcycling of hydroelectric power generation and the conversion of coal-fired thermal power generation to hydrogen power generation in order to stabilize the electric power network.

Distribution network system

J-POWER uses its expertise in supply and demand forecasting to act as an intermediary between electric power companies and consumers as well as stabilize the electric power network by managing the supply-demand balance. For instance, we are developing Demand Response and VPPs, which balance supply and demand by combining customer-owned demand facilities, requiring power conservation to avoid power outages, and methodically managing the recharge/discharge of storage batteries.



Large-capacity storage batteries

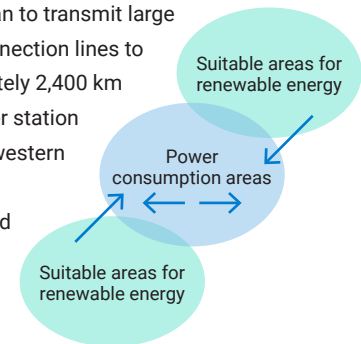
Power Network Enhancement * Initiatives of J-POWER Transmission Network Co., Ltd.

In order to expand the introduction of renewable energy sources, the power network must be strengthened in order to move electricity from suitable power production sites (such as Hokkaido, Tohoku, and Kyushu) to distant consumption areas. Using its technology and expertise in power transmission and transformation facilities, J-POWER Power Transmission contributes to improving the power network.

Expansion of trunk transmission lines and inter-regional connection lines

J-POWER is expanding its trunk transmission lines across Japan to transmit large amounts of electricity and also expanding its inter-regional connection lines to transmit electricity across regions. (J-POWER owns approximately 2,400 km of these lines.) The Company also boasts a frequency converter station that exchanges electricity between eastern Japan (50Hz) and western Japan (60 Hz).

Construction of the new Sakuma Frequency Conversion Station and the associated strengthening and renovation of transmission lines are currently under way in order to improve the flexible transmission of larger amounts of electricity between eastern and western Japan.



Expansion of submarine DC interconnection facilities

Large-scale electrical transmission across Japan requires the use of submarine DC transmission facilities. The first ultra-high-voltage DC power transmission facility in Japan was built by J-POWER Transmission, which also created a DC CV cable that can successfully carry enormous amounts of power over great distances without the need for insulating oil. J-POWER has expertise constructing and operating cross-regional interconnection facilities utilizing submarine cables, including facilities for connecting Hokkaido and Honshu. Through this, we will support the future growth of Japan's power network.

Status of Initiatives

	Up to 2022	2025	2030
Stabilization	Upscaling of hydroelectric power, J-POWER GENESIS, and expansion of distributed energy service		
	Construction of small hydroelectric plants and replacement of existing facilities Oxygen-blown IGCC demonstration of high load-fluctuation performance Start of demand response demonstration tests	Gradual hydroelectric upcycling Scaling up and expanding introduction of demand response	FY2026 (planned) Start of the GENESIS Matsushima Plan (power generation via hydrogen gas) Shift to hydrogen gas production Realization of CO ₂ -free hydrogen power generation
Enhancing*	Completion of reinforcement of the New Sakuma Frequency Converter Station, etc.		contribution to power network enhancement
	Start of construction of the New Sakuma Frequency Converter Station Start of power line reinforcement work		FY2027 Maximum capacity: 300,000kW → 600,000kW Start of operation of the New Sakuma Frequency Converter Station Completion of reinforcement of transmission lines

* Enhancing is an initiative of J-POWER Transmission Network Co., Ltd.

Medium-Term Management Plan

- Developed for FY2021, the three-year Medium-Term Management Plan is based on the J-POWER "BLUE MISSION 2050", a strategy designed to enhance corporate value while striving for a transition to carbon neutrality by 2050.

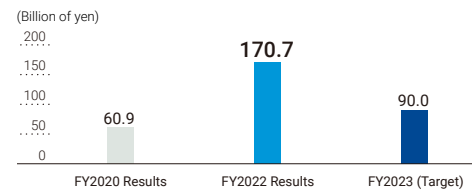
Management Goals

FY2023 target	FY2025 target	2030 target
Consolidated ordinary Income ¥90 billion or more	Renewable energy development 1,500 MW or more* Compared to FY2017	CO ₂ emissions reduction -46% or more Compared to FY2013
Consolidated equity ratio 30% or more	CO ₂ emissions reduction -9.2 million tons or more Compared to FY2013	

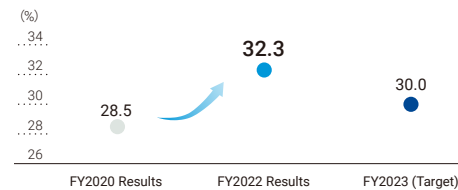
* This figure does not include offshore wind power projects in the domestic general sea area subject to public offerings. Other than this, an increase of 300 million kWh/year from hydroelectric power is set as a goal in FY2025 (compared with FY2017).

Progress

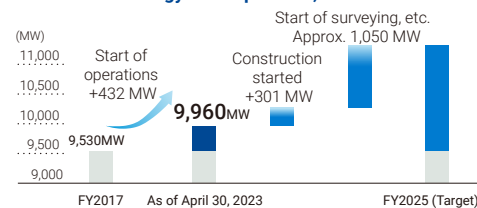
Consolidated ordinary income: ¥90 billion or more



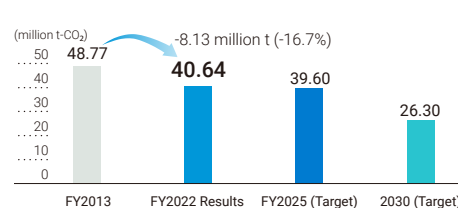
Consolidated equity ratio: 30% or more



Renewable energy development 1,500 MW or more



CO₂ emissions reduction: 40% or more



Dividend payments (yen)

FY	2015	2016	2017	2018	2019	2020	2021	2022	2023 (forecast)
Interim	35	35	35	35	35	35	35	40	45
Year-end	35	35	40	40	40	40	40	50	45
Annual dividend	70	70	75	75	75	75	75	90	90

Overview of FY2022 (ended March 31, 2023)

Achieve financial targets ahead of schedule

Consolidated ordinary profit rose 97.9 billion yen from the previous year to 170.7 billion yen. In FY2022, steady efforts in domestic and overseas power generation projects bore fruit, including a decrease in unplanned outages at domestic power plants and the start of operation of large-scale overseas projects. In addition, the continued rise in resource prices and increased profits from a subsidiary with coal mining interests in Australia led to a significant increase in profits.

The ratio of consolidated equity was 32.3%. Due to a need for increased funding brought on by rising resource prices as well as the effects of foreign exchange, total liabilities stood at 2,169.9 billion yen as March 31, 2023, an increase of 67.8 billion yen. Net assets rose by 228.6 billion yen to 1,192.7 billion yen as a result of such variables as net income attributable to parent company owners, increases in foreign currency translation adjustments, and deferred gains or losses on hedges.

We will work to improve consistent and ongoing returns to shareholders based on profit levels, earnings projections, and financial conditions, with a target consolidated dividend payout ratio of 30%, excluding factors that may cause short-term profit fluctuation.

In order to combine the return of one-time profits in FY2022 with stable returns over the medium- to long-term, taking into account the financial situation, including the scope of medium- and long-term investments aimed at achieving carbon neutrality, the dividend for FY2022 has been increased, ahead of schedule, to 90 yen per share. In FY2023, we intend to maintain this dividend amount.

Steady buildup of renewable energy

As the Triton Knoll Offshore Wind Farm began commercial operation in the UK, other wind and hydroelectric power plants that had been undergoing replacement or being newly constructed also commenced operation. Renewable energy in commercial operation rose by 432 MW from the base year (end of FY2017) as of the end of April 2023.

The total capacity is anticipated to reach 1,500 MW when other power plants that are currently under construction and locations that are undergoing environmental impact assessments are accounted for.

Raised CO₂ reduction targets

With FY2013 as the base year, the reduction target for FY2030 was increased by 1.3 million tons. The total amount was 40.64 million tons in FY2022, which was a decrease of 8.13 million tons from the base year. We sold our stake in a subsidiary thermal power plant in FY2022 and began 10% mixed combustion of biomass (by weight) at Takehara Thermal Power Plant New Unit No. 1 in FY2022.

Medium-Term Management Plan

Progress of Major Initiatives

Action 1: Acceleration of the development of CO₂-free power sources

The overall installed capacity of renewable energy sources as of the end of April 2023 was 432 MW. To meet rising global demand for renewable energy, we will give the development of renewable energy sources first priority when allocating investment funding. Regarding the Ohma Nuclear Power Plant, we will thoughtfully and responsibly respond to the study while pursuing further safety advancements.

 p.22 Expansion of Renewable Energy p.23 Overview of the Ohma Nuclear Power Plant Construction Plans

Major Initiatives






2022

Apr.	Commenced commercial operation of The Triton Knoll Offshore Wind Farm in the UK
Apr.	Kumaoi Power Station (hydroelectric) began commercial operation
May	Joint Development Agreement Signed with Genex Power Ltd. of Australia for Wind Power Generation Project
May	Shinkatsurazawa Power Station (hydroelectric) began commercial operation
Jun.	Geothermal resource survey begins in the Takahinatayama area
Dec.	Participation in a hydroelectric power generation project in Mindanao, Philippines (One of the projects began commercial operation in March 2023)

2023

Feb.	Esashi Wind Farm began commercial operation
Apr.	Onikobe Geothermal Power Station began commercial operation






Start of Operations 432 MW ^{*1, 2, 3}

 Onshore wind 151 MW	 Hydroelectric 29 MW	 Geothermal 38 MW	 Solar 1 MW
 Offshore wind 214 MW			

Construction Started 301 MW ^{*2, 3}

 Onshore wind 181 MW	 Hydroelectric 25 MW	 Geothermal 2 MW	 Solar 6 MW
 Offshore wind 88 MW			

Start of Surveying, etc. 1,050 MW ^{*2, 3}

 Onshore wind Approx. 900 MW (Maximum)	 Hydroelectric 13 MW	 Geothermal Under investigation	 Solar 132 MW
 Offshore wind Under investigation for general sea areas			

*1 For operations started in FY2017 or later

*2 Owned capacity as of the end of April 2023, or assumed maximum owned capacity if output is undecided.

*3 In case of repowering, only the increased output

Action 2: Creation of new value from existing assets (upcycling)

With upcycling, such as the comprehensive replacement of renewable energy equipment, we are attempting to boost value. The GENESIS Matsushima Plan also seeks to add value by integrating new technologies into existing assets in the form of early CO₂ reduction and high output adjusting capability.

 p.22 The NEXUS Sakuma project p.25 The GENESIS Matsushima Plan p.26 Initiatives for large-scale CCS in Japan

Major Initiatives

2022

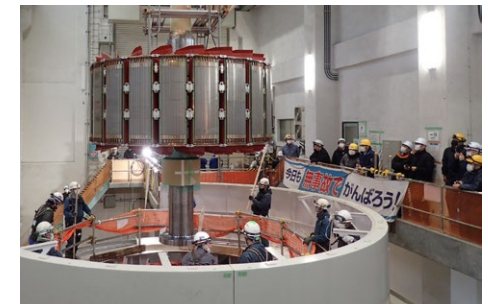
May	Began collaborating with ENEOS Corporation on a feasibility assessment for domestic CCS
Jun.	Participated in a demonstration project in Australia to capture, transport, and store CO ₂ from coal-fired power plants
Jul.	Began a demonstration project for effective utilization of CO ₂ captured from Osaki CoolGen
Oct.	Study on CO ₂ negative hydrogen production from domestic biomass adopted as a NEDO project

2023

Feb.	Completed replacement of New Shimamaki Wind Farm
Feb.	Began trial operation of effective use of natural overflow water during snowmelt at Isawa No. 1 Hydroelectric Power Plant
Feb.	Established a joint venture to study domestic CCS storage business
Feb.	Completed GENESIS Matsushima Planning Methodology Procedure
Mar.	Completed repowering of Ashoro Power Plant Unit No. 1 (hydroelectric)
Apr.	Began repowering of Suezawa Power Plant (hydroelectric)



New Shimamaki Wind Farm




Ashoro Power Plant Unit No. 1

Medium-Term Management Plan

Action 3: Challenges to new business areas

J-POWER is seeking commercial opportunities as a manufacturer and supplier of CO₂-free hydrogen. We also offer services to balance the supply and demand for power using demand response and other strategies. Additionally, by merging our technologies and expertise, we hope to create additional value through investments in startup companies.

 p.26 Initiatives for large-scale CCS in Japan p.27 Hydrogen Production Initiatives
p.28 Power Network Stabilization and Enhancement p.44 Other Business

Major Initiatives

2022

Apr.	Commemorative ceremony for the completion of the Japan-Australia Hydrogen Energy Supply Chain Project
Jul.	Started demand response using water facilities with Kasugai City, Aichi Prefecture
Jul.	Invested in PowerX, Inc.
Oct.	Joined an organization dedicated to the commercialization, diffusion, and expansion of domestically produced SAF (Sustainable Aviation Fuel).
Dec.	Commenced demonstration of non-fossil certificate trading through virtual PPA

2023

Feb.	Opted to use demand response using Hiroshima Prefecture's water supply infrastructure
Mar.	Invested in Nippon Fiber Corporation
Mar.	Studied commercialization of brown coal-derived clean hydrogen production in Victoria, Australia.
Mar.	Opted to install wind-powered propulsion system Kite aboard a coal carrier
May	Invested in Kyoto Fusioneering Ltd.

Action 4: Strengthening our business foundation

Overseas activities for three significant projects have started. By purchasing new projects, the Company hopes to expand its overseas clientele in response to growing power demands and the need for renewable energies.

By reorganizing our Company portfolio, we also hope to maximize capital efficiency. DX and human resource development will also be used to increase profitability and productivity.

 p.32 Financial Initiatives p.41 Overseas Business p.68 Human Resources Strategy to Enhance Corporate Value
p.77 J-POWER Group's DX Strategy

Major Initiatives

2022

Apr.	Commenced commercial operation of Triton Knoll Offshore Wind Farm in the UK
May	Commenced commercial operation of Jackson Thermal Power Plant in the U.S.
Jul.	Participated in a project to upgrade the facilities of a gas cogeneration power plant in Thailand
Aug.	Transferred the stocks of ITOIGAWA POWER Inc.
Sep.	Began commercial operation of Batang Power Plant (previously Central Java Coal-Fired Thermal Power Project) in Indonesia
Nov.	Formulation of Green Transition Finance Framework

2023

Feb.	Raised funds through a transition-linked loan
Feb.	Board of Directors resolved to introduce materiality indexes for officer compensation (performance-linked compensation)
Feb.	Partial sale of interest in Jackson Thermal Power Plant in the U.S.



Ceremony to Commemorate Completion of the Japan-Australia Hydrogen Energy Supply Chain Project



PowerX, Inc.'s goal of electric carriers



Triton Knoll Offshore Wind Farm (UK)



Jackson Thermal Power Plant (U.S.)

Financial Initiatives

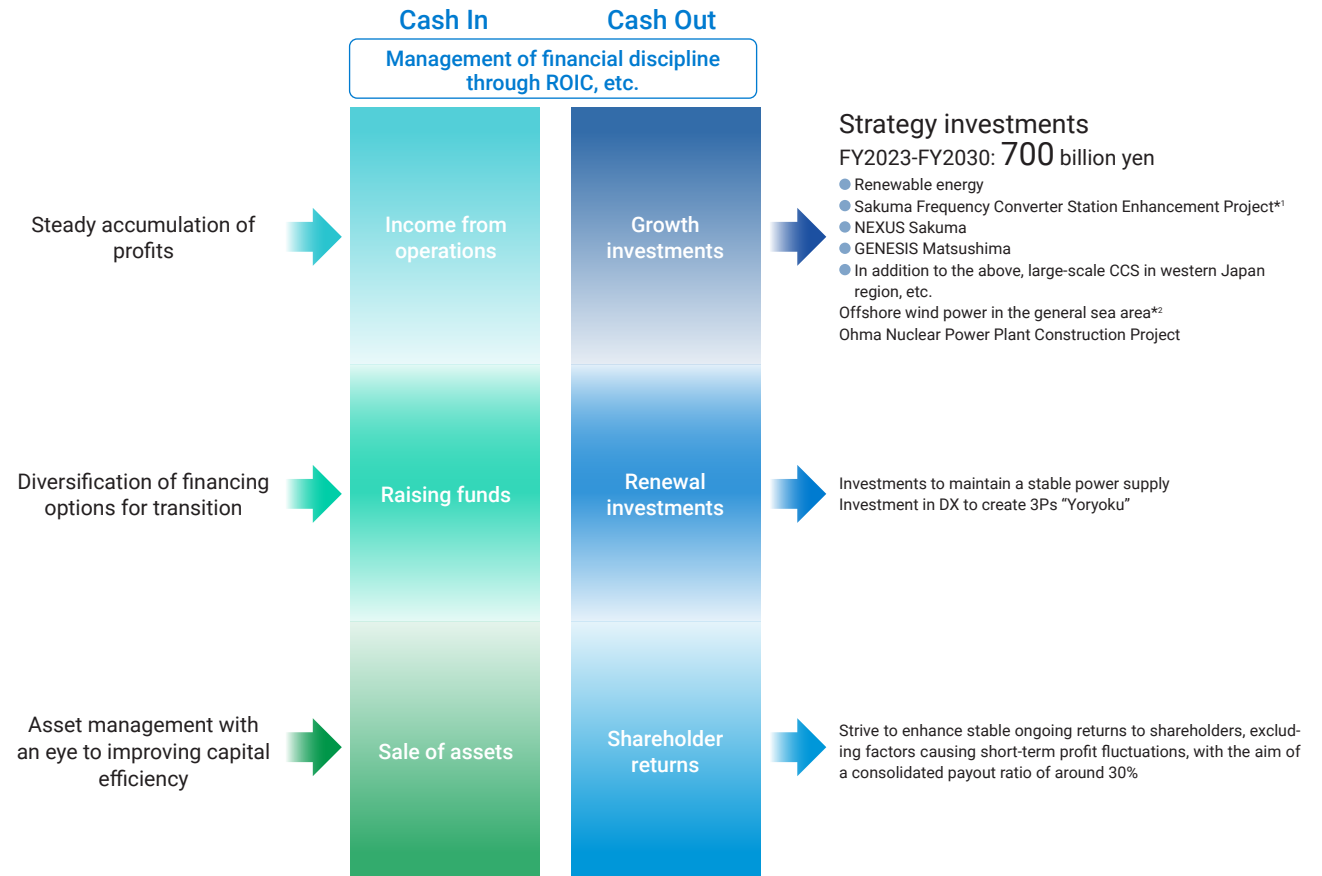
Capital Allocation

The J-POWER Group is promoting three initiatives of the J-POWER “BLUE MISSION 2050”—expansion of CO₂-free power sources, zero-emission power sources, and power networks—to contribute to the realization of a carbon-neutral society. We will invest 700 billion yen in strategic investments by FY2030 for these initiatives and make a Company-wide transition.

Each project for these growth investments is carefully scrutinized to ensure financial returns. The balance of payments during the transition period is supported by thermal power plants and other existing facilities. It is anticipated that these facilities will continue to contribute to earnings through stable operation that steadily strengthens profits, risk management of market conditions, and the introduction of DX.

In terms of financing, we will seek to reduce capital costs by utilizing various frameworks being developed to realize a carbon-neutral society. In addition, we will sell or reinvest a portion or all of our assets and interests, taking into consideration the characteristics of the assets, as we manage our portfolio with an awareness of capital efficiency.

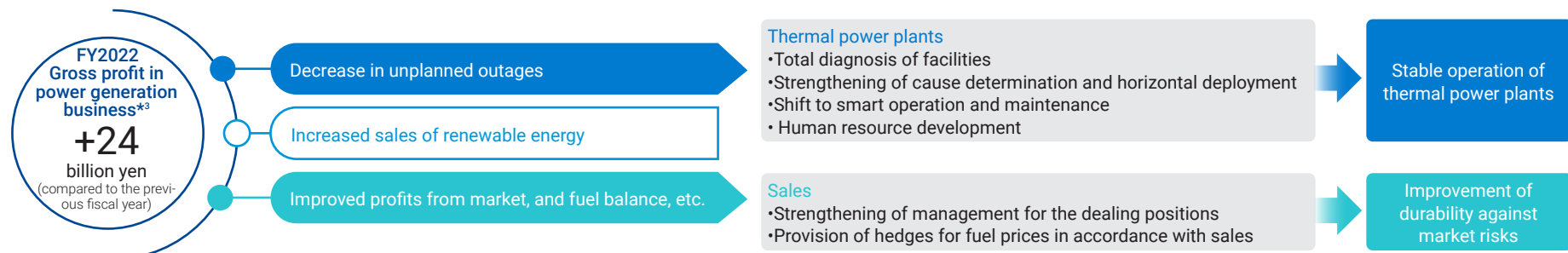
In order to achieve a sustained increase in corporate value, these actions to improve profitability and transition the portfolio will be assessed through return on invested capital (ROIC), which is now being considered for implementation.



*The above chart is a conceptual diagram of capital allocation and does not indicate the size of funds for each item.

Steady accumulation of profits

We have facilitated efforts for reducing unplanned stoppage of thermal power plants and for strengthening risk management in the sales activities to retailing business operators and other sellers to improve profitability in FY2022.



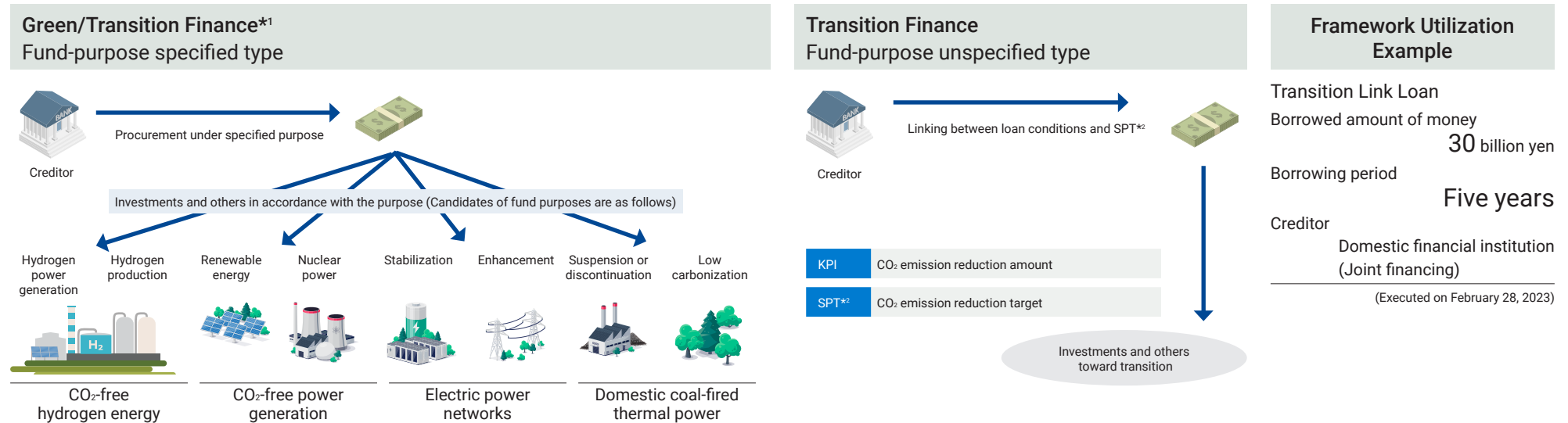
*1 This is an initiative of J-POWER Transmission Network. *2 If we win the bid in a future bidding, we will record it as a strategic investment.
*3 What remains after subtracting fuel and other costs from profits derived from the Domestic Electric Power Business (hydroelectric power, thermal, wind and others).

Financial Initiatives

Diversifying Methods of Fundraising Toward Transition

We have formulated a new framework called "Green/Transition Finance Framework" for fundraising toward transition to a carbon-neutral society.

This framework has been evaluated for its eligibility to various finance standards by a third-party evaluation organization called DNV BUSINESS ASSURANCE JAPAN.

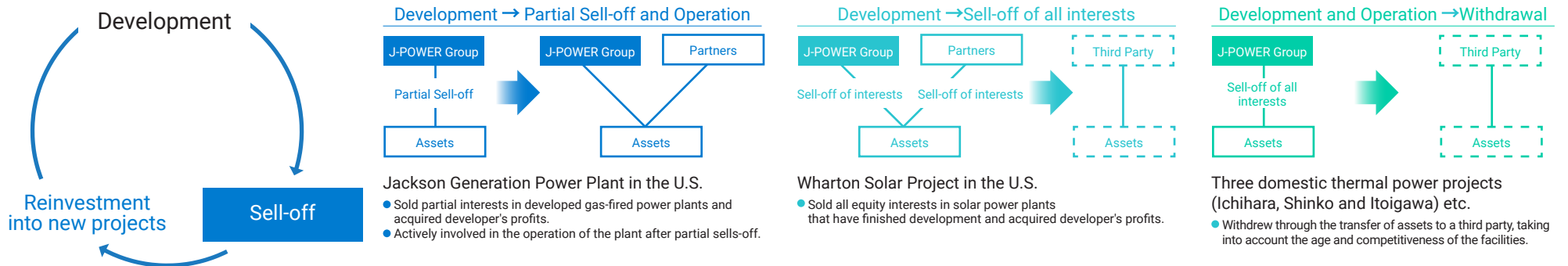


*1 Green Finance only applies to those accepted as eligible green projects

*2 An abbreviation of Sustainability Performance Target, representing a target that should be achieved to fulfill KPI

Asset management with an eye to improving capital efficiency

We are working to improve capital efficiency by not only holding assets for the long term, but also replacing our business portfolio as appropriate, for example by selling assets and reinvesting in new projects using the proceeds from the sale. Furthermore, we have begun considering the introduction of return on invested capital (ROIC) for improving capital efficiency.

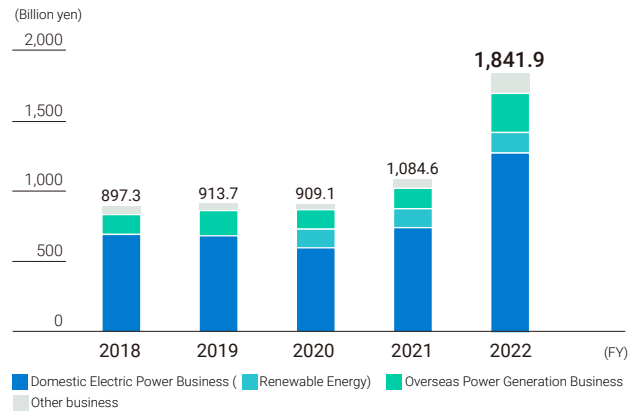


Financial and Non-Financial Highlights

These are key indicators of the Company's financial and non-financial performance.

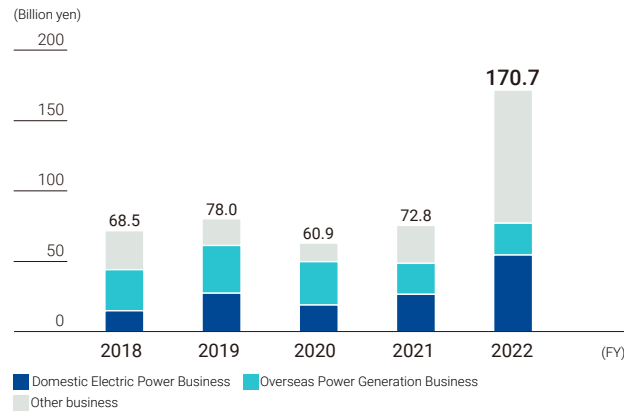
Financial Highlights

Consolidated Operating Revenue



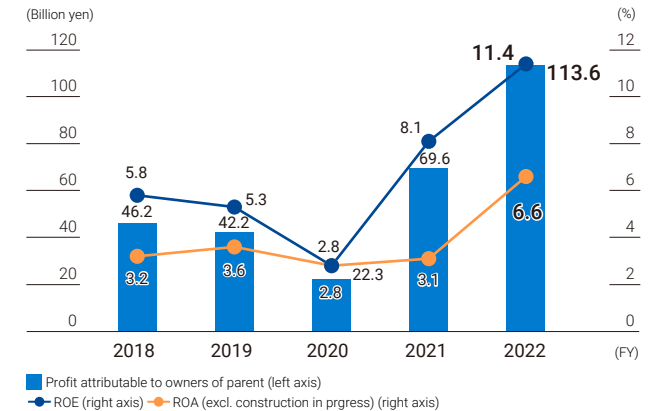
Higher electricity prices in Japan and overseas and higher coal prices from a subsidiary in Australia that owns coal mining interests led the J-POWER Group to record-high operating revenues on the back of rising resource prices in FY2022.

Consolidated Ordinary Profit



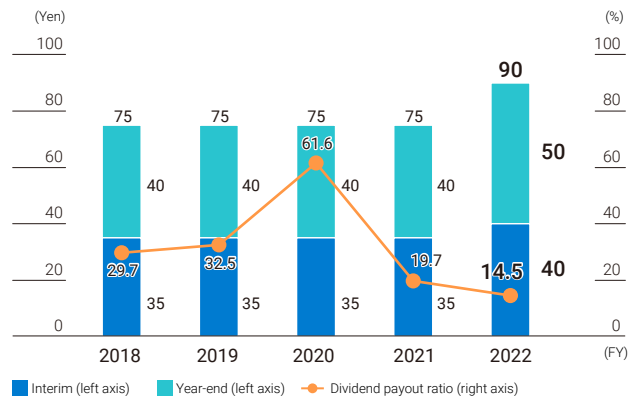
In FY2022, the Group saw record-high ordinary profit stemming from such factors as increased profit from a subsidiary in Australia that owns coal mining interests, increased gross profit from power generation due to stable operation of domestic electric power facilities, and the start of operations at the Jackson Generation Power Plant in the U.S.

Profit Attributable to Owners of Parent, ROE, ROA



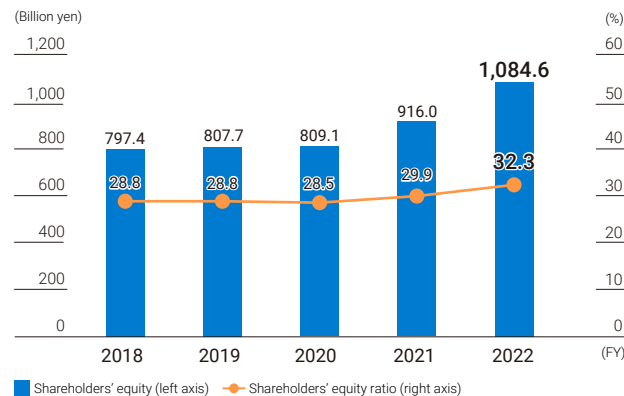
Along with the record-high ordinary profit in FY2022, profit attributable to owners of parent, also reached a record high. The decrease in FY2020 is due to losses incurred by equity-method affiliates and consolidated subsidiaries as a result of surging prices on Japan Electric Power Exchange, as well as the payment of income taxes due to the fact that tax effect accounting was not applied to the losses incurred by consolidated subsidiaries.

Dividend per share and dividend payout ratio



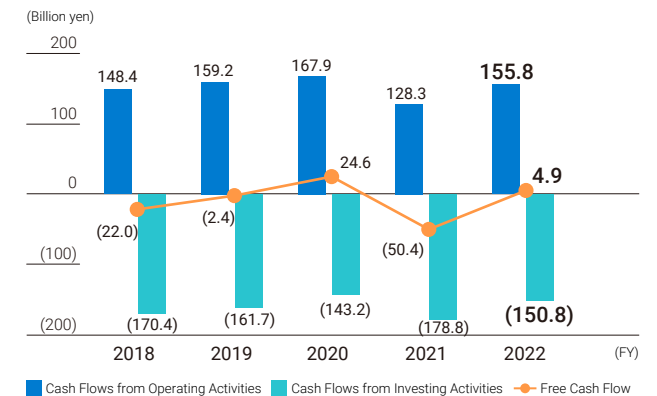
J-POWER will strive to enhance stable, ongoing returns to shareholders considering the level of profit, earnings forecasts, and its financial condition with a consolidated payout ratio of around 30%, excluding factors causing short-term profit fluctuations.

Shareholders' Equity and Shareholders' Equity Ratio



In our Medium-Term Management Plan, we set a target of 30% or more of the consolidated shareholders' equity ratio in FY2023, which we achieved ahead of schedule.

Cash Flow

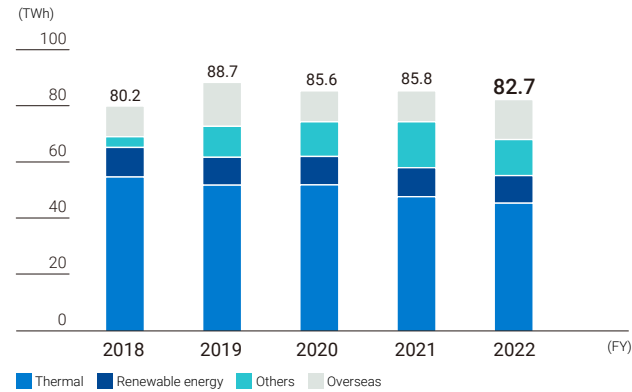


Cash flow for FY2022 increased by 55.4 billion yen to 4.9 billion yen from the previous year due to an increase in cash flow from operating activities, including increased profit before income taxes, while cash flow from investing activities decreased from the previous year due to the completion of a large overseas project.

Financial and Non-Financial Highlights

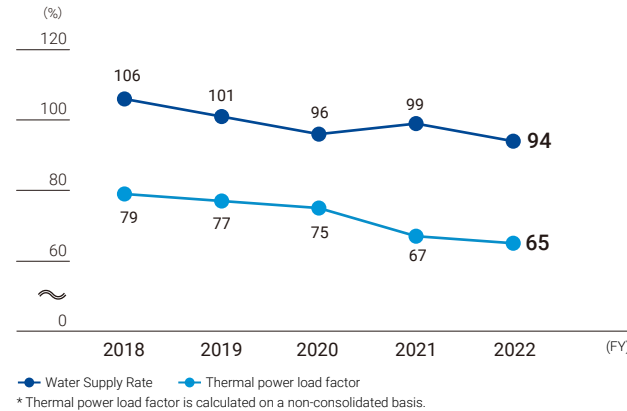
Non-Financial Highlights

Electricity Sales Volume



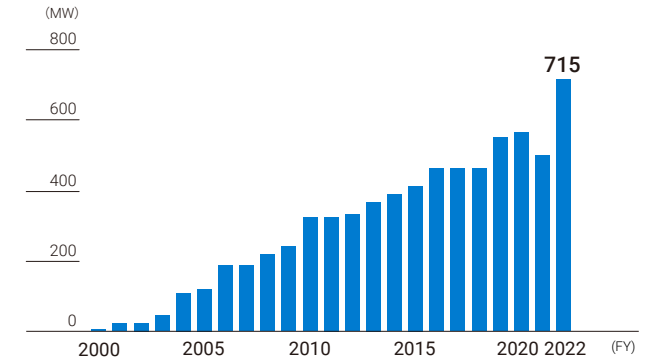
In FY2022, electricity sales volume from overseas operations increased due to the start of operations at the Jackson Generation Power Plant in the U.S. "Others" represents the sales volume of electricity procured from the Japan Electric Power Exchange.

Water Supply Rate/Thermal Power Load Factor*



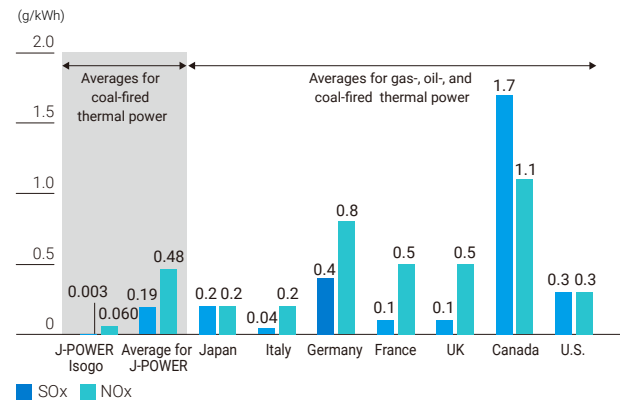
Water Supply Rate depends on factors such as weather conditions.

Wind Power Generation Capacity



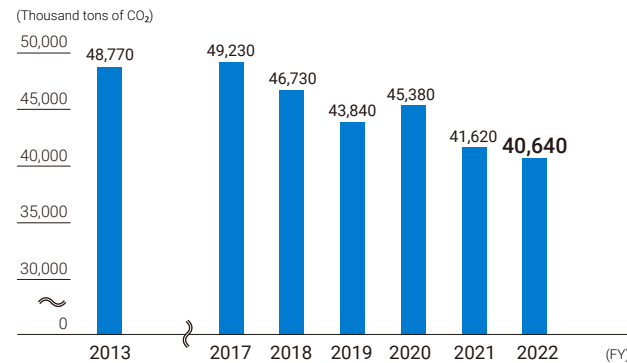
In FY2022, the Triton Knoll Offshore Wind Farm in the UK began operation, as well as two other sites in Japan.

International Comparison of SOx and NOx Emissions Intensity for Thermal Power Generation



Notes: 1. Emissions: OECD StatExtracts Power generated: IEA "Data and statistics"
2. Average for J-POWER and J-POWER Isogo figures (coal-fired) are FY2022 results

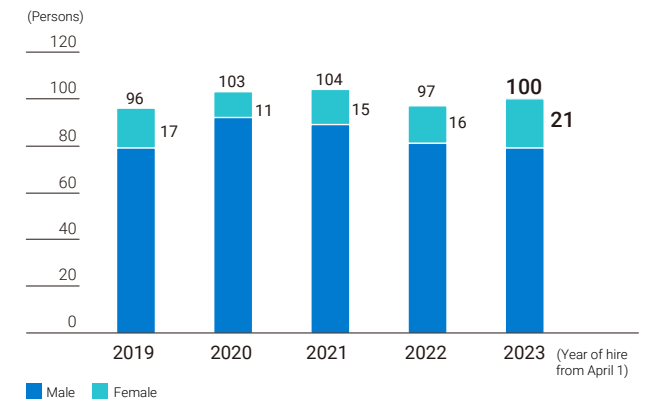
CO₂ emissions from Domestic Electric Power Business



* Aggregates CO₂ emissions generated from the Group's domestic power plants
Subsidiaries and affiliates are aggregated according to their investment ratios

Compared to FY2013, we aim to reduce CO₂ emissions by 9.2 million tons by FY2025 and 22.5 million tons by FY2030.

Number of New Graduates Hired by J-POWER



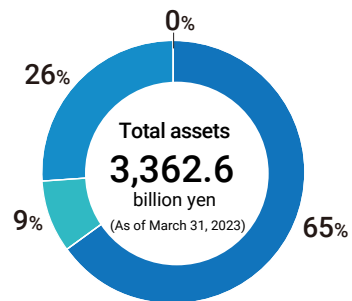
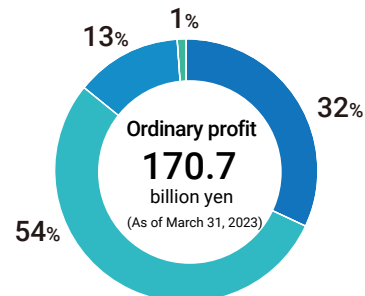
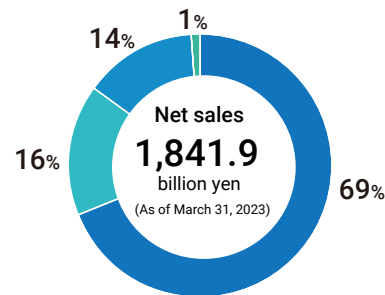
In addition to steady hiring for the purpose of sustainable growth, the Company is taking on the challenge of ensuring diversity in order to create a workplace that promotes continuous innovation. As such, we have set a goal of doubling the number of women hired in the initiatives of our Progress of J-POWER Medium-Term Management Plan published on May 11, 2022.

J-POWER Group Businesses

- The core of the J-POWER Group's business is the Electric Power Business, which includes the supply of electricity through power generation facilities and the consignment of electric power through transmission and substation facilities, and its Overseas Business.
- Our business operations are divided into four segments, including the Electric Power-Related Business and other businesses related to these segments.

Business Overview by Segment

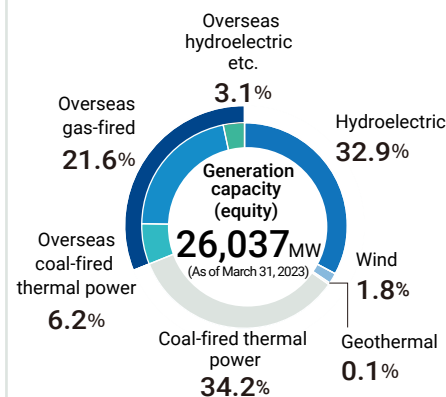
Electric Power Business Electric Power-Related Business
Overseas Business Other Business



Note: Each segment's net sales, ordinary income, and total assets are percentages of the simple sum of the unadjusted segment figures.

Global Power Generation Facilities

J-POWER's global power generation facilities have a well-balanced mix of renewable energy sources (such as hydroelectric and wind power), coal-fired thermal power and gas-fired power generation. We also own and frequency converter stations throughout Japan that connect ares. Balanced asset composition, coupled with appropriate management in response to risks, supports stable profits even amid a volatile business environment.



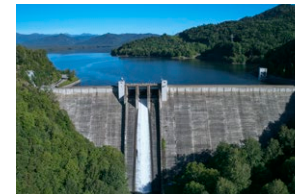
Transmission and Transformation Facilities

(As of March 31, 2023)

Power Transmission Facilities	2,410.2km
AC Transmission Lines	2,143.0km
DC Transmission Lines	267.2km
Substations (Output)	4 locations 4,301 million kVA
Frequency converter station	1 location 300 MW
AC/DC Interconnection stations	4 locations 2,000 MW

Electric Power Business

The Group engages in power generation, employing various energy sources (including renewable energy, thermal power, transmission that contributes to the wide-area operation of the entire Japanese power grid, and electric power retailing in collaboration with partner companies in Japan.



Nukabira Dam

Overseas Business

The Group engages in power generation and consulting businesses overseas.



Kaeng Khoi 2 Gas-Fired Thermal Power Plant (Thailand)



Triton Knoll Offshore Wind Farm (UK)

Electric Power-Related Business

The Group engages in businesses which support the smooth and efficient execution of the electric power business, including the maintenance of power plants and transmission and substation facilities, ownership of coal mining interests, and the importing and transportation of coal.

Major Group Companies

J-POWER Business Service Corporation
J-POWER HYTEC Co., Ltd.
J-POWER Generation Service Co., Ltd.
J-POWER Design Co. Ltd.
J-POWER Telecommunication Service Co., Ltd.

Other Business

We operate information communication businesses and environment-related businesses that leverage the Group's know-how and management resources. We are also investing in and working with startup companies to develop new businesses in the future.



PowerX, Inc.'s goal for electric carriers

J-POWER Group Businesses

Electric Power Business

Value Provided by the J-POWER Group

- Economical and stable supply of power via CO₂-free power and high-efficiency thermal power
- Contributions to ensuring energy security and avoiding regional environmental issues such as air pollution
- Contributions to wide-area power networks through means such as cross-regional interconnection facilities

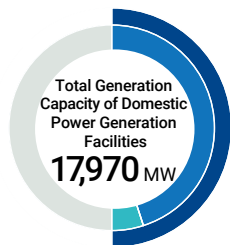
Social Issues

- Stable power supply, climate change
- Energy security
- Building wide-area power networks in Japan
- Atmospheric pollution and other local environmental issues
- Economic efficiency

Strengths

- Comprehensive technical capabilities that can be executed within the Group from development to operation
- The highest level of engineering and execution capabilities gained from involvement in global development
- Relationships of trust with local communities

Total Generation Capacity of Domestic Power Generation Facilities



Status of Domestic Renewable Energy Development (As of March 31, 2023)

	Wind	Hydroelectric	Geothermal	Solar
FY2022 Development Results	19 MW	17 MW	—	—
Under construction/Preparing for construction	339 MW	5 MW	17 MW	—
Commencement of surveys, etc.	Max. about 800 MW*1	—	—	32 MW

Note: The above output figures are based on the Group's equity stake and include new developments and replacements.

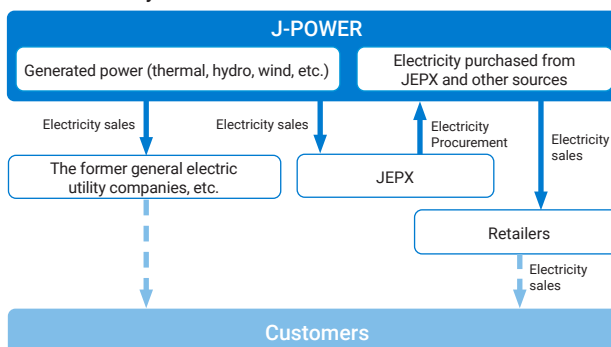
*1 Environmental impact assessment procedures are underway. Does not include offshore wind power in general sea areas.

Net Sales/Segment profit/Assets

(Billions of yen)	2018	2019	2020	2021	2022
Net sales	695.6	686.0	733.4	878.8	1,420.2
Segment profit	14.9	27.4	19.0	26.6	54.5
Assets	2,006.1	2,040.5	2,100.3	2,199.2	2,299.0

Note: Segment income is ordinary profit. The total amount of each segment's net sales, profit, and assets is not equal to consolidated net sales, consolidated ordinary profit, and assets in each fiscal year due to adjustments such as the elimination of inter-segment transactions.

Flow of electricity sales



Electric power sales

J-POWER Group generates electricity from our diverse sources, including renewable energy and thermal power, and sells it to the former general electric utility companies and the Japan Electric Power Exchange (JEPX) to ensure a stable supply of electricity in Japan. J-POWER also sells electricity procured from JEPX to retail electricity suppliers.

Charges for electric power

A baseline charge plus a metered charge based on the quantity of electricity sold make up the structure of the sales charges to EPCOs. For the portion equivalent to fuel costs, which account for the majority of the metered charge for thermal power production facilities, we have introduced a system that reflects fluctuations in market conditions related to fuel procurement as appropriate. Between the contract's parties, specific terms and conditions are discussed and updated as necessary.

The sales price of the power purchased from JEPX is also established by contract with the retailers and is adjusted as necessary.

Power Transmission Business

The reasonable cost estimated to be necessary for the transmission business as a regulated sector is added to the reasonable profit margin to determine rates connected to the transmission business.

J-POWER Group Businesses

Power Generation Business

Renewable Energy

We are utilizing our vast knowledge and technology for new development as one of Japan's leading providers of renewable energy. Older hydroelectric and wind power plants are aging, reaching 60 and 20 years of service, respectively. We are gradually retrofitting these plants with state-of-the-art technology. Upgrading them with more advanced machinery will enable the generation of more CO₂-free electricity.

	FY2021	FY2022
Electricity sales volume (Hydroelectric, wind)	10.3 billion kWh	9.8 billion kWh
Net sales	134.5 billion yen	146.0 billion yen

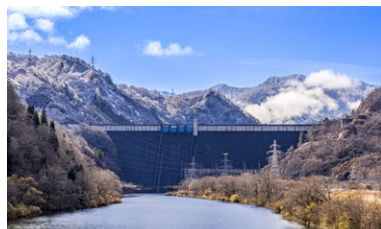
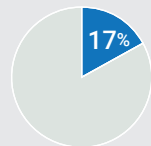
Hydroelectric Power

Over the past 70 years or so, the J-POWER Group has engaged in the development and operation of hydroelectric power plants. Since hydroelectric power can be started quickly and its output can be adjusted, it plays an important role as a source of regulated power. With no available land left for large-scale developments in Japan, the Group is engaged in increasing the amount of power through the development of small hydroelectric power plants and the comprehensive renewal of main facilities.

Share of Hydroelectric Power

Generation Capacity **No. 2** in Japan

8,577 MW (As of March 31, 2023)



Tagokura Dam

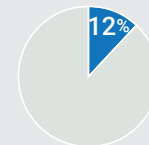
Wind Power

The J-POWER Group began engaging in the wind power generation business early in Japan and, even now, is engaged in many development projects while also advancing facility upgrades at its initial operation sites. In terms of offshore wind power, J-POWER has gained expertise through its participation in the Triton Knoll Offshore Wind Farm project in the United Kingdom which started commercial operation in 2022. The Group is also working on the Hibikinada Offshore Wind Farm Project while conducting surveys at multiple sites in Japan.

Share of Wind Power

Generation Capacity **No. 2** in Japan

477 MW (As of March 31, 2023)



Nikaho No. 2



A rendering of Kitakyushu Hibikinada Offshore Wind Farm

Geothermal Power

Geothermal energy is a clean domestically produced energy source that emits no CO₂ and can be utilized as a baseload power source since it is not influenced by weather conditions. The Group operates the Wasabizawa Geothermal Power Station, which boasts one of Japan's largest generation capacities of geothermal power. Following more than 40 years of use since 1975, the Onikobe Geothermal Power Plant was refurbished and put back into service in April 2023. The Company is currently constructing the Appi Geothermal Power Plant and carrying out research in the Takahinatayama region.



Onikobe Geothermal Power Station

Solar Power

By utilizing land owned in Japan, J-POWER is also attempting to develop solar power generation, which has a proven track record in the U.S. and other nations. Both the Kitakyushu Hibikinada and the Himeji Oshio Solar projects are now undergoing large-scale solar power plant construction.



J-POWER Group Businesses

Thermal Power

Coal is a crucial resource for energy security in Japan, a country with limited energy resources, as it can be easily stored and can be mined in a large number of areas. Geopolitical risks are thought to be lower for coal than for other fuels because it is mostly obtained from politically stable countries like Australia and Indonesia, which are the major exporters of the coal used in our thermal power facilities. Additionally, regarding the design and operation of the J-POWER Group's power plants, we contribute to the stable supply of electric power while limiting emissions of atmospheric pollutants such as SOx and NOx through our advanced technologies as well as reducing CO₂ emissions by adopting the most efficient technologies during construction and utilizing mixed combustion with biomass fuels. Furthermore, by upcycling our existing coal-fired power plants, we aim to convert to hydrogen power generation. The first step toward this goal is our work in Nagasaki Prefecture on the GENESIS Matsushima Plan.

p.25 The GENESIS Matsushima Plan

	FY2021	FY2022
Electricity sales volume	47.9 billion kWh	45.6 billion kWh
Utilization rate	67%	65%

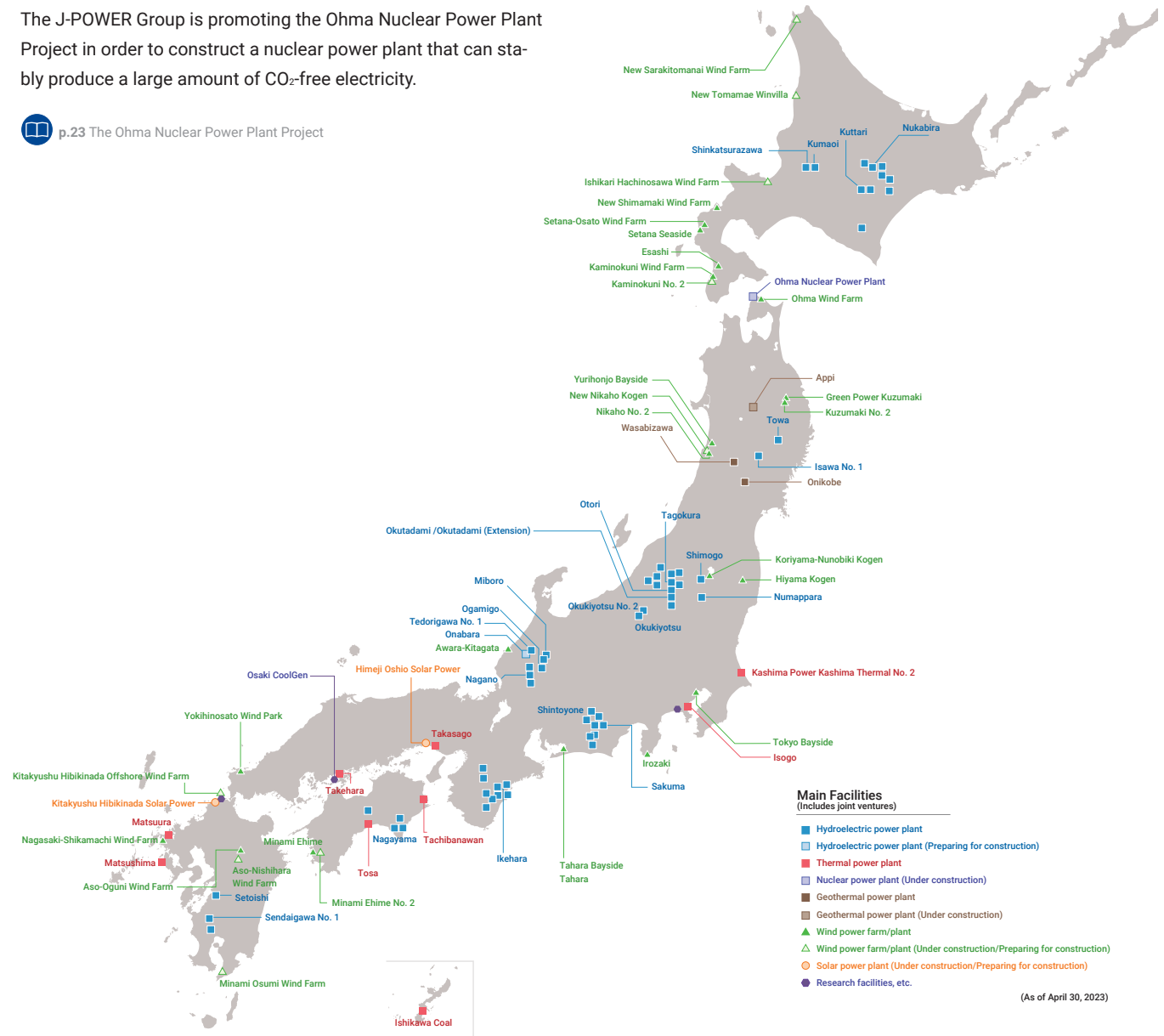


Takehara Thermal Power Plant New Unit No. 1

Nuclear Power Generation

The J-POWER Group is promoting the Ohma Nuclear Power Plant Project in order to construct a nuclear power plant that can stably produce a large amount of CO₂-free electricity.

p.23 The Ohma Nuclear Power Plant Project



J-POWER Group Businesses

Transmission Business

J-POWER Transmission Network Co., Ltd. (J-POWER Transmission) is a company which is independent of the J-POWER Group's power generation and retailing divisions, handling its transmission business from a neutral position. J-POWER Transmission owns nine substations and converter stations, and approximately 2,400 km of transmission lines across Japan. J-POWER Transmission interconnects regions and fulfills a major role in the cross-regional operation of Japan's overall power grid.

In addition, as per a plan formulated by the Organization for Cross-regional Coordination of Transmission Operators (OCCTO), J-POWER Transmission is moving ahead with preparations for the construction of the Sakuma Frequency Converter Station, which connects the different frequencies of eastern Japan (50 Hz) and western Japan (60 Hz), to increase its converter capabilities from 300 MW to 600 MW. Construction is scheduled to be completed in FY2027.



Minami Kawagoe Substation



Sakuma East Trunk Line

Submarine DC transmission lines (HVDC)

To supply renewable energy to major consumption areas in Hokkaido, Tohoku, Kyushu, and other regions where it is being introduced and expanded, the master plan for the electric power network calls for the development of submarine DC transmission line. Similar facilities have been erected by J-POWER Transmission for the Kii Channel HVDC Interconnection Line and the Hokkaido-Honshu HVDC Interconnection Line, both of which are currently in use. As is evident from our track record, we boast unique and cutting-edge knowledge and skills.

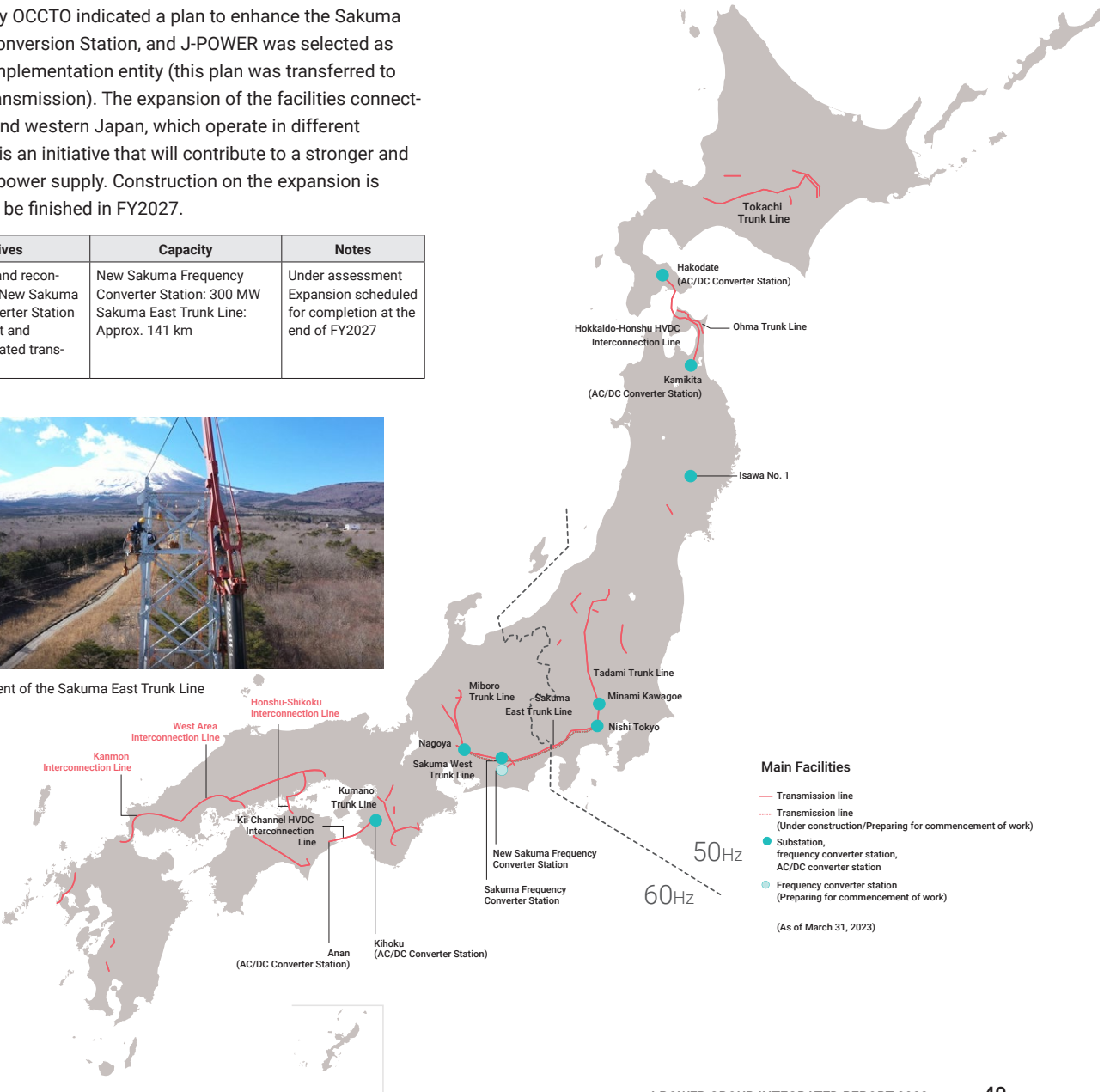
Sakuma Frequency Converter Station Expansion Plan

In June 2016, the Cross-regional Network Development Plan formulated by OCCTO indicated a plan to enhance the Sakuma Frequency Conversion Station, and J-POWER was selected as the project implementation entity (this plan was transferred to J-POWER Transmission). The expansion of the facilities connecting eastern and western Japan, which operate in different frequencies, is an initiative that will contribute to a stronger and more stable power supply. Construction on the expansion is scheduled to be finished in FY2027.

Initiatives	Capacity	Notes
Reinforcement and reconstruction of the New Sakuma Frequency Converter Station and replacement and expansion of related transmission lines	New Sakuma Frequency Converter Station: 300 MW Sakuma East Trunk Line: Approx. 141 km	Under assessment Expansion scheduled for completion at the end of FY2027



Replacement of the Sakuma East Trunk Line



J-POWER Group Businesses

Overseas Business

Value that the J-POWER Group Provides

- Contributes to stable power supply overseas through the consulting business and power plant development
- Contributes to reducing CO₂ emissions and solving environmental issues through renewable energy development and the construction of environmentally friendly, cutting-edge high-efficiency thermal power plants overseas

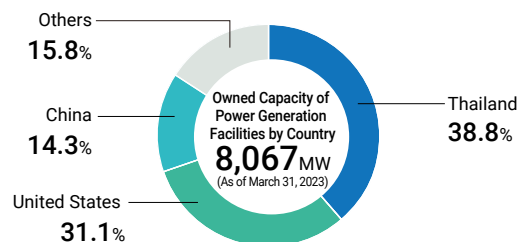
Social Issues

- Stable power supply overseas
- Climate change
- Atmospheric pollution and other local environmental issue

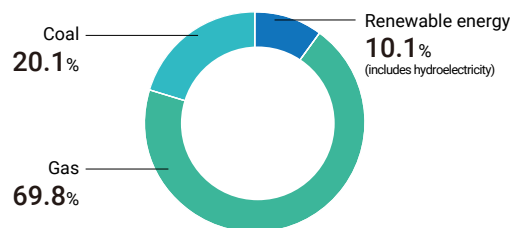
Strengths

- Project development capabilities
- Project promotion capabilities
- Ability of management to control risk and replace assets in response to changes in the business environment to increase profitability and sustainability

Owned Capacity of Power Generation Facilities by Country



Facilities by Energy Source



Net Sales/Segment income/Assets

	(FY)				
	2018	2019	2020	2021	2022
Net sales	141.0	179.0	138.0	145.1	277.5
Segment profit	29.2	33.9	30.8	22.0	22.6
Assets	657.1	680.9	679.1	773.0	918.3

Note: Segment income is ordinary profit. The total amount of each segment's net sales, profit, and assets is not equal to consolidated net sales, consolidated ordinary profit, and assets in each fiscal year due to adjustments such as the elimination of inter-segment transactions.

Overseas Power Generation Business (As of March 31, 2023)

In operation	7 countries	37 projects	8,067 MW owned capacity
Of which are renewable energy projects	5 countries	13 projects	819 MW owned capacity
Under construction/development	4 countries	7 projects	2,961 MW owned capacity

Overseas Consulting Business

Leveraging the experience and technical prowess acquired through its domestic electric power business, the J-POWER Group's consulting business includes basic design study, feasibility studies, design, construction oversight, and transfer of environmental technologies development of power plants and transmission and transformation facilities around the world. Since its first project in 1962, the Group has conducted 375 projects in 64 countries and regions.

Overseas Consulting Business

64 countries, 375 projects (as of March 31, 2023)

Overseas Power Generation Business

When the Group first began its overseas power generation business in 1997, it primarily participated in the construction of power plants or plant operations through relatively small-scale investment. Since that time, however, the Group has gradually expanded this business, shifting from acquiring interests in existing high-quality projects to greenfield development, mainly in Thailand, the United States, China, and other Asian countries. In addition, the Group has recently participated in projects from the initial stage of development with the aim of expanding development opportunities and securing profits as project developer. Taking part in greenfield projects as well as projects from the initial stage of development carries with it comparatively high risk, but profitability commensurate with this risk can be expected.

All three of the significant projects that we have been working on over the medium- to long-term will begin operations in FY2022. In response to changes in the business environment, we aim to continue creating new projects and rebalancing our portfolio of power production assets from the perspectives of profitability and sustainability.

Through its advanced technical and project organization capabilities, the J-POWER Group aims to realize high profitability while minimizing risk.

J-POWER Group Businesses

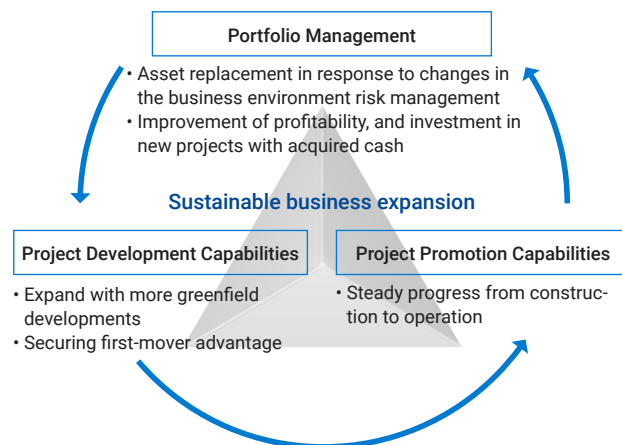
Renewable Energy Projects

The J-POWER Group is a renewable energy front runner with one of the largest installed capacities in Japan centered on hydroelectric and wind power, and in recent years we have been focused on renewables in development projects overseas.

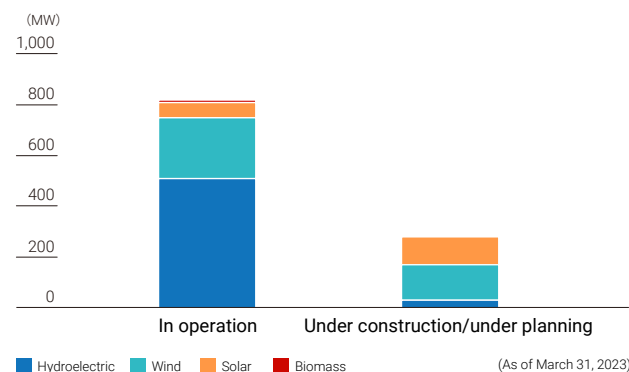
Triton Knoll Offshore Wind Farm Project, in which we have been involved from the construction planning stage, began commercial operation in April 2022. In the U.S., we have been contributing to the expansion of renewable energy through our participation in developing a solar power project since 2020. Meanwhile, we are developing a pumped storage and wind power project together with Genex Power Limited in Australia.

Strengths of the Overseas Business

In its overseas business, the J-POWER Group has earned revenue as both an asset owner and as a developer while gaining a wide range of knowledge by developing projects from the greenfield, steadily promoting projects under construction, and continuing stable operations. Based on these revenues and knowledge, we are developing renewable and other energy sources to meet the needs of different regions around the world.



Overseas Renewable Energy (Owned Capacity)



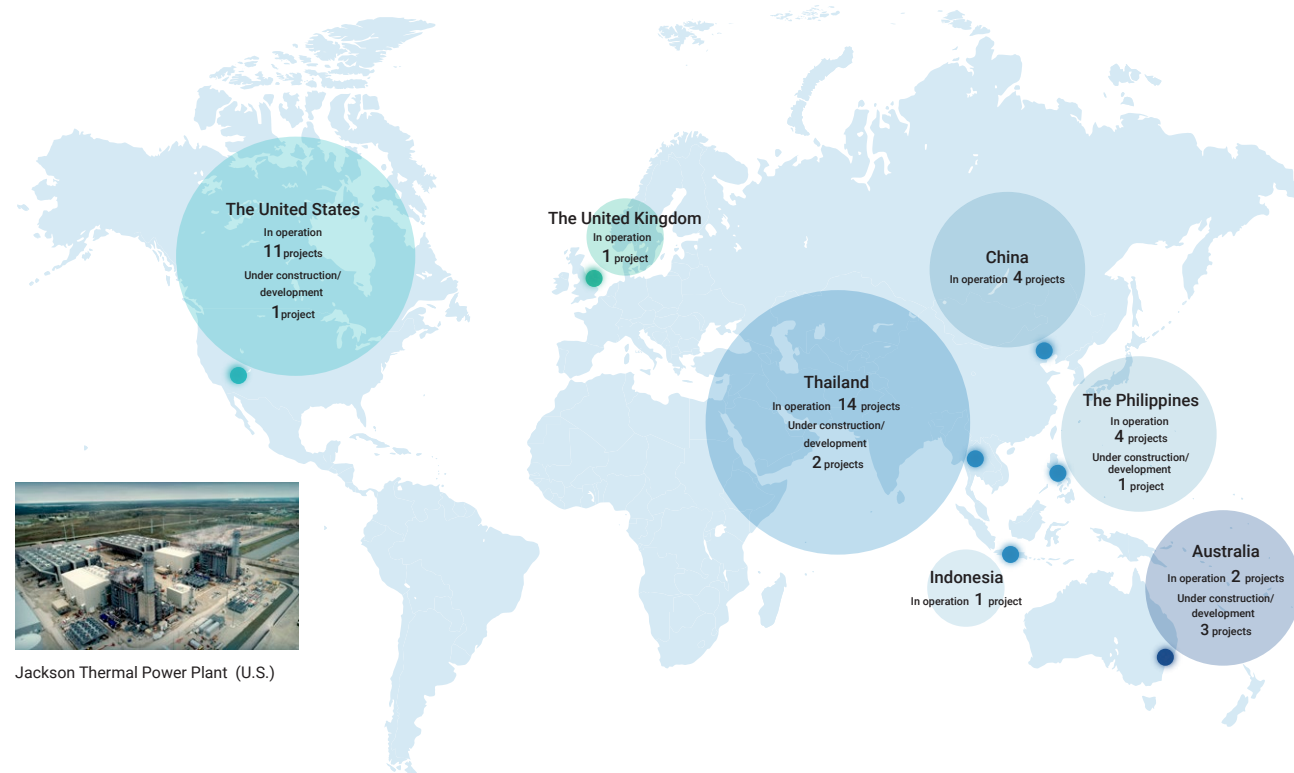
Overseas Power Generation Business

(As of March 31, 2021)

In operation 37 projects
Under construction/development 7 projects

Overseas Consulting Business

Project locations 64 countries
No. of projects by country/region 375 projects



J-POWER Group Businesses

Electric Power-Related Business

Value that the J-POWER Group Provides

- Contributes to the stable operation of electric power facilities, supported by long-term operation and maintenance technologies
- Conducts stable long-term fuel procurement based on diversified sources

Social Issues

- Stable power supply
- Energy security

Strengths

- Maintenance know-how accumulated over many years as a leader in coal-fired power and renewable energy production
- A work environment that nurtures professional human resources through organized human resource development programs and global standards

Net Sales/Segment Income/Assets

(Billions of yen)

(FY)

	2018	2019	2020	2021	2022
Net sales	455.3	400.5	374.1	243.9	321.7
Segment profit	26.4	18.5	12.2	25.8	92.8
Assets	275.5	244.5	240.3	252.8	308.6

Note: Segment income is ordinary profit. The total amount of each segment's net sales, profit, and assets is not equal to consolidated net sales, consolidated ordinary profit, and assets in each fiscal year due to adjustments such as the elimination of inter-segment transactions.

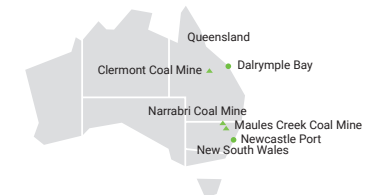
Electric Power Facilities Maintenance

In order to support its nationwide power generation and transformation businesses, the J-POWER Group has established maintenance subsidiaries that are experts in hydroelectric power, power transmission, wind power, and thermal power, including operation. Additionally, the J-POWER Group has established a system that, through its accumulated knowledge and experience, enables more efficient and reliable maintenance. J-POWER Generation Service Co., Ltd. is a single firm that handles all operational responsibilities related to thermal power, including operation, maintenance, and other related tasks.

J-POWER Business Service Corporation <ul style="list-style-type: none"> • Operation and management of welfare facilities • Import and transport of coal 	J-POWER Generation Service Co., Ltd. <ul style="list-style-type: none"> • Operation and maintenance of thermal power plants 	J-POWER HYTEC Co., Ltd. <ul style="list-style-type: none"> • Maintenance of hydroelectric power plants • Maintenance of electric power transmission and substation facilities
J-POWER Design Co., Ltd. <ul style="list-style-type: none"> • Research, planning, and design for electric power facilities • Research, planning, and design for rivers and dams 	J-POWER Telecommunication Service Co., Ltd. <ul style="list-style-type: none"> • Construction, maintenance and management of telecommunication facilities at power plants • Design, construction and maintenance of mobile communication facilities 	J-Wind Service Co., Ltd. <ul style="list-style-type: none"> • Maintenance of wind power generation facilities

Investments in Coal Mines

We have been investing in Australian coal mines since 1980 and currently hold interests in three coal mines in order to provide consistent, long-term supplies of high-grade coal as fuel for thermal power generation.



Coal Mining Projects (as of December 31, 2022)

Coal Mine	Location	Outport	2022 Sales Volume	Vested Interest	Coal Production Start
Clermont	Queensland, Australia	Dairymple Bay (Hay Point Port)	9.03 million tons	22.2%	2010
Narrabri	New South Wales, Australia	Newcastle Port	5.88 million tons	7.5%	2012
Maules Creek	New South Wales, Australia	Newcastle Port	9.11 million tons	10%	2014

Biomass Production

The J-POWER Group is working to reduce CO₂ emissions through the mixed combustion of biomass fuels and sewage at coal-fired power plants. Since 2022, we have also been working to further expand the use of biomass, including 10% mixed combustion at Takehara Thermal Power Plant New Unit No. 1. From the perspective of sustainability and stably procuring biomass fuel, the Group is also engaged in the business of producing sustainable biomass fuels such as woody fuels employing unused forest residues.



Wood pellets

Wood biomass fuel production business (as of March 31, 2023)

Project Name	Location	Project Overview	Equity Share	Operation Start
Miyazaki Wood Pellet	Kobayashi City, Miyazaki Prefecture	A business with an integrated system, from setting up companies to manufacture wood pellets from forest offcuts through to the use of pellets for mixed combustion in J-POWER's coal-fired thermal power plants (Pellet production capacity: 25,000 tons/year)	98.3%	2011

J-POWER Group Businesses

Other Business

Value that the J-POWER Group Provides

- Contributes to reducing CO₂ emissions through biomass fuel production business

Social Issues

- Climate change
- Local environmental issues

Strengths

- An innovative corporate culture that integrates new businesses and technologies into old ones
- A vantage point that allows the selection of businesses and technologies that can leverage synergies with a wide range of electric businesses as the core of the Company's business

Net Sales/Segment Income/Assets

(Billions of yen)

(FY)

	2018	2019	2020	2021	2022
Net sales	30.3	22.1	18.4	21.0	29.3
Segment profit	1.3	0.5	1.0	1.2	1.8
Assets	18.2	15.6	16.8	17.9	15.8

Note: Segment income is ordinary profit. The total amount of each segment's net sales, profit, and assets is not equal to consolidated net sales, consolidated ordinary profit, and assets in each fiscal year due to adjustments such as the elimination of inter-segment transactions.

Telecommunications Network Business

Communication networks are essential infrastructure for operating power plants, as well as transmission and substation facilities, meaning that reliability is of paramount importance. J-POWER Telecommunication Service Co., Ltd. utilizes the communication network technology cultivated in the electric power business to carry out construction work on mobile phone wireless base stations. In response to the specifications and requests presented by telecommunications carriers, J-POWER carries out a range of work in a one-stop package from installation negotiations and design to construction and testing of mobile phone wireless base stations.



Fertilizer Business

The J-POWER Group's fertilizer business Kaihatsuhiryō Co., Ltd. recycles coal ash (ash formed in pulverized coal combustion) generated from coal-fired power plants, manufactures and sells it as fertilizer. By combining coal ash with caustic potash and magnesium raw materials then firing at high temperatures, J-POWER has commercialized the world's first potassium silicate fertilizer, which is both environmentally friendly and highly beneficial as a fertilizer. High-quality fertilizer is being delivered to farmers nationwide through the Japan Agricultural Cooperatives Group (JA Zen-Noh).



Potassium silicate fertilizer (product)

Investments in startups companies

We invest directly in startup companies and take on the challenge of fusing the expertise of the J-POWER Group with the technologies and ideas of the startup companies in order to be among the first to incorporate the remarkable development of cutting-edge technology into the electric power business.

PowerX, Inc.

In addition to producing high-performance and competitively priced battery products made in Japan, we are promoting an electric ship project in which batteries will be mounted on ships to carry electricity generated by the developing offshore wind power industry.

Kyoto Fusioneering Ltd.

This startup company from Kyoto University has the goal of employing nuclear fusion, the world's most powerful energy source, to resolve global issues and provide humanity a new future.



Disclosure based on TCFD Recommendations



Foreword

The J-POWER Group has positioned striking a balance between “stably supplying energy” and “addressing climate change” as its priority management challenge in order to do its part for the realization of a sustainable society. To address this priority challenge, in February 2021, we released the J-POWER “BLUE MISSION 2050” as our action plan aimed at achieving carbon neutrality and a hydrogen society by 2050.

In addition to agreeing with the recommendations formulated by the Task Force on Climate-related Financial Disclosures (TCFD), the J-POWER Group is pursuing the disclosure of information in line with “governance,” “strategy,” “risk management” and “indicators and targets” pertaining to climate change-related risks and opportunities, whose disclosure is recommended by TCFD. The Group also discloses information based on the “Guidance on Indicators, Targets and Transition Plans” released by TCFD in October 2021.

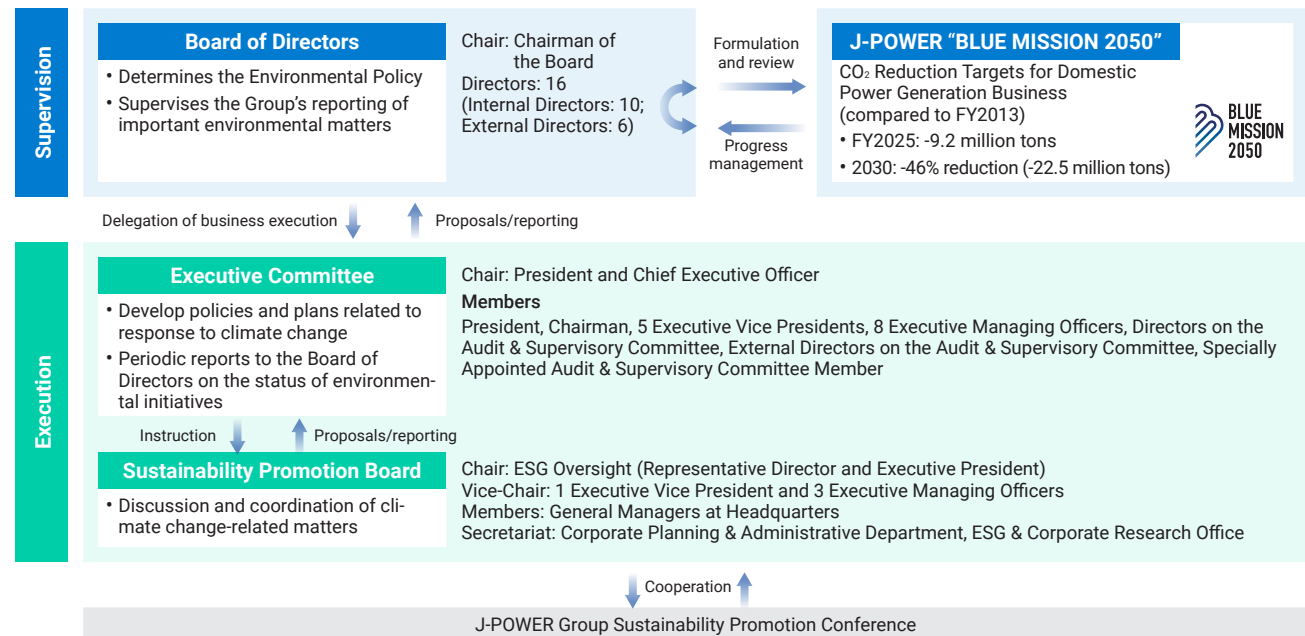
The figures in this scenario analysis have the potential to fluctuate due to various conditions that include the state of operation of power generation facilities and the external environment. As such, they have been simplified and calculated under certain suppositions solely for the purpose of ascertaining the sense of scale of the impact involved.

Governance

The J-POWER Group has identified “response to climate change” as one of its material issues. Important matters pertaining to that issue are determined by the Board of Directors. Additionally, the Group has established a sustainability framework supervised by the head of ESG Oversight (currently the President and Chief Executive Officer), who is appointed by the Board of Directors. In addition to establishing the Sustainability Promotion Board, the Group has also established the J-POWER Group Sustainability Promotion Conference to work towards promoting sustainability, including environment-related initiatives, for the Group as a whole.

The Sustainability Promotion Board convenes three or more times a year to deliberate areas such as strategy, planning and measures related to sustainability in general and risk management. It proposes and reports important matters out of those deliberated to the Board of Directors or the Executive Committee.

Governance framework related to climate change



Disclosure Based on TCFD Recommendations

Governance

Since the establishment of J-POWER “BLUE MISSION 2050” in February 2021, the Board of Directors has been monitoring the progress of initiatives by management, receiving feedback through dialogues with shareholders and other stakeholders, and appropriately identifying changes in the business environment (including policy and international conditions), and discussing updates and revisions to the contents of the plan every year.

Recently, all Board members, including Independent Outside Directors, held several active discussions on whether our 2030 CO₂ reduction target set in February 2021 is at an appropriate level in light of the reduction target of Japan’s NDC, a party to the Paris Agreement.

From the discussions, we decided to raise the 2030 reduction

target (1.3 million tons) in May 2023 based on progress made in expanding mixed combustion of biomass and establishing a joint venture for the social implementation of CCS in Japan, expansion of renewable energy introduction and the actual reduction in CO₂ emissions from coal-fired power generation. Our new 2030 CO₂ reduction target will be a 46% reduction from the fiscal 2013 level, which is in line with the reduction target of Japan’s NDC.

In addition, from the perspective of sustainability management, the Nomination and Compensation Committee, whose chair and majority are Independent Outside Directors, held multiple discussions on the method of evaluating non-financial value from materiality initiatives in the officer compensation system.

Based on the committee’s conclusions, the Board of Directors decided to introduce five materialities as non-financial targets for

the evaluation of performance-linked compensation, including climate change initiatives such as achieving new renewable energy development targets and CO₂ reduction targets.

The Board of Directors of J-POWER will strive to appropriately manage climate change-related risks and prevent damage to corporate value through the realization of J-POWER “BLUE MISSION 2050,” while simultaneously viewing change as an opportunity for sustainable growth and increased corporate value.

Recent matters determined and deliberated with respect to sustainability in the governance framework

Determined by the Board of Directors	<ul style="list-style-type: none"> • Formulation of Basic Policy on Sustainability • Identification of material issues • Setting of interim targets for CO₂ reduction (FY2025) • Raise CO₂ reduction target (2030) • Introduce non-financial targets (materiality) in the evaluation of performance-linked compensation for executives • Feedback by Board of Directors on shareholder proposals regarding climate change
Determined by the President after deliberation by the Executive Committee	<ul style="list-style-type: none"> • Preliminary deliberations on matters proposed by the Board of Directors • Basic Policy on Environment and forecast on targets
Determined by the General Managers after deliberation by Sustainability Promotion Board Committee	<ul style="list-style-type: none"> • Preliminary deliberation of matters to be discussed by the Board of Directors and the Executive Committee • Setting of material issue targets (KPI) • Revision of Sustainability Promotion Regulations

Major recent reports to the Board of Directors related to climate change

- Domestic and overseas trends on climate change issues
- Basic policy regarding Green Transformation (GX) League
- Disclosure policy based on TCFD recommendations
- Actual CO₂ emissions (Scope 1-3)
- Dialogue with external stakeholders regarding climate change
- ESG evaluation
- Progress of ESG-related initiatives

Disclosure Based on TCFD Recommendations

Governance

Officers' Compensation

J-POWER has established a policy for determining details of individual compensation, etc. for Directors (excluding those who serve as members of the Audit & Supervisory Committee) as stipulated in Article 361, Paragraph 7 of the Companies Act, as follows, by resolution of the Board of Directors after the deliberation by the Nomination and Compensation Committee, whose chairperson and majority of members are outside directors. Under this policy, the Representative Director President determines specific details of individual monthly compensation, performance-linked compensation and stock-based compensation for each Director (excluding those who are members of the Audit & Supervisory Committee) based on delegation from the Board of Directors.

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. The Company has established a policy for determining the amount of compensation for each individual Director (excluding those who are members of the Audit & Supervisory Committee) as shown on the right, based on the basic policy of linking compensation to business performance and corporate value as well as providing an incentive for sustained improvement in business performance and an increase in corporate value over the long term.

The compensation structure and payment rate for Directors (excluding those who are members of the Audit & Supervisory Committee) who are not external Directors is set based on the following targets: Fixed monthly salary (annual amount) 70%; performance-linked compensation 20%; and stock-based compensation 10%.

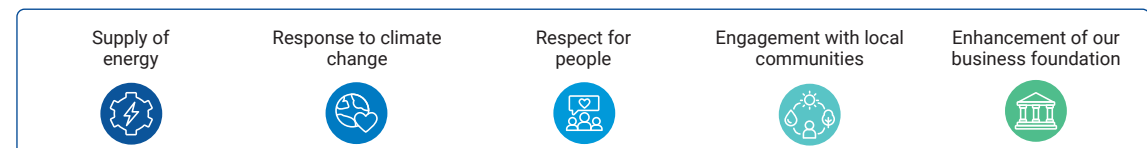
In addition, the Company's five material issues, which are the benchmarks for performance-linked compensation, are supply of energy, response to climate change, respect for people, engagement with local communities, and enhancement of our business foundation. KPIs for addressing climate change include numerical targets for renewable energy development and CO₂ reduction targets.

Officer Compensation System

	Compensation type	Compensation details	Payment percentage estimate	
Fixed Compensation	Fixed Monthly salary	Monthly compensation is a fixed amount of monetary compensation calculated based on position of each Director	70%	70%
	Performance-linked compensation	(1) First Indicator Indicator factor: Level of achievement of consolidated ordinary income Fluctuation range: 0% minimum to 200% maximum (2) Second indicator Indicator factor: KPIs for the material issues comprehensive evaluation* Fluctuation range: 0% minimum to 120% maximum (3) Calculation of amount Factor of first indicator × 90% + factor of second indicator × 10%	20%	30%
Variable compensation	Stock-based compensation	Introduced as an incentive for the Company's long-term growth based on the characteristics of the Company's business content and business development.	10%	

*See p.11-12 of the Integrated Report for details of material issues (KPIs) and results of initiatives.

Material issues



Disclosure Based on TCFD Recommendations

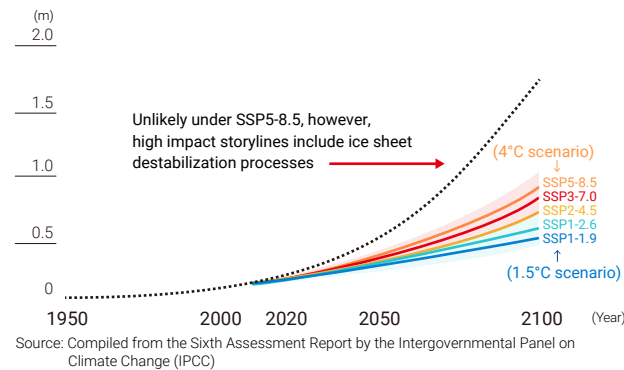
Strategy: Risk and Opportunities

J-POWER endeavors to ascertain the variety of risks and opportunities that arise from environmental issues, and pushes forward with initiatives while consistently verifying risks as it strives to bolster competitiveness. We believe that climate change in particular will require measures in the utilization of new technology and a number of other domains, including measures for addressing regulatory reinforcement by national governments. These factors have the potential to exert considerable impact on J-POWER's business domains as well, which will create business-based risk. However, our view is that the ability to appropriately handle that risk will link to the bolstering of our competitiveness and the acquisition of new business opportunities. We have detailed risks related to climate change based on that view and identified risks with a particularly high degree of

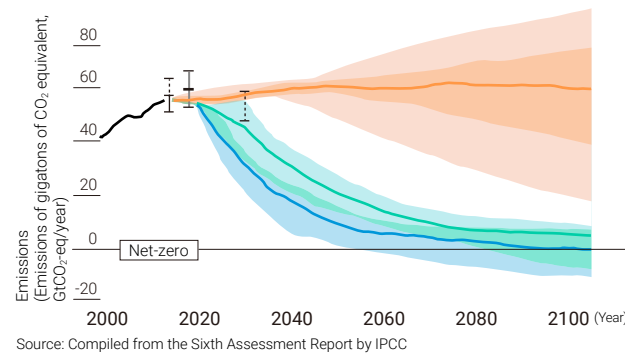
importance after also factoring in that degree of importance and concern on the part of stakeholders.

In our analysis of risk and opportunities, we assumed two cases: one where temperatures rise by 1.5°C and another by 4°C, and conducted analysis for both. In the former case, we assumed that formidable measures and regulations were enacted, and that in Japan as well, the renewable energy ratio grew by a wide margin, and the decarbonization of electric power progressed at a rapid pace. In the case where temperatures rise by 4°C, where it is assumed that global warming countermeasures will not be enforced, it is projected that by the year 2100, the average ground temperature across the globe will rise by at least 4°C, and that average sea levels will rise nearly one meter. There are concerns that if measures to combat climate change are not sufficiently taken, the physical risks of climate disasters in 2050 and beyond in particular will become prominent.

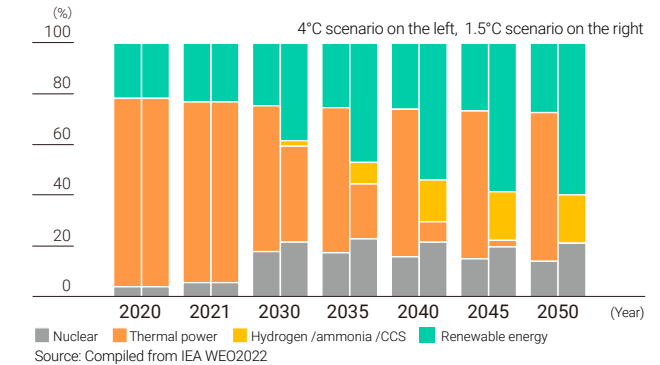
Sea Level Rise by Scenario



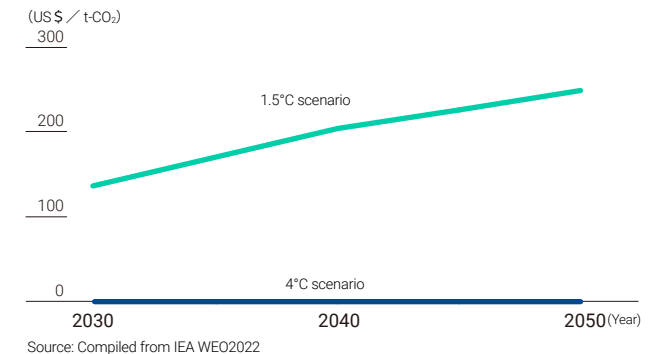
Greenhouse Gas Reduction Pathways by Scenario



Japan's Energy Mix Outlook



Japan's Carbon Price Outlook



Configured scenarios	Reference scenarios	Coverage scope and period	Scenario Description	Results of Scenario Analysis
1.5°C scenario	<ul style="list-style-type: none"> “World Energy Outlook 2022” by the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE Scenario) Sixth Assessment Report by IPCC, etc. 	Japan, 2050 * As each country and region has unique conditions and demands tailored solutions, overseas territories are not included in the scenario analysis.	Scenario in which formidable measures and regulations are enacted, carbon neutrality is achieved by 2050, and the rise in outdoor temperatures is kept to 1.5°C	<ul style="list-style-type: none"> Development of technologies involving hydrogen, ammonia, and other substances will be promoted, and thermal power plants using these substances will continue to operate to some extent. Maximum introduction of CO₂-free power sources such as renewable energy and nuclear power Electrification of the demand side and diffusion of distributed power sources will progress No significant increase in extreme weather events
4°C scenario	<ul style="list-style-type: none"> SSP5-8.5 Scenario of the Sixth Assessment Report by IPCC Current Policies of IEA WEO2019, etc. 		Maximum emission scenario in which climate policies are not introduced due to fossil fuels dependence-based developments	<ul style="list-style-type: none"> Distributed generation becomes widespread, but thermal power plants remain to some extent due to lack of technological alternatives Despite progress in energy conservation and electrification, which are cost-effective with existing technologies, a significant portion of the energy system still relies on fossil fuels

Disclosure Based on TCFD Recommendations

Strategy: Risk and Opportunities (Identify and assess those with significant impact on our business and finances)

	Division	Risk and Opportunity Category	Specific examples from the Company	Timing of occurrence			Response Strategies
				Short Term	Medium term	Long term	
1.5°C Scenario	Transition risk	Policy, legal system and regulation risk	<ul style="list-style-type: none"> Introduction of carbon pricing Regulatory measures aimed at phasing out inefficient coal (Aging thermal book value of 64 billion yen at the end of FY2022) 	●	●	●	<ul style="list-style-type: none"> Introducing internal carbon pricing and utilizing it upon making investment judgments Standard scenario: \$40/t-CO₂ Risk scenario: \$90/t-CO₂ (as of 2030) Competitiveness assessment and phase-out policy development for power plants based on regulatory measures
		Technology risk	<ul style="list-style-type: none"> Transformation of thermal power generation facilities for which CO₂ emission reduction measures are not being taken into stranded assets 		●	●	<ul style="list-style-type: none"> Curtailling or discontinuation of coal-fired thermal power while considering its importance in maintaining a steady energy supply; Progressive adoption and extension of emission reduction strategies including mixed combustion of biomass and ammonia and CCS, etc.; Eventual transition to CO₂-free hydrogen power generation.
		Market risk	<ul style="list-style-type: none"> Changing preference for CO₂-free electricity 		●	●	<ul style="list-style-type: none"> Formation of a balanced power supply portfolio (Hydroelectric, wind, geothermal, solar, nuclear, and CO₂-free hydrogen generation) Accelerate business expansion by leveraging strengths of renewable energy top-runners (No. 2 share of both hydroelectricity and wind power in Japan)
		Evaluation risk	<ul style="list-style-type: none"> Drop in corporate image due to CO₂ emissions Divestment engagement by investors 	●	●	●	<ul style="list-style-type: none"> Steady progress of J-POWER "BLUE MISSION 2050" Enhancement of information disclosure regarding climate change and continuous dialogue with stakeholders
	Opportunities	Resource efficiency	<ul style="list-style-type: none"> Developments in low carbon/decarbonization technology and expansion of opportunities Improvement of existing asset value 	●	●	●	<ul style="list-style-type: none"> Creation of new value through existing assets (upcycling) Short- to medium-term: Promote GENESIS Matsushima Plan and NEXUS Sakuma Plan Initiatives to reduce CO₂ emissions Short- to medium-term: Expanded introduction of biomass, introduction of mixed combustion with ammonia, realization of CCUS Long-term: Development of hydrogen mono-fuel combustion technology, conversion to CO₂-free hydrogen power generation through CCUS
		Energy sources	<ul style="list-style-type: none"> Realization of new businesses pertaining to hydrogen, ammonia, and other energy sources 		●	●	<ul style="list-style-type: none"> Challenges with CO₂-free hydrogen manufacturing and initiatives geared toward supply Australian brown coal hydrogen project, joint examination of green ammonia manufacturing and negative emission hydrogen manufacturing, etc.
		Products and services	<ul style="list-style-type: none"> Increase in revenues due to expansion of renewable energy Provision of services that correspond to consumer and end user needs 	●	●	●	<ul style="list-style-type: none"> Develop more than 1,500 MW of new renewable energy by FY2025 (compared to FY2017) Construction and operation of Ohma Nuclear Power Plant
		Markets	<ul style="list-style-type: none"> Increase in electricity sales due to progress in electrification Growing need for sustainable finance 		●	●	<ul style="list-style-type: none"> Reinforcement of business foundation Allocating investment funds with a view to realizing J-POWER "BLUE MISSION 2050." Strategic investment from FY2023 to FY2030: 700 billion yen Diversification of financing Green bond issuance: 20 billion yen (January 2021) 10 billion yen (January 2022), 17 billion yen (November 2022)
		Resilience	<ul style="list-style-type: none"> Expansion of renewables, decentralized power sources and end user-side businesses Diversification of low-carbon fuels Expansion of opportunities for network development conducive to renewable energy introduction 	●	●	●	<div>Investment result and forecast</div> <div> <div>FY2022</div> <div> </div> </div> <div> <div>FY2023 forecast</div> <div> </div> </div>
4°C Scenario	Physical risk	Acute risk	<ul style="list-style-type: none"> Facility damage caused by extreme weather phenomena such as torrential rain disasters, forest fires, cold waves and heat waves Insufficient supply of water to power plants Negative impact on profit of -240 million yen per day should operation of power generation facilities (thermal power plant: 1,000 MW) be obstructed 		●	●	<ul style="list-style-type: none"> Carrying out revisions of BCP based on updated knowledge as appropriate Water Risk Reduction Response Risk assessment and management utilizing WRI Aqueduct (3.0)*.
		Chronic risk	<ul style="list-style-type: none"> Assumes negative impact on facilities caused by prolonged rises in average outdoor temperatures, changes in rainfall and rises in sea surface <p>*Thermal power generation facilities: 120 billion yen, Hydroelectric power generation facilities: 74 billion yen Thermal: Damage rate from less than 0.5m sea level rise x 0.296 Hydroelectric: Damage rate from flooding x 0.189 multiplied by the current book value of facilities</p>			●	<p>*A global standard assessment tool for water risk developed by the World Resources Institute (WRI).</p>

Short term: Up to 2025 Medium term: 2030 Long term: 2050

Disclosure Based on TCFD Recommendations

Strategy: Scenario analysis toward carbon neutrality in 2050—Japan as a whole

The J-POWER Group performed climate change scenario analysis for Japan as a whole based on the 1.5°C scenario advocated in the Paris Agreement, which pursues efforts to limit the average temperature increase at the end of this century to less than 1.5°C, the level prior to the Industrial Revolution. The 1.5°C scenario dictates that CO₂ emissions must essentially be kept to zero (carbon neutrality) by 2050.

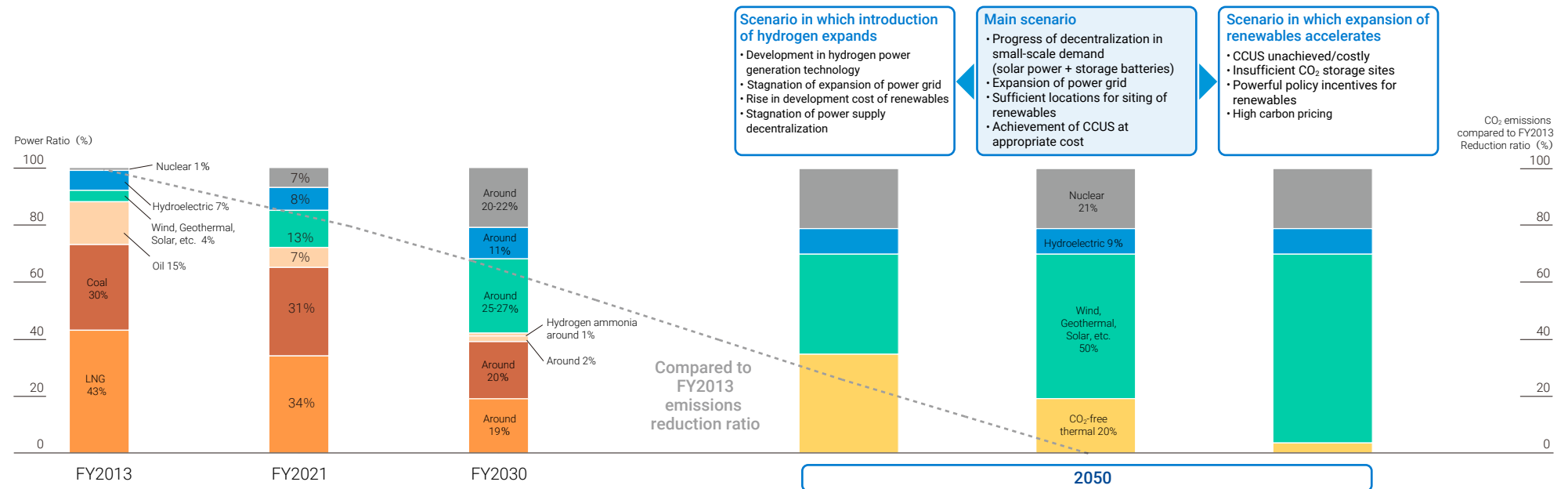
While the IEA's WEO2022 NZE 1.5°C scenario does not lay out the energy mix in 2050 in Japan, which has declared 2050 Net Zero, we have determined that the APS scenario under WEO2022 is close to the NZE scenario, and have therefore adopted this scenario as the main scenario while using the energy mix in 2050

under the APS scenario (JPN) used as a reference. The power source composition for FY2030 is based on the Japanese government's Sixth Strategic Energy Plan.

According to IEA projections, by the year 2050, total variable renewable energy (VRE) as represented by solar and wind power will be 70% of total power in the EU and the U.S. Conversely, in Japan, VRE is projected at 40% and 60% of total renewable energy by 2050, with nuclear power accounting for 20% and the remaining 20% comprised of hydrogen/ammonia and thermal power + CCUS. We believe this is because electric power systems in Japan are interconnected in tandem rather than mesh-shaped like their Western counterparts, leaving them with weak

inter-grid linkage and poor versatility and flexibility. In addition, there are also constraints on the introduction of VRE due to the lack of appropriate sites for it, and therefore from the perspective of stable supply, making it necessary to provide supply regulation power through CO₂ free thermal power generation. Note that the possibility exists that the actual environment in the year 2050 may not take the shape of the assumptions under this main scenario. Given that, we also analyzed scenarios in cases where we modified preconditions related to renewables and thermal energy power generation, which are believed to be areas where the J-POWER Group will be particularly impacted.

Energy mix in Japan



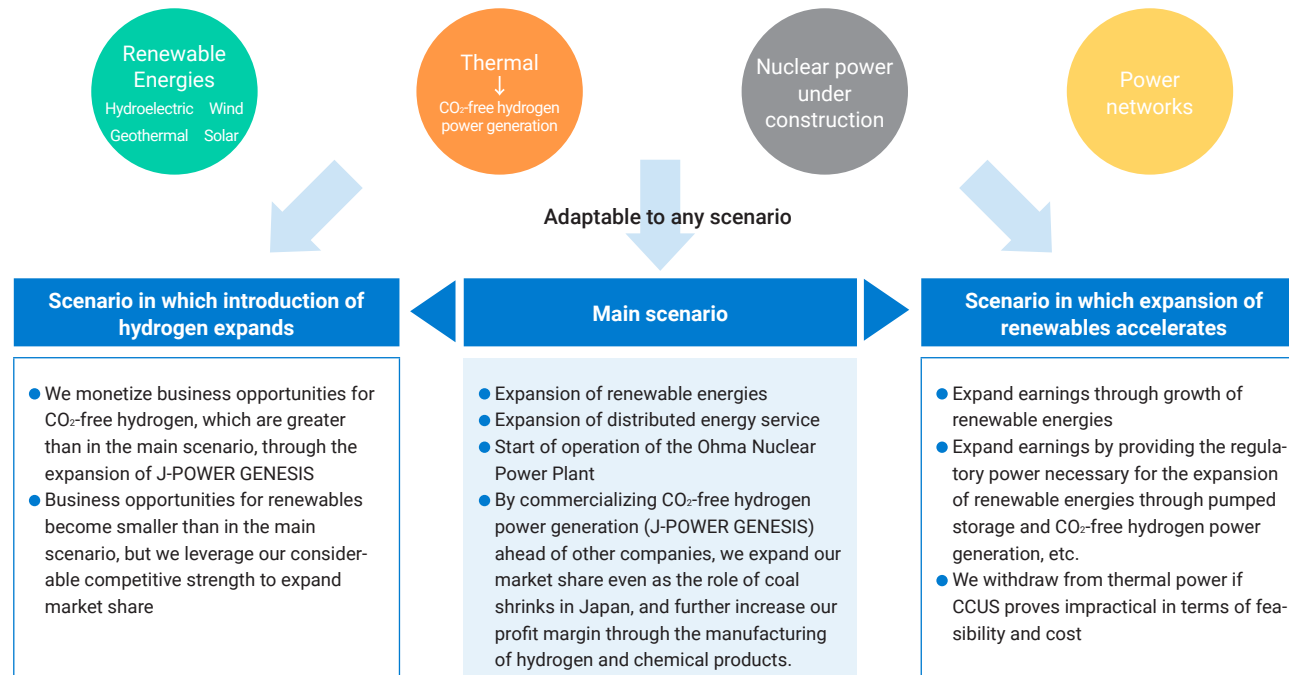
Disclosure Based on TCFD Recommendations

Strategy: Scenario Analysis for Carbon Neutrality in 2050—Our Company

Based on the scenario analysis of Japan as a whole on the previous page, power generators, including the J-POWER Group, will need to focus on developing renewable energy sources to achieve carbon neutrality in 2050, approximately 30 years from now, while also converting coal- and gas-fired power generation to a certain extent to eventually convert to CO₂-free hydrogen from the perspective of stable supply. We believe it to be economically sound to convert to CO₂-free hydrogen by making gradual capital investments (upcycling) in the latest innovations while utilizing existing power plant infrastructure that has already been fully depreciated. We also believe that upcycling is an important means of sustainably using developed renewable energy. The J-POWER Group has formed and operated a well-balanced power source portfolio consisting of renewable energies

(hydroelectricity, wind, geothermal, and solar) and thermal power, and has also accumulated a wealth and wide range of technologies and expertise in nuclear power construction and the development of CO₂-free hydrogen production and generation technologies. Therefore, by accelerating the expansion of renewable energy and flexibly upcycling existing power generation facilities while keeping an eye on the progress of innovation and economic trends, Japan can respond to not only the main scenario of its energy mix in 2050, but also the scenario in which expansion of renewables accelerates and the scenario in which introduction of hydrogen expands.

The extensive and wide-ranging technologies and knowledge of the J-POWER Group



Column

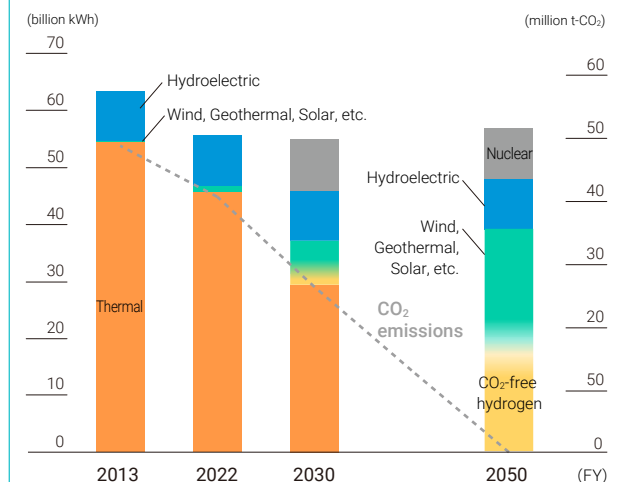
Projected Electricity Generated by J-POWER

Based on our past scenario analysis and our transition strategy, J-POWER "BLUE MISSION 2050,"*1 we have projected the transition of our power generation volume to carbon neutral by 2050 with certain assumptions. In 2022, approximately 80% of the power generated in Japan was thermal power. 2050 will see the expansion of renewable energy,*2 which is a priority for development, as well as the addition of nuclear power generation. We will continue to reduce or eliminate thermal power generation, while taking into consideration its role in ensuring a stable supply. We will gradually introduce and expand measures to reduce CO₂ emissions, such as mixed combustion (biomass and ammonia) and CCS, and eventually convert to CO₂-free hydrogen power generation.

*1 Established in February 2021. Details are on the next page.

*2 Wind power generation is assumed to expand at the same rate its share expands in Japan as a whole under the APS scenario.

J-POWER Electricity Generation Trends and Forecasts



Disclosure Based on TCFD Recommendations

Strategy: Transition plan to achieve goal of carbon neutrality: J-POWER “BLUE MISSION 2050”

Realizing a carbon-neutral, hydrogen society (value provided to society)

We stably supply energy and take efforts against climate change to contribute to our sustainable development in Japan and abroad.

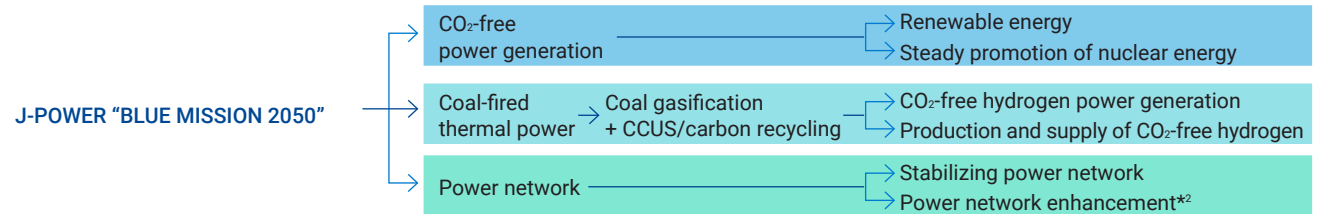
The J-POWER Group has formulated the J-POWER “BLUE MISSION 2050” to accelerate its efforts to issues related to climate change. We are steadily working to achieve a carbon neutral and hydrogen society based on the three pillars of expansion of CO₂-free power sources; production, supply, and generation of CO₂-free hydrogen; and stabilization and enhancement of the electric power network.

J-POWER has been engaged in hydroelectric, thermal, wind, and geothermal power generation, transmission, and substation projects with the mission of “meeting people’s needs for energy without fail, and playing our part in the sustainable development of Japan and the rest of the world.” To achieve our mission, we aim to further develop the comprehensive technical capabilities and balanced portfolio that we have cultivated over the years, and will approach our work from various angles.

With an eye toward 2050, we will take on the challenge of incrementally achieving carbon neutrality in our power generation business. As a milestone, we aim to reduce CO₂ emissions by 9.2 million tons in 2025 and 46% in 2030 compared to the FY2013 level.

* For J-POWER “BLUE MISSION 2050,” see p.18.

The three pillars of J-POWER “BLUE MISSION 2050”



J-POWER “BLUE MISSION 2050” Roadmap

CO₂ reduction target from domestic power generation business CO₂ emissions (compared to FY2013)

		-9.2 million tons ^{*1}	-22.5 million tons -46% ^{*1}	Realization of carbon neutrality Net-zero emissions		
		2020	2025	2030	2040	2050
Expansion of CO ₂ -free power sources	Renewable energy	New developments on the scale of 1,500 MW globally		Additional new developments, upcycling of existing facilities		
	Nuclear power	Construction and start of operations at Ohma Nuclear Power Station				
Zero-emission power sources	Domestic coal-fired power	Gradual phase-out of aging power plants, coupled with CO ₂ reduction initiatives (Expansion of mixed combustion with biomass, introduction of mixed combustion with ammonia, etc.)				
	CCS	Development of business environment, design and construction of facilities		CO ₂ injection and storage		CO ₂ -free hydrogen power generation
	Hydrogen power generation	Demonstration tests in Japan	Upcycling (adding gasifiers to existing assets)			
	Fuel production (CO ₂ -free hydrogen)	Demonstration tests overseas	Utilization in other industries			
Power network stabilization and enhancement	Stabilization	Upscaling hydroelectric power, J-POWER GENESIS, and distributed energy services				
	Enhancement ^{*2}	Completion of the New Sakuma Frequency Converter Station, etc.		Contribution to power network enhancement		

*1 Compared to the three-year average results for FY2017-2019, 2025 target: 7 million ton reduction, 2030 target: 44%/20.3 million ton reduction

*2 Strengthening the power network is an initiative of J-POWER Transmission Network Co., Ltd.

Disclosure Based on TCFD Recommendations

Strategy: J-POWER 2030 Scenario Analysis—Our Company

As part of our J-POWER “BLUE MISSION 2050,” we have set a milestone of a 46% reduction in CO₂ emissions by 2030 and a goal of becoming carbon neutral by 2050. The NDC (Nationally Determined Contribution) made by Japan in accordance with the Paris Agreement is compatible with this. The financial impacts and specific initiatives for a 46% reduction are estimated by the 2030 scenario analysis.

By curtailing the use of thermal power, mixed combustion of

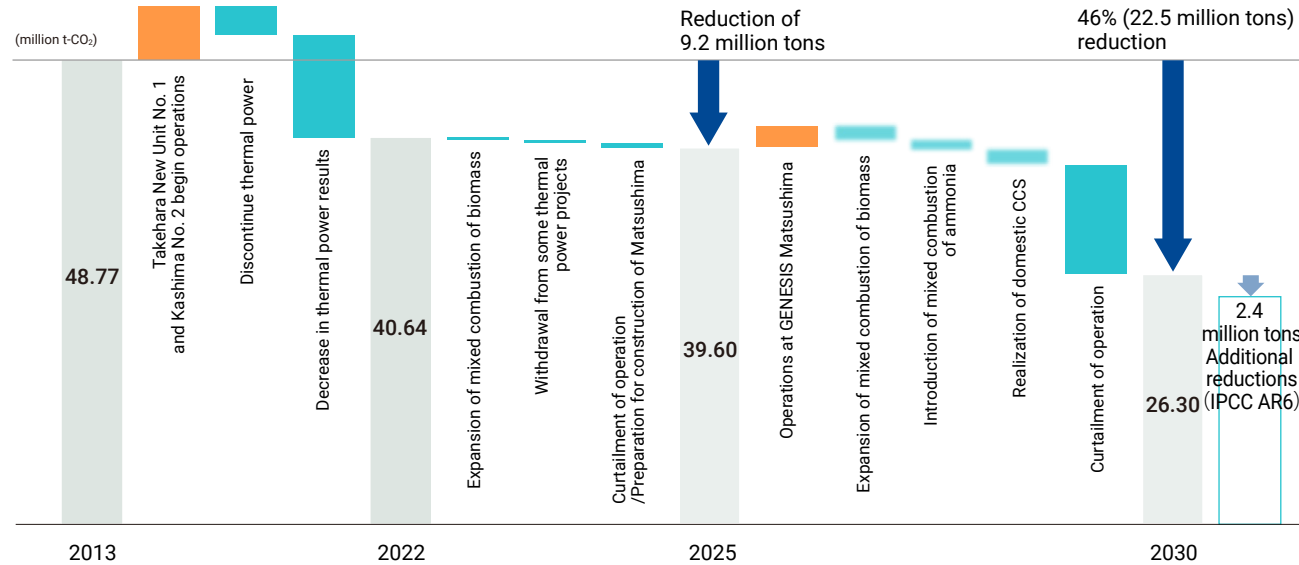
biomass/ammonia, upcycling existing facilities, and implementing CCS in Japan, we will gradually reach our CO₂ reduction goal by 2030. On the following page, the results of our financial analysis of scenarios based on our reduction targets are shown. We will work to offset the effects of the decrease in thermal power sales through our efforts to increase renewable energy in order to reduce the financial burden of our response to climate change.

We have established a goal for the growth of renewable energy

of over 1,500 MW of new development (compared to FY2017) by FY2025.

While J-POWER will not immediately reduce its own GHG emissions if it develops a CO₂-free power source like renewable energy, it will replace other thermal power sources in Japan as a whole and help the country lower its CO₂ emissions overall. By 2030, we predict that our CO₂-free power sources will have contributed more to reducing emissions than they did in 2022, about 4.6 million tons—roughly 11 million tons.

Initiatives to achieve CO₂ reduction targets



Our CO₂-free power sources contribute to CO₂ reduction in Japan nationwide

	FY2022	FY2030	Calculation Formula
Hydroelectric power	4.0 million t-CO ₂	4.2 million t-CO ₂	Power generation capacity × Annual operating hours × Facility utilization rate × Emission factor t-CO ₂ /MWh
Wind power	0.45 million t-CO ₂	2.5 million t-CO ₂	
Geothermal power	0.07 million t-CO ₂	0.12 million t-CO ₂	
Solar power	—	0.02 million t-CO ₂	
Nuclear Power	—	4.15 million t-CO ₂	

Further GHG emission reductions in accordance with the IPCC Sixth Assessment Report (AR6)

Moreover, GHG emissions for the 1.5°C emission scenario outlined in the IPCC AR6 were examined.

The global pathway predicted by the IPCC AR6 is 43% below 2019 levels for 2030 reductions and 60% below levels for 2035 reductions, which would limit warming to 1.5°C (>50%) with no or limited overshoot. When our emissions are matched with the emission target for 2030, it will take an extra 2.4 million tons of reduction to reach the emission target for Japan as a whole, which is comparable to a reduction of nearly 51% from the 2013 level.

IPCC Sixth Assessment Report

2030 43% reduction*, 2035 60% reduction (compared to 2019)

*Equivalent to 51% reduction (compared to FY2013) in Japan's NDC
Converted to our “BLUE MISSION 2050”

2030 24.9 million ton reduction (compared to FY2013) (an additional reduction of 2.4 million tons)

Disclosure Based on TCFD Recommendations

Strategy: 2030 Scenario Analysis—Estimated Financial Impact

As a result of several steps—the implementation of carbon pricing, support for the development and introduction of CO₂ emission reduction measures, and more—to reach carbon neutrality in 2050, it is anticipated that Japan's energy costs would rise in the future. Although the financial effect estimates that follow contain information that will result in higher expenses, we will work to control rising energy bills using methods that are economically sound.

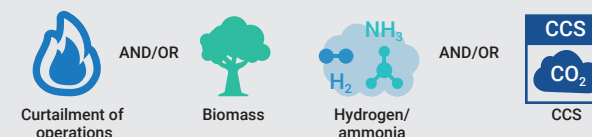
Financial impact in 2030: According to our reduction target (46% reduction; reduction of 22.5 million tons)

	Factors	Calculation details	Impact in value
Thermal power	Decrease in quantities of electric power sales from thermal power	• An estimated 40% decrease in electricity sales, mainly due to the closure of inefficient coal-fired thermal power plants, will decrease ordinary profit by approximately 10 billion yen.	Decrease in profits of approx. 10 billion yen
	Carbon pricing	• Assuming a carbon price of 700–3,000 yen/t and calculating the carbon tax for the 26.3 million tons of emissions we expect to produce in 2030, we estimate an increase in cost of 18 billion yen – 79 billion yen. However, due to the rise in revenue from the non-fossil value of CO ₂ -free power sources and the potential for part of the cost to be passed on to energy rates, predicting the precise impact is challenging. (Calculated based on a non-fossil value of 0.3–1.3 yen/kWh and an average JEPX intensity of 0.445 kg/kWh in FY2022)	—
	Biomass/ammonia mixed combustion	<ul style="list-style-type: none"> Aiming to expand the introduction of mixed combustion of ammonia and biomass in coal-fired power plants. Regarding CCUS, we will take the lead in the feasibility study of domestic CCS and endeavor to begin injection and storage in 2030. Compared to the increased cost of carbon pricing, measures that can be taken below carbon pricing are economical. Assuming that 6% of CO₂ emissions (about 3 million tons) are reduced by low-carbon technologies, the cost increase is expected to be 12 billion yen – 54 billion yen. However, policy support such as the Long-Term Decarbonization Power Source Auction, and first mover support will be used to reduce the impact amount. (Mixed combustion of ammonia and biomass: estimated to be 1.5 to 3 yen/kWh higher than coal-firing) (CCS: Estimated at 10,800 yen/t CO ₂ as estimated by the CCS Long-Term Roadmap Study Group)	—
	Introduction of CCUS		
	GENESIS Matsushima Plan	<ul style="list-style-type: none"> By adding gasification facilities and other equipment to the existing Matsushima Thermal Power Plant and “upcycling” it, we aim to reduce CO₂ emissions by 10% as soon as possible while contributing to a stable supply. We will pursue CO₂-free hydrogen power generation in the future. Use the Long-Term Decarbonization Power Source Auction to recoup capital expenditures and other fixed costs. 	0
	Reduction in coal-fired thermal power repair expenses and renewal investment	<ul style="list-style-type: none"> Constraining repair expenses and renewal investment for coal-fired thermal power plants prior to constraint of operations anticipated from 2030. Actual repair costs for, as well as investments to replace, coal-fired thermal power will require about 45 billion yen per year, while investment for renewal will require about 20 billion yen per year, though some reductions are possible. 	+α
CO ₂ -free power sources	Expansion of revenues for renewable energy Wind power	<ul style="list-style-type: none"> As of March 31, 2022, the total output of wind power plants in operation and such plants on which we launched research for construction is expected to increase by approximately 1.6 million kW from FY2017. Electric power generated in cases where all operations for wind power generation that have yet to enter operation is expected to commence in 2030 will come to approximately 3.5 billion kWh. The incremental revenue is calculated based on the premise of the existing profitability of FIT power sources. 	Increase in profits of approx. 10 billion yen
	Expansion of revenues for renewable energy Hydroelectric	• If all non-fossil value is sold, there is a sales potential (0.3-1.3 yen/kWh) of 3–13 billion yen, although it is challenging to predict a precise impact level due to carbon pricing and other considerations.	—
	Ohma Nuclear Power Station (Under construction)	• As the project is currently being evaluated based on the new regulatory criteria, the financial impact has not been considered in the financial impact estimation.	—

If aligned with the 1.5°C target of the IPCC Sixth Assessment Report (+2.4 million tons reduction)

Additional measures for approximately 500 MW of coal-fired thermal power are needed

Although costs are expected to increase by about 10–44 billion yen, we will try to reduce the impact by making maximum use of an optimal combination of options, policy support, etc.



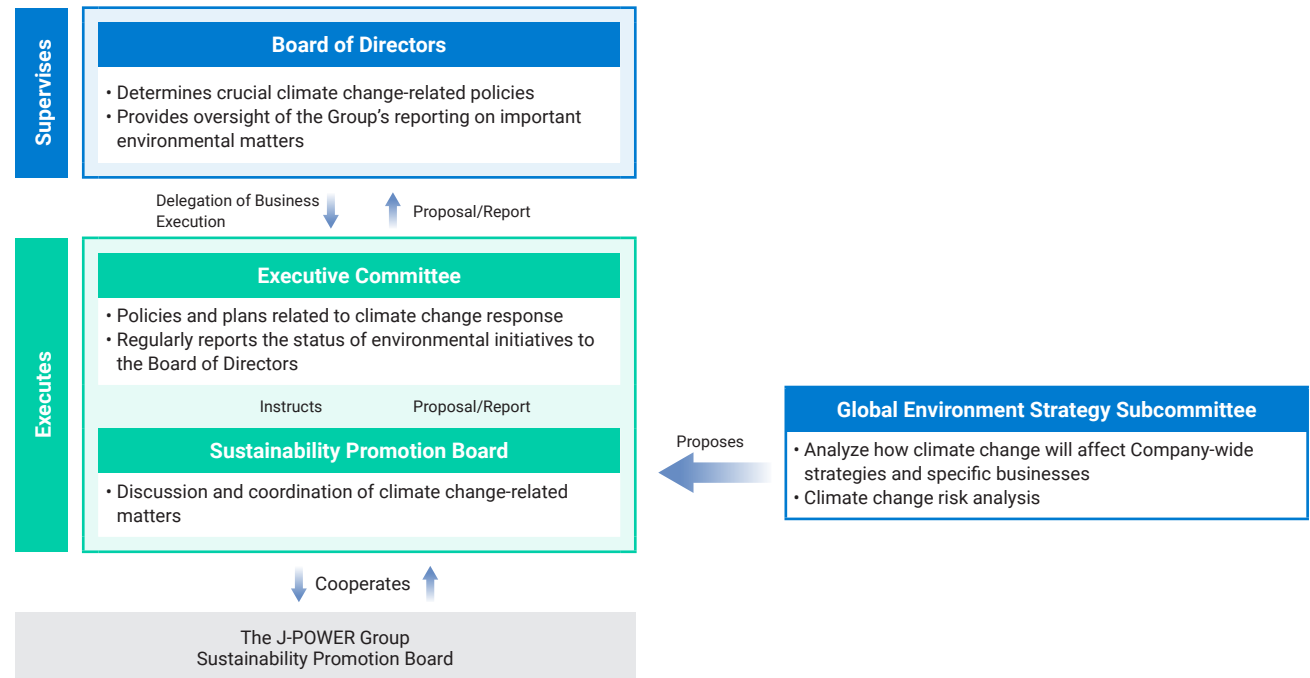
Disclosure Based on TCFD Recommendations

Risk Management

We assess numerous risks related to our Company activities in order to uphold and enhance our financial stability and corporate value. The Sustainability Promotion Board analyzes and assesses sustainability issues, including climate change, and discusses mitigation strategies.

Under the Sustainability Promotion Board, the Global Environmental Strategy Subcommittee has been established as a promotion structure to evaluate climate change threats, hold discussions there, and make recommendations or reports to the Executive Committee and Board of Directors.

The Board of Directors works to identify risks, including those related to ESG and sustainability, at an early stage by receiving regular reports on the status of business execution and by ensuring mutual checks and balances in the internal decision-making process, discussions at various meetings, and the creation of a crisis management system in accordance with internal regulations. In addition, we are aiming to reduce the effect of losses when they occur while fully understanding and minimizing risks in the execution of company activities, including ESG and sustainability risks.



Greenhouse gas (GHG) Emissions

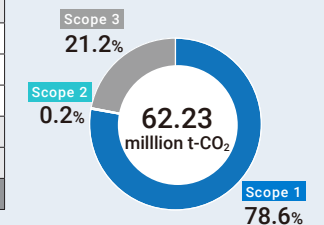
In order to increase the accuracy of the greenhouse gas emission data given in this Integrated Report, the J-POWER Group underwent third-party verification of the appropriateness of the calculation technique and the scope of computation.

Data for FY2022 GHG emissions denoted by a ★ is subject to third-party certification. For more details, see p.102.

GHG Emissions 3-year Results

	Unit	FY2020	FY2021	FY2022★
Scope 1	million t-CO ₂	53.58	47.95	48.91
Domestic Electric Power Generation Business		45.38	41.62	40.64
Overseas Electric Power Generation Business		5.36	4.90	7.94
Other Business		2.84	1.42	0.33
Scope 2 (Location Criteria)		0.13	0.14	0.15
Scope 3		15.27	13.60	13.17
Total		68.98	61.68	62.23

FY2022 Breakdown by Scope



Scope 1 : Direct greenhouse gas emissions by business operators themselves (burning fuel and industrial processes) **Scope 2** : Indirect emissions accompanying use of electricity and heat/steam from other companies **Scope 3** : Indirect emissions other than Scope 1 and Scope 2 (emissions by other companies related to the activities of the business)

Disclosure Based on TCFD Recommendations

Indicators and Targets

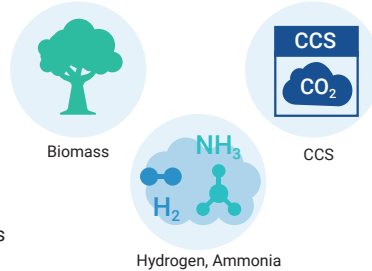
Targets

Promotion of zero emissions from power sources

Indicators

- (1) FY2025: Reductions of **9.2 million tons*** of emissions from domestic power generation business
- (2) 2030: Reductions of **46%** (22.5 million tons)* of emissions from domestic power generation business

*Compared to FY2013



(1) FY2025: Reductions of 9.2 million tons of emissions from domestic power generation business

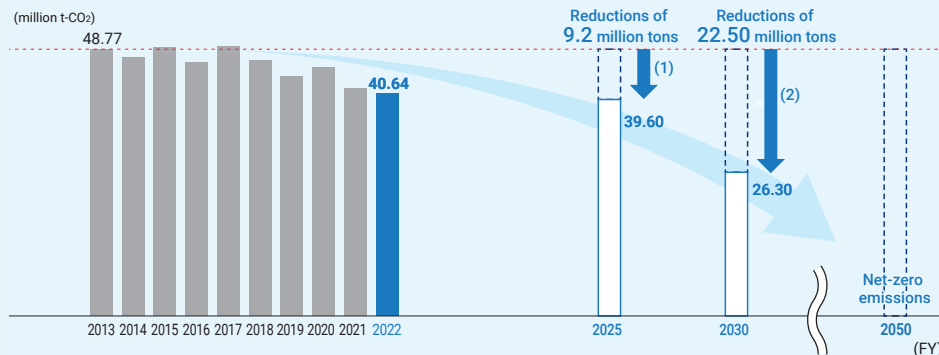
- Decrease in power generated by Matsushima Thermal Power Plant due to the construction of GENESIS Matsushima
- Expansion of mixed combustion with biomass (10% by weight mixed-combustion at the Takehara Thermal Power Plant New Unit No. 1)
- Curtailing the operation of aging coal-fired thermal power plants (Takasago and Takehara Unit No. 3)

(2) 2030: Reductions of 46% (22.5 million tons) of emissions from domestic power generation business

- Expansion of mixed combustion with biomass
- Introduction of mixed combustion with ammonia
- Realization of CCS in Japan
- Curtailing the operation or abolition of aging coal-fired thermal power plants

* Book value of aged coal-fired thermal power plants is approximately 64 billion yen.

Movements in CO₂ emissions in domestic power generation business



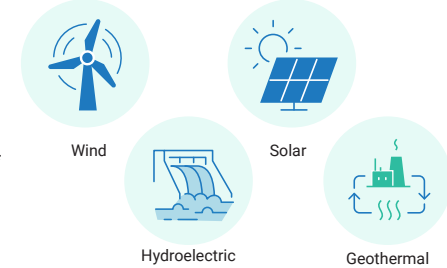
Targets

Expansion of CO₂-free power sources

Indicators

New development of **1.5 million kW** by FY2025*

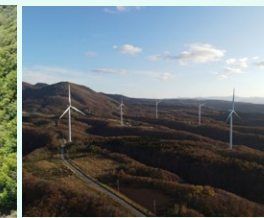
*compared to FY2017



Major CO₂-free power sources in operation (since FY2022)



Hokkaido- Shinkatsurazawa Power Plant (Hydroelectric)
Owned capacity: 16.8 MW

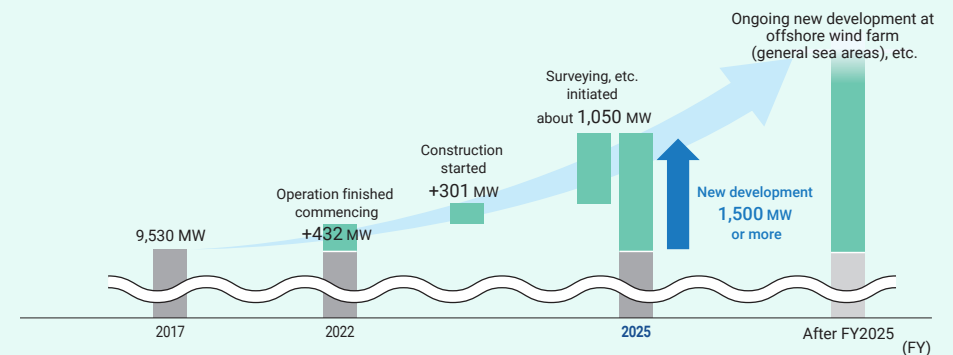


Hokkaido- Esashi Wind Farm
Owned capacity: 14.7 MW



Miyagi- Onikobe Geothermal Power Plant
Owned capacity: 14.9 MW

Renewable energy development transition




J-POWER Group’s Sustainability Initiatives

Basic Policy on Sustainability

Under our Corporate Philosophy of “We will meet people’s needs for energy without fail, and play our part in the sustainable development of Japan and the rest of the world,” we, the J-POWER Group, will realize a prosperous society through our business activities both in Japan and the world, based on a relationship of trust with our stakeholders.

In accordance with the Basic Policy on Sustainability, J-POWER has established individual basic policies regarding ESG and is promoting initiatives in these areas.


[J-POWER website](#)

E (Environment)

J-POWER Group Basic Environmental Policy

S (Society)

J-POWER Group Basic Policy on Human Rights

G (Governance)

Basic Policy on Corporate Governance

Relationship between Sustainability and Improving Corporate Value

The J-POWER Group’s corporate philosophy aims to solve social issues through the enhancement of corporate value, which is sustainability in and of itself. Among various social issues, the Group has identified five material issues: supply of energy, response to climate change, respect for people, engagement with local communities, and enhancement of our business foundation, and we have set specific goals (KPIs) for each. The initiatives set to achieve the KPIs are closely related to the actions and management strategies laid out in the Mid-Term Management Plan. We will contribute to the continuous enhancement of our corporate value and the advancement of sustainability of society as a whole by achieving our KPIs while enhancing our financial value.


[p.10 J-POWER Group’s Material Issues](#)


[p.11 Progress Toward KPIs for Material Issues](#)

Sustainability Promotion Structures

Because the promotion of sustainability is directly related to the J-POWER Group’s management strategy and management issues, our important matters regarding sustainability, including our Basic Policy on Sustainability and material issues, are decided by the Board of Directors after discussions at the Executive Committee.

Specific measures are discussed and promoted by the Sustainability Promotion Board, headed by the ESG General Manager (President), in cooperation with Group companies.

Sustainability Promotion Board and Monitoring

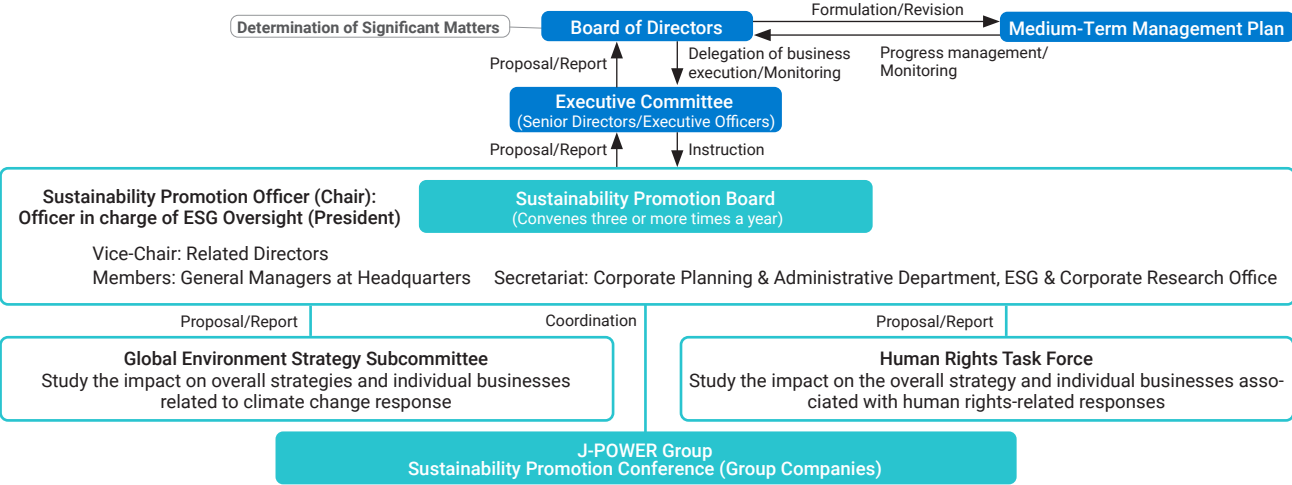
The Sustainability Promotion Board convenes at least three times a year to discuss the drafting of policies to be submitted and reported to the Board of Directors and the Executive Committee. It is also tasked with formulating plans and reviews measures based on policies, risk management, and other matters. In addition, the person in charge of sustainability promotion regularly reports the contents of those deliberations to the Executive Committee and the Board of Directors to allow them to monitor the status of initiatives and reflect them in management and business plans.

Recently determined and deliberated matters

Determined by the Board of Directors	<ul style="list-style-type: none"> Formulation of Basic Policy on Sustainability Identification of material issues Introduction of non-financial targets (material issues) to the evaluation of performance-linked remuneration for executives Raise CO₂ reduction target (2030) Revision of rules and regulations in accordance with the transition to a company with an Audit & Supervisory Committee
Matters reported to Board of Directors	<ul style="list-style-type: none"> Status of dialogue with external stakeholders regarding climate change Status of dialogue with institutional and individual investors Status of ESG initiatives and evaluation by external organizations Report on internal audit results
Determined (by the President) after deliberation by the Executive Committee	<ul style="list-style-type: none"> Basic Policy on Environment and forecast on targets Formulation of a Human Rights Basic Policy
Determined (by General Managers) after deliberation by Sustainability Promotion Board	<ul style="list-style-type: none"> Setting of material issue targets (KPI) Revision of Sustainability Promotion Regulations

 p.45 Disclosure Based on TCFD Recommendations (Governance)

Sustainability Promotion Structures






J-POWER Group's Sustainability Initiatives

Dialogue with stakeholders

We disclose information and engage in dialogue with a variety of stakeholders, including local residents, individual investors, institutional investors and NGOs. The opinions we receive, as well as the expectations and requests of society and the stock market, are shared with our management team and utilized in our sustainability promotion and business operations.

Main Initiatives

Stakeholders	Initiative Examples
Local communities	Briefing sessions on environmental impact assessment procedures Holding events such as tours of our power plants Participating in community activities Organizing energy and environmental education events and collaborating with educational institutions
Individual Shareholders, Institutional Investors, Analysts	Disclosure of information on websites, etc. Holding financial results briefings and individual meetings on IR and ESG Holding facility tours
Employees	Executives conduct dialogues with labor unions and visit business sites Conducting employee surveys Dissemination of information via company newsletter, intranet and other methods
Other	Meetings with NGOs on topics such as climate change response

 p.64 Local Community Engagement
 p.74 Employee Engagement
 p.81 Relationship with Shareholders and Investors

Inclusion in ESG Indexes

Our sustainability initiatives have been greatly acknowledged by the outside world, resulting in the Company's inclusion in the following three FTSE Russell ESG indexes as of Jun 2023. In addition, since FY2022, J-POWER has also been included in components of the MSCI Japan ESG Select Leaders Index.



*FTSE Blossom Japan Index Series
 (https://www.ftserussell.com/products/indices/blossom-japan)

External evaluation of communication and disclosure

• IR Activities

The J-POWER Group is making every effort to improve its information disclosure through its integrated report and website. As well as being selected for five consecutive years as a Most-Improved Integrated Report by the Government Pension Investment Fund (GPIF) in FY2022, J-POWER was also nominated for an "excellent integrated report" by the GPIF's domestic equity management organization.

• E (Environment)

In its efforts to enhance climate change-related information disclosure, the Group's Integrated Report has included analysis of climate change scenarios in line with TCFD recommendations since FY2019. Our scenario analysis for FY2022 was selected as an "Excellent TCFD Disclosure" by the GPIF's domestic equity managers. Additionally, the analysis was included in a case study* published by the Ministry of the Environment as an example of disclosure of analysis across multiple fiscal years and conditions and quantitative estimation of financial impacts.

*Practical Guide for Scenario Analysis in line with the TCFD recommendations 2022
<https://www.env.go.jp/content/000120602.pdf>

Surveys on climate change and water security provided by the CDP were undertaken, and the results for FY2022 follow.

CDP Scores



Response Year	FY2020	FY2021	FY2022
Climate change	B	B	B
Water security	—*	B-	B

*Results on water security are from FY2021.

• S (Social)

J-POWER was selected under the large enterprise category of the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program conducted by Nippon Kenko Kaigi and the Ministry of Economy, Trade and Industry. We have also been granted the Ministry of Health, Labour and Welfare's special next-generation "Platinum Kurumin" certification mark for companies that support childcare.



 p.74 Realizing of Diverse Work Styles
 p.75 Occupational Health and Safety

Signing of the UN Global Compact

In April 2021, J-POWER became a signatory to the UN Global Compact (UNGC), a voluntary initiative undertaken by companies and organizations that act as good members of society and participate in the creation of a global framework for sustainable growth by demonstrating responsible and creative leadership. We are further strengthening our efforts in regard to the Ten Principles of the UN Global Compact, which focus on the four areas of human rights, labor, environment and anti-corruption, as they align with our Corporate Philosophy and policies.





J-POWER Group and the Environment

- As a Company involved in the supply of energy, the J-POWER Group contributes to the sustainable development of Japan and the world while seeking harmony with the environment.

J-POWER Group Environmental Basic Policy

Addressing Climate Change	Work on realizing carbon neutrality using our experience and technology to provide a constant energy supply and bring about a sustainable society.
Addressing Local Environment Issues	Seek to operate in harmony with local environments by adopting measures to reduce the environmental impact of our operations while working to save, recycle, and reuse resources in order to limit waste.
Ensuring Transparency and Reliability	Ensure that our business activities comply with all applicable laws and regulations, disclose a wide range of environmental information, and enhance communication with stakeholders.

J-POWER Group Environmental Targets

* Reflects changes in the underlined base year and 2030 targets, in line with the Progress of J-POWER Medium-Term Management Plan released in May 2023.

Addressing Climate Change	<ul style="list-style-type: none"> Accelerating the development of CO₂-free power sources Reducing greenhouse gas (GHG) emissions 	<ul style="list-style-type: none"> Development of more than 1,500 MW by FY2025 Promotion of the Ohma Nuclear Power Plant Project with safety as a major prerequisite 9.20 million ton CO₂ reduction from domestic power generation business by FY2025 (compared to FY2013 results) 22.5 million ton CO₂ reduction from domestic power generation projects by 2030 (46% decrease) (compared to FY2013 results) Achieve the benchmark for thermal power generation under the Act on Rationalizing Energy Use by FY2030
Addressing Local Environment Issues	<ul style="list-style-type: none"> Creation of a recycling-oriented society Biodiversity conservation Protecting aquatic environments 	<ul style="list-style-type: none"> Effective utilization rate of industrial waste: Approx. 97% Reduction of waste plastic emissions and recycling of resources Consideration for biodiversity conservation in business activities Consideration for the conservation of river and aquatic environments in business activities
Ensuring Transparency and Reliability	<ul style="list-style-type: none"> Improving the environmental management level Full compliance with environmental laws and agreements Environmental communication activities 	<ul style="list-style-type: none"> Continuous improvement of EMS Zero serious violations of environmental laws and agreements Environmental communication activities in local communities and within the Company

J-POWER Group Environmental Action Guidelines

Issues that the J-POWER Group should address, and main details of initiatives (For details, see J-POWER Group Integrated Report 2023 Supplementary Material: Environment.)

J-POWER Group Divisional Environmental Targets

Each department sets and works on its own targets, taking into consideration the J-POWER Group Environmental Targets and Environmental Action Guidelines.

J-POWER Group Environmental Targets and Results



Response to
climate change



Engagement with
local communities

Addressing Climate Change

	Target	Main Achievements in FY2022	Evaluation
Accelerating the development of CO ₂ -free power sources	Development of more than 1,500 MW by FY2025	<ul style="list-style-type: none"> Since April 2022, 271 MW including Shinkatsurazawa Power Station and Esashi Wind Power Plant have started commercial operation, bringing the total renewable energy sources that have started operation since FY2017 to 432 MW. Breakdown: Onshore wind: 151 MW, offshore wind: 214 MW, hydroelectricity: 29 MW, geothermal: 38 MW, solar: 0.5 MW *Part of the above includes results for April 2023. Projects that have already started construction: 301 MW (cumulative total since FY2017) Breakdown: Onshore wind: 181 MW, offshore wind: 88 MW, hydroelectricity: 25 MW, geothermal: 2 MW, solar: 6 MW Projects under investigation, etc.: Approximately 1,050 MW Breakdown: Onshore wind: Approximately 900 MW, offshore wind: under investigation, hydroelectricity: 13 MW, geothermal: under investigation, solar: 132 MW 	Ongoing
	Promotion of the Ohma Nuclear Power Plant Project with safety as a major prerequisite	<ul style="list-style-type: none"> For the Ohma Nuclear Power Plant Project, we carried out studies for safety enhancement measures and responded to the review of compliance with the new safety standards. In addition, we implemented initiatives to gain the understanding and trust of the local community. 	Ongoing
Reducing greenhouse gas (GHG) emissions	From domestic power generation projects by 2025 CO ₂ emissions -9.2 million tons	<ul style="list-style-type: none"> The GENESIS Matsushima Project, the first step toward CO₂-free hydrogen power generation, has been undergoing environmental impact assessment procedures since September 2021 to add a coal gasification facility to the existing power plant. Withdrawal from three thermal power projects (Ichihara, Shinminato, and Itoigawa), expansion of mixed combustion of biomass (Takehara Thermal Power Plant New Unit No.1), and consideration of curbing operation of aging coal-fired power plants are underway. 	Ongoing
	By 2030, from domestic power generation projects CO ₂ emissions from domestic power generation projects by 2030: -22.5 million tons (-46%)* ¹ (compared to FY2013 results)	<ul style="list-style-type: none"> We are working to expand mixed combustion of biomass, introduce mixed combustion of ammonia, achieve domestic CCS, and study ways to curtail or eliminate the operation of aging coal-fired power plants. CO₂ emissions in FY2022: 40.64 million tons (reduction of 8.13 million tons from FY 2013) 	Ongoing
	Achieve the thermal power generation benchmark under the Act on Rationalizing Energy Use by FY2030	<p>In order to achieve the FY2030 benchmark, we are maintaining high-efficiency operations at existing thermal power plants while exploring means to expand biomass generation and develop practical applications for mixed combustion of ammonia.</p> <p>FY2022 results: Coal-fired power supply industry 39.42%</p>	Ongoing

1. In the Progress of J-POWER Medium-Term Management Plan released on May 10, 2023, the base year for the CO₂ emissions reduction target was changed from the three-year average for FY2017-2019 to the actual results for FY2013. In addition, we have raised our 2030 CO₂ emissions reduction target by 1.3 million tons. These are also reflected in this environmental target. Compared to the three-year average results for FY2017-2019, the FY2025 target is -7.0 million tons, and the FY2030 target is -44% / -20.3 million tons.

J-POWER Group Environmental Targets and Results



Response to climate change



Engagement with local communities

Addressing Local Environment Issues

🏆 Not yet achieved 🏆🏆 Mostly achieved 🏆🏆🏆 Target achieved

	Target	Main Achievements in FY2022	Evaluation
Creation of a recycling-oriented society	Effective utilization rate of industrial waste Around 97%	96.2% We worked to reduce industrial waste generated from the maintenance and operation of power plants and to effectively utilize coal ash, which accounts for the majority of waste.	🏆🏆
	Reduction of waste plastic emissions and recycling of resources	We have been monitoring the status of waste plastic emissions and recycling, etc., and have worked to control emissions and promote recycling, etc., through thorough separation of waste plastics and review of their treatment.	🏆🏆🏆
Biodiversity conservation	Consideration for biodiversity conservation in business activities	We have made efforts toward the conservation of rare species of plants and animals out of consideration for biodiversity from the planning stage of construction projects by avoiding the alteration of their habitats and environments of as much as possible (or transplanting rare plants if such alteration cannot be avoided).	🏆🏆🏆
Protecting aquatic environments	Consideration for the conservation of river and aquatic environments in business activities	At operating power generation facilities that are involved with rivers, we implemented measures for the protection of the river environment appropriate to the conditions at each location. We have abided by environmental preservation agreements, among other things, and correctly controlled water discharged into marine regions while operating power plants close to marine areas.	🏆🏆

Ensuring Transparency and Reliability

	Target	Main Achievements in FY2022	Evaluation
Improvement of environmental management level	Continuous improvement of EMS	We implemented the PDCA cycle consistently and worked to raise the level of environmental management.	🏆🏆🏆
Full compliance with environmental laws and agreements	Zero serious violations of environmental laws and agreements	No serious violations were found as a result of our efforts to ensure compliance with environmental laws and regulations. We will continue to ensure thorough compliance with environmental laws and regulations throughout the Group.	🏆🏆
Environmental communication activities	Environmental communication activities in local communities and within the Company	We have enhanced environmental communication with local communities through community cleanups and other environmental preservation activities. We also enhanced environmental communication within the company through environmental information exchange meetings and environmental education.	🏆🏆

Climate Change

Addressing Climate Change

The J-POWER Group's main businesses are its domestic and overseas electric power generation businesses. Accordingly, we seek to address global environment issues, especially climate change, which we view as materiality for the Group. The J-POWER Group aims to both achieve global economic development and address the climate change issue. To make it happen, we are implementing a variety of initiatives.

For details on the governance structure, goals and strategies, and specific initiatives, please refer to each relevant page.

Long-term Strategy & Roadmap (J-POWER "BLUE MISSION 2050")
Initiatives of the Medium-Term Management Plan
Climate Change Scenario Analysis (Disclosure based on TCFD Recommendations)

Participation in the GX League

The GX (Green Transformation) League is a forum for companies that are taking on the GX challenge to collaborate with industry, government, and academia with the aim of achieving carbon neutrality and social change by 2050. J-POWER was one of the first companies to express support for the GX League after the basic concept was announced in February 2022, and became a participating company in May 2023, when its activities became fully operational. We plan to establish voluntary greenhouse gas emission reduction targets and disclose our progress toward achieving them, as well as the status of emissions trading.

Raising awareness among executive officers and employees

Executive officers and employees participate in training programs to gain more awareness of climate change as well as learn about current events and global trends.

Examples of Initiatives

New employee training and training for specific purposes
Lectures for department heads and superintendents
Lectures and discussions for executive officers given by invited outside experts, etc.

Financing to Support Transitions

Issuance of "J-POWER Green Bond"

Since FY2022, J-POWER has issued green bonds three times to procure cash needed for projects including the development of CO₂-free onshore wind projects, with the third J-POWER Green Bond (82nd issuance of unsecured corporate bonds) issued in November 2022. The funds raised through this issuance have been appropriated toward a project to build domestic onshore wind power.

Environmental improvement effects (i.e. reduction of CO₂ emissions) will be announced on our website after the start of operation of all eligible projects.

 J-POWER Green Bonds webpage:
https://www.jpowers.co.jp/english/ir/bond/green_bonds/

Report on the allocation of funds from 3rd J-POWER Green Bonds

(As of December 31, 2022)

Item	Amount
Amount raised (net amount)	16.9 billion yen
Amount allocated	7.9 billion yen
Kuzumaki No. 2 Wind Farm (Iwate Prefecture)	
Kaminokuni No. 2 Wind Farm (Hokkaido)	6.0 billion yen
Minami Ehime No. 2 Wind Farm (Ehime Prefecture)	2.0 billion yen
New Shimamaki Wind Farm (Replace) (Hokkaido)	1.0 billion yen
Unallocated balance	0.0 billion yen



Construction of Kaminokuni No. 2 Wind Farm

Development of a new financing framework

We created the J-POWER Green/Transition Financial Framework in November 2022, which restructures the prior framework, to hasten our transitional efforts even further. According to this framework, the Company procured funds in February 2023 through a Transition Link Loan. This method is intended to support the Company's efforts to transition by linking the borrowing requirements of funds to the achievement of relevant Sustainability Performance Targets (SPT) such as CO₂ emission reduction.

DNV BUSINESS ASSURANCE JAPAN, a third-party evaluation organization, provided an evaluation of the eligibility for several standards connected to green finance, transition finance, and sustainability-linked finance, which were used to construct this framework.

Transition Link Loan Utilization example

Date borrowed	February 28, 2023
Amount borrowed	30 billion yen
Borrowing period	5 years
Creditor	Domestic financial institutions (joint financing)

 P32 Financial Initiatives

Local Community Engagement

For details, please refer to the J-POWER website.
<https://www.jpowers.co.jp/english/sustainability/environment/activities/>



- The J-POWER Group owns large-scale power generation and transmission facilities in a wide area and has been engaged in business for a long time under the banner of the material issue of engagement with local communities.
- We are committed to building a relationship of trust with the local community, while respecting considerations for the environment at every stage of our business and striving to preserve the local environment with the latest technology and knowledge.

Addressing Local Environment Issues

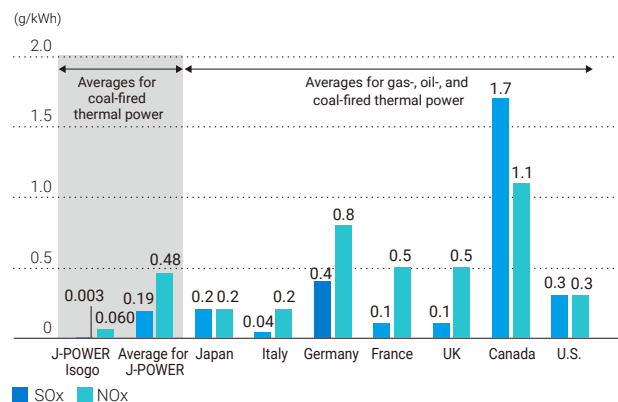
Controlling Environmentally Harmful Substances

Thermal power plants release pollutants into the atmosphere such as soot, dust, nitrogen oxide (NOx), and sulfur oxide (SOx). High efficiency emissions reductions have been made possible through advances in combustion techniques and flue gas treatment equipment operation.

In order to ensure that thermal power plants are working efficiently and that emissions of environmentally harmful substances comply with applicable laws, regulations, and environmental preservation agreements, we also monitor their operational conditions and smoke emissions 24 hours.

As shown in the figure below, the NOx and SOx emissions from the coal-fired power plants operated by the Company are comparable to average values for each developed country without fuel category, while our state-of-the-art units operate with a low environmental impact even by global standards.

International Comparison of SOx and NOx Emissions Intensity for Thermal Power Generation



Notes: 1. Emissions: OECD StatExtracts Power generated: IEA "Data and statistics"
 2. Average for J-POWER and J-POWER Isogo figures (coal-fired) are FY2022 results

Promoting the Creation of a Recycling-Oriented Society

Maintaining and Improving the Industrial Waste Recycling Rate

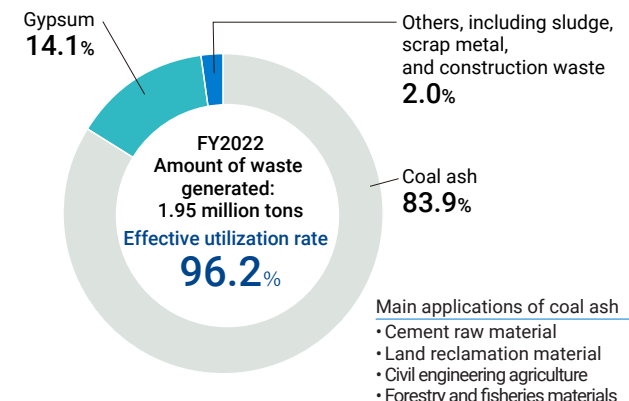
J-POWER Group emissions of industrial waste totaled 1.95 million tons in FY2022. 98% of this was discharged coal ash and gypsum from thermal power plants. More than 90% of these substances were successfully used as raw materials for cement, building supplies, and other products. Industrial waste had a 96.2% overall effective utilization rate in FY2022.

Dealing with Waste Plastics

We are also focusing on sorting and the 3Rs (Reduce, Reuse, Recycle) to increase recycling and decrease waste plastic emissions.

For details on the amount of plastic waste the J-POWER Group produces and recycles, please refer to Supplementary Materials: Environment

J-POWER Group Integrated Report 2023 Supplementary Materials: Environment
https://www.jpowers.co.jp/english/ir/library/pdf/2023/jpowers_integrated2023e_appx_environment.pdf



Environmental impact assessments

Environmental impact assessments in line with laws and regulations are conducted when planning and developing power facilities. We also take the views of the local residents into consideration and work hard to preserve the environment.

In accordance with signed agreements such as those for environmental preservation, we continue to monitor and verify the efficiency of environmental preservation measures once operation has begun. There are now 20 projects currently undergoing the environmental impact assessment process (as of August 2023).

Preservation of Aquatic Environments

Initiatives at Power Plants

The J-POWER Group has established protecting aquatic environments as one of its environmental targets, and is working toward relevant preservation methods for the rivers and marine areas of each region. At our hydroelectric power plants, we assess water quality and sediment deposition in dam lakes and downstream areas. Appropriate action is taken at our thermal power plants (such as discharge into the sea, treatment and reuse of wastewater) in accordance with relevant laws and environmental preservation agreements. We also cooperate with flood control efforts, in accordance with agreements, by lowering dam water levels to secure free capacity within the dam prior to any expected major flooding event, such as a torrential downpour.

p.99 ESG Data (Water Management)

Groundwater Purification Project

Hospitals, universities, and approximately 60 additional facilities across the country have benefited from our disaster-resistant, onsite groundwater treatment services. In addition to this track record, we have collaborated with the start up WOTA to address



WOTA PLANT

a number of water-related environmental issues, and will make contributions to local communities through the provision of water supply services.



Local Community Engagement

Preservation of Biodiversity

Biodiversity preservation is another of the J-POWER Group's environmental targets. From the design stage of power plant construction to the operation of our business activities, our goal is to preserve the environment by taking into consideration the habitat, growth environment, and ecosystems of rare species of plants and animals.

Preservation of plant and animal habitats

We are striving to safeguard and protect raptors like Japanese golden eagles, as well as flora and other fauna, in the Okutadami and Otori Dam area. In particular, we are focusing on raptor-conscious outdoor work plans and the maintenance of wetlands that were previously reclaimed and subsequently restored.

At Takehara Thermal Power Plant (Hiroshima Prefecture), where Chinese bellflowers classified as Vulnerable on the Red List grow wild, a conservation zone has been established to protect them from the potential damage caused by business activities.

Forest Conservation and Utilization of Forest Residues

By preserving Company-owned forests near hydroelectric power plants, turning forestry offcuts into biomass fuel, and introducing its mixed combustion with coal at thermal power plants, J-POWER contributes to forest conservation and the reduction of CO₂ emissions.



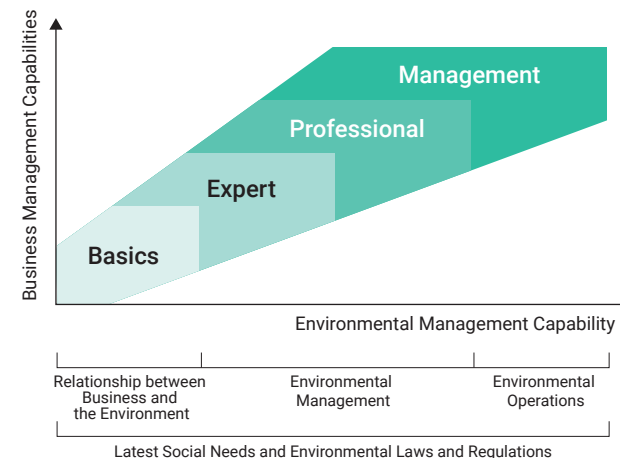
Chinese Bellflowers at Takehara Thermal Power Plant

J-POWER Group Integrated Report 2023 Supplementary Materials: Environment
https://www.jpowers.co.jp/english/ir/library/pdf/2023/jpower_integrated2023e_appx_environment.pdf

Ensuring Transparency and Reliability

Improvement of Environmental Management Level

Every business site of the J-POWER Group has an environmental management system (EMS) that is compliant with the ISO 14001:2004 standard of the International Organization for Standardization and the JIS Q 14001 standard of the Japanese Industrial Standards, and we are constantly working to raise the bar regarding environmental management. To ensure that every employee is aware of environmental management and works with a feeling of responsibility as a party to a business that entails numerous environmental burdens, we also provide environmental education that is conscious of each employee's position and role.



Full Compliance with Laws, Regulations, Agreements, and Other Rules

We aim to maintain and enhance the operation of our facilities while abiding by laws, regulations, and agreements in order to reduce the environmental impact of our commercial activities. In the event that environmental incidents arise, we have a system in place to stop the impact from spreading and to quickly convey information.

In addition, we strive to prevent past incidents from reoccurring.

Promotion of environmental communication activities

Through environmental conservation initiatives such as cleanups of local communities, we are aiming to improve environmental communication with our diverse stakeholders in addition to improving the disclosure of environmental information. In order to share environmental management information with Group companies and improve communication, we also organize events such as environmental information exchange meetings.

Column

Group-wide cooperative and coordinated environmental management

During the replacement of the J-POWER Isogo Thermal Power Plant, I was involved in onsite environmental management based on a new environmental conservation agreement. We were able to prevent environmental issues, in particular, when shutting down and switching between new and old water supply and wastewater treatment facilities, thanks to collaboration with construction workers and explanations to local authorities.

Leveraging my experience, I currently serve as head of the Environmental Conservation Office of the Technology & Environment Center of J-POWER Generation Service Co., Ltd. (JPGS), which operates and manages thermal power plants and other facilities. The center, which supports and cooperates with J-POWER Generation's environmental management and local environmental work plans, analyzes and measures water quality and waste materials at thermal power plants, and conducts environmental impact assessments and monitoring surveys at existing power plants and new construction projects.

Through collaboration between the J-POWER Generation headquarters and each business site, cross-sectional cooperation that complements and supports internal environmental diagnosis, the education and training menus, and information sharing with each J-POWER Group company and each local community, we would particularly like to contribute to the promotion of environmental conservation activities of the entire Group.



Kenichi Muto

J-POWER Generation Service Co., Ltd.,
 Head of the Environmental Conservation Office of the
 Technology & Environment Center*

* Affiliations as of August 31, 2023



Engagement with local communities

Local Community Engagement

Contributions to Local Communities

The J-POWER Group has adopted engagement with local communities as one of its material issues, and aims to build relationships of trust with local communities as well as contribute to local revitalization efforts through proactive contribution activities in Japan and overseas. Based on the J-POWER Thoughts on Social Contribution Initiatives, as a good corporate citizen, the J-POWER Group engages with local communities, supports culture and the arts, promotes participation in volunteer activities, and actively contributes to international society. The results of each region's initiatives are compiled by the Sustainability Promotion Board and reported to the Board of Directors.

See our website for the J-POWER's Thoughts on Social Contribution Initiatives.



The J-POWER's Thoughts on Social Contribution Initiatives

<https://www.jpower.co.jp/english/sustainability/contribution/policy.html>

Activities in Hydroelectric Power Generation Areas

With 61 hydroelectric power plants located throughout Japan, we are putting various efforts into action at each of the nearby river basins. In order to demonstrate our efforts to give back to local communities, we have also established "watershed engagement bulletin boards" for internal communication.

Devising infrastructure tours that incorporate hydroelectric facility tours

Infrastructure tours are conducted in partnership with JR East View Tourism & Sales Co., a subsidiary of JR East Japan Railway Company (JR East). We hope to find new attractions and add value to the area by combining a railroad project involving the Tadami Line with visits to the Tadami-Tagokura Power Station in Fukushima Prefecture.

Number of tour participants in FY2022: 45



Facilities within the tour

Social Contribution Activities

A total of 3,263 J-POWER Group employees took part in 453 activities during FY2022.

The activities include work-study programs and onsite classes (such as environmental education) in collaboration with educational institutions, as well as local environmental conservation and beautification activities such as tree planting, and environmental cleanups. The Group also engages in a wide range of activities, including conducting facilities tours, taking part in dialogues with communities and local events, and conducting patrols for traffic safety.

FY2022 Results

Number of activities: **453**

J-POWER Group employee participants: **3,263** in total (a significant increase from 2,182 in FY2021)

Contributing to regional revitalization through the operation of Okutadami Kanko Co., Ltd.

We operate Okutadami Kanko Co., Ltd. as a joint venture with the city of Uonuma in Niigata Prefecture with the aim of engaging with the local community and contributing to society through tourism. When the Okutadami Hydroelectric Power Plant, which is situated on the border between Niigata and Fukushima Prefectures, first went into operation in 1962, Okutadami Kanko Co., Ltd. began operating sightseeing boats that same year. It also established a summer camp for youth education. The Okutadami-Maruyama Ski Resort opened for business in 1978 and is the site of the J-POWER Slalom Competition. By sponsoring this International Ski Federation-recognized event, the Company is contributing to regional revitalization and sports promotion.

Number of visitors (FY2022)

Boat tours: Approx. 55,000

Okutadami Maruyama Ski Resort: Approx. 26,200

Number of participants in the 2023 J-POWER Slalom Competition:

205



Lake Okutadami Boat Tours



Sponsorship of competitions held at Okutadami Maruyama Ski Resort

Local Community Engagement

Overseas Social Contribution Activities

Activities at Batang Power Plant, Republic of Indonesia

In order to achieve self-reliance and ongoing community development, the Batang Power Plant (previously known as the Central Java Coal-Fired Thermal Power Project), which started commercial operation in 2022, is involved in a number of support activities through its operating company, Bhimasena Power Indonesia (BPI). BPI has garnered high appreciation both in Indonesia and abroad as a company that undertakes excellent activities, as a consequence of its efforts to select and implement activities in accordance with the needs of local citizens and local governments, and has won multiple awards every year.

Specific Initiatives

Supporting small businesses (laundries, tailors, etc.)*¹ run by local resident groups, as well as local microfinance (training, hiring creative support, etc.)

*¹ Support provided for 206 groups and 2,930 individuals as of 2022

● Educational support

Supporting local schools in collaboration with the Indonesian government's environmental education program (implementation of various programs), supporting academic achievement improvement, etc.

● Health support

Providing items such as supplemental food and medical kits; Supporting village clinics, the health improvement of villagers, sanitation improvements, etc.

● Social, cultural, and environmental support

Supporting ecosystem restoration (mangrove planting, installing artificial fishing reefs using fishing reef blocks, etc.), town cleanup activities, etc.

● Infrastructure improvement support*²

Supporting water purification and sanitation management, improvement of uninhabited housing, repair of public infrastructure (such as mosques and schools), etc.

*² As of 2022, 847 maintenance projects implemented

Major Awards in Recent Years

- 2022
- CSR Award 2022
- Adiwiyata School Award (National Level)
- Environmental and Social Innovation Awards
- CSR & Sustainable Village Development 2022 Award



The CSR Award 2022 Award

Activities in the United States

J-POWER's U.S. subsidiary, J-POWER USA Development, manages and operates power generation companies in North America and identifies new renewable energy projects.

The company and its power generation companies collaborate with local non-profits to revitalize the community through donations and volunteer work. For instance, we support local citizens with food support programs, educational support for students, and sponsorship of cultural institutions based on the needs of the community.

Specific Initiatives

● Economic activity support

Food support activities for local residents and donations to organizations supporting children and disaster victims, etc.

● Educational support

Scholarships for high school students, summer camps and educational programs for local schools, donations to children's museums, etc.

● Social, cultural, and environmental support

Support for youth baseball teams, participation in sponsored programs at museums and theaters, donations to local firefighting groups and wildlife and plant conservation groups, etc.

● Infrastructure improvement support

Providing houses for residents, painting dilapidated facilities, supporting activities such maintenance of playgrounds for kindergarteners and walking trails for local residents, etc.



Support for children's museum



Volunteer facility painting activities

Respect for People



Establishment of the J-POWER Group Basic Policy on Human Rights

Keenly aware of its responsibility to respect the human rights of those whom its business activities may affect, the J-POWER Group endeavored to clarify its stance on the matter and, in June 2022, fulfilled that responsibility by establishing the J-POWER Group Basic Policy on Human Rights.

This policy is based on such international standards as the International Bill of Human Rights, ILO International Labour Standards, OECD Guidelines for Multinational Enterprises, UN Global Compact Principles on Human Rights, and UN Guiding Principles on Business and Human Rights. Based on this policy, we promote efforts to respect human rights for all stakeholders, including those within our supply chain.

See our website for the J-POWER Group Basic Policy on Human Rights.
https://www.jpower.co.jp/english/sustainability/contribution/human_rights.html

Overview of Respect for Human Rights Initiatives

Scope of Initiatives

The J-POWER Basic Policy on Human Rights applies to all employees and executives of our Group.

We also encourage our business partners and suppliers to support this policy.

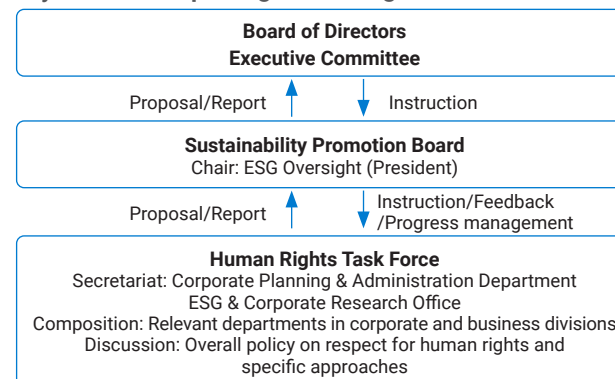
Promotion Structure

Aligned with the J-POWER Basic Policy on Human Rights determined by the President, specific policies and initiatives will be advanced mainly by the Human Rights Subcommittee, which was established in FY2022 under the Sustainability Promotion Board. Discussions and initiatives undertaken by the Human Rights Subcommittee are reported to the Board of Directors through the Sustainability Promotion Board, which is headed by ESG Oversight (the President).

Main Initiatives

- With a mechanism for human rights due diligence based on the J-POWER Group Basic Policy on Human Rights in place, we are committed to understanding the negative impacts and risks to human rights. If it becomes clear that our business activities have had a negative impact, we will take appropriate measures to remedy the situation.
- In addition to banning child and forced labor, we thoroughly prohibit discrimination on any basis. Discrimination based on race, skin color, gender, language, religion, nationality, age, sexual orientation, gender identity, gender expression, disability, political or other opinions, national or social origins, assets, social standing of family, or any other status or similar grounds.
- J-POWER also upholds the basic rights of its employees, including their right to freedom of association, respect for their right to engage in collective bargaining, and compliance with minimum wages. J-POWER has formed collective agreements with its labor unions. As part of these agreements, the Company consults with labor unions on significant changes to working conditions, including raises and bonuses. The two parties hold annual management policy discussions so that employee opinions are reflected in the resulting policy.
- In addition to utilizing independent outside expertise, we will periodically disclose information on the status of our initiatives and provide training and education to our directors and employees.

System for Respecting Human Rights



Implementation Status of Human Rights Due Diligence

In FY2022, we established a Human Rights Subcommittee which deliberated on such issues as how to proceed with human rights due diligence, based on the diverse perspectives of each relevant division, including the Corporate and Business divisions. Going forward, we plan to identify and prioritize risks by surveying each division and through other means.

Training and Education on Human Rights and Compliance Initiatives

Respect for human rights is also stipulated in the J-POWER Group Compliance Action Guidelines, which are distributed to all employees. In addition, a compliance survey is administered to all Group employees to regularly assess employee awareness, compliance risks, and changes in the environment. The survey is subsequently used to develop measures. Furthermore, we also conduct various training programs to help directors and employees deepen their understanding of respect for human rights and gain knowledge about compliance, various types of harassment, and diversity.

Results of Major Initiatives (FY2022)

Level-specific training <ul style="list-style-type: none"> • Lectures on human rights, compliance, and various forms of harassment given during training for new hires and management training (a total of 372 employees participated)
Human rights and compliance training <ul style="list-style-type: none"> • Lectures on human rights, compliance, and various forms of harassment held for employees working in target institutions (a total of 148 employees participated)
e-learning <ul style="list-style-type: none"> • Implemented an e-learning program on harassment prevention for Group employees (a total of 4,923 employees completed the program) • Conducted e-learning to raise awareness of compliance (a total of 3,772 employees completed the course)
Online lectures <ul style="list-style-type: none"> • Conducted human rights executive training for Group executives (58 participants) • Conducted training on prevention of compliance violations for Group employees (259 participants) • Conducted a diversity lecture jointly with Group companies (150 participants)

p.69 Recruiting and Empowering Diverse Human Resources (D&I)
 p.74 Realizing of Diverse Work Styles (Consultation Desk)
 p.90 Compliance & Risk Management

Human Resource Strategy to Enhance Corporate Value



- Each and every employee of the J-POWER Group is regarded as a valuable human resource who plays a vital part in the sustainable development of both J-POWER and society at large. In order to create human resources with a wide variety of skills and broad perspectives, we are dedicated to creating an environment and culture that fosters the autonomous growth of diverse human resources.
- The human resources created in this way will rise to the challenges of various management issues and new business fields, achieve continuous innovation, and ultimately increase our corporate value.



Recruiting and Empowering Diverse Human Resources (Diversity & Inclusion)



Approach to Human Resource Recruitment and D&I

The J-POWER Group aims to achieve sustainable growth through the active participation of human resources with diverse personalities. We are working to create a system and working environment in which a wide range of human resources can fully demonstrate their abilities and play an active role regardless of factors such as gender, nationality, race, work history, experience, age, or disability.

Toward Sustainable Growth

- Strengthen the Group's business foundation through stable recruitment of human resources
- Enhance organizational capabilities, improve productivity and competitiveness, and promote innovation by engaging with employees with diverse personalities and expertise
- Secure employment and provide opportunities for diverse human resources

Diversity Promotion Initiatives

To establish integrated and consistent policies, systems, and work environments, we have established a dedicated organization for diversity promotion. This organization unifies all functions, including diversity promotion, training and development, personnel and labor system studies.

Setting KPI

J-POWER has positioned senior employees as core human resources among employees in a career-track position. Based on the principles of the Corporate Governance Code, we are establishing targets for the promotion of women, foreign nationals and experienced hires to senior roles by 2030.

Promotion of Women's Participation and Advancement in the Workplace

In FY2021, we set the goal of tripling the number of female employees with senior roles. J-POWER and the J-POWER Group have a high percentage of employees in the engineering field, mainly working at power plants, of which, the percentage of male employees tends to be high in the engineering field when hiring new graduates. In order to promote diversity, we aim to increase the number of female employees. We actively showcase the activities of our female technical employees through career support events aimed at female science students to allow them to feel more at ease with the decision to join our Company.

J-POWER's target is to double the percentage of female new graduates hired in FY2023 and thereafter to 20% or more, compared to the previous target. 21 of our 100 new graduates hired in April 2023 were female (21.0%).

In addition, due to the rise in the percentage of women among

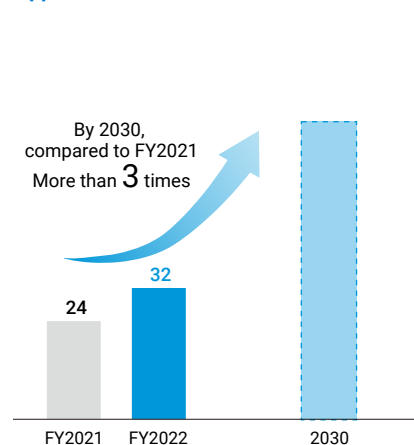
new graduate hires, the percentage of women under 30 years old is particularly high compared to other age groups. We are aiming to establish more comfortable systems and offer career development support while also educating employees about the various systems and offering consultation services that will allow them to continue to work with confidence even after major life changes like childbirth and the need for childcare.



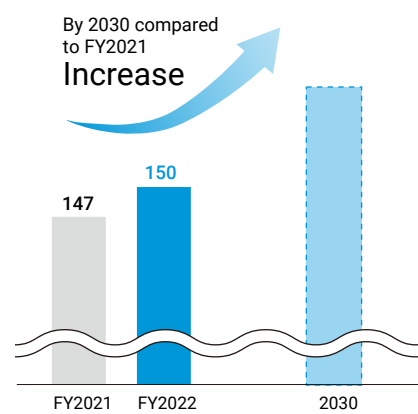
Female executive officers conduct a roundtable discussion to support the career development of female employees.

p.71 Diverse CDPs
p.74 The Realization of Work-Life Balance

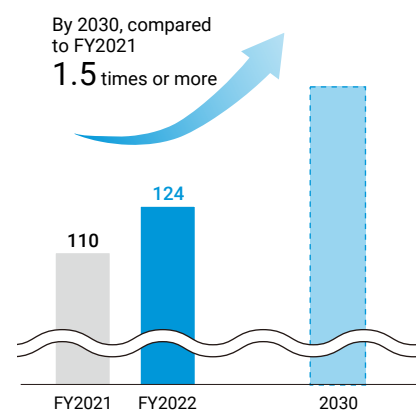
Appointment of women to senior roles



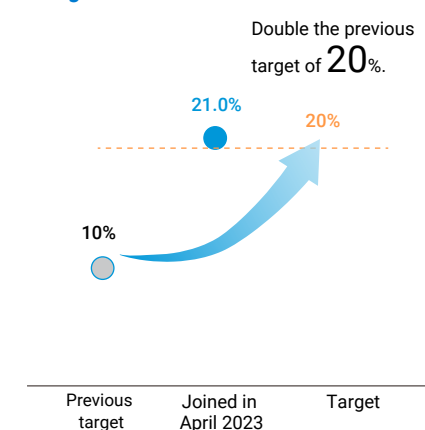
Appointment of foreign nationals to senior roles



Appointment of experienced hires to senior roles



Percentage of women among new graduate hires



Recruiting and Empowering Diverse Human Resources (Diversity & Inclusion)



Foreign national and experienced hires

As the Overseas Business is one of our core businesses, we aim to increase the number of foreign national senior employees on a Group-wide basis through hiring at local subsidiaries. Over our more than 30-year history, we have worked to bring on employees with experience. Due to the recent increase in the number of new projects, including the development of renewable energy both in Japan and abroad, we are strengthening our efforts to hire experienced personnel who can have an immediate impact from a variety of fields and industries, including project management, finance, legal, international business, DX, fuel and material procurement. By 2030, our objective is to increase the number of experienced hires in senior positions by over 50% of FY2021's number (110).

Enhancing advanced age employment and improving working conditions for younger employees

Since 2021, J-POWER is gradually raising its mandatory retirement age to 65. Through our motivated older workers, we can leverage their expertise and experience for the Company's development. As of March 31, 2023, the J-POWER Group has 459 participants of the continuous employment system and the personnel registration system (both of which are accessible until the conclusion of the fiscal year in which employees turn 70).

For younger workers, we are continuously working to improve working conditions, and through support for autonomous career development, we aim to create a system that allows them to work with a sense of satisfaction.

Employment of people with disabilities

As of June 1, 2023, J-POWER's employment rate of people with disabilities is 2.34%. We are enhancing working environments and promoting understanding among other employees through such initiatives as establishing a consultation desk where employees with disabilities can discuss employment assistance and working environments, as well as making office buildings barrier-free. We will continue making efforts to raise our employment rate of persons with disabilities.

Column

Mutual Cooperation of Global Human Resources—J-POWER Global Asset Conference

In the J-POWER Group's Overseas Power Generation Business, power plants are operated by employees of local subsidiaries hired at each site and employees of local subsidiaries, who are well-versed in the conditions of that country or region. The J-POWER Global Asset Conference is held to bring together these global human resources to exchange information. The core human resources at each site gather to share technical issues and know-how, and also to initiate communication between the J-POWER head office and the human resources in each country.

A total of 16 individuals took part in FY2022, including engineers from J-POWER's Overseas Business Division and those in charge of operation and maintenance from local companies in Thailand and the United States.

Presentations were given and opinions were traded on common issues such as safety management, lessons gained from equipment failures, and remote monitoring and performance analysis systems. Initiatives and improvement cases from different nations were also discussed in terms of potential applications to domestic power plants. The following day, the group embarked on a tour of the demonstration facility for the newest gas turbine types at the manufacturer's factory.

Through these efforts, our human resources from around the world will collaborate in these initiatives to raise the profitability of our overseas power generation assets.



Sharing case studies of power plants in each country or region



Participation from Thailand and the U.S.



The event in 2019 (A tour of the Tachibanawan Thermal Power Plant)



The event in 2019 (Radio calisthenics at a morning meeting)

Human Resource Development and Management



Respect for people

Approach to Human Resource Development

The J-POWER Group aims to develop professional human resources, which are independent, self-starting professionals who can take on the challenges of management issues with knowledge in multiple specialized areas and a broad perspective.

Through our Career Development Program (CDP), we are fostering and encouraging the success of a diverse group of professional human resources.

Overview of the CDP

The CDP is based on personnel requirements, job rotation, and career building support systems. Through initiatives implemented from a medium-to long-term and comprehensive perspective via human resource development measures combining on- and off-the-job training, we aim to increase the value of both the Company and its employees.

Professional human resources



Diverse CDPs

We have created CDPs for women, allowing them to proactively achieve career development despite temporary employment limits brought on childbirth or any other major life events.

In addition, we aim to flexibly assign human resources through a cross-sectional CDP that transcends the boundaries of business divisions and Group companies in order to flexibly respond to future changes in power supply composition and business models.

Personnel Requirements

The Group lays out its personnel requirements according to job type, business division, job function, and position, as well as specifies the required abilities (behavioral requirements), knowledge and skills, recommended qualifications and training, etc. Employees can use these requirements as guideposts for their own career building and skill development efforts.

Overview of the CDP



Job Rotation

The Company divides its employees' overall careers into three broad stages: the basic knowledge and skill acquisition stage, the expert stage, and the professional stage, promoting the acquisition of abilities necessary for each stage through job rotation.

Column

Initiation of Cross-Group CDP

We have begun sharing human resources among Group companies, which had previously been limited, in order for the entire J-POWER Group to adapt to changes in the business environment and flourish. In FY2022, as part of Cross-Group CDP, 17 technical employees from thermal Group companies were seconded to IT and hydroelectric/wind departments of other Group companies. Throughout this program's implementation, we have a support system in place to maintain high motivated among the employees involved, including the creation of a consultation service and periodic interviews.

By distributing our human resources among various forms of power generation, we hope to create well-rounded "utility players" who are knowledgeable about not only the many equipment structures, but also the various approaches to maintenance and operation. Additionally, we plan to increase the Group's overall competitiveness by, for instance, expanding the guidelines for methodical maintenance and operation of thermal power plants to other sectors, like the wind power industry.



Human Resource Development and Management

Career-Building Support Systems

Declaration System

Every year, employees make a declaration to the companies about their future career outlook, based in part on an examination of their execution of work duties and abilities. The employee's manager discusses the declarations with the employee, offers advice as appropriate from a medium- to long-term human resource development perspective, and plans and implements employee rotations as needed.

Training System

The Company implements a full range of training programs that align with the career and life stages of its employees, as well as initiatives that support their efforts toward self-driven career development and skill development. For instance, we encourage and support self-study through purpose-specific training on DX and carbon neutrality, as well as through distance or campus-based education; sending employees to study or work at universities, or other institutions, and selective leadership training, as possibilities to obtain the most recent information in reaction to changes in the business environment.

Furthermore, on-the-job trainers and mentors are assigned to junior employees to support them in establishing themselves in the workplace and advancing their careers.

Training System	Open Internal Recruitment and Challenges
Level-Specific Training	In-house Internship
Department-Specific Training	Exchange Program
Objective-Specific Training	(Graduate schools in Japan or abroad)
Management Training	Work Exchange Program (Gain work experience in developing countries)
Encouragement of Self-Improvement	

Evaluation and Management System

We have adopted a system to evaluate performance based on achievements by a goal management system, and demonstrating required job abilities in the pursuit of tasks. We centrally keep track of these evaluations, status of job performance, and information self-reported by employees, such as their future outlook and goals.

Many metrics, including human resource development and strategic allocation, take this information into account. We work to accomplish both organizational and individual goals by assisting employees in advancing their careers and keeping them motivated, which enables us to accomplish our management goals.

Human Resource Management at a Glance



Column

Manufacturing training organized by junior employees in the construction industry

Junior employees in architectural professions were given Manufacturing Training as a new department-specific training initiative. This employee-created initiative was devised out of consideration for junior employees who felt they have never had an opportunity to see plans of their own come to fruition. Themed around the wood supply chain and manufacturing, this initiative was conducted in cooperation with VUILD Inc., a startup in which J-POWER has invested and which provides cloud services for wood processing.

The training took place in Tenryu Ward of Hamamatsu City, Shizuoka Prefecture, the location of the Sakuma Dam and Power Plant and one of Japan's leading timber producing areas in Japan. In hydroelectric power projects, flood management and mountain control go hand in hand. Participants witnessed the procedure from logging to sawing with the assistance of those involved in forestry, lumbering, and processing in Tenryu Ward, who subsequently cut and assembled lumber constructs based on designs drafted by our junior employees. Employees themselves planned and proposed the content of the training, and were able to experience a series of manufacturing processes from design to assembly, as well as learn about the supply chain of lumber and the importance of the forestry industry.



Junior employees line up behind products they designed and assembled themselves

Human Resource Development and Management



Respect for people

Column

Interview with Employee Engaged in Domestic Large-Scale Offshore Wind Power Construction



Yuta Mori

Hibiki Wind Energy Co., Ltd.
Construction Office, Construction
Department, Civil Engineering &
Architecture Group

From a successful wind farm certification audit to the first stages of construction

Since April 2022, I have been seconded to Hibiki Wind Energy Co., Ltd. as a worker on the construction of the Kitakyushu Hibikinada Offshore Wind Farm Project. Prior to my secondment, I was in charge of the Nuclear Power Department's safety assessment of construction plans for the Ohma Nuclear Power Plant, making this my first foray into offshore wind power.

For my secondment, I was initially tasked with managing audits for wind farm certification. Before construction can begin, this investigation is crucial as it assesses the site's environmental conditions and confirms the stability and safety of the wind turbines and their supporting structures. My job was determining how seismic motion would affect the joints between the piles and the subterranean structure supporting the wind turbine. To obtain certification, the team used a trial-and-error procedure that included conducting tests with models and researching how to apply evaluation techniques and materials that had already received certification in Europe to the Japanese assessment process.

Since construction started in March 2023, technical assessments are being conducted in preparation for the assembly

and installation of wind turbines. In a bid to reduce the impact of wind and waves, wind turbines are built onshore, as much as possible, before being erected offshore. I am responsible for researching wind and other environmental factors, designing the girders, and organizing their installation at the base port in order to erect the approximately 100-meter-high tower on land. In order to manage the process, which is influenced by oceanic circumstances, and to examine insurance risks specific to offshore wind power, we are cooperating with numerous parties, including manufacturers of wind turbines, construction businesses, and engineering firms.

Advancing construction work by leveraging our comprehensive strengths

J-POWER is making its first attempt to commercialize an offshore wind farm in Japan, but we are drawing on the experience we have gained from working on numerous power production projects. As an example, the analytical case and model for wind farm certification are developed utilizing onshore wind expertise. Moreover, employees who have worked in thermal and hydroelectric power plants can offer guidance on operations management and maintenance. We also have personnel that worked on construction of the Triton Knoll Offshore Wind Farm in the UK, and we drew on their

expertise in European health and safety management practices when determining the depth at which the submarine cable should be buried. Based on what I've learned so far, I'm trying to broaden my knowledge of offshore wind power.

Accumulated knowledge and technologies for upcoming projects

Technical talks at J-POWER Headquarters and employee conversations transfer the knowledge and know-how amassed in the field to the subsequent phase of offshore wind power development. Obtaining wind farm certification in particular is a significant accomplishment. The biggest technical challenge has been the seismic design response to earthquake ground motion, which we discuss with civil engineering and architectural staff members. We also have discussions with the future project review team about how to increase review efficiency based on the review process and issues.

Once the construction work begins in earnest, I personally would like to hone my technical abilities while also learning about project management concepts like process management and problem solving among multiple parties. In addition to addressing the difficulties in related industries, I'd like to relate those experiences and expertise to J-POWER's offshore wind power development in Japan and overseas.



Confirmation of onsite work procedures (Mr. Mori, front left)



Pile delivery for wind turbine base

Realizing Diverse Work Styles



The Realization of Work-Life Balance

We are promoting and increasing the use of systems and streamlining working hours to guarantee that employees who provide childcare or nursing care at home can work worry-free. In order to provide for flexible career development, we have also implemented an accompanying leave scheme for employees whose spouses are relocated abroad.

Childcare Leave

The J-POWER Group has set a target of 100% utilization of childcare leave and is striving to create a workplace environment that facilitates its use. For example, to enable employees to take childcare leave in accordance with their life plans, the Company allows employees to take more than two years' childcare leave (divisible up to eight times), which exceeds the statutory requirement. In addition, the J-POWER Group Maternity and Childcare Leave Handbook was prepared and distributed to all employees with the aim of promoting employee understanding of the J-POWER Group's childcare leave system and leave for childcare purposes.

The Company received "Kurumin" certification from the Minister of Health, Labour and Welfare, recognizing it is a company that supports childcare. Moreover, we also received the special "Platinum Kurumin" certification mark, which is awarded only to companies with initiatives that meet an even higher standard.



The childcare leave utilization rate for FY2022 was 88%.

Improving Labor Productivity

With the use of online tools and a "swing time" system, which allows for up to two hours of flexible working hours, we have implemented steps to increase work productivity and systems to suit various work types. We are also aiming to create a working environment in which employees can work flexibly, for example by implementing a remote work system at our headquarters and elsewhere at the Group.

Consultation Desk

Consultation services regarding working hours, work environment, harassment, and childcare leave are available. By upholding internal policies and procedures, as well as by offering level-specific training and displaying awareness-raising posters, we are working toward harassment prevention. A system is in place to ensure effective responses, and the managers of each department also receives training on how to handle difficulties should they arise. We offer customized system explanations and interviews as appropriate in response to questions from employees about childcare leave.



Overview of the Childcare and Nursing Care Support Programs

Childcare Programs

	Pregnancy	Delivery	1 year old	3 years old	Enter elementary school	End of March of third year of elementary school
Leave before and after childbirth		Legally required				From 6 weeks before delivery to 8 weeks after delivery * Can be taken from 8 weeks before childbirth with a doctor's diagnosis of leave of absence.
Spousal leave	J-POWER Group Policy					From during spouse's pregnancy to a max of 8 days during the first two weeks after delivery.
Childcare leave			Legally required	J-POWER Group Policy		Until the end of the April of the year the child turns 2 (Law dictates until the child turns 1 with an upper limit of up to 2 years of age)
Time off for nursing care					J-POWER Group Policy	Until entry into elementary school (as required by law) * Upper limit of the end of the child's third year of elementary school, depending on the child's situation
Shortened working hours for childcare				J-POWER Group Policy		Until the end of the child's third year of elementary school (until the age of 3 is legally required) Flextime can also be utilized
Childcare hours						Until reaching 1 year of age (2 times/day for 30 minutes) (as per legal requirements)
Life Support Leave (Use of accumulated paid leave)	J-POWER Group Policy					Available for childcare, infertility treatment visits, accompanying a spouse during childbirth, etc.
Other						Limitations on overtime and late-night work, etc. (as required by law)

Family Member Care Programs

Family member care leave 365 days/person 93 days/person is legally required	Shortened working hours for family member care Total of 3 years/person No limit on how time can be divided Legal requirement allows time to be split at least twice	Time off for family member care 5 days/year for one family member 10 days/year for two or more family members As legally required
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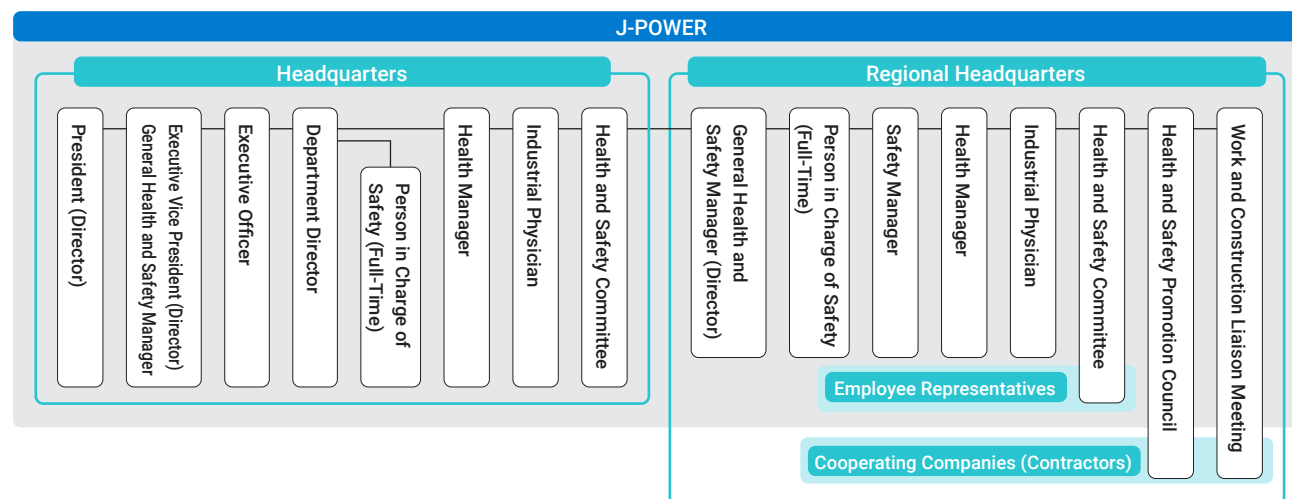
Occupational Health and Safety

- The J-POWER Group aims to create safe, healthy, and rewarding workplaces as the foundation of its business activities.
- In the area of respect for people, which is one of our material issues, we are also promoting initiatives to ensure occupational health and safety.
- J-POWER and other Group companies each have roles and responsibilities and collaborate on implementing health and safety management to prevent occupational accidents, including those of cooperating companies (contractors), and to maintain and improve the health of employees.

Health and Safety Management Systems

Based on laws and regulations, the J-POWER Group engages in initiatives to prevent dangers and health hazards to workers primarily through health and safety committees at Headquarters, local operating units such as power plants, and construction sites. Health and safety committees are composed of a general health and safety manager, a safety manager, a health manager, an industrial physician, and representatives recommended by labor unions. Health and safety committees engage in pre-emptive risk assessment regarding matters (such as work employees engage in), consider safety measures, and examine measures to prevent the recurrence of occupational accidents and health hazards that have occurred. Meanwhile, health and safety promotion councils coordinate with other Group companies and cooperating companies in order to advance health and safety initiatives for the power plant, and other locations as a whole.

Health and Safety Management System



Initiatives Based on the Group Operational Health and Safety Plan

The J-POWER Group has established a Group Operational Health and Safety Plan with individual Group companies formulating their own operational health and safety plans. The whole Group is working together in taking measures to promote occupational health and safety.

FY2023 Group Operational Health and Safety Plan

	Operational Safety	No serious disasters
Major Targets	Operational Health	Preventing infectious and life-style-related diseases and enhancing mental health care

Occupational Accident Prevention Initiatives

Most of the occupational accidents in the J-POWER Group in recent years have occurred among contractors engaged in construction and other work. Many of these are recurring accidents that are serious or have the potential to become serious. It is therefore extremely important to promote unified safety activities that include partner companies to prevent and eliminate accidents involving contractors. To this end, under the slogan of creating more effective safety activities through the integrated consideration of facilities, management, and people, we have designated the following operational safety priorities:

- **Facilities:** Discover potential dangers through means such as risk assessments, and promptly take provisional preventive steps and permanent countermeasures
- **Management:** Pay attention to safety measures for construction and other work that falls under the paradigm of 3H*, cross-sharing recommended initiatives, as well as information about dangers Group-wide
- **People:** Strengthen education and training initiatives, such as in-house risk simulations, in order to improve the level of safety awareness through a common foundation for facilities, management, and people, leading to safe behavior that is conscious of how people act, for example, being too used to the work one does, overconfidence, or taking short-cuts.

* Hajimete [first time], Henko [difference from the previous time], Hisashiburi [first time in a while]

We also work to promote and establish safety-first behavior at the J-POWER Group Safety and Health Conference. We evaluate construction techniques and procedures when placing construction orders to make sure that work proceeds in a clean and safe environment. The Executive Committee and the Board of Directors receive monthly updates on the status of incidents, their causes, and steps taken to prevent future occurrences.

* Since health and safety management systems differ depending on the work content and number of employees, etc. of each operating unit, this diagram shows a typical system at Headquarters and local organizations.

Occupational Health and Safety

Health and Safety Training

J-POWER implements health and safety training for Group companies at J-POWER Headquarters and local operating units for the purpose of improving the health and safety of the entire J-POWER Group. In addition, local operating units implement safety training suitable for their business operations, such as legally mandated training for new hires and employees newly transferred in, special training for work involving electricity, and training about relevant laws and regulations. These units also implement mental health-related training on line-of-command care and self-care. Management-level employees, such as superintendents, and dedicated safety staff are required to participate in seminars and courses held by external organizations in order to improve their health and safety knowledge and management skills and to raise safety awareness. In FY2022, 696 employees participated in such training programs held by J-POWER Headquarters.

Health and Safety Management with Regard to Radiation

The Group is currently proceeding with the construction of the Ohma Nuclear Power Plant in Oma Town, Shimokita District, Aomori Prefecture. Currently, construction of the Ohma Nuclear Power Plant is still underway and there is no danger of employees and workers being affected by radiation. However, we are planning to establish a health and safety management system related to radiation by the time that it becomes necessary.

Maintaining the Physical and Mental Health of Employees and Their Families

Led by health and safety committees, we promote health checkups and health maintenance guidance, and take infectious disease prevention measures to maintain and improve the health of employees and their families. With an emphasis on prevention against lifestyle-related diseases and mental health problems, we aim to maintain and improve the high consultation rate (90% or more) especially with regard to comprehensive medical checkups. As a result, in FY2022, the target was met with a 93% success rate.

By implementing various follow-up activities, such as mental health training based on the results of stress tests, and health maintenance and promotion activities, we also boost both physical and mental health.

Promoting Health & Productivity Management

Under the slogan "from treatment to prevention," J-POWER Group promotes health management by engaging in health maintenance and improvement activities while being cognizant of the PDCA cycle. In FY2022, we also provided influenza vaccinations at the Company's expense. In addition, we contributed to the stable supply of electric power without any interruption in the operation of electric power facilities by expanding working remotely to reduce physical attendance at work while ensuring business continuity, as well as by thoroughly implementing detailed countermeasures against COVID-19 infection in the event of a discovered outbreak of the disease. In addition, as a new initiative for health maintenance and promotion, a walking event was held for all Group company employees and their families.

In recognition of these efforts, J-POWER was certified in FY2023 for the fifth consecutive year as a Health & Productivity Management Outstanding Organization in the large enterprise category by the recognition program jointly implemented by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council). Going forward, we will continue accelerating the pace of our health management initiatives and aim to further enhance corporate value through the improved health and satisfaction of our employees.

Establishment of Wellbeing Support Center

In order to share concerns and address them consistently across the J-POWER Group with regard to the physical and mental conditioning of each and every employee, the Wellbeing Support Center was established in FY2023. Through this organization, the J-POWER Group will encourage ongoing monitoring of health conditions and the centralization of data on the findings of health exams and stress tests in order to foster an environment in which the human resources that underpin the J-POWER Group's operations can play an active role.



Respect for people

Basic Policy on Occupational Health and Safety

The Company aims to create safe, healthy, and rewarding workplaces for the J-POWER Group. The Company and general directors of operating units fully play their parts in establishing and operating a robust occupational health and safety management system with the cooperation of employees and all concerned while remaining in compliance with laws, regulations, and self-defined rules. We also work to promote overall safety management and improve the health and safety standards of the J-POWER Group. Through these measures, we prevent occupational accidents and maintain and promote health.

Creating Rewarding Workplaces

The Company works to create rewarding workplaces that enable each and every J-POWER Group employee to realize health and self-fulfillment by ensuring, maintaining, and improving workplaces that are safe and comfortable to work in.

Compliance with Laws, Regulations, and Other Rules

The Company complies with external and internal rules, including the relevant laws, regulations, and internal Company regulations, and endeavors to prevent occupational accidents as well as to maintain and promote health in the J-POWER Group.

Improvement of Health and Safety Management

The Company and general directors of operating units establish and operate an efficient occupational health and safety management system by supervising safety managers, health managers, and those in charge of safety at the operating units and by gaining the cooperation of employees and all others concerned, thus working to improve the level of health and safety in the J-POWER Group.

Responsibilities of Management

The Company and general directors of operating units recognize their responsibility to realize this basic policy, to this end taking the initiative to set an example for those that follow while keeping the relevant parties thoroughly informed of this basic policy.

When a situation arises that runs contrary to this aim, the Company and the general directors of operating units will take the initiative to solve the problem while working to investigate the cause, prevent recurrences, clarify the root causes, and take appropriate measures.

J-POWER Group's DX Strategy (Special Feature)

Message from DX and Cybersecurity Measures Promotion Officer



Director
DX and Cybersecurity Measures
Promotion Officer
Takaya Nomura

The J-POWER Group has positioned DX as a challenge that aims to improve corporate value and gain competitive advantage through transformation, adopting strategies labeled “DX 3S+D” as its goal. These strategies convey an ambitious message that includes not only the development of new business models that fully utilize data and digital technologies, but also the enhancement of governance processes and health management.

As a guideline for efforts to bring the “DX 3S+D” strategies to fruition, we have formulated the DX Roadmap, which lays out the direction of our DX promotion through 2030, as well as the Mid-term Plan for DX Promotion, which outlines specific measures to achieve the roadmap’s goals. We have also established the DX Promotion Strategy Subcommittee, a Company-wide, dynamic, cross-disciplinary, and flexible promotion structure to accelerate our efforts.

In order to gauge the success of our initiatives as of 2025 and 2030, we have also established goals for the addition of extra work hours, as well as the amount of earnings contribution and cost savings. By 2025, we aim to diversify work sites and make better use of data, which will result in 300,000 more hours of capacity annually and 3 billion yen in cost savings.

The J-POWER Group will take on the challenge of realizing the material issues of climate change, supply of energy, and respect for people through the realization of “DX 3S+D,” as a unified Group.

What's DX 3S+D

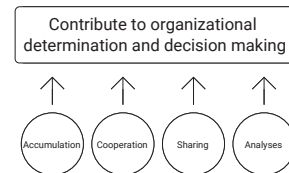
Smartness

Efficiency and immediate response

- Automation and labor-saving efforts
- Reduction of indirect costs
- Improvement of labor productivity
- Highly advanced and highly efficient analyses

Data

Data driven



Safety

Safety and security

- Eradication of accidents and occupational injuries
- Improvement of health management
- Improvement of working environment
- Cybersecurity measures

Strength

Earning power

- Improvement of sales-profit power
- Optimization of power generation costs
- Efforts for zeroing accidents and improvement of operation rate
- Prediction, prevention, and maintenance
- Highly advanced and highly efficient analyses
- Improvement of onsite capabilities



“DX 3S + D,” the J-POWER Group's DX Strategy

Three complementary goals (Smartness, Safety, Strength), which are based on data-driven approaches, have been established as organic goals that correspond to various material issues. For example, the enhancement of governance functions to immediately gain an understanding of the organization's current status, which corresponds to the enhancement of our business foundation, and the eradication of occupational accidents and injuries, the promotion of health management and an enhancement of the working environment, which corresponds to respect for people.

Also, the development of various forecasting technologies and analyses will immediately contribute to an increase in corporate value from a financial standpoint by improving profitability and optimizing power generation costs. The widespread adoption of renewable energy in Japan as well as the achievement of a carbon-neutral society by 2050, which is the objective of our J-POWER “BLUE MISSION 2050,” will be made possible by advanced forecasting and the introduction of efficient maintenance and operation methods for transmission, wind, and hydroelectricity facilities.

Targets	Results of Initiatives
Safety- Safety and security	Onsite management support conducted remotely, utilization of abnormality detection/determination by AI, etc.
Smartness- Efficiency and immediate response	Digital application of desk work (digitization and automation) Digital application of equipment operation and maintenance (body cameras, robots), etc.
Strength- Earning power	Prediction of equipment failure, power output forecasting, etc.
Data- Data driven	Drones and anomaly detection AI for wind power generation facility maintenance, advanced business performance management, etc.

J-POWER Group's DX Strategy (Special Feature)

DX Roadmap 2030

STEP 2

Utilization of data across the J-POWER Group

- Enhance management performance finance, and management of procurement
- Highly advanced asset construction, operation and maintenance
- Optimization of trading
- Optimization of risk management, environmental conservation, and safety management

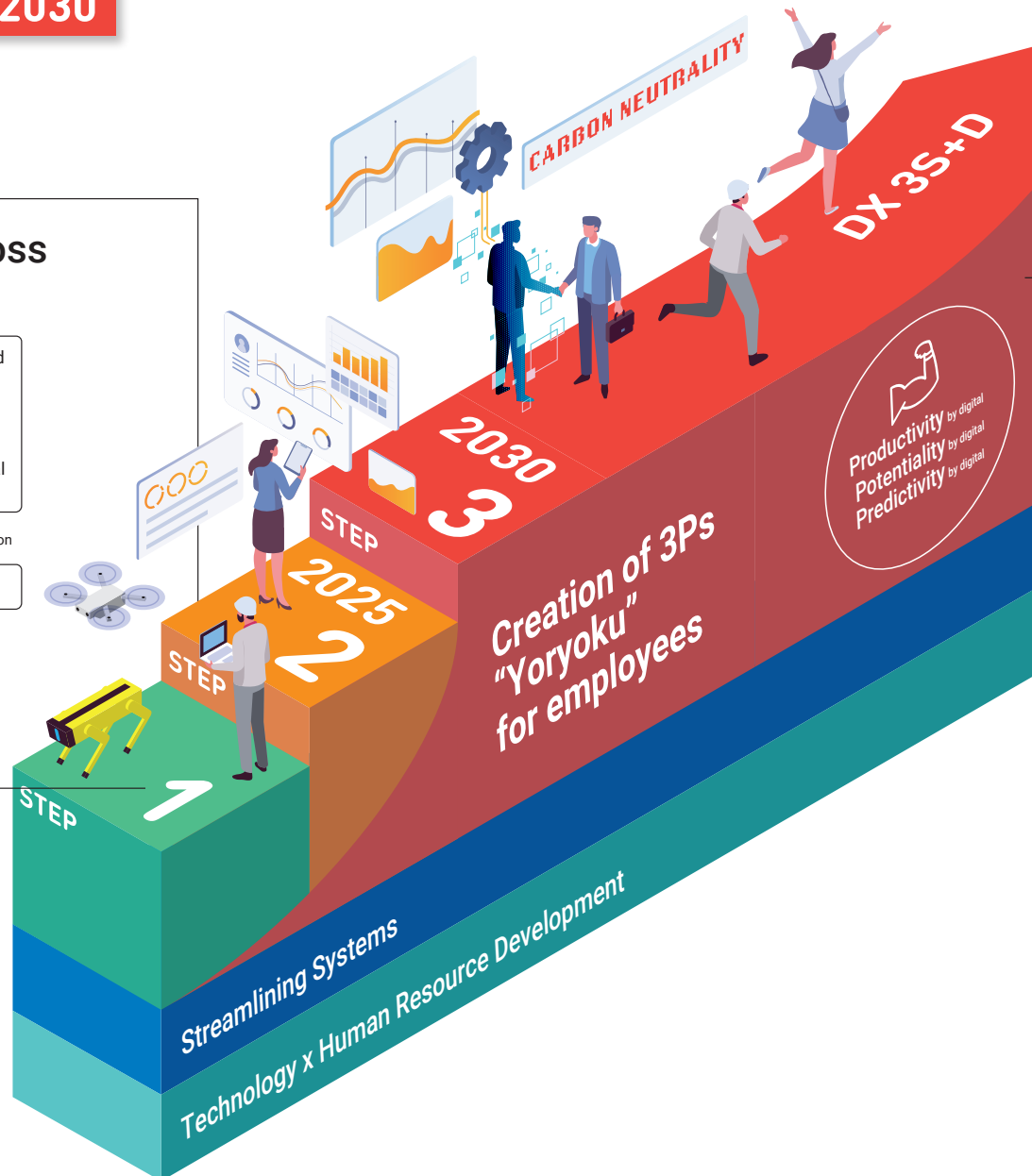
Collection ↔ Processing ↔ Integration ↔ Cooperation

Data accumulation foundation

STEP 1

Visualization of data, automation and remoteness of work

- Establish an environment that serves as a foundation for DX distribution of cloud, remote work tools, device solutions, etc.
- Establish data platform
Establish an environment where data can be used anytime, anywhere, by anyone
- Diverse work styles and Business Process Re-engineering (BPR) Automation, remoteness, and labor saving of operations



STEP 3

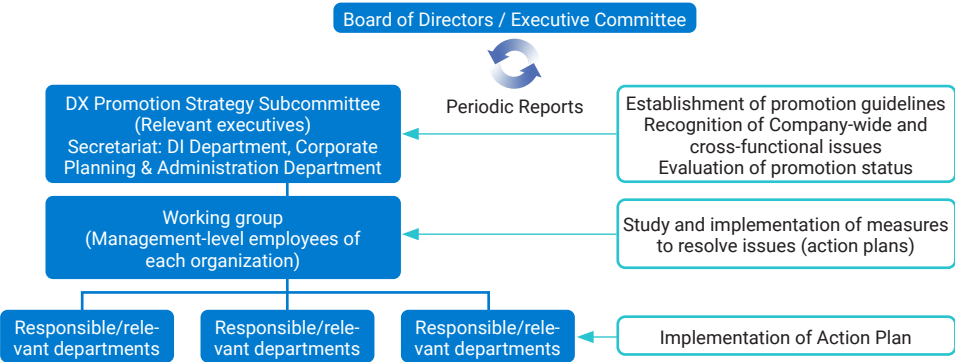
Further evolution and deepening (Up to 2030)

- Contributions to carbon neutrality
- Establishment of a new business model
- Data-driven management
- Realization of "work-in-life"

J-POWER Group's DX Strategy (Special Feature)

Our DX Promotion Structure and Examples of Initiatives

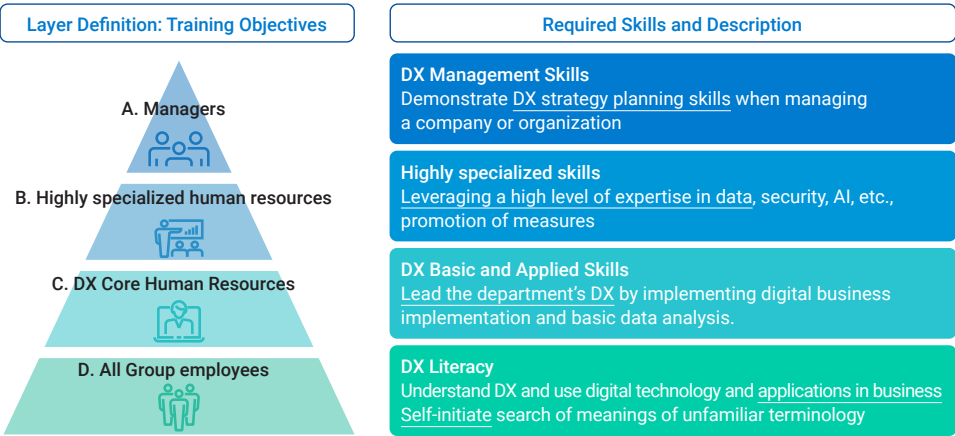
DX Promotion Structure



DX Human Resource Development

We define DX human resources in accordance with the Digital Skill Standards established by the Ministry of Economy, Trade and Industry (METI) and the Information-technology Promotion Agency, Japan (IPA), and have a DX training system in place to meet the needs, experience, and degree of DX progress of each employee, from executives to general employees, to realize “DX 3S+D.”

We aim to have approximately 6,000 Group employees participate in training aimed at improving DX literacy by the end of FY2023 through level-specific training and e-learning, in which participation is mandatory for each year of employment. In addition, we also conduct training by objective to develop human resources who will play a central role in promoting DX in the workplace. In FY2022, the above two types of training courses were held a total of 20 times with approximately 800 participants.



The Company also holds Company-wide educational activities, including those for managers, by inviting outside lecturers and holding DX Exchange Meetings to share DX initiatives and digital technologies.

Case 1: AI abnormality detection/determination (wind power, power transmission, etc.)

To aid in the maintenance and inspection of electric power facilities, we are creating an abnormality detection system employing deep learning.

We are developing a method to monitor wind power producing facilities that automatically detects abnormalities using an internal AI algorithm based on information gathered by a drone that can automatically capture images with cameras along the drone's blades. By maintaining the same level of quality as standard high-elevation inspection work, this technology provides a significant decrease in inspection time to roughly one-tenth.

Knowledge gained from the in-house development of the above-mentioned abnormality detection system is not limited to inspections of wind power generation facilities, but will also be applied to the detection of abnormalities in power transmission lines, and development is currently underway.

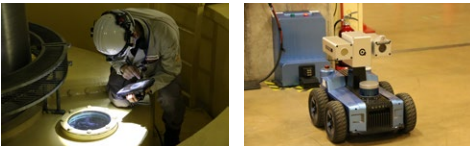


Case 2: Initiatives at the Shimogo Digital Special Zone

Shimogo Power Plant (hydroelectric) has been designated as a special digital integration strategic zone (digital special zone), and is aiming to establish a new maintenance work model by introducing proactive and advanced digital technology.

The Digital Special Zone's efforts are divided into two phases, with Phase 1 producing results in the form of body cameras and tablets used in combination to provide maintenance workers with remote support and onsite confirmation, as well as the use of robots to increase the effectiveness of patrolling and inspections. In Phase 2, which began in FY2022, in addition to further verification and continuous improvement of digital tools, we are promoting further advancement of maintenance operations by consolidating and utilizing the vast amount of data accumulated to date, such as abnormality detection through big data analysis.

By applying the results of these measures to hydroelectric power plants nationwide, we aim to address issues such as the aging of facilities and the severity of natural disasters, as well as to reduce the risk of industrial accidents and improve the competitiveness of hydroelectric power plants.



Corporate Governance

Changes to Strengthen Corporate Governance

Under the J-POWER Group Corporate Philosophy, the J-POWER Group is continuously working to improve its corporate governance in light of the Company's complete privatization in FY2004 and the formulation of the Corporate Governance Code in FY2015. (All principles of the Corporate Governance Code are implemented.) Our major initiatives are listed below. New initiatives for 2022-2023 are also listed on the right side of the page.

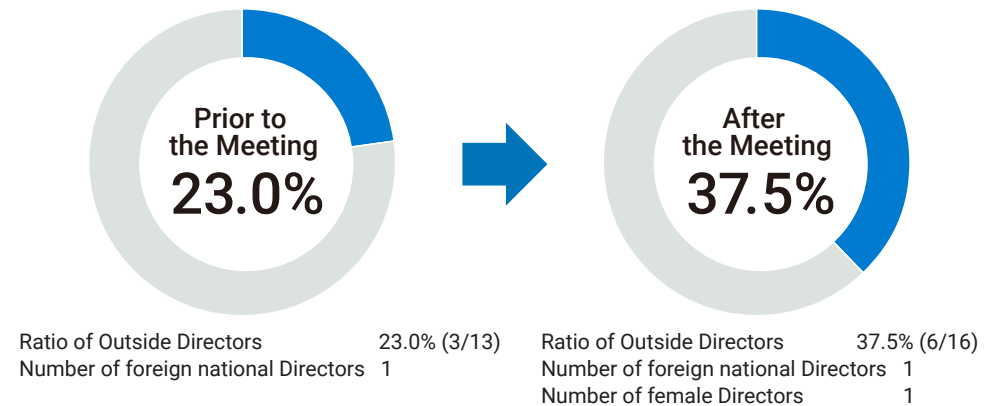
- FY2004** Fully privatized by listing on the First Section of the Tokyo Stock Exchange
- FY2006** Strengthened the Audit & Supervisory Committee Member system (Transitioned to a system of three outside Audit & Supervisory Board Members)
- FY2009** Invitation of Outside Director (Ratio of outside directors 1/14)
- FY2014** Transitioned to a two-person Outside Director system (Ratio of outside directors 2/13)
- FY2015** Established the Basic Policy on Corporate Governance
Started evaluation of the effectiveness of the Board of Directors
- FY2016** Transitioned to a three-person Outside Director system (Ratio of Outside Directors 3/14)
- FY2019** Expansion of the executive officer system (clarification of business execution functions)
Established the Nomination and Compensation Committee
- FY2022** Transitioned to a company with an Audit & Supervisory Committee (Ratio of Outside Directors 6/16)
Introduction of performance-linked compensation and stock-based compensation
- FY2023** Raised the percentage of performance-linked compensation from 10% to around 20%.
Incorporated non-financial indicators as evaluation indicators for performance-linked compensation



Transition to a Company with an Audit & Supervisory Committee (2022 Ordinary General Meeting of Shareholders)

- Ensure speedy execution by delegating important business operations
- Further improve transparency and fairness of management and enhance supervisory functions

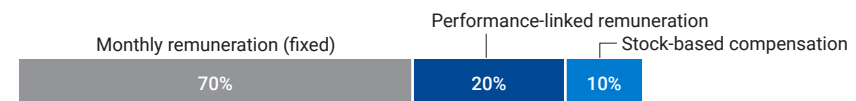
Ratio of Outside Directors, Expansion of Diversity (2022 Ordinary General Meeting of Shareholders)



Introduction of non-financial evaluation indicators for performance-linked remuneration (FY2023)

- The percentage of performance-linked remuneration to be paid will be raised from 10% to around 20%, and material issues will be added to the existing evaluation indicators of consolidated ordinary income, with both financial and non-financial indicators being used for evaluation.

Guidelines for percentage of officer compensation paid



Performance-linked remuneration = consolidated ordinary income achievement*1 × 90% + materiality target [KPI] overall evaluation*2 × 10%

- Supply of energy
- Response to climate change
- Respect for people
- Engagement with local communities
- Enhancement of our business foundation

*1 Actual consolidated ordinary profit at fiscal year's end/projected consolidated ordinary profit at fiscal year's start
Range: 0% minimum to 200% maximum

*2 See p.11-12 Excluding strengthening of our profit and financial foundation Range: 0% minimum to 120% maximum

Corporate Governance

Basic Policy

In accordance with its Corporate Philosophy, the J-POWER Group endeavors to enhance corporate governance on an ongoing basis in order to realize sustainable growth and improve corporate value over the medium- to long-term. The Group believes these outcomes can only be achieved in cooperation with a wide range of important stakeholders, including shareholders. The Company respects shareholder rights in order to allow for proper collaboration with shareholders. The Group also strives to engage in dialogue with stakeholders in order to build relationships of trust with all of them.

J-POWER has established the Basic Policy on Corporate Governance, establishing its basic policy and stance with regards to corporate governance. For more information about the Company's Basic Policy on Corporate Governance, please refer to the J-POWER website.

<https://www.jpowers.co.jp/english/sustainability/governance/pdf/cg2306.pdf>

Strategic Shareholdings

J-POWER does not maintain strategic shareholdings unless such shareholdings are deemed to serve a purpose.

For details, such as the purpose of any shareholdings, please see our website.

<https://www.jpowers.co.jp/english/sustainability/governance/governance.html>

Number of Specified Investment Shares and Carrying Amount Stated on Balance Sheet

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of Shares Issued	21	18	17	16*	16*
Carrying Amount Stated on Balance Sheet (millions of yen)	31,329	21,039	26,177	28,445	28,111

* Excludes one listed startup company

General Meeting of Shareholders

J-POWER provides shareholders with information that it believes to be useful for appropriate decision making at general meetings of shareholders. To this end, the Company is constantly striving to improve the content of its annual general meeting of shareholders notice, reference materials, and business reports. It also provides information via financial results, timely disclosure materials, and disclosure via its website, as needed.

The Company distributes a notice of its annual general meeting of shareholders around four weeks prior to the meeting date in Japanese and three weeks prior in English to ensure that shareholders have sufficient time to consider the proposals to be put before the meetings and enable them to appropriately exercise their voting rights. Moreover, the Group strives to avoid scheduling the general meeting of shareholders for the dates most crowded with other companies' shareholder meetings.

Ensuring Shareholder Rights and Equality

The Company's policy regarding shareholder rights, such as voting rights at the general meeting of shareholders, is to respect such rights and ensure the substantial equality of shareholders. In addition, the Company gives consideration to ensuring that the special rights that are granted to minority shareholders are upheld with regard to confronting listed companies and their officers (including the right to seek an injunction against illegal activities and the right to file a shareholder lawsuit).

Relationship with Shareholders and Investors

We disseminate information primarily through our website, integrated reports, shareholder newsletters, and J-POWER Shares (an organization exclusively for shareholders), along with such disclosures as annual securities reports and financial statements. Based on the disclosed information, J-POWER not only interacts with shareholders at general meetings of shareholders, but also at financial results briefings, facility tours, company presentations for individual investors, and one-on-one meetings with institutional investors. Through these dialogues, we seek to gain an understanding of the social value we provide to our shareholders and investors, as well as the financial benefits of our business strategies. We report the opinions we receive through these dialogues to the Board of Directors on a quarterly basis, and reflect them in our business strategies and enhance our disclosure materials.

Status of Dialogue with Shareholders

Main Correspondents	President, Directors and Managing Executive Officer in Charge of Investor Relations
Shareholder Overview	Analysts involved in active management in Japan and abroad, ESG analysts involved in passive management, persons in charge of exercising voting rights, and individual investors
Main themes	Financial results and outlook, progress in addressing climate change, etc.
Insights gained	Through dialogue on our progress in addressing climate change, we have realized that simply setting a CO ₂ reduction target is not convincing enough as a plan, and that only more concrete information can be evaluated, such as reduction methods and amounts to support the target, as well as a detailed time schedule. Based on these findings, we enhanced the disclosure of scenario analysis and financial impact in the disclosure based on the CO ₂ reduction plan and TCFD recommendations in Progress of J-POWER Medium-Term Management Plan.

Dialogue with shareholders (FY2022)

Facility Tours	Held once online, viewed by 250 people (Number of views) Site tour held on three dates, approx. 50 participants
Company Information Sessions (for individual shareholders)	Held once online for approx. 830 participants (Number of views)
Financial Results Briefings Various small meetings	Held eight times online
Individual Meetings	Approximately 170 meetings held online

Corporate Governance

Composition of the Board of Directors and Committees

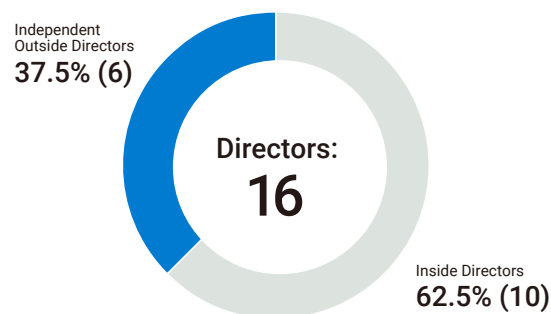
Composition of the Board of Directors

The Board of Directors is composed of Directors with abundant experience, deep insight and highly specialized knowledge to maintain balance and diversity in the knowledge, experience, and abilities of the Board of Directors as a whole. The Board is composed of no more than 12 Directors (excluding those who are members of the Audit & Supervisory Committee) and four Directors who are members of the Audit & Supervisory Committee.

To ensure the effectiveness of the independent and objective management supervision by the Board of Directors, the Company endeavors to have at least one-third of its Directors be Independent Outside Directors who are selected for their experience, knowledge, specialization, and other attributes.

Currently, the total number of Directors is 16, including six Independent Outside Directors.

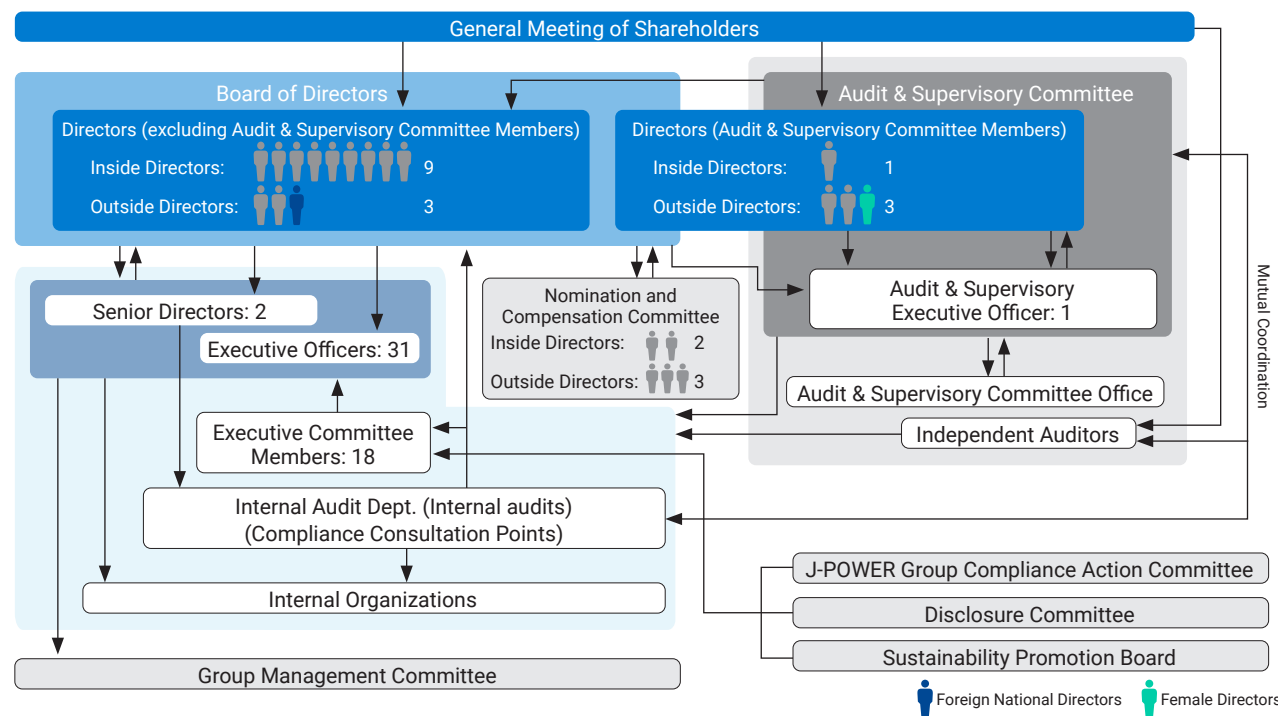
Composition of the Board of Directors



Composition of the Audit & Supervisory Committee

The Audit & Supervisory Committee is composed of no more than four Directors who are Audit & Supervisory Committee Members, the majority of whom are Independent Outside Directors with two full-time Audit & Supervisory Committee Members selected. At least one person with appropriate knowledge of finance and accounting is appointed as an Audit & Supervisory Committee Member. The effectiveness of audits is enhanced by combining the strong independence derived from the Committee's composition with the full-time Audit & Supervisory Committee Members' strong capability to gather information.

Corporate Governance Structure (As of August 1st, 2023)



Composition of the Nomination and Compensation Committee

The Company established a Nomination and Compensation Committee as an advisory body to the Board of Directors. More than half of its members serve as Independent Outside Directors to enhance the independence, objectivity, and accountability of the Board of Directors with regard to the nomination and compensation of Directors and senior management. In addition, the regulations stipulate that Committee members who have a special interest in agenda items cannot participate in any related vote or resolution.

Composition of the Nomination and Compensation Committee (As of June 28, 2023)

Independent Directors: 3	Inside Directors: 2
Takashi Yokomizo, Outside Director (Chairman)	Toshifumi Watanabe, Representative Director, Chairman
Hiroshi Fujioka, Outside Director, Audit & Supervisory Committee Member	Hitoshi Kanno, Representative Director, President
Kiyoshi Nakanishi, Outside Director, Audit & Supervisory Committee Member	

Nomination and Compensation Committee Meetings in FY2022

Number of meetings held: 6

Attendance at meetings: 100%

Deliberated matters

Determination of candidates for Directors (excluding those who are members of the Audit & Supervisory Committee) / Changes in Representative Directors and Senior Directors / Appointment of Executive Officers and Audit & Supervisory Executive Officer / Determination of duties of Executive Officers / Determining policies regarding compensation for candidates for Directors (excluding those who are members of the Audit & Supervisory Committee), Executive Officers and Audit & Supervisory Executive Officer / Performance-linked remuneration evaluation indicators / Compensation level

Corporate Governance

System for the Execution of Directors' Duties

Ensuring Effectiveness of Business Execution

The Board of Directors meets monthly in principle* and on an as-needed basis, with attendance of all of the Directors, including Outside Directors. The Executive Committee meets weekly in principle, with attendance by all Senior Directors, Senior Executive Officers, the Specially Appointed Audit & Supervisory Committee Member, and full-time Audit & Supervisory Committee Members. The Executive Committee discusses matters subject to deliberation by the Board of Directors, significant company-wide matters related to business execution by the President and Executive Vice Presidents based on policies decided by the Board of Directors, and important matters related to individual business execution.

In addition to the Board of Directors' delegation of certain decision making responsibilities for the execution of important business to Senior Directors in accordance with the Articles of Incorporation (excluding respective items in paragraph 5 of Article 399-13 of the Companies Act), as well as allocating functions by the Board of Directors and the Executive Committee, the Company clarifies responsibility and authority thereby ensuring accurate and prompt decision-making and efficient corporate management by establishing a system in which Executive Officers, to whom authority is delegated by Senior Directors, share responsibility for business execution.

* The Board of Directors met 13 times during FY2022.

Ensuring Appropriateness in Business Execution

The Company has established an Internal Audit Department to ensure proper business execution and conduct internal audits from a position independent from the other operating units. Each operating unit also conducts periodic self-audits of the execution of business in its unit. Important internal audit results are reported to relevant parties including the Audit & Supervisory Committee, the Board of Directors and the Executive Committee, to ensure cooperation between the Internal Audit Department, Directors (excluding Directors who are Audit & Supervisory Committee Members), and the Audit & Supervisory Committee.

Preventing Conflicts of Interest

The Directors of the Company, in accordance with its Corporate Philosophy, Corporate Conduct Rules, and Compliance Action Guidelines, exemplify honest and fair conduct based on a steadfast spirit of compliance and business ethics. In addition, the Company works to prevent conflicts of interest in the event that the Company engages in a transaction with a Director or a major shareholder* by obtaining the approval of the Board of Directors before executing the transaction and reporting the results of the transaction to the Board of Directors.

* Shareholders with shares representing 10% or more of the voting rights in the Company

Audit System

Audit & Supervisory Committee

The Audit & Supervisory Committee was established in accordance with the Companies Act to audit the legality and appropriateness of the execution of duties by directors. Audit & Supervisory Committee Members conduct audits at J-POWER's Headquarters by attending and speaking at important meetings of the Board of Directors and by interviewing the Directors (excluding those who are members of the Audit & Supervisory Committee) and Executive Officers on the status of the execution of duties. The Audit & Supervisory Committee also carries out site visits to local operating units and subsidiaries in Japan and overseas.

Specially Appointed Audit & Supervisory Committee Member

As a system to assist the Audit & Supervisory Committee Members in their audits, etc., the Company has established an Office of Audit & Supervisory Committee Members and specially appoints an Audit & Supervisory Committee Member. The Specially Appointed Audit & Supervisory Committee Member is well-versed in the Company's business and independent from the chain of command of the Directors who are not Audit & Supervisory Committee Members. The specially appointed member assists the Audit & Supervisory Committee with audits, etc. under the direction of the Audit & Supervisory Committee from

the same perspective as the Audit & Supervisory Committee Members. In this way, the Audit & Supervisory Committee and the Internal Audit Department cooperate and audit the executive department more effectively. Full-time specialist staff working in the Office of Audit & Supervisory Committee Members, which is also independent from the Directors' chain of command, assist with audits and other matters conducted by the Audit & Supervisory Committee.

Internal Audit Department

Audit & Supervisory Committee Members coordinate auditing schedules with those of the Internal Audit Department and implement audits while exchanging information on audit results during the fiscal year. Where necessary, the Audit & Supervisory Committee instructs the Internal Audit Department on reporting, investigations, and other matters. As a result, we are strengthening mutual cooperation between the Audit & Supervisory Committee and the Internal Audit Department, working to enhance the use of the internal control system in the Audit & Supervisory Committee.

During the accounting audits, the Audit & Supervisory Committee liaises with the Independent Auditors to regularly receive reports and exchange opinions regarding auditing schedules and the audit results. This enables the Audit & Supervisory Committee to judge the validity of the auditing method of the Independent Auditors and the results of the audits.

Group Governance

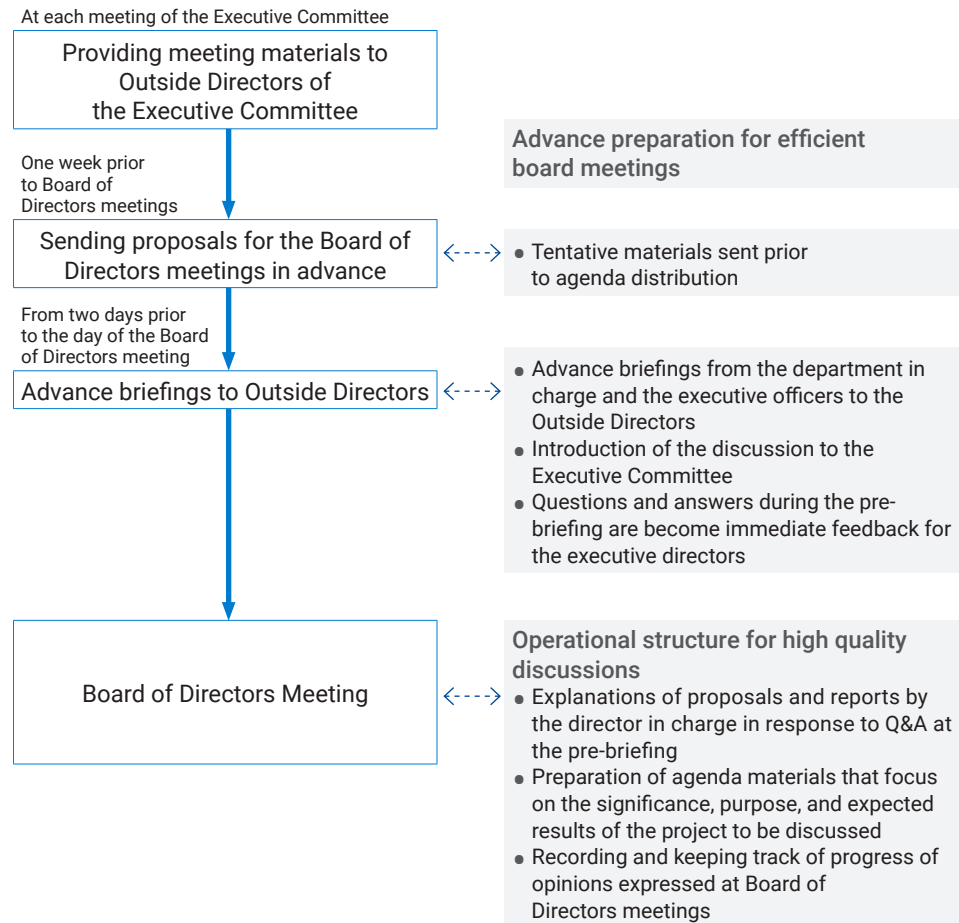
With regard to the administration of subsidiaries and affiliates, the J-POWER Group's basic policy calls for group-wide business development in accordance with the Group's management plan. The administration of subsidiaries and affiliates is undertaken in accordance with the Company's internal regulations, and the Group Management Committee works to improve the appropriateness of operations for the entire corporate Group. In addition, the Audit & Supervisory Committee Members and the Internal Audit Department implement audits of subsidiaries and affiliates with the objective of ensuring proper operations at all Group companies.

Corporate Governance

Enhancing Operations of the Board of Directors and Corporate Governance

With the aim of enhancing corporate governance, J-POWER periodically reviews the procedures of its Board of Directors. The Company also strives to improve management dialogue by providing opportunities to freely and frankly share opinions in informal settings outside of Board of Directors meetings.

Board of Directors Deliberation Flow



Various initiatives outside of board meetings

In addition to the Board of Directors meetings, informal efforts are being made to enhance the monitoring function of the Board of Directors, improve the information provided to Outside Directors, and create opportunities for a frank exchange of opinions by holding meetings where all members can express their thoughts. We have received a lot of comments and counsel from the perspectives of the Outside Directors during these discussions, not just on medium- and long-term management issues but also on our corporate culture and organizational structure. Additional initiatives include discussions between directors and onsite workers and executive visits to power plants. We will continue to seek to improve corporate governance and increase corporate value based on the insights we have received from these discussions.

Results of Initiatives in FY2022

- Exchange of opinions by all members of the Board of Directors (5 times)
- Small meetings for Outside Directors (5 times)
- Lunch meetings between the Chairman, President, Outside Directors, etc.
- Exchanges of opinions between Board of Directors and onsite employees (25 locations)
- Visits to power plants by Outside Directors (9 times)



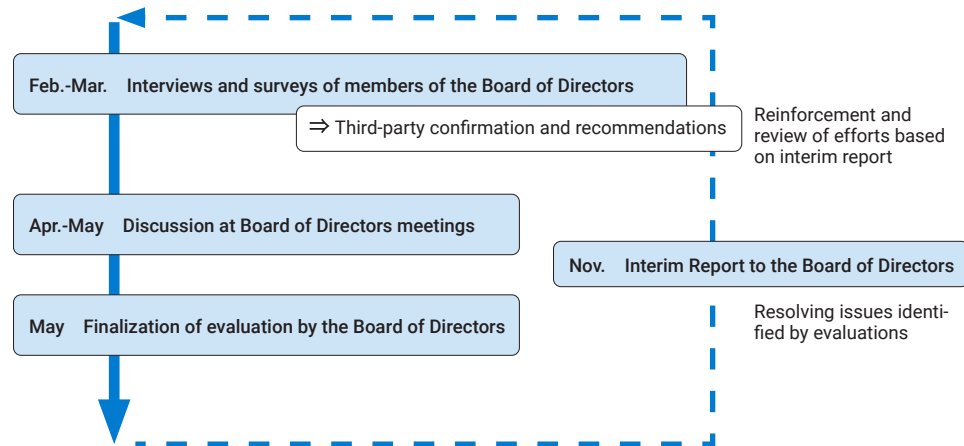
Examples of Items Discussed at Board of Directors Meetings

Item	Item Agenda (includes items to be reported)
Sustainability-related (includes response to climate change)	Management Plan / J-POWER Group Human Rights Basic Policy / Research and Development / Establishment of Domestic CCS Preparatory Company / Status of ESG Initiatives
Finance & Accounts	Quarterly and year-end financial results / Dividends / Budgetary results and annual forecast
Governance and Compliance	Revision of Rules and Regulations in Connection with Transition to Company with Audit & Supervisory Committee/ Evaluation of effectiveness of the Board of Directors / Report on Internal Audit Results / Report on Compliance Promotion Activities
Projects	Domestic onshore wind power projects / Domestic offshore wind power projects / Domestic power transmission projects / Overseas projects / Ohma Nuclear Power Plant
Others	Confirmation of Policy Shareholdings / IR and SR Reporting

Corporate Governance

Evaluation of Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors on an annual basis.



Past Initiatives

FY2020

- Organize agenda items for the Board of Directors meetings
- Improvement of Board of Directors meetings operation

FY2021

- Further enhancement of the quality of discussions at Board of Directors meetings
- Measures to ensure speedy execution

FY2022

- 1. Transition to a Company with an Audit & Supervisory Committee**
 - Delegation of some important business decisions from the Board of Directors to the executive Directors
 - Revised in a manner that promotes the delegation of authority with respect to decision-making authority below the level of president
- 2. Further enhancement of discussions on management strategy**
 - Ongoing exchange of ideas, including small meetings with all members of the Board of Directors
- 3. Accurate reflection of the Board of Directors' discussions in business execution**
 - Cataloging input and providing feedback at board meetings
 - Promote initiatives to improve business execution based on exchange of opinions among all directors
- 4. Further improvement to the operation of meetings of the Board of Directors**
 - Review of Management Committee Meeting Materials
 - Improvement in the quality of explanations in meetings of the Board of Directors through the involvement of responsible Executive Officers in the provision of preliminary explanations to Outside Directors and through prior sharing of details covered in such preliminary explanations

Overview of FY2022 Effectiveness Evaluation

Evaluation Method

- The following process was used to conduct the FY2022 evaluation.
 1. In February 2023, with the support of a third-party organization, we conducted a questionnaire* of all 16 board members, including six outside officers.
 2. Interviews were held in March 2023, to obtain opinions on the questionnaire responses and FY2022 initiatives.
 3. Discussion based on the results of (1) and (2) at the Board of Directors meeting held in early May, 2023.
 4. Evaluation results were confirmed at the Board of Directors meeting held in late May, 2023.
- * Questionnaire items: I. Composition of the Board of Directors; II. Operation of the Board of Directors; III. Discussions of the Board of Directors; IV. Monitoring functions of the Board of Directors; V. Support system for directors; VI. Dialogue with shareholders (investors); VII. Summary

Evaluation Results

- In the questionnaire and interviews, there were no serious problems that were flagged as major issues, and we determined that the Board of Directors' effectiveness was secured. On the other hand, the following remarks were made in light of changes in the business environment in which we find ourselves as well as other circumstances.

Main opinions in this year's evaluation

- As a board of directors, it is essential that discussions are fully devoted to the Company's future vision and the resolution of important management issues.
- The transition to a company with an Audit & Supervisory Committee was properly implemented based on sufficient discussions. In light of the purpose of the transition, the Board of Directors should focus more on discussing the strategy and direction of the Company as a whole.

Future Direction of Initiatives

- We believe it is critical to continue and enhance our initiatives for FY2023, and we have confirmed that it is effective to implement specific initiatives in the following directions.
 - 1. Enhance opportunities for free-spirited discussions**
 - New opportunities for an intensive exchange of opinions on the future vision of the Company and important management issues
 - Exchange of opinions in a small group limited to Outside Directors, the Chairman, President, and Inside Directors in charge
 - 2. Further enhancement of the operation of the Board of Directors, taking into account the transition to a company with an Audit & Supervisory Committee system**
 - Reorganize reporting on individual businesses to improve the strategic function of the Board of Directors.
 - Provide timely and appropriate feedback to Outside Directors regarding the status of responses to their opinions at meetings of the Board of Directors.

Corporate Governance

Appointment and Dismissal of Officers

The Board of Directors appoints as members of top management and nominates as candidates for Director and Audit & Supervisory Committee Member individuals who have the abundant experience, distinguished knowledge, and advanced specialization necessary for those positions, based on discussion by the Board following the President's presentation of recommendations. The President's recommendations for members of top management and Director candidates are themselves based on the deliberations of the Nomination and Compensation Committee.

When a member of top management or a Director is found to have acted inappropriately or unreasonably, or there is some other marked impediment to the continued execution of the individual's duties, the Board of Directors may decide, based on discussion within the Board after deliberation by the Nomination and Compensation Committee, to dismiss or otherwise take action to deal with the member of top management or Director in question.



Nomination and Compensation Committee (see p.82)

Officers' Compensation

Composition of Officers' Compensation

After the 70th Ordinary General Meeting of Shareholders on June 28, 2022, the Company has implemented a performance-linked remuneration and stock compensation system for the remuneration of its Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors, in order to better link their compensation with business performance and corporate value and to provide incentives for sustained improvement of business performance and increase in corporate value. As a result, the remuneration structure for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors will consist of three parts: monthly remuneration paid in cash, performance-linked remuneration and stock-based compensation.

It was resolved at the above General Meeting of Shareholders that the amount of remuneration for Directors (excluding those who are members of the Audit Committee) shall be within 570 million yen per year (of which, only a fixed monthly remuneration within 60 million yen is given to Outside Directors. Employee salaries for Directors who serve in dual capacity as employees are excluded). Within the scope of this resolution, the method of determining the amount of remuneration for directors is determined by the Board of Directors.

For executive officers, the method of determining the amount of compensation is resolved by the Board of Directors.

The amount of remuneration for Directors who are Audit & Supervisory Committee Members was resolved at the above General Meeting of Shareholders to be no more than 120 million yen per year (fixed monthly remuneration calculated based on position, etc.). Within the above amount, the amount of remuneration for each Director who is an Audit & Supervisory Committee Member is determined through discussion among Directors who are Audit & Supervisory Committee Members.

Stock-based compensation system

Under the stock-based compensation system, a trust, established by the Company and to which money is contributed, acquires J-POWER shares. The number of shares equivalent to the number of points granted by the Company to each Director, etc. is then distributed to each Director.

Details of the resolution of the 70th Ordinary General Meeting of Shareholders held on June 28, 2022

(1) Persons eligible for the System	Directors (excluding Directors who are Audit & Supervisory Committee Members) who are not Outside Directors
(2) Target period	Three fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025
(3) Maximum amount of money that the Company will contribute as funds for the acquisition of shares of the Company necessary for distribution to (1) persons eligible for the System during the (2) target period.	Total of 165 million yen
(4) Method of acquiring shares of the Company	Through the undertaking of the disposal of the Company's treasury shares or through the exchange market (including off-floor trading)
(5) Maximum number of points granted to (1) persons eligible for the System	40,600 points per fiscal year *1 point = 1 share of the Company
(6) Criteria for gaining points	Points are granted based on position, etc.
(7) Time of distribution of shares of the Company to (1) persons eligible for the System	In principle, when Directors retire

Expansion of performance-linked remuneration ratio and introduction of non-financial indicators

As an incentive to achieve the management goals of the Medium-Term Management Plan, consolidated ordinary profit was used as an indicator for performance-linked remuneration, and the ratio of performance-linked remuneration was set at approximately 10%. However, at the Board of Directors meeting held on February 28, 2023, the ratio of performance-linked remuneration was raised from 10% to around 20%, with the Company deciding to use performance-linked remuneration as an evaluation indicator to evaluate the Company's efforts to enhance its corporate value over the medium to long term. The Board of Directors also resolved to incorporate its material issues—supply of energy, response to climate change, respect for people, engagement with local communities, and the enhancement of J-POWER's business foundations—which are initiatives aimed at improving corporate value over the medium to long term, as evaluation indicators for performance-linked remuneration. As a result of these changes, the ratio of variable remuneration accounts for roughly 30% of the total, and the system is designed to determine performance-linked remuneration in terms of both financial and non-financial aspects. All of the above changes were resolved after deliberation by the Nomination and Compensation Committee.

Monthly remuneration (fixed)	Performance-linked remuneration	Stock-based compensation system
About 70%	About 20%	About 10%

Performance-linked remuneration = consolidated ordinary income^{*1} × 90% + Comprehensive consideration of material issues (KPI)^{*2} × 10%

*1 Consolidated ordinary profit actual results/forecasted consolidated ordinary profit at the beginning of the period

Fluctuation range: 0% minimum – 200% maximum

*2 See p.11–12 Excluding strengthening revenue and financial foundation
Fluctuation rate: 0% minimum – 120% maximum

Message from Outside Directors



Director
(Outside Director)
Takashi Yokomizo

Contributing to the Company's further success through legal expertise

Impression of the J-POWER Group

In June 2023, I took on the role of an Outside Director. While I was, of course, aware of J-POWER's history of developing a large-scale hydroelectric power generation system to address the social issue of Japan's postwar electricity shortages, I've seen how the Company's recent economic growth has positioned it as a pioneer in the production of wind and other renewable energy sources, which helps it proactively tackle the social issue of climate change.

At the same time, I get the sense that caring for the environment is deeply interwoven into its philosophy. During a recent visit to the Isogo Thermal Power Plant, I was impressed not only by its state-of-the-art amenities and technology but also by the meticulous attention given to the local community, including harmony with the landscape, through close communication with the local government during the plant's construction.

Desired role as an Outside Director

My goal is to contribute to raising J-POWER's corporate value by putting the diverse experience I've acquired as an attorney to good use. Although an attorney's primary responsibility is to settle disputes, they also develop a great deal of skill when it comes to dispute avoidance. By expressing my views at Board of Directors meetings from this perspective, I would like to contribute to an increase in governance and risk management in the Company's business development and inter-company transactions.

Making accurate decisions based on a correct grasp of the facts while paying close attention to the arguments of each party is essential when settling conflicts. I would encourage the Board of Directors to follow suit in order to conduct discussions that are factually accurate and built on a solid foundation. I would also like to personally visit numerous power plants to hear the thoughts of those on the frontline before actively expressing my own thoughts, while also staying educated on the energy sector and trends related to climate change.

Also, a company's human resources determine its capacity for sustainable growth. In hopes of maintaining strong human resources within the Company and the management team, I would like to focus our discussions on the development of the next generation of human resources.

Determining the Directors' ability to make and execute decisions

I also serve as chair of the Nomination and Compensation Committee. If a company is committed to contributing to society, it must have an outstanding management team. With this in mind, we acknowledge the Nomination and Compensation Committee's crucial role in evaluating the credentials of prospective candidates and nominating Directors.

When it comes to the skills required for the Board of Directors to lead the J-POWER Group, a candidate must have a clear prediction of future energy needs, an idea of how the Company should transform to satisfy those needs, and the ability and strong will necessary to execute those decisions. At the same time, I believe having a humble attitude capable of making decisions after considering a range of viewpoints

is also important. As chair of the Nomination and Compensation Committee, I would like to hear what decision-making experience the Director candidates process and whether they have the ability to execute those decisions.

Expectations of the J-POWER Group

In order to realize a sustainable society, it is necessary not only to provide a stable energy supply, but also to adequately respond to climate change as well as environmental issues at the local level. The J-POWER Group has made its mission balancing these issues through its business activities. I also believe that the Company's business field will expand to meet diversifying power needs.

Yet, because doing so requires substantial investments, there must be careful assessment as to whether the outcomes will be worthwhile. In an ever-evolving business environment, the J-POWER Group must balance increasing risks with the mission it must complete.

I'm hoping that by making these efforts, the J-POWER Group can become recognized by society as a pioneer in the fight for carbon neutrality.

Message from Outside Directors



Director (Outside Director)
Audit & Supervisory Committee Member
Kiyoshi Nakanishi

A “bottom-up” flow of timely and quality information is the deciding factor for growth

Emphasized perspectives as an Outside Director

As an Outside Director and Audit & Supervisory Committee Member, I place special emphasis on five essential perspectives in board meetings, namely onsite perspective, global perspective, future-focused perspective, expeditious perspective, and customer-focused perspective.

By onsite perspective, I refer to a focus on whether management is directly listening to the opinions of employees on the front lines of the Company or if the gap between them and management has grown too wide.

A global perspective is the significance of thoroughly understanding the requirements and perspectives of each nation and representing them in programs, while maintaining a broad perspective and maximizing use of resources.

A future-focused perspective is one that determines what must be valued in the present in order to achieve sustainable growth.

In the expeditious perspective, it is crucial that information is used and transmitted quickly, especially when working

from the bottom up. Swift decision-making, which is necessary in corporate management, actually depends on how quickly the management receives high-quality data from the employees who are the backbone of the Company. Based on prior experiences, I have stated that it is crucial to establish a framework that enables the Board of Directors to examine the significance of this issue, get the most recent data domestically and abroad, and quickly exchange it.

Finally, in the customer-focused perspective, it is crucial to comprehend how electric power services are actually used by customers and how those users are changing. Even though J-POWER has been a long-time wholesaler, this viewpoint is crucial when examining potential future business models.

More stimulating discussion and enhancing effectiveness of Board of Directors meetings

In FY2022, J-POWER transitioned to a Company with an Audit & Supervisory Committee. As a Director, I now attend Board of Directors meetings, where an atmosphere in which everyone feels at ease with voicing their thoughts is created. As a result, active discussions are frequent. Also, each suggestion made at Board of Directors meetings is now managed separately in terms of its progress toward implementation. I believe that things are moving in a favorable direction, even though there is still space for improvement in terms of how quickly one action can be followed by another.

The key to stimulating discussion at Board of Directors meetings and making them more effective is, information. Firsthand information from local and international locations and offices is really significant, as I have previously indicated, so it is crucial to keep developing the infrastructure and knowledge necessary to make it possible for such information to be communicated more quickly in the future.

Information on national legislation, cutting-edge technologies, trends, and the global situation in relation to climate change and coal-fired thermal power is also essential.

Based on this data, I think it's crucial to have a thorough conversation about the Company's future vision, taking both the future-focused perspective and the customer-focused perspective into consideration. Opportunity is provided for board members to freely debate issues outside of Board of Directors meetings, and I would also like to have more

in-depth conversations on the Company's future business portfolio and growth goals within these open forums.

J-POWER's vision for the future

From my perspective as an outside Director, I have seen that J-POWER boasts “three core strengths” as it establishes its vision for the future.

The first is a strong sense of mission as a Company to deliver a steady flow of energy that is deeply ingrained Company-wide.

The second is its strong connection to local communities. J-POWER holds great respect for local communities, both in Japan and globally, a feeling that extends to its onsite employees as well.

J-POWER additionally has the benefit of being a worldwide organization. I believe that considering how the Company may contribute to the growth of each region to which it is connected, based on a firm understanding of the circumstances of each area is the key to its future prospects.

Furthermore, J-POWER has longstanding technology advantages in carbon neutral CO₂ storage and CO₂-free hydrogen power generation, in addition to its conventional strengths in renewable energy fields such as hydroelectricity, wind, and geothermal power. It is crucial that these advantages be fully leveraged in order to advance the trend toward energy diversification. As global rivalry heats up and we regard the widespread adoption of these technologies as the key to long-term sustainability, speed is also crucial in this situation.

I think it's critical to aggressively include the knowledge and sensibility of the younger generation when imagining the future of J-POWER. As the Company has developed on the basis of the technology and a strong sense of mission, it is important that proposals from new perspectives be full of innovation and that passion continue to arise. Each and every employee who assists the Board of Directors must be effective if it is to function effectively. I have high hopes that these initiatives will be accelerated under the new president's direction and that the Company will continue to build on its strengths, particularly in the global market, and pave the path for expansion.

Compliance & Risk Management

- The J-POWER Group, in accordance with its Corporate Philosophy, has established the Corporate Conduct Rules as outlining basic rules for behavior in line with business ethics to be observed in the course of business operations.
- In addition, the Group has established its Compliance Action Guidelines as criteria for determining specific actions by individual employees, including members of management, when conducting business activities.
- The Board of Directors regularly receives reports on the status of business execution in order to keep up to date on risks, including ESG-related risks. This structure ensures measures are implemented to recognize and avoid risks in the conduct of business activities and minimizes losses when risks actualize.

For details about the J-POWER Group's Corporate Conduct Rules and Compliance Action Guidelines, please refer to the J-POWER's website.

Corporate Conduct Rules https://www.jpowers.co.jp/english/company_info/philosophy/ **Compliance Action Guidelines** <https://www.jpowers.co.jp/english/sustainability/governance/compliance.html>

Compliance Promotion Structure

The Chairman serves as the top compliance officer, with the President serving as the Chairman's assistant and the Compliance Officer serving as the Chairman's and President's assistant. The Compliance Action Committee, in which Group companies are invited to participate, was established as a committee to promote compliance within the Group. The committee's duties include deliberating on compliance promotion measures, assessing the status of implementation, and addressing anti-compliance issues. In order to allow quick and accurate work connected to compliance promotion, two subcommittees have also been established under the Compliance Action Committee to promote compliance promotion activities and volunteer safety activities based on the safety standards. An experienced executive officer chairs each subcommittee and monitors the progress of compliance promotion initiatives during implementation.

Additionally, each of our domestic key corporate locations, power plants, and Group companies has developed its own Compliance Committee to create compliance initiatives catered to its unique features.

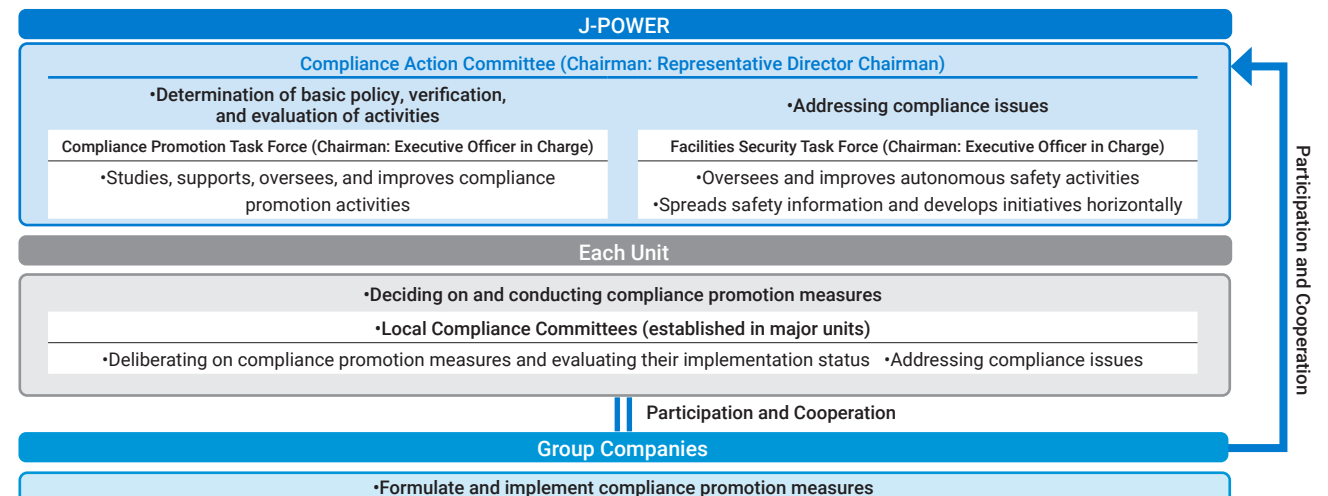
Compliance Promotion Activities

The Compliance Action Committee utilizes a PDCA (plan-do-check-act) method for compliance promotion, formulating a plan for each fiscal year, evaluating results at the end of that fiscal year, and formulating the next year's plan based on the results. The compliance promotion plan and results are reported to the Board of Directors.

To raise compliance awareness among employees, the Company issues notifications of changes in laws and regulations, presents compliance-related case studies, and conducts training sessions on laws and regulations related to its business and on compliance issues.

When alleged compliance violations occur, the Compliance Action Committee investigates the facts and causes surrounding the issues and takes appropriate action as necessary, including issuing directives for improvement or measures to prevent their recurrence.

The J-POWER Group's Compliance Promotion System



Compliance & Risk Management

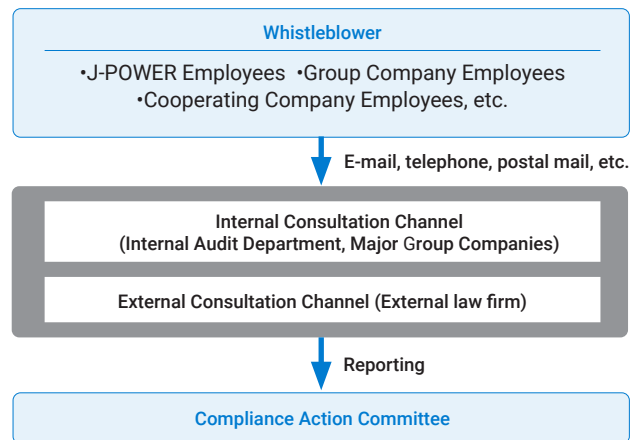
Compliance Survey

The J-POWER Group conducts an annual survey of all employees in an effort to understand compliance-related risks. Compliance Consultation Points contact respondents whose responses indicate problems to gather additional information. The survey also seeks out employee opinions on workplace conditions, communication, and work volume on an ongoing basis. These results are shared with operating units and used to improve workplace environments.

Compliance Consultation Channels (Whistle-Blowing System)

The J-POWER Group has established Compliance Consultation Channels at the Internal Audit Department, at an external law firm, and at key subsidiaries to serve as consulting hotlines in the event that employees face compliance issues. The Group makes employees aware of these channels. Employees who use these resources are rigorously protected.

J-POWER Group Compliance Consultation Channels



Barring Relations with Anti-Social Forces

The J-POWER Group's policy is to not maintain relations of any sort with the anti-social forces that threaten the order and safety of civil society. The Company has designated an internal department to act as a point of contact in the event that demands or other contacts are received from anti-social forces and has established a system that ensures the quick collection of information and appropriate response in cooperation with specialist external agencies.

Preventing Bribery and Corruption

The J-POWER Group prohibits bribes, illicit payments, and illegal political donations, as well as entertaining or giving gifts to public officials that conflict with the National Public Service Ethics Act or rules prescribed by government agencies. Also, the Company does not offer financial or other rewards to foreign government officials in return for illicit benefits or accommodations. The Group declared its anti-corruption stance when it joined the UN Global Compact in April 2021. It has since established policies against bribery and corruption in the international sector, strictly abstaining from actions that might be interpreted as collusion with politics and governments, and working to establish trustful and open relationships.

Opinion Exchange Meetings with Directors

As part of a program to advance understanding of compliance based on communication, the J-POWER Group arranges annual opinion exchange meetings during which executives visit head office and onsite institutions (including Group companies) to engage in direct conversations with employees. Although the themes of compliance and communication are the primary emphasis of the meetings, a variety of topics are covered each time, including compliance challenges not originally scheduled for the meeting. The Compliance Action Committee receives a report of these discussions.

Disclosure

The Company has established the Disclosure Committee, chaired by the President, to enhance transparency and accountability in corporate activities. This committee ensures the fair and transparent disclosure of company information in a timely and proactive manner.

Compliance with the Internal Control Reporting System

In response to the internal control reporting system for financial reporting required by Japan's Financial Instruments and Exchange Act, the J-POWER Group established, maintains, and evaluates its internal control system, mainly through the Accounting & Finance Department and Internal Audit Department.

In FY2022, continuing from the previous year, the Company's management evaluated the status of the development and operation of internal controls with respect to company-wide internal controls, operational process-related internal controls, and information technology-based internal controls in accordance with the implementation standards of Japan's Financial Services Agency. The Company determined that its internal control system for financial reporting is effective. This evaluation result was submitted as an Internal Control Report to the Director-General of the Kanto Finance Bureau in June 2023 following an audit carried out by the Company's Independent Auditor.

Going forward, the J-POWER Group will continue efforts to ensure the reliability of its financial reporting.

p.67 Training and Education on Human Rights and Compliance Initiatives

Emergency Management

Emergency Management Systems

As well as having a permanent emergency response team at J-POWER Headquarters, we also put together emergency response headquarters and branches when measures are needed in the event of an emergency or expected emergency.

The Emergency Response Team anticipates emergencies, immediately takes first-response action in the case of any occurrence, and oversees emergency management operations. In the event of an emergency, the team coordinates with the emergency response branches in each local area to accurately predict and prevent accidents such as disasters and facility incidents, and responds/manages promptly and appropriately should such events occur.

Furthermore, the Emergency Response Headquarters and Branches in the J-POWER Headquarters and local units annually carry out coordinated comprehensive disaster drills, and periodically conduct safety reporting drills for employees and Group company employees.

Emergency Management Measures

The J-POWER Group has a responsibility as an electric utility company to ensure a stable supply of electricity, which plays an essential role in people's everyday lives. We need to prevent damage to the equipment that produces and transmits electric power and to restore service quickly should a disruption occur. Accordingly, the J-POWER Group implements the following measures.

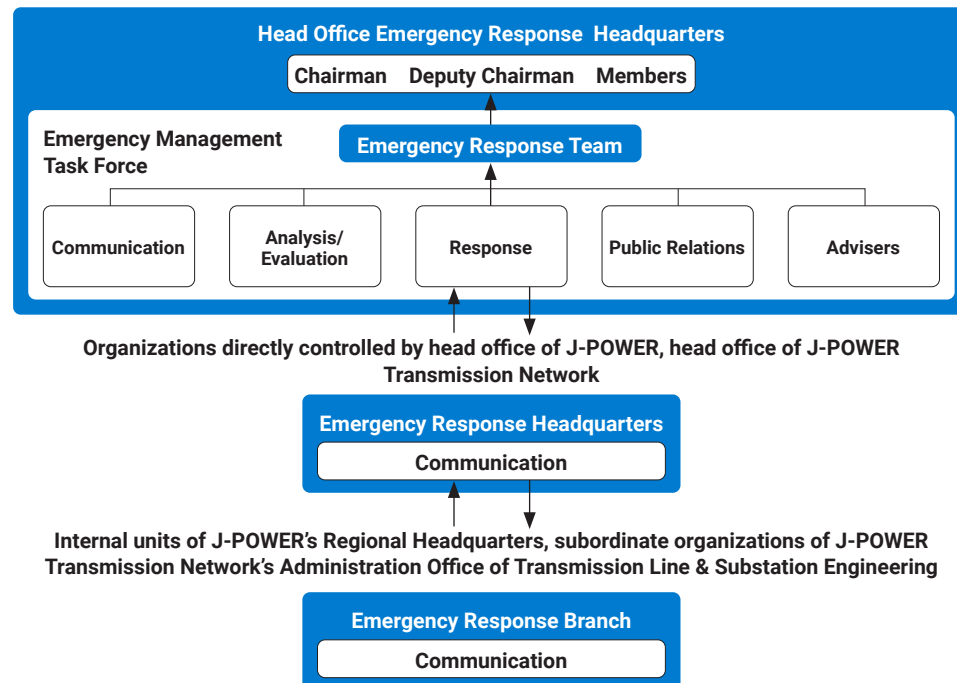
- (1) Installation of appropriate facilities and development of disaster recovery systems in preparation for natural disasters, including earthquakes, typhoons, lightning strikes, and tsunamis
- (2) Enhancement of security to prevent malicious and violent conduct
- (3) Enhancement of regular facility inspections to prevent major impediments to electric power supply and appropriate repairs and upgrades in response to aging, the decline of function, and breakdowns
- (4) Preparation of action plans for responding to pandemics and other events that could have a major impact on business operations

Disaster Prevention and Business Continuity

As an electric utility company responsible for vital lifelines, the Company is a designated public institution under the Basic Act on Disaster Control Measures. Accordingly, the Company has established physical measures assuming a large-scale natural disaster as well as non-physical measures, such as various rules for when disasters occur and a systematic disaster preparedness structure from the head office to local units. By actively implementing these measures, the Company has reinforced its disaster preparedness structure to ensure the continuation of business even in the event of a natural disaster exceeding assumptions.

By conducting fully remote disaster drills, we have also established a disaster prevention system that does not depend on physical employee attendance.

Emergency Response Headquarters Communication System



Composition of the Head Office Emergency Response Headquarters

Organizations	Composition
Chairman	President
Deputy Chairman	Vice President
Members	The officer in charge of the General Affairs Department, Directors in Charge and related officers Director of the General Affairs Department, Director of Public Relations and related departments
Emergency Management Task Force	Emergency Management Response Team and related departments
(Composition of the Task Force) (Division of duties)	
Communication	Information communication, gathering, and management
Analysis/Evaluation	Analysis, evaluation, and countermeasure planning
Response	Information on recovery response, liaisons, victim response, consumer relations, and investor relations
Public Relations	Media response
Advisers	Advice regarding analysis, evaluation, and countermeasure planning

Emergency Management

Cybersecurity

In recent years, cyber-attacks have not only increased but have also become more sophisticated and elaborate. Such attacks include data leaks and shutdowns caused by ransomware^{*1} which becomes a problem for society. We apply technical steps based on the most recent information, such as computer virus countermeasures, unlawful access, and information leakage countermeasures, as specified by the Basic Act on Cyber Security for operators of vital infrastructure. We also comply with the Guidelines for Power Control System Security to ensure the security of power control systems and other systems for the stable supply of electric power.

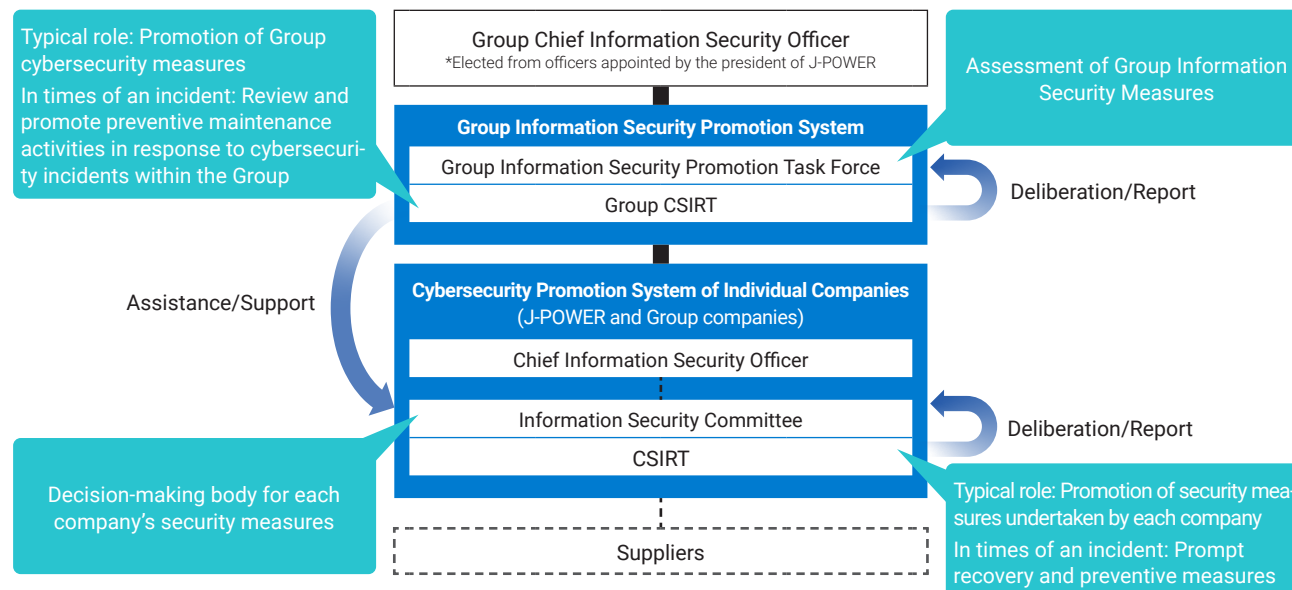
In conjunction with these measures, in order to respond to cyber-attacks and recover quickly in the event of any breach, we have established a Basic Policy on Information Security and established the J-POWER CSIRT^{*2} as a cybersecurity crisis management system, working to prevent

cybersecurity incidents and keep damage to a minimum should any incidents occur.

Furthermore, based on The Cybersecurity Policy for Critical Infrastructure Protection announced by the government's Cybersecurity Strategic Headquarters on June 17, 2022, we have established a system to take all possible measures for cybersecurity as a critical infrastructure provider and are further strengthening our measures. In March 2023, the J-POWER Group established its the Basic Policies on Cybersecurity, which span both information and control systems, as a means of promoting cybersecurity with the Group's united efforts, thereby strengthening our response capabilities throughout the supply chain.

^{*1} A type of computer virus designed to block access to files by encrypting them until a sum of money, or ransom, is paid

^{*2} Cyber Security Incident Response Team (the letter C originally stood for Computer, but we refer to it as Cyber)



J-POWER Group's Basic Policies on Cybersecurity

We, the officers and employees of the J-POWER Group, have created the following fundamental policy for maintaining cybersecurity as a corporation with essential infrastructure that has the potential to significantly affect people's lives.

1. Identification as a management issue

From a high-level perspective of the entire supply chain, management should be aware of the dangers associated with cybersecurity, acknowledge them as a critical management concern, and assume responsibility for taking action while exercising leadership.

2. Compliance with laws, regulations and contractual requirements

We will comply with laws, regulations, codes, and contractual obligations as well as other societal norms related to cybersecurity.

3. Implementation of appropriate cybersecurity measures

We aim to establish a promotion system and organization to maintain and improve cybersecurity, and take human, technical, and physical measures, as well as identify new threat trends and promptly address them. In addition, we will strive to implement supply chain countermeasures including business partners, contractors and overseas.

4. Education and training initiatives

We will promote cybersecurity initiatives by acquiring the knowledge and skills necessary for cybersecurity and by participating in education and training.

5. Response to violations and incidents

In the event of a breach of cybersecurity laws and regulations, breach of contract, or an incident, we will take appropriate action to prevent recurrence.

6. Continuous improvement activities

Continuous improvement activities will be implemented through periodic evaluation and review of the above efforts.

Directors, Audit & Supervisory Board Members, and Executive Officers

(As of June 28, 2023)

Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)



Representative Director Chairman
Toshifumi Watanabe

Attendance at Board of Directors meetings
13/13
Number of shares of the Company held
30,436 (1,836)

Current position
Jun. 2023 Chairman and Representative Director

Reason for appointment

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 Representative Director President and Chief Executive Officer. For this position, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director.




Representative Director President
Hitoshi Kanno

Attendance at Board of Directors meetings
13/13
Number of shares of the Company held
19,609 (1,609)

Current position
Jun. 2023 Representative Director President and Chief Executive Officer

Reason for appointment

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 Director and Executive Managing Officer, and Director and Executive Vice President while also serving as Department Director of Energy Business and 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.



Representative Director
Hiroyasu Sugiyama

Attendance at Board of Directors meetings
13/13
Number of shares of the Company held
25,029 (1,609)

Current position
Jun. 2023 Representative Director and Executive Vice President

Reason for appointment

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.



Director
Osamu Hagiwara

Attendance at Board of Directors meetings
10/10*1
Number of shares of the Company held
11,509 (1,609)

Current position
Jun. 2022 Director and Executive Vice President

Reason for appointment

Mr. Osamu Hagiwara is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of 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 Executive Officer, Executive Managing Officer 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.



Director
Yoshikazu Shimada

Attendance at Board of Directors meetings
13/13
Number of shares of the Company held
17,412 (1,192)

Current position
Apr. 2023 Director and Executive Vice President

Reason for appointment

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, Director and Executive Managing Officer, and Director and Executive Vice President 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.



Director
Hiroshi Sasatsu

Attendance at Board of Directors meetings
13/13
Number of shares of the Company held
10,892 (1,192)

Current position
Apr. 2023 Director and Executive Vice President

Reason for appointment

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




Director New Appointment
Isshu Kurata

Attendance at Board of Directors meetings
-/-
Number of shares of the Company held
10,692 (1,192)

Current position
Jun. 2023 Director and Executive Vice President

Reason for appointment

Mr. Isshu Kurata is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of finance, business development, general affairs, and nuclear power since joining the Company. In addition, he is highly experienced in business execution through his service as Executive Officer and Executive Managing Officer while also serving as Department Deputy Director of Nuclear Power Business and Department Director of Ohma Nuclear Power Plant. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director.



Director
Takaya Nomura

Attendance at Board of Directors meetings
10/10*1
Number of shares of the Company held
8,692 (1,192)

Current position
Jun. 2022 Director and Executive Managing Officer

Reason for appointment

Mr. Takaya Nomura is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of international business, hydroelectric power maintenance and procurement. In addition, he is highly experienced in business execution through his service as Executive Officer, Executive Managing Officer, as well as 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.

Note: The number of the Company's shares held by Directors includes the number of shares to be delivered to them after their retirement under the stock remuneration plan, and the number of such shares is shown in parentheses.

*1 Attendance at Board of Directors meetings and Audit & Supervisory Committee meetings refers to meetings held after taking up position on June 28, 2022.

Directors, Audit & Supervisory Committee Members, and Executive Officers (As of June 28, 2023)

Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)



Director **New Appointment**

Ryoji Sekine

Attendance at Board of Directors meetings
-/-

Number of shares of the Company held
8,592 (1,192)

Current position
Jun. 2023 Director and Executive Managing Officer

Reason for appointment
Mr. Ryoji Sekine is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of business development, planning, hydroelectric power maintenance, sales and international business. In addition, he is highly experienced in business execution through his service as Executive Officer and Executive Managing Officer while also serving as Department Director of Energy Planning and Department Director of International Business. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director.



Director **Outside Independent**

Tomonori Ito

Attendance at Board of Directors meetings
13/13

Number of shares of the Company held
2,100

Current position
Jun. 2016 Outside Director of the Company
Sep. 2021 Professor at Institute for Business and Finance, Waseda Business School (Graduate School of Business and Finance)
Apr. 2022 Lecture at International Academic Research Institute, Kyoto University of Advanced Science
Jun. 2022 Outside Director of Mitsui Sumitomo Insurance Company, Limited
Jun. 2023 Outside Director of Sumitomo Mitsui Trust Holdings, Inc.

Reason for appointment
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 research in financial theory at graduate schools and has also played appropriate roles to date as Outside Director of the Company. The Company therefore believes that he is qualified to serve as an Outside Director as he is expected to contribute to enhancing the supervisory function of business execution and provide advice from a wide range of perspectives.



Director **Outside Independent**


John Buchanan

Attendance at Board of Directors meetings
13/13

Number of shares of the Company held
0

Current position
Aug. 2006 Research Associate of Centre for Business Research, University of Cambridge
Jun. 2016 Outside Director of the Company

Reason for appointment
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. The Company therefore believes that he is qualified to serve as an Outside Director as he is expected to contribute to enhancing the supervisory function of business execution and provide advice from a wide range of perspectives.



Director **New Appointment Outside Independent**

Takashi Yokomizo

Attendance at Board of Directors meetings
-/-

Number of shares of the Company held
0

Current position
Apr. 2008 Partner Lawyer at Sunrise Law Office
Jun. 2023 Outside Director of the Company

Reason for appointment
Mr. Takashi Yokomizo has abundant experience in the legal profession, distinguished knowledge and capability of addressing various management issues as an attorney at law. The Company therefore believes that he is qualified to serve as an Outside Director as he is expected to contribute to enhancing the supervisory function over business execution and provide advice from a wide range of perspectives.

Directors Serving as Audit & Supervisory Committee Members



Director (Audit & Supervisory Committee Member)

Naori Fukuda

Attendance at Board of Directors meetings 13/13
Attendance at Audit & Supervisory Board meetings 2/2
Attendance at Audit & Supervisory Committee meetings 10/10
Number of shares of the Company held 22,900

Current position
Jun. 2022 Director (Audit & Supervisory Committee Member) of the Company

Reason for appointment
Mr. Naori Fukuda is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of planning, civil engineering, nuclear power, and international business since joining the Company, and has highly specialized expertise. In addition, he has served as Director and Executive Managing Officer, Department Deputy Director of Nuclear Power Business and Senior Audit & Supervisory Board Member. For this reason, the Company has judged that we can expect him to utilize his distinguished knowledge and observe the Company's management thoroughly, which are sought in a Director serving as Audit & Supervisory Committee Member.



Director (Audit & Supervisory Committee Member) **Outside Independent**

Hiroshi Fujioka

Attendance at Board of Directors meetings 13/13
Attendance at Audit & Supervisory Board meetings 2/2
Attendance at Audit & Supervisory Committee meetings 10/10
Number of shares of the Company held 0

Current position
Oct. 2016 Outside Director (Audit and Supervisory Committee Member), The Nishi-Nippon City Bank, Ltd.
Jun. 2022 Outside Director (Audit & Supervisory Committee Member) of the Company

Reason for appointment
Mr. Hiroshi Fujioka has long had abundant experience, highly specialized expertise and distinguished knowledge in administrative practices, including at the Ministry of Finance, and has fulfilled his appropriate role as an Independent Audit & Supervisory Board Member of the Company. As such, he is expected to provide stronger management oversight and is therefore deemed to be an appropriate candidate for the position of Outside Director as a member of the Audit & Supervisory Committee.



Director (Audit & Supervisory Committee Member) **Outside Independent**

Kiyoshi Nakanishi

Attendance at Board of Directors meetings 13/13
Attendance at Audit & Supervisory Board meetings 2/2
Attendance at Audit & Supervisory Committee meetings 10/10
Number of shares of the Company held 0

Current position
Jun. 2022 Outside Director (Audit & Supervisory Committee Member) of the Company

Reason for appointment
Mr. Kiyoshi Nakanishi has abundant experience and highly specialized expertise in the automobile industry, as well as distinguished knowledge as a corporate manager, and he has fulfilled his appropriate role as Independent Audit & Supervisory Board Member of the Company. As such, he is expected to provide stronger management oversight and is therefore deemed to be an appropriate candidate for the position of Outside Director as a member of the Audit & Supervisory Committee.



Director (Audit & Supervisory Committee Member) **Outside Independent**

Kimiko Oga

Attendance at Board of Directors meetings 13/13
Attendance at Audit & Supervisory Board meetings 2/2
Attendance at Audit & Supervisory Committee meetings 10/10
Number of shares of the Company held 0

Current position
Jun. 2019 Outside Director, SKY Perfect JSAT Holdings Inc.
Mar. 2020 Outside Director (Audit & Supervisory Committee Member), BroadBand Tower, Inc.
Jun. 2020 Outside Audit & Supervisory Board Member, ALCONIX CORPORATION
Jun. 2022 Outside Director (Audit & Supervisory Committee Member) of the Company

Reason for appointment
Ms. Kimiko Oga has abundant experience and highly specialized expertise in the information and communications industry, as well as distinguished knowledge as a corporate manager, and she has fulfilled her appropriate role as Independent Audit & Supervisory Board Member of the Company. As such, she is expected to provide stronger management oversight and is therefore deemed to be an appropriate candidate for the position of Outside Director as a member of the Audit & Supervisory Committee.

Note: The number of the Company's shares held by Directors includes the number of shares to be delivered to them after their retirement under the stock-based remuneration plan, and the number of such shares is shown in parentheses.

Directors, Audit & Supervisory Committee Members, and Executive Officers

Skill Matrix

The roles and obligations of the Board of Directors indicated in Article 18 of the Basic Policy on Corporate Governance are as follows:

- (i) Setting the broad direction of management plans, etc.
- (ii) Establishing an environment that supports risk-taking by the management
- (iii) Carrying out effective supervision of the management from an independent and objective standpoint

Skill sets are selected based on these roles and obligations as the skills required to achieve the five material issues.

Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

Name	Corporate management and management strategy	Financial strategy and accounting	Legal affairs, risk management and governance	Human resources strategy	DX innovation	Sales	Engineering and R&D	Business and project development	Production technology and quality control	International business and global	Nomination and Compensation Committee	Reference
Toshifumi Watanabe	○	○	○	○		○					Member	Company-wide compliance oversight
Hitoshi Kanno	○	○	○	○		○		○			Member	ESG oversight
Hiroyasu Sugiyama					○		○	○	○	○		
Osamu Hagiwara							○	○	○			Department Director of Nuclear Power Business
Yoshikazu Shimada					○		○	○	○			Department Director of Renewable energy
Hiroshi Sasatsu							○	○	○			
Isshuu Kurata	○	○	○	○				○				Department Director of Energy Business
Takaya Nomura					○		○	○	○	○		
Ryoji Sekine	○	○				○		○		○		Department Director of International Business
Tomonori Ito	○	○	○							○		
John Buchanan	○	○	○							○		
Takashi Yokomizo			○	○							Chair-person	

Directors Serving as Audit & Supervisory Committee Members

Name	Corporate management and management strategy	Financial strategy and accounting	Legal affairs, risk management and governance	Human resources strategy	DX innovation	Sales	Engineering and R&D	Business and project development	Production technology and quality control	International business and global	Nomination and Compensation Committee	Reference
Naori Fukuda				○			○	○	○	○		
Hiroshi Fujioka		○	○								Member	
Kiyoshi Nakanishi	○						○		○		Member	
Kimiko Oga	○				○	○						

*For details of the Directors, please refer to Proposal 2 of the Notice of the 71st Ordinary General Meeting of Shareholders, June 28, 2023.

Executive officer system (June 28, 2023)

Position	Name	
President and Chief Executive Officer	Hitoshi Kanno	ESG oversight
Executive Vice President	Hiroyasu Sugiyama	General operations Department Deputy Director of Nuclear Power Business (delegation of administrative works) International Business and Hydrogen/CCS Business Development (matters under special assignment)
	Osamu Hagiwara	General operations Department Director of Nuclear Power Business (delegation of administrative works)
	Yoshikazu Shimada	General operations Department Director of Renewable Energy (delegation of administrative works) Civil & Architectural Engineering Dept., Digital Innovation Dept., and Special assignment related to International Business
	Hiroshi Sasatsu	General operations, Thermal Energy & Value Creation Dept., Research & Development Dept., Corporate Planning & Administration, International Business and Hydrogen/CCS Business Development (matters under special assignment)
	Isshuu Kurata	General operations Department Director of Energy Business (delegation of administrative works) Department Deputy Director of Nuclear Power Business (delegation of administrative works) Accounting & Finance Dept., General Affairs Dept., Siting & Environment Dept., Procurement Dept.
Executive Managing Officer	Takaya Nomura Ryoji Sekine Takashi Fujita Shoichi Echigo Hideaki Kato Takashi Jahana Jun Harada Tetsuaki Mori	
Executive Officer	Yasushi Ishida Shinsuke Suzuki Sumie Nakayama Yasushi Akahoshi Toshiya Kawai Koji Shirato Kazuo Kato Atsushi Sudo Tatsuihiro Tanaka Yukihiro Ikeguchi Kaoru Koga Shingo Koizumi Shigeru Morimoto Kenjiro Hokamura Takeshi Misumi Takenori Iwasaki Masuhide Inoue	
Specialy Appointed Audit & Supervisory Committee Member	Hideo Kimura	

6-Year Financial Data

For data on performance trends and financial information in graph form, please refer to the J-POWER website.
<https://www.jpowers.co.jp/english/ir/financial/>

	(Millions of yen)					
	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Consolidated: Operating Revenue/ Expenses Comparison						
Operating Revenue (Net Sales)	856,252	897,366	913,775	909,144	1,084,621	1,841,922
Operating Profit	104,336	78,844	83,638	77,775	86,979	183,867
Ordinary Profit	102,476	68,539	78,085	60,903	72,846	170,792
Profit Attributable to Owners of Parent	68,448	46,252	42,277	22,304	69,687	113,689
Consolidated: Electricity Sales Volume						
	(Million kWh)					
Electric Power Business	67,090	69,356	73,131	74,558	74,792	68,467
Hydroelectric	9,247	9,709	9,196	8,905	9,291	8,888
Thermal	56,782	54,946	52,053	52,140	47,994	45,673
Wind	824	815	865	1,211	1,190	1,047
Other*1	235	3,886	11,016	12,301	16,316	12,857
Overseas Business*2	15,871	10,927	15,640	11,097	11,061	14,271
Domestic Hydroelectric: Water Supply Rate	105%	106%	101%	96%	99%	94%
Domestic Thermal: Load Factor (non-consolidated)	80%	79%	77%	75%	67%	65%

*1 Electric power sales volume of electricity procured from wholesale electricity market, etc.

*2 Electric power sales volume of overseas consolidated subsidiaries (Electric power sales volume of equity method affiliates is not included.)

	(Millions of yen)					
	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Consolidated: Balance Sheet Items						
Total Assets	2,647,054	2,766,179	2,805,390	2,841,960	3,066,176	3,362,685
Total Liabilities	1,810,929	1,920,597	1,948,003	1,988,274	2,102,071	2,169,942
Total Net Assets	836,124	845,582	857,387	853,685	964,105	1,192,743
Consolidated: Cash Flow Items						
Net Cash Provided by (Used in) Operating Activities	160,310	148,423	159,245	167,959	128,380	155,832
Net Cash Provided by (Used in) Investing Activities	(109,635)	(170,432)	(161,711)	(143,274)	(178,846)	(150,839)
Free Cash Flow	50,674	(22,008)	(2,466)	24,684	(50,466)	4,993
Consolidated: Financial Indicators						
Return on Assets (ROA)	3.9%	2.5%	2.8%	2.2%	2.5%	5.3%
ROA (after excluding construction in progress from tangible fixed assets)	4.8%	3.2%	3.6%	2.8%	3.1%	6.6%
Return on Equity (ROE)	9.1%	5.8%	5.3%	2.8%	8.1%	11.4%
Net Income per Share (EPS) (Yen)	373.93	252.68	230.96	121.85	380.70	621.50
Net Assets per Share (BPS) (Yen)	4,300.98	4,356.54	4,412.84	4,420.39	5,004.39	5,931.68
Equity Ratio	29.7%	28.8%	28.8%	28.5%	29.9%	32.3%
Debt-Equity Ratio	2.0	2.1	2.0	2.1	2.0	1.7
Number of Common Shares Issued at the End of the Period (excluding treasury stock) (Thousands)	183,049	183,048	183,048	183,048	183,048	182,861

	(Millions of yen)					
	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Non-Consolidated: Operating Revenue/ Expenses						
Operating Revenue (Net Sales)	614,591	646,958	571,291	589,915	790,055	1,370,724
Electric Utility Operating Revenue	601,475	633,617	563,813	583,812	781,056	1,353,379
Electric Power Cost	—	—	—	—	606	1,168
Sold Power to Other Suppliers	545,659	580,652	510,429	566,068	767,205	1,337,307
Other*3	55,816	52,964	53,383	17,744	13,245	14,904
Incidental Business Operating Expenses	13,115	13,340	7,478	6,102	8,998	17,344
Operating Expenses	571,519	628,279	546,405	512,060	772,155	1,324,162
Electric Utility Operating Expenses	559,300	615,712	539,708	506,536	763,745	1,307,562
Personnel Expenses	34,205	32,494	35,861	31,875	20,136	20,621
Fuel Cost	257,308	289,024	233,234	193,776	298,588	762,152
Repair Expenses	63,458	69,715	66,652	44,133	51,540	41,937
Consignment Cost	41,284	41,951	42,578	47,182	51,961	51,389
Depreciation and Amortization Cost	53,469	51,050	52,702	55,277	55,930	58,963
Other	109,574	131,475	108,678	134,290	285,588	372,497
Incidental Business Operating Expenses	12,219	12,567	6,697	5,524	8,410	16,600
Operating Profit	43,071	18,678	24,886	77,854	17,899	46,561

*3 Transmission revenue and miscellaneous Electric Power Business revenue; due to the split-off of the Power Transmission Business in April 2020, only miscellaneous Electric Power Business revenue will be recorded from FY2020 onward.

	(Millions of yen)					
	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Segment Information						
Sales to External Customers						
Electric Power Business	631,923	693,790	684,155	731,302	876,431	1,417,902
Electric Power-Related Business	36,934	35,518	31,988	24,784	44,659	119,203
Overseas Business	163,084	141,024	179,094	138,087	145,106	277,555
Other Businesses	24,309	27,032	18,537	14,970	18,424	27,260
Consolidated	856,252	897,366	913,775	909,144	1,084,621	1,841,922
Ordinary Profit						
Electric Power Business	39,561	14,995	27,466	19,082	26,685	54,591
Electric Power-Related Business	23,098	26,468	18,507	12,292	25,834	92,831
Overseas Business	40,528	29,284	33,965	30,883	22,017	22,692
Other Business	1,258	1,388	569	1,049	1,234	1,805
Adjustments	(1,970)	(3,597)	(2,423)	(2,405)	(2,925)	(1,128)
Consolidated	102,476	68,539	78,085	60,903	72,846	170,792
Assets						
Electric Power Business	1,895,862	2,006,157	2,040,598	2,100,359	2,199,238	2,299,090
Electric Power-Related Business	265,830	275,549	244,503	240,308	252,821	308,661
Overseas Business	637,741	657,109	680,942	679,102	773,037	918,385
Other Business	17,979	18,244	15,627	16,810	17,946	15,853
Adjustments	(170,359)	(190,881)	(176,281)	(194,621)	(176,868)	(179,304)
Consolidated	2,647,054	2,766,179	2,805,390	2,841,960	3,066,176	3,362,685

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	2022/3	2023/3
Assets		
Non-Current Assets	2,594,819	2,701,385
Electric Utility Plant and Equipment	1,076,948	1,065,522
Hydroelectric Power Production Facilities	360,084	374,454
Thermal Power Production Facilities	401,071	379,750
Internal Combustion Engine Power Production Facilities	1,198	—
Renewable Power Production Facilities	76,556	77,783
Transmission Facilities	144,458	140,248
Transformation Facilities	30,236	32,954
Communication Facilities	6,600	6,303
General Facilities	56,742	54,028
Overseas Business Facilities	271,356	447,201
Other Non-Current Assets	92,297	89,219
Construction in Progress	676,596	572,165
Construction in Progress	676,596	572,165
Nuclear Fuel	75,806	76,226
Nuclear Fuel in Processing	75,806	76,226
Investments and Other Assets	401,813	451,048
Long-Term Investments	323,770	371,914
Net Defined Benefit Asset	241	1,473
Deferred Tax Assets	64,277	56,896
Other	13,642	20,867
Allowance for Doubtful Accounts	(118)	(102)
Current Assets	471,357	661,300
Cash and Deposits	223,072	342,018
Notes and Accounts Receivable—Trade and Contract Assets	80,439	129,901
Inventories	62,173	110,315
Other	105,674	79,067
Allowance for Doubtful Accounts	(3)	(3)
Total Assets	3,066,176	3,362,685

(Millions of yen)

	2022/3	2023/3
Liabilities		
Non-Current Liabilities	1,686,575	1,797,923
Bonds Payable	706,484	774,085
Long-Term Loans Payable	839,645	893,363
Lease Obligations	2,239	1,695
Other Provisions	20	11
Net Defined Benefit Liability	37,976	33,301
Asset Retirement Obligations	35,240	34,087
Deferred Tax Liabilities	16,808	25,098
Other	48,158	36,279
Current Liabilities	415,496	372,019
Current Portion of Non-Current Liabilities	145,467	207,374
Short-Term Loans Payable	8,149	10,715
Commercial Paper	90,016	—
Notes and Accounts Payable—Trade	44,651	53,774
Accrued Taxes	18,276	27,884
Other Provisions	691	698
Asset Retirement Obligations	426	476
Others	107,817	71,096
Total Liabilities	2,102,071	2,169,942
Net Assets		
Shareholders' Equity	870,826	977,800
Capital Stock	180,502	180,502
Capital Surplus	119,881	128,178
Retained Earnings	570,452	669,498
Treasury Shares	(9)	(378)
Accumulated Other Comprehensive Income	45,203	106,878
Valuation Difference on Available-for-Sale Securities	14,014	14,372
Deferred Gains or Losses on Hedges	(9,359)	7,948
Foreign Currency Translation Adjustment	32,136	78,928
Remeasurements of Defined Benefit Plans	8,411	5,629
Non-Controlling Interests	48,075	108,064
Total Net Assets	964,105	1,192,743
Total Liabilities and Net Assets	3,066,176	3,362,685

Consolidated Financial Statements

Consolidated Statement of Income

(Millions of yen)

	2022/3	2023/3
Operating Revenue (Net Sales)	1,084,621	1,841,922
Electric Utility Operating Revenue	876,431	1,417,902
Overseas Business Operating Revenue	145,106	277,555
Other Business Operating Revenue	63,083	146,464
Operating Expenses	997,642	1,658,055
Electric Utility Operating Expenses	824,491	1,340,611
Overseas Business Operating Expenses	118,290	248,592
Other Business Operating Expenses	54,860	68,850
Operating Profit	86,979	183,867
Non-Operating Income	22,508	24,764
Dividends Income	1,862	1,927
Interest Income	1,811	3,472
Share of Profit of Entities Accounted for Using Equity Method	14,228	9,128
Gain on Sales of Non-Current Assets	63	3,936
Other	4,543	6,299
Non-Operating Expenses	36,641	37,839
Interest Expenses	22,442	27,368
Loss on Disposal of Non-Current Assets	1,780	4,667
Other	12,418	5,803
Total Ordinary Revenue	1,107,130	1,866,686
Total Ordinary Expenses	1,034,283	1,695,894
Ordinary Profit	72,846	170,792
Profit before Income Taxes	72,846	170,792
Income Taxes—Current	14,581	37,935
Income Taxes—Deferred	(16,519)	13,864
Total Income Taxes	(1,938)	51,799
Profit	74,784	118,993
Profit Attributable to Non-Controlling Interests	5,097	5,303
Profit Attributable to Owners of Parent	69,687	113,689

Note: Under each item, there are cases of fiscal years in which the monetary importance has been minor being included and represented under another item.

Consolidated Statement of Cash Flows

(Millions of yen)

	2022/3	2023/3
Cash Flows from Operating Activities		
Profit before Income Taxes	72,846	170,792
Depreciation and Amortization	96,997	107,642
Loss on Retirement of Non-Current Assets	4,828	6,821
Increase (Decrease) in Net Defined Benefit Liability	(7,372)	(9,685)
Interest and Dividend Income	(3,673)	(5,400)
Interest Expenses	22,442	27,368
Decrease (Increase) in Notes and Accounts Receivable—Trade	(10,283)	(47,335)
Decrease (Increase) in Inventories	(15,958)	(44,357)
Increase (Decrease) in Notes and Accounts Payable—Trade	12,182	18,316
Share of (Profit) Loss of Entities Accounted for Using Equity Method	(14,228)	(9,128)
(Gain) Loss on Sales of Non-Current assets	23	(3,251)
Other, Net	21,889	(27,055)
Subtotal	179,694	184,727
Interest and Dividend Income Received	15,576	18,989
Interest Expenses Paid	(21,537)	(26,220)
Income Taxes Paid	(45,353)	(21,663)
Net Cash Provided by (Used in) Operating Activities	128,380	155,832
Cash Flows from Investing Activities		
Purchase of Non-Current Assets	(135,282)	(144,862)
Proceeds from Sales of Non-Current Assets	392	5,008
Payments of Investments and Loans Receivable	(49,740)	(7,828)
Collections of Investments and Receivable	4,744	3,140
Proceeds from Sales of Investments in Subsidiaries	—	156
Resulting in Change in Scope of Consolidation	—	—
Other, Net	1,039	(6,454)
Net Cash Provided by (Used in) Investing Activities	(178,846)	(150,839)
Cash Flows from Financing Activities		
Proceeds from Issuance of Bonds	71,242	137,192
Redemption of Bonds	(20,000)	(20,000)
Proceeds from Long-Term Loans Payable	49,155	157,684
Repayment of Long-Term Loans Payable	(65,311)	(126,468)
Increase in Short-Term Loans Payable	37,154	122,626
Decrease in Short-Term Loans Payable	(37,924)	(120,061)
Proceeds from Issuance of Commercial Paper	140,033	219,999
Redemption of Commercial Paper	(70,000)	(310,000)
Proceeds from Sales of Investments in Subsidiaries without Change in Scope of Consolidation	—	55,821
Cash Dividends Paid	(13,725)	(14,647)
Dividends Paid to Non-Controlling Interests	(5,918)	(4,673)
Other, Net	(636)	(1,453)
Net Cash Provided by (Used in) Financing Activities	84,070	96,021
Effect of Exchange Rate Change on Cash and Cash Equivalents	3,686	10,729
Net Increase (Decrease) in Cash and Cash Equivalents	37,290	111,743
Cash and Cash Equivalents at Beginning of the Period	185,260	222,551
Cash and Cash Equivalents at the End of the Period	222,551	334,294

Note: Under each item, there are cases of fiscal years in which the monetary importance has been minor being included and represented under another item.

ESG Data

SASB INDEX

Relevant performance is organized in accordance with the Electric Utilities & Power Generators industry standards set by the US-based Sustainability Accounting Standards Board (SASB). SASB Standards were created primarily with companies and markets in North America in mind and incorporate some items that do not apply to our business. However, we have attempted to disclose as much information as possible.

Topic	Accounting Metric	Code	Unit	Result
Greenhouse Gas Emissions & Energy Resource Planning ^{*1}	(1) Gross global Scope 1 emissions	IF-EU-110a.1.	t-CO ₂	48,910,000
	(2) Percentage of Scope 1 emissions under emissions-limiting regulations		%	Not applicable
	(3) Percentage of Scope 1 under emissions-reporting regulations		%	100%
	Greenhouse gas (GHG) emissions associated with power deliveries	IF-EU-110a.2.	t-CO ₂	48,730,000
	Discussion of long-term and short-term strategy or plan to manage Scope 1 Emissions	IF-EU-110a.3.		Aim for net-zero emissions (carbon neutrality) by 2050. Concerning coal-fired power in Japan as we head toward 2030, we will phase out power plants that have become obsolete, starting with the oldest, and upcycle remaining power plants to highly efficient power systems that use hydrogen by adding gasification facilities, thereby reducing emissions. We will also introduce mixed combustion of biomass and ammonia, further reducing emissions.
	Emissions reduction targets			2050 Net-zero emissions 2030 Reduce CO ₂ emissions from the J-POWER Group's domestic power generation business: 46% (22.5 million t-CO ₂)* ³ FY2025 Reduce CO ₂ emissions from the J-POWER Group's domestic power generation business: 9.2 million t-CO ₂ * ³
	Analysis of performance against the above targets			In order to cut FY2030 CO ₂ emissions from the J-POWER Group's domestic power generation business 46% (22.5 million t-CO ₂)* ³ , we added 9.2 million t reduction by FY2025 as an interim target and are moving forward with plans to implement the above reductions.
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS)	IF-EU-110a.4	Cases	Not applicable (The RPS law which established RPS regulations in Japan was abolished in 2012 and has shifted to a feed-in tariff system.)
	(2) Percentage fulfillment of RPS target by market		%	
Air Quality ^{*2}	(1) NOx	IF-EU-120a.1.	t, %	24,500 tons, [100%] The percentage value indicates emission rate in densely populated areas.
	(2) SOx		t, %	9,300 tons, [100%] The percentage value indicates emission rate in densely populated areas.
	(3) Particulate matter (PM ₁₀)		t, %	Undisclosed, as we have not adopted measurement methods recommended by the SASB Standards.
	(4) Lead (Pb)		t, %	Undisclosed, as we have not adopted measurement methods recommended by the SASB Standards.
	(5) Mercury (Hg)		t, %	Undisclosed, as we have not adopted measurement methods recommended by the SASB Standards.
Water Management ^{*2}	(1) Total water withdrawn	IF-EU-140a.1.	thousand m ³ , %	60,736,000 thousand m ³ , [0%] The percentage value indicates the proportion of areas with high/extremely high water stress.
	(2) Total water consumed		thousand m ³ , %	14,900 thousand m ³ , [45%] The percentage value indicates the proportion of areas with high/extremely high water stress.
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	IF-EU-140a.2.	Cases	0
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-EU-140a.3.		The Company manages the following risks related to the use of water resources, which are essential to its power generation business. In the hydroelectric power generation business, the amount of water withdrawal permitted by law is observed, and as shown in* ⁴ , the river environment is maintained by discharging water from rivers exceeding a certain size. In the thermal power generation business, we are working to reduce water intake by recovering and reusing water for power generation. In addition, seawater is used as indirect cooling water for power generation facilities, and we comply with the levels stipulated in environmental conservation agreements. WRI Aqueduct (3.0) is used to locate water risks for the hydroelectric and thermal power plants of consolidated subsidiaries that use large amounts of water resources. As a result, while no power plants operate in places with high water stress in Japan, there are many thermal power plants located in regions with high water stress overseas. In such overseas areas, we are reducing water intake/consumption and operational risk by reusing water discharges after treatment and constructing reservoirs by taking each site's environment into account.
Coal Ash Management ^{*2}	Amount of coal combustion residuals (CCR) generated and percentage recycled	IF-EU-150a.1.	t, %	1,643,000 tons (95.8%)
	Number of CCR impoundments	IF-EU-150a.2.	Cases	3

*1 The figure is calculated for J-POWER and its domestic and overseas consolidated subsidiaries and equity method affiliates (Electric Power Business, Overseas Business, Electric Power Related Business, etc.).

*2 The figure is calculated for J-POWER and its domestic and overseas consolidated subsidiaries (Electric Power Business, Overseas Business, Electric Power Related Business, etc.), without taking into account the ratio of capital contribution.

*3 All of these reductions are compared to FY2013.

*4 The length of the section of the river where water intake for hydroelectric power generation reduces water flow is 10 km or more and the catchment area is 200 km² or more, etc.

ESG Data

SASB INDEX

Topic	Accounting Metric	Code	Unit	Result
Energy Affordability	(1) Retail electric rate for residential customers	IF-EU-240a.1.		Not disclosed for competitive reasons due to deregulation of the electric power industry
	(2) Retail electric rate for commercial customers			
	(3) Average retail electric rate for industrial customers			
	Typical monthly electric bill for residential customers for (1) 500 kWh of electricity delivered per month	IF-EU-240a.2.		
	Typical monthly electric bill for residential customers for (2) 1,000 kWh of electricity delivered per month			
	(1) Number of residential customer electric disconnections for non-payment	IF-EU-240a.3.		
	(2) Percentage reconnected within 30 days			
Workforce Health & Safety	(1) Total recordable incident rate (statistic count × 200,000 / hours worked)	IF-EU-320a.1.		0.18 (Employees: 0.10.; Outsourcing & other contractors: 0.21) (Calculations are for J-POWER, five major J-POWER Group companies,* and cooperating companies.)
	(2) Fatality rate (number of cases)		Cases	0
	(3) Near miss frequency rate (statistic count × 200,000 / hours worked)			Undisclosed, as we have not adopted measurement methods recommended by the SASB Standards
End-Use Efficiency & Demand	Decoupled percentage	IF-EU-420a.1.	%	Not applicable
	Lost revenue adjustment mechanism (LRAM) percentage		%	(Not applicable as no customers in Japan have adopted the decoupling and LRAM)
	Percentage of electric load (MWh) served by smart grid technology	IF-EU-420a.2.		Not disclosed for competitive reasons due to deregulation of the electric power industry
	Customer electricity savings from efficiency measures, by market	IF-EU-420a.3.	MWh	Not applicable
Nuclear Safety & Emergency Management	Total number of nuclear power units	IF-EU-540a.1.	Number of units	1 (Ohma Nuclear Power Plant) (The starting operation date is undetermined since the Ohma Nuclear Power Plant is currently under construction and review by the Nuclear Regulation Authority of its compliance with the New Safety Standards for Nuclear Power Stations.)
	Description of efforts to manage nuclear safety and emergency preparedness	IF-EU-540a.2.		We will work to improve safety by aptly implementing safety activities based on the quality management system for nuclear safety led by our president, and by steadily undertaking continuous improvement through the Corrective Action Program (CAP). Furthermore, with "safety first" as our organizational culture and with awareness among all of us of the roles and the importance of our work duties, we engage in activities to foster and maintain a culture of nuclear safety by which we continuously improve ourselves.
Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	IF-EU-550a.1.		Not disclosed due to risks associated with disclosure
	(1) System Average Interruption Duration Index (SAIDI)	IF-EU-550a.2.		Not applicable (J-POWER Transmission Network Co., Ltd., a consolidated subsidiary of the Company, owns electric power transmission and substation facilities and engages in electricity transmission as stipulated in the Electricity Business Act, but does not own distribution facilities and does not engage in the business of supplying electricity to end users. This is currently placed under the roles of individual transmission system operators (TSOs) that engage in grid operations in specific areas.)
	(2) System Average Interruption Frequency Index (SAIFI)			
	(3) Customer Average Interruption Duration Index (CAIDI)			


* Major consolidated subsidiaries to which J-POWER outsources electric power facilities maintenance. J-POWER Business Service Corporation, J-POWER HYTEC Co., Ltd., J-POWER Generation Service Co., Ltd., J-POWER Telecommunication Service Co., Ltd., J-POWER Design Co., Ltd.

Activity Metrics

Business metrics	Unit	Result
Number of: (1) residential, (2) commercial, and (3) industrial customers served	Cases	Not disclosed for competitive reasons due to deregulation of the electric power industry
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	MWh	Not disclosed for competitive reasons due to deregulation of the electric power industry
Length of transmission and distribution lines	km	2,410.2 km
Total electricity generated, percentage by major energy source, percentage in regulated markets	MWh,%	(1) 69,880,969 MWh (2) Hydroelectric: 12.7% Thermal: 85.8% Wind: 1.5% (3) Not applicable (Marked "Not applicable" as there are no "regulated markets" in Japan)
Total wholesale electricity purchased	MWh	Not disclosed for competitive reasons due to deregulation of the electric power industry

ESG Data

Other ESG data



Building a better working world

Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

August 4, 2023

Independent Assurance Report

TO:
Mr. Hitoshi Kanno
Representative Director President and Chief Executive Officer
Electric Power Development Co., Ltd.

Engagement Partner-Takefumi Kawasaki
Engagement Partner-Yasuo Maeda
Ernst & Young ShinNihon LLC
Tokyo, Japan

We, Ernst & Young ShinNihon LLC, have been commissioned by Electric Power Development Co., Ltd. (hereafter the "Company") and have carried out a limited assurance engagement on the Key Environmental Performance Indicators (hereafter the "Indicators") of the Company and its major subsidiaries for the year ended March 31, 2023 as included in J-POWER Group Integrated Report 2023 (hereafter the "Report"). The scope of our assurance procedures was limited to the Indicators marked with the symbol "★" in the Report.

- The Company's Responsibilities**

The Company is responsible for preparing the Indicators in accordance with the Company's own criteria, which it determined with consideration of Japanese environmental regulations as presented in the Investor Relations, IR Library, Integrated Reports, Supplementary Material: Environment of the Company's website. Greenhouse gas (GHG) emissions are estimated using emissions factors, which are subject to scientific and estimation uncertainties, given instruments for measuring GHG emissions may vary in characteristics, in terms of functions and assumed parameters.
- Our Independence and Quality Control**

We have met the independence requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior.

In addition, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Management ("ISQM") 1 issued by the International Auditing and Assurance Standards Board.
- Our responsibilities**

Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information - ("ISAE 3000") (Revised), and with respect to GHG emissions, the International Standard on Assurance Engagements: Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. The procedures, which we have performed according to our professional judgment, include inquiries, document inspection, analytical procedures, reconciliation between source documents and Indicators in the Report and the following:

 - Making inquiries regarding the Company's own criteria that it determined with consideration of Japanese environmental regulations, and evaluating the appropriateness thereof;
 - Inspecting relevant documents with regard to the design of the Company's internal controls related to the Indicators, and inquiring of personnel responsible thereof at the headquarters and one power station;
 - Performing analytical procedures concerning the Indicators at the headquarters and one power station; and
 - Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the headquarters and one power station.

The procedures performed in a limited assurance engagement are more limited in nature, timing and extent than a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower than would have been obtained if we had performed a reasonable assurance engagement.
- Conclusion**

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators included in the Report have not been measured and reported in accordance with the Company's own criteria that it determined with consideration of Japanese environmental regulations.

Note: The original of the above Assurance report is kept separately by the Company.

According to the requirements of the Assurance/Registration Scheme of Sustainability Reports of the Japanese Association of Assurance Organizations for Sustainability Information, the environmental data included in this Integrated Report has been audited by Ernst & Young ShinNihon LLC for accuracy and completeness of key sustainability information, and we have obtained an Independent Third-Party Assurance Report.

In addition, data that is assured to be based on the calculation standards is denoted with a ★ mark.

For the standards and scope of the calculations, please refer to the “J-POWER Group Integrated Report 2023 Supplementary Material: Environment.”

Environmental Impact Data for Domestic Operations

	Unit	FY2020	FY2021	FY2022 ★
Amount of electricity				
Power generation volume	billion kWh	66.4	62.3	59.6
Electricity sales volume	billion kWh	61.5	57.6	54.8
Energy consumed				
Coal (usage consumption intensity)	million tons (t/million kWh)	17.05 (3.34)	15.65 (3.34)	15.14 (3.37)
Natural gas	million Nm³	56	44	0
Heavy oil	thousand t/kl	36	37	25
Light oil	thousand tons	29	28	24
Biomass	thousand tons	36	32	122
Purchased electric power	billion kWh	0.106	0.118	0.098
Water resources				
Industrial use water	million m³	9.78	8.5	9.29
Volume of water used	million m³	0.29	0.3	0.27
Volume of water discharged	million m³	4.85	4.91	4.43
Waste				
Volume generated (volume recycled)	million tons (%)	2.05 (99.2%)	1.98 (97.7%)	1.95 (96.2%)
Of which is coal ash (volume recycled)	million tons (%)	1.69 (99.9%)	1.65 (98.3%)	1.64 (95.8%)
Of which is gypsum (volume recycled)	million tons (%)	0.29 (99.8%)	0.27 (97.3%)	0.28 (99.9%)
Amount of industrial waste disposed	thousand tons	16	46	75
Of which is specially-controlled	thousand tons	0.5	0.7	0.3
General waste disposal volume (used paper)	t	29	20	18
Emissions into the atmosphere				
NOx emissions (emission intensity)	thousand t (g/kWh)	24.2 (0.44)	23.0 (0.46)	23.0 (0.48)
SOx emissions (emission intensity)	thousand t (g/kWh)	10.8 (0.20)	10.5 (0.21)	9.3 (0.19)
Dust emissions (emission intensity)	thousand t (g/kWh)	0.6 (0.01)	0.5 (0.01)	0.7 (0.01)
N ₂ O	t-CO ₂	170,000	160,000	93,000
SF ₆	t-CO ₂	600	8,300	3,200

*1 Coal intensity is the amount of coal consumed divided by the electricity sales volume of thermal power plants.

*2 The basic unit for NOx, SOx, and soot and dust is calculated based on the amount of electricity generated at thermal power plants, which are the source of emissions.

*3 Beginning this year, greenhouse gas emissions of N₂O and SF₆ are listed in terms of CO₂ equivalents. (Until last year, emissions of N₂O and SF₆ themselves were listed, which differs from the values listed in Integrated Reports 2021 and 2022.)

ESG Data

Other ESG data

Greenhouse Gas Emissions^{*1,2}

	Unit	FY2020	FY2021	FY2022★
Scope 1		53.58	47.95	48.91
Domestic power generation business		45.38	41.62	40.64
Overseas power generation business		5.36	4.90	7.94
Other		2.84	1.42	0.33
Scope 2 (Location criteria)		0.13	0.14	0.15
Scope 2 (Market criteria)		—	—	0.15
Scope 3		15.27	13.60	13.17
(1) Purchased goods and services		—	0.31	0.27
(2) Capital goods		—	0.44	0.40
(3) Fuel and energy-related activities not included in Scope 1 and 2		—	3.84	4.43
(5) Waste generated in operations		—	0.08	0.10
(6) Business travels		—	0.001	0.001
(7) Employee commuting		—	0.002	0.002
(9) Down-stream transportation and distribution		—	1.02	0.15
(11) Use of sold products		—	6.21	6.37
(15) Investments		—	1.69	1.45
Total		68.98	61.68	62.23

Electricity Sales Volume per unit of CO₂ Emissions

	Unit	FY2020	FY2021	FY2022★
Domestic and overseas power generation business		0.65	0.64	0.64
Domestic power generation business	kg-CO ₂ /kWh	0.71	0.70	0.71

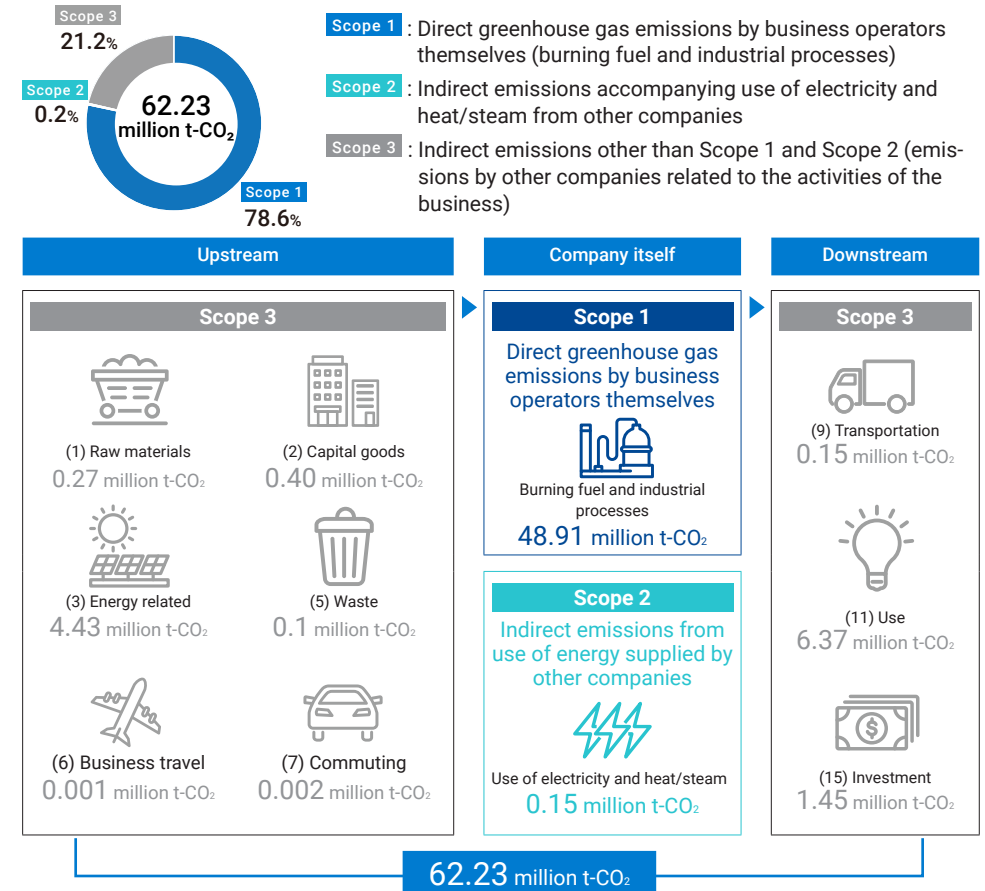
*1 The scope of coverage includes J-POWER and its consolidated subsidiaries and equity-method affiliates in the Electric Power Business and Oversea Business.

Consolidated subsidiaries and equity-method affiliates are aggregated for the portion equivalent to J-POWER's equity stake.

*2 Due to the nature of the products and services sold and the nature of the business, there is no energy consumption in the following categories.

- (4) Transportation and delivery (upstream)
- (8) Leased assets (upstream)
- (10) Processing of sold products
- (12) Disposal of sold products
- (13) Leased assets (downstream)
- (14) Franchise

FY2022 Greenhouse gas emission results



Calculation methods in each Scope 3 category

- (1) Calculated by multiplying each product or service purchased by respective emission factor
- (2) Calculated by multiplying the capital investment by the emissions intensity
- (3) Sum of the following two values
 - 1) Emissions from production and transportation of fuel used by the company
 - 2) Calculated by multiplying the amount of electricity procured from sources other than the company by the emission intensity
- (5) Calculated by multiplying the amount of emissions by waste type by the emissions intensity of each treatment method
- (6) Calculated by multiplying the number of employees by the emissions intensity
- (7) Calculated by multiplying the number of employees and number of business days by type of work and by rank of employee, respectively, by emission intensity
- (9) Calculated by multiplying the ton-kilometers of sold coal transported by emission intensity
- (11) Calculated by multiplying the volume of coal sold by the emissions intensity
- (15) CO₂ emissions from power plants in which J-POWER's equity portion is 20%

ESG Data

Other ESG data Society

Accounting Metric			Unit	Result		
				FY2020	FY2021	FY2022
Human resources ^{*1}	Number of employees (consolidated) ^{*2}	Male	Persons	6,289	6,229	6,147
		Female	Persons	867	917	931
		Total	Persons	7,156	7,146	7,078
	Managers	Male	Persons	1,312	1,385	1,398
		Female	Persons	17	19	20
		Percentage of women	%	1.3	1.4	1.4
	Number of new graduates hired	Male	Persons	92	89	81
		Female	Persons	11	15	16
		Total	Persons	103	104	97
	Percentage of people with disabilities employed ^{*3}		%	2.39	2.45	2.42
	Average length of continuous service, years	Male	Years	20.4	20.4	19.7
		Female	Years	10.1	9.8	9.6
		Total	Years	19.8	19.7	19.0
	Average annual salary ^{*4}	Total	Yen	7,967,061	7,939,362	8,045,816
	Ratio of women's to men's wages ^{*5,6}	20s and younger	%	—	96.3	96.1
		30s	%	—	95.7	97.9
		40 and over	%	—	103.6	105.7
			%	2.5	4.4	6.4
	Turnover rate for the three years after joining		%	2.5	4.4	6.4
	Total actual working hours per person		Hours	1,943	1,976	1,951
	Overtime hours worked per person		Hours/Month	20.2	21.8	21.4
	Days of paid vacation taken per person		Days	14.9	15.4	16.4
	Utilization rate of childcare leave ^{*7}	Male	%	—	—	86
		Female	%	—	—	100
		Total	%	—	—	88
	Average age		Age	42.1	42.0	41.5
Human resources Development ^{*1}	Average training time per employee		Hours	24.7	34.2	33.9
	Average training expenses per employee		Thousand yen	204	232	245

*1 Unless specified otherwise, human resource-related and human resource development-related data are for J-POWER only.

*2 J-POWER Group employees (excluding temporary employees)

*3 Currently as of June 1 of each fiscal year

*4 Average annual salary includes non-standard wages and bonuses. Management and other employees are not included.

*5 Comparison of base salaries of employees in a career-track position. Ratio of female to male wages.

*6 (Reference) Difference in wages between male and female workers calculated based on the Act on the Promotion of Women's Active Engagement in Professional Life, all employees (57.6%), regular employees (57.9%), non-regular employees (65.7%)

*7 The Company manages the utilization rate of childcare leave for each fiscal year of the birth of an employee's child, and the percentage of employees whose children become two years old in the relevant fiscal year is shown.

Accounting Metric			Unit	Result		
				FY2020	FY2021	FY2022
Occupational Health and Safety	Number of occupational accidents ^{*8}					
	Fatal accidents	J-POWER, only	Persons	0	0	0
		Major five companies ^{*9} + cooperating companies	Persons	1	0	0
		Total	Persons	1	0	0
	Serious injuries	J-POWER, only	Persons	0	0	0
		Major five companies ^{*9} + cooperating companies	Persons	7	11	8
		Total	Persons	7	11	8
	Minor injuries	J-POWER, only	Persons	1	0	2
		Major five companies ^{*9} + cooperating companies	Persons	5	11	5
		Total	Persons	6	11	7
	Frequency ^{*10}	J-POWER, only	—	0.85	1.27	0.91
		Major five companies ^{*9} + cooperating companies	—	1.95	2.09	2.06
		Industry-wide	—	1.95	2.09	2.06
	Severity ^{*11}	J-POWER, only	—	0.49	0.06	0.05
		Major five companies ^{*9} + cooperating companies	—	0.49	0.06	0.05
		Industry-wide	—	0.09	0.09	0.09

*8 The number of fatalities and lost-workday injuries among work-related accidents involving J-POWER employees and work-related accidents involving contractors (primary contractors and subcontractors) involved in construction and operations ordered by J-POWER.

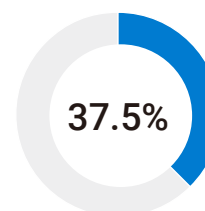
*9 Major consolidated subsidiaries to which J-POWER outsources facilities maintenance. J-POWER Business Service Corporation, J-POWER HYTEC Co., Ltd., J-POWER Generation Service Co., Ltd., J-POWER Telecommunication Service Co., Ltd., J-POWER Design Co., Ltd.

*10 Frequency = number of fatalities and injuries due to industrial accidents / total number of actual hours worked × 1,000,000

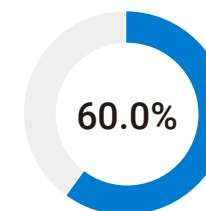
*11 Severity = total number of days of labor loss/total number of actual hours worked × 1,000

Governance (As of June 28, 2023)

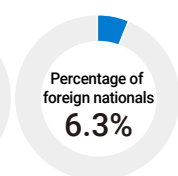
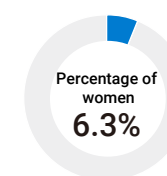
Percentage of Outside Directors on the Board of Directors



Percentage of Outside Officers on the Nomination and Compensation Committee



Composition of Directors



Major Group Companies

Consolidated Subsidiaries (As of March 31, 2023)

Company Name	Main Businesses	Equity Stake (%)
Electric Power Business		
J-POWER Transmission Network Co., Ltd.	Transmission business	100.0
J-Wind Kaminokuni, Ltd.	Wind power business	100.0
J-Wind Co., Ltd.	Wind power business	100.0
J-Wind KUZUMAKI Co., Ltd.	Wind power business	100.0
J-Wind SETANA Co., Ltd.	Wind power business	100.0
Nagasaki-Shikamachi Wind Power Co., Ltd.	Wind power business	70.0
Ishikari Green Energy Co., Ltd	Wind power business	70.0 (70.0)
Esashi Green Energy Co., Ltd	Wind power business	70.0 (70.0)
Electric Power-Related Business		
J-POWER AUSTRALIA PTY. LTD.	Investment in coal mines in Australia	100.0
J-POWER Generation Service Co., Ltd.	Operation of thermal power plants; sale of fly ash; ocean transportation of coal for thermal power plants; research, planning, and analysis of environmental conservation	100.0
J-POWER HYTEC Co., Ltd.	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	100.0
J-POWER Business Service Corporation	Operation of welfare facilities; facility maintenance; business process outsourcing; development of computer software; import and sale of fuel for power generation	100.0
J-POWER EnTech Inc.	Engineering services for atmospheric and water pollutant removal equipment	100.0
J-POWER Telecommunication Service Co., Ltd.	Construction and maintenance of electronic and communications facilities, telecommunications, etc.	100.0
J-POWER Design Co., Ltd.	Design, management, and research for electric power facilities and other facilities and construction consulting	100.0
Miyazaki Wood Pellet Co., Ltd.	Operation of manufacturing facilities of wood pellets and procurement of forest offcut	98.3
JM Activated Coke, Inc.	Manufacturing, sales, and marketing of activated coke	90.0
J-Wind Service Co., Ltd.	Maintenance and operation of wind power plants	100.0 (100.0)
EPDC CoalTech and Marine Co., Ltd.	Ocean transportation of ash and fly ash	100.0 (100.0)
and 6 other companies		

Notes: 1. The percentages in parentheses represent indirect holding ratios and are included in the percentages above.

2. J-POWER AUSTRALIA PTY. LTD., JP Renewable Europe Co., Ltd., J-POWER Holdings (Thailand) Co., Ltd., J-POWER Jackson Capital, LLC, J-POWER Jackson Partners, LLC, Jackson Generation, LLC, Gulf JP Co., Ltd., Gulf JP UT Co., Ltd. and Gulf JP NS Co., Ltd. are specified subsidiaries.

3. Jackson Generation, LLC's ownership of voting rights decreased to 51% due to the partial transfer of its interest on February 27, 2023.

Company Name	Main Businesses	Equity Stake (%)
Overseas Business		
JP Renewable Europe Co., Ltd.	Management of investments	100.0
J-Power Investment Netherlands B.V.	Management of investments	100.0
J-POWER Consulting (China) Co., Ltd.	Management of investments, research and development of projects	100.0
JP Generation Australia Pty. Ltd.	Management of investments, research and development of projects	100.0
J-POWER North America Holdings Co., Ltd.	Management of investments	100.0
J-POWER Holdings (Thailand) Co., Ltd.	Management of investments	100.0 (100.0)
J-POWER Generation (Thailand) Co., Ltd.	Management of investments, research and development of projects	100.0 (100.0)
JPGA Partners Pty. Ltd.	Management of investments	100.0 (100.0)
J-POWER USA Investment Co., Ltd.	Management of investments	100.0 (100.0)
J-POWER USA Development Co., Ltd.	Management of investments, research and development of projects	100.0 (100.0)
J-POWER Renewables Capital, LLC	Development business	100.0 (100.0)
J-POWER Jackson Capital, LLC	Management of investments	100.0 (100.0)
J-POWER Jackson Partners, LLC	Management of investments	100.0 (100.0)
Jackson Generation, LLC	Thermal power business	100.0 (100.0)
J-POWER Alaska Development, LLC	Development business	100.0 (100.0)
Gulf JP Co., Ltd.	Management of investments	60.0 (60.0)
Gulf JP UT Co., Ltd.	Thermal power business	60.0 (60.0)
Gulf JP NS Co., Ltd.	Thermal power business	60.0 (60.0)
Gulf JP NNK Co., Ltd.	Thermal power business	60.0 (60.0)
Gulf JP CRN Co., Ltd.	Thermal power business	60.0 (60.0)
Gulf JP NK2 Co., Ltd.	Thermal power business	60.0 (60.0)
Gulf JP TLC Co., Ltd.	Thermal power business	60.0 (60.0)
Gulf JP KP1 Co., Ltd.	Thermal power business	60.0 (60.0)
Gulf JP KP2 Co., Ltd.	Thermal power business	60.0 (60.0)
Gulf JP1 Co., Ltd.	Solar power business	60.0 (60.0)
Gulf JP NLL Co., Ltd.	Thermal power business	45.0 (45.0)
and 15 other companies		
Other Businesses		
Kaihatsu Hiryou Co., Ltd.	Production and sales of fertilizer using ash	100.0
Omuta Plant Service Co., Ltd.	Operation and maintenance of a waste-fueled power generation plant	100.0
J-POWER Latrobe Valley Pty. Ltd.	Participating in Australian Brown Coal Hydrogen Pilot Test Project	100.0
Biocoal Osaka-Hirano Co., Ltd.	Construction and operation of a sewage sludge-based fuel manufacturing facility	60.0
Green Coal Saikai Co., Ltd.	Operation of an ordinary waste-based fuel manufacturing facility	60.0
and 1 other company		

Major Group Companies

Affiliates Accounted for by the Equity Method (As of March 31, 2023)

Company Name	Main Businesses	Equity Stake (%)
Electric Power Business		
Kashima Power Co., Ltd.	Thermal power business	50.0
Yuzawa Geothermal Power Generation Corporation	Geothermal power business	50.0
Osaki CoolGen Corporation	Large-scale demonstration trials of oxygen-blown IGCC and CO ₂ separation and capture	50.0
Suzuyo Power Co., Ltd.	Electricity sale	49.9
TOSA POWER Inc.	Thermal power business	45.0
ENERES Co., Ltd.	Energy-related consulting business, power generation business, etc.	41.0
Hibiki Wind Energy Co., Ltd.	Offshore wind power generation surveying	40.0
Appi Geothermal Energy Corporation	Geothermal power business	15.0
and 3 other companies		

Company Name	Main Businesses	Equity Stake (%)
Overseas Business		
JM Energy Co., Ltd.	Management of investments	50.0
PT. BHIMASENA POWER INDONESIA	Thermal power business	34.0
Shaanxi Hanjiang Investment & Development Co., Ltd.	Hydroelectric power business	27.0
CBK Netherlands Holdings B.V.	Management of investments	50.0 (50.0)
J-POWER USA Generation, L.P.	Management of investments	50.0 (50.0)
Birchwood Power Partners, L.P.	Thermal power business	50.0 (50.0)
Birchwood Renewables, LLC	Development business	50.0 (50.0)
Gulf Electric Public Co., Ltd.	Management of investments	49.0 (49.0)
Gulf Power Generation Co., Ltd.	Thermal power business	49.0 (49.0)
Nong Khae Cogeneration Co., Ltd.	Thermal power business	49.0 (49.0)
Samutprakarn Cogeneration Co., Ltd.	Thermal power business	49.0 (49.0)
Gulf Cogeneration Co., Ltd.	Thermal power business	49.0 (49.0)
Gulf Yala Green Co., Ltd.	Thermal power business	49.0 (49.0)
EGCO Green Energy Co., Ltd.	Management of investments	26.0 (26.0)
Triton Knoll Offshore Wind Farm Ltd.	Wind power business	25.0 (25.0)
Tenaska Pennsylvania Partners, LLC	Thermal power business	25.0 (25.0)
EGCO Cogeneration Co., Ltd.	Thermal power business	20.0 (20.0)
CBK Power Co., Ltd.	Hydroelectric power business	– [100.0]
Green Country Energy, LLC	Thermal power business	– [100.0]
Pinelawn Power LLC	Thermal power business	– [100.0]
Equus Power I, L.P.	Thermal power business	– [100.0]
Edgewood Energy, LLC	Thermal power business	– [100.0]
Shoreham Energy, LLC	Thermal power business	– [100.0]
Orange Grove Energy, L.P.	Thermal power business	– [100.0]
Elwood Energy, LLC	Thermal power business	– [100.0]
Roi-Et Green Co., Ltd.	Thermal power business	– [95.0]
China Resources Power (Hezhou) Co., Ltd.	Thermal power business	– [34.0]
Tenaska Virginia Partners, L.P.	Thermal power business	– [30.0]
Tenaska Frontier Partners, Ltd.	Thermal power business	– [25.0]
and 50 other companies		

Note: The percentages in parentheses represent indirect holding ratios and are included in the percentages above. Those shown in brackets are the ratios held by closely related parties or parties in agreement and excluded from the percentages above.

J-POWER Group Facilities

Power Generation Facilities in Operation* (As of March 31, 2023) *Power generation facilities of the Electric Power Business segment and Overseas Business segment.

Domestic, Overseas Total	Generation Capacity 46,360 MW	Owned Capacity 26,037 MW
Domestic Total (93 bases)	Generation Capacity 18,491 MW	Owned Capacity 17,970 MW

Type	Power Plants	Location (Prefecture)	River System	Start of Operation (Year)	Authorized Output (MW)
Hydroelectric	Horoka	Hokkaido	Tokachigawa	1965	10
	Nukabira	Hokkaido	Tokachigawa	1956	44
	Meto No. 1	Hokkaido	Tokachigawa	1958	27
	Meto No. 2	Hokkaido	Tokachigawa	1958	28
	Ashoro	Hokkaido	Tokachigawa	1955	40
	Honbetsu	Hokkaido	Tokachigawa	1962	25
	Kumaushi	Hokkaido	Tokachigawa	1987	15
	Satsunaigawa	Hokkaido	Tokachigawa	1997	8
	Kuttari	Hokkaido	Tokachigawa	2015	0.5
	Shinkatsurazawa	Hokkaido	Ishikarigawa	2022	16
	Kumaoui	Hokkaido	Ishikarigawa	1957	5
	Towa	Iwate	Kitagamigawa	1954	27
	Isawa No. 1	Iwate	Kitagamigawa	2014	14
	Shimogo (Pumped storage plant)	Fukushima	Aganogawa	1988	1,000
	Otsumata	Fukushima	Aganogawa	1968	38
	Okutadami	Fukushima	Aganogawa	1960	560
	Okutadami (Ecological Flow)	Fukushima	Aganogawa	2003	3
	Otori	Fukushima	Aganogawa	1963	182
	Tagokura	Fukushima	Aganogawa	1959	400
	Tadami	Fukushima	Aganogawa	1989	65
	Taki	Fukushima	Aganogawa	1961	92
	Kurotani	Fukushima	Aganogawa	1994	20
	Kuromatagawa No. 1	Niigata	Shinanogawa	1958	62
	Kuromatagawa No. 2	Niigata	Shinanogawa	1964	17
	Suezawa	Niigata	Shinanogawa	1958	2
	Aburumagawa	Niigata	Shinanogawa	1985	5
	Okukiyotsu (Pumped storage plant)	Niigata	Shinanogawa	1978	1,000
	Okukiyotsu No. 2 (Pumped storage plant)	Niigata	Shinanogawa	1996	600

Type	Power Plants	Location (Prefecture)	River System	Start of Operation (Year)	Authorized Output (MW)
	Numappara (Pumped storage plant)	Tochigi	Nakagawa	1973	675
	Hayakido	Nagano	Tenryugawa	1985	11
	Misakubo	Shizuoka	Tenryugawa	1969	50
	Shintoyone (Pumped storage plant)	Aichi	Tenryugawa	1972	1,125
	Sakuma	Shizuoka	Tenryugawa	1956	350
	Sakuma No. 2	Shizuoka	Tenryugawa	1982	32
	Akiha No. 1	Shizuoka	Tenryugawa	1958	47
	Akiha No. 2	Shizuoka	Tenryugawa	1958	35
	Akiha No. 3	Shizuoka	Tenryugawa	1991	47
	Funagira	Shizuoka	Tenryugawa	1977	32
	Miboro	Gifu	Shougawa	1961	215
	Miboro No. 2	Gifu	Shougawa	1963	59
	Ogamigo	Gifu	Shougawa	1971	20
	Nagano	Fukui	Kuzuryugawa	1968	220
	Yugami	Fukui	Kuzuryugawa	1968	54
	Konokidani	Fukui	Kuzuryugawa	2016	0.2
	Tedorigawa No. 1	Ishikawa	Tedorigawa	1979	250
	Nishiyoshino No. 1	Nara	Shingugawa	1956	33
	Nishiyoshino No. 2	Nara	Kinokawa	1955	13
	Totsugawa No. 1	Nara	Shingugawa	1960	75
	Totsugawa No. 2	Wakayama	Shingugawa	1962	58
	Owase No. 1	Mie	Shingugawa/ Choushigawa	1962	40
	Owase No. 2	Mie	Choushigawa	1961	25
	Ikehara	Nara	Shingugawa	1964	350
	Nanairo	Wakayama	Shingugawa	1965	82
	Komori	Mie	Shingugawa	1965	30
	Yanase	Kochi	Naharigawa	1965	36
	Futamata	Kochi	Naharigawa	1963	72
	Nagayama	Kochi	Naharigawa	1960	37
	Sameura	Kochi	Yoshinogawa	1972	42
	Setoishi	Kumamoto	Kumagawa	1958	20
	Sendaigawa No. 1	Kagoshima	Sendaigawa	1965	120
	Sendaigawa No. 2	Kagoshima	Sendaigawa	1964	15
Total (Domestic Hydroelectric, 61 plants)					8,577

J-POWER Group Facilities

Power Generation Facilities in Operation (As of March 31, 2023)

Type	Power Plants	Location (Prefecture)	Start of Operation (Year)	Output Capacity (MW)	Ownership (%)	Owned Capacity (MW)
Wind Power	Setana Seaside	Hokkaido	2005	12	100	12
	Setana-Osato Wind Farm	Hokkaido	2020	50	100	50
	Kaminokuni Wind Farm	Hokkaido	2014	28	100	28
	Esashi	Hokkaido	2023	21	70	15
	New Shimamaki Wind Farm	Hokkaido	2023	4	100	4
	Ohma Wind Farm	Aomori	2016	20	100	20
	Green Power Kuzumaki	Iwate	2003	21	100	21
	Kuzumaki No. 2	Iwate	2020	45	100	45
	Nikaho No. 2	Akita	2020	41	100	41
	Yurihonjo Bayside	Akita	2017	16	100	16
	Koriyama-Nunobiki Kogen	Fukushima	2007	66	100	66
	Hiyama Kogen	Fukushima	2011	28	100	28
	Tokyo Bayside	Tokyo	2003	2	100	2
	Irozaki	Shizuoka	2010	34	100	34
	Tahara Bayside	Aichi	2005	22	100	22
	Tahara	Aichi	2004	2	100	2
	Awara-Kitagata	Fukui	2011	20	100	20
	Yokihinosato Wind Park	Yamaguchi	2003	5	100	5
	Minami Ehime	Ehime	2015	29	100	29
	Nagasaki-Shikamachi Wind Farm	Nagasaki	2005	15	70	11
	Aso-Oguni Wind Farm	Kumamoto	2007	9	100	9
Total (Domestic Wind Power, 21 farms)				488		477
Geothermal	Wasabizawa	Akita	2019	46	50	23
Total (Domestic Geothermal, 1 plant)				46		23

Type	Power Plants	Location (Prefecture)		Start of Operation (Year)	Output Capacity (MW)	Ownership (%)	Owned Capacity (MW)
Coal-fired	Isogo	Kanagawa	New No. 1	2002	600	100	600
			New No. 2	2009	600	100	600
	Takasago	Hyogo	No. 1	1968	250	100	250
			No. 2	1969	250	100	250
	Takehara	Hiroshima	New No. 1	2020	600	100	600
			No. 3	1983	700	100	700
	Tachibanawan	Tokushima	No. 1	2000	1,050	100	1,050
			No. 2	2000	1,050	100	1,050
	Matsushima	Nagasaki	No. 1	1981	500	100	500
			No. 2	1981	500	100	500
	Matsuura	Nagasaki	No. 1	1990	1,000	100	1,000
			No. 2	1997	1,000	100	1,000
	Ishikawa Coal	Okinawa	No. 1	1986	156	100	156
			No. 2	1987	156	100	156
Thermal (J-POWER): 7 power plants					8,412		8,412
Coal-fired	Tosa	Kochi			167	45	75
	Kashima	Ibaraki			645	50	323
Demonstration tests facility	Osaki CoolGen	Hiroshima			166	50	83
Thermal (Subsidiaries): 3 power plants					978		481
Total (Domestic Thermal): 9 power plants, 1 test facility					9,390		8,893

J-POWER Group Facilities

Power Generation Facilities in Operation (As of March 31, 2023)

Overseas Total (37 projects)		Output Capacity 27,869 MW		Owned Capacity 8,067 MW			
Countries	Type	Projects	Output Capacity (MW)	Ownership (%)	Owned Capacity (MW)	Power Purchasers	Validity of Purchase Agreement
Thailand	Gas-fired (CCGT)	7 SPP* ¹	790	—	456	EGAT/Companies in the industrial park	Valid to 2038
		KP1	110	60	66		
		KP2	110	60	66		
		TLC	110	60	66		
		NNK	110	60	66		
		NLL	120	45	54		
		CRN	110	60	66		
		NK2	120	60	72		
	Gas-fired (CCGT)	Nong Seang	1,600	60	960	EGAT	Valid to 2039
	Gas-fired (CCGT)	U-Thai	1,600	60	960	EGAT	Valid to 2040
	Solar	Rooftop solar	1	60	1	Company in the industrial park	—
		Total (Consolidated)	3,991		2,376		
	Biomass (Chaff)	Roi-Et	9	25	2	EGAT	Valid to 2024
	Gas-fired (CCGT)	EGCO Cogeneration	112	20	22	EGAT/Companies in the industrial park	Valid to 2024
	Biomass (Rubber-Wood Waste)	Yala	20	49	10	EGAT	Valid to 2031
	Gas-fired (CCGT)	Kaeng Khoi 2	1,468	49	719	EGAT	Valid to 2033
		Total (Non-Consolidated)	1,610		754		
Thailand (Total, 14 projects)			5,600		3,130		

Countries	Type	Projects	Output Capacity (MW)	Ownership (%)	Owned Capacity (MW)	Power Purchasers	Validity of Purchase Agreement
The United States	Gas-fired (CCGT)	Tenaska Frontier	830	31	257	ERCOT market and MISO market	—
	Gas-fired (SCGT)* ²	Elwood Energy	1,350	50	675	PJM market	—
	Gas-fired (CCGT)	Green Country	795	50	398	SPP market	—
	Gas-fired (CCGT)	Pinelawn	80	50	40	Long Island Power Authority	Valid to 2025
	Gas-fired (CCGT)	Jackson	1,200	51	612	PJM market	—
	Gas-fired (SCGT)	Equus	48	50	24	NYISO market	—
	Gas-fired (CCGT)	Fluvanna	885	15	133	Shell Energy North America	Valid to 2024
	Gas-fired (SCGT)	Edgewood	88	50	44	Long Island Power Authority	Valid to 2023
	Jet Fuel (Simple Cycle)	Shoreham	90	50	45	Long Island Power Authority	Valid to 2023
	Gas-fired (SCGT)	Orange Grove	96	50	48	San Diego Gas & Electric	Valid to 2035
	Gas-fired (CCGT)	Westmoreland	940	25	235	PJM market	—
The United States (Total, 11 projects)			6,402		2,511		
China	Hydroelectric	Hanjiang (Xihe, Shuhe)	450	27	122	Shaanxi Electric Power Company	Renewed every year* ⁴
	Coal-fired, Wind Power, Solar, Pumped Storage	Gemeng* ³	9,617	7	673	Shanxi Province Power Corporation	—
	Coal-fired	Hezhou	2,090	17	355	Guanxi Power Grid Co.	Renewed every year* ⁴
China (Total, 4 projects)			12,157		1,150		
Philippines	Hydroelectric	CBK (3 projects)	728	50	364	National Power Corporation	Valid to 2026
	Hydroelectric	Lake Mainit	25	40	10	ANECO	Valid to 2048
The United Kingdom	Offshore wind	Triton Knoll	857	25	214	Orsted	Valid to 2037
Indonesia	Coal-fired	Batang	2,000	34	680	PLN	Valid to 2047
Australia	Solar	Kidston Stage1	50	7.7	4	NEM market	—
	Solar	Jemalong Solar	50	7.7	4	NEM market	—
Other countries/regions (8 projects)			3,710		1,276		

*1 The 7 SPPs project, which commenced operation in 2013.

*2 SCGT (simple cycle gas turbine): A generating system using only a gas turbine.

*3 Gemeng International Energy Co., Ltd., is an electric power company that owns 16 power generation companies.

*4 Although power purchase agreements are renewed every year, J-POWER concludes memoranda of understanding regarding power grid connection and management with province-level transmission and distribution companies to, in principle, continuously purchase power for the duration of a given facility's operation.

J-POWER Group Facilities

Coal Mine Projects (As of December 31, 2022)

Coal Mine	Location	Outport	2022 Sales Volume (million tons)	Vested Interest (%)	Coal Production Start
Clermont	Queensland, Australia	Dalrymple Bay	9.03	22.2	2010
Narrabri	New South Wales, Australia	Newcastle Port	5.88	7.5	2012
Maules Creek	New South Wales, Australia	Newcastle Port	9.11	10	2014

Major Transmission and Transformation Facilities* (As of March 31, 2023)

*Transmission and transformation facilities are held by J-POWER Transmission Network Co., Ltd., a wholly owned subsidiary of J-POWER.

Transmission Facilities

Major Transmission Lines	Beginning of Operation (Year)	Location (Prefecture)	Distance (km)	Voltage (kV)
Tokachi Trunk Line	1956	Hokkaido	214.4	187
Hokkaido-Honshu HVDC Interconnection Line	1979	Hokkaido – Aomori	167.4	DC±250
Tadami Trunk Line	1959	Fukushima – Tokyo metropolitan area	216.3	275-500
Sakuma East Trunk Line	1956	Shizuoka – Tokyo metropolitan area	197.2	275
Sakuma West Trunk Line	1956	Shizuoka – Aichi	107.7	275
Miboro Trunk Line	1960	Gifu – Aichi	108.6	275
Honshu-Shikoku Interconnection Line	1994	Kagawa – Okayama	127.0	500
Kii Channel HVDC Interconnection Line	2000	Tokushima – Wakayama	99.8	DC±250
Nahari Trunk Line	1960	Kochi – Ehime	120.0	187
Kanmon Interconnection Line	1980	Fukuoka – Yamaguchi	64.2	500

Substations

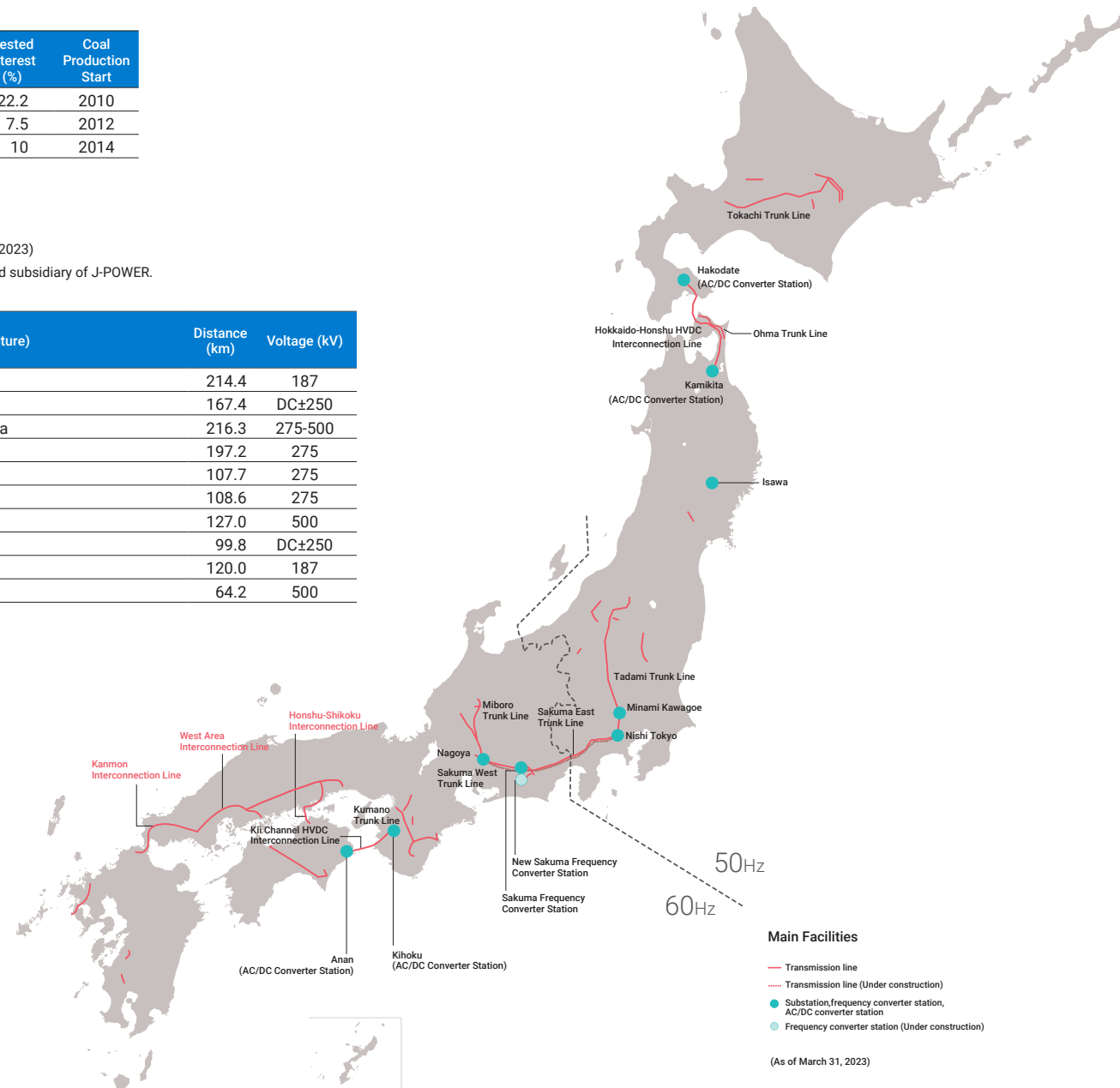
Substations	Beginning of Operation (Year)	Location (Prefecture)	Output (kVA)
Isawa	2012	Oshu City, Iwate	9,000
Minami Kawagoe	1959	Kawagoe City, Saitama	1,542,000
Nishi Tokyo	1956	Machida City, Tokyo	1,350,000
Nagoya	1956	Kasugai City, Aichi	1,400,000

Frequency Converter Station

Frequency Converter Station	Beginning of Operation (Year)	Location (Prefecture)	Output (MW)
Sakuma	1965	Tenryu, Hamamatsu City, Shizuoka	30

AC/DC Converter Stations

AC/DC Converter Stations	Beginning of Operation (Year)	Location (Prefecture)	Output (MW)
Hakodate	1979	Nanae Town, Kamada, Hokkaido	60
Kamikita	1979	Tohoku Town, Kamikita, Aomori	60
Kihoku	2000	Katsuragi Town, Ito, Wakayama	140
Anan	2000	Anan City, Tokushima	140



J-POWER Group Facilities

Major Projects Under Construction or Development

Domestic (As of March 31, 2023)

Type	Projects	Location (Prefecture)	Status	Output Capacity (MW)	Ownership (%)	Owned Capacity (MW)	Start of Operation
Nuclear	Ohma	Aomori	Under construction	1,383	100	1,383	To be determined
Hydroelectric	Suezawa (Repowering)	Niigata	Under construction	1 ▶ 2	100	1 ▶ 2	FY2024
	Ogamigou (Repowering)	Gifu	Preparing for repowering	20 ▶ 21	100	20 ▶ 21	FY2024
	Nagayama (Repowering)	Kochi	Preparing for repowering	37 ▶ 40	100	37 ▶ 40	FY2025
	Onabara	Ishikawa	Preparing for construction	1	100	1	FY2026
Wind Onshore	Kaminokuni No. 2*1	Hokkaido	Under construction	42	100	42	FY2023
	Minami Ehime No. 2	Ehime	Under construction	34	100	34	FY2025
	Ishikari Hachinosawa	Hokkaido	Under construction	21	70	15	FY2023
	New Tomamae (Replacement)	Hokkaido	Under construction	31	100	31	FY2023
	New Saraki Tomanai (Replacement)	Hokkaido	Under construction	15	100	15	FY2023
	New Nikaho (Replacement)	Akita	Under construction	25	100	25	FY2023
	Wajima	Ishikawa	Preparing for construction	90	100	90	FY2027
Offshore	Kitakyushu Hibikinada Offshore	Fukuoka	Under construction	Max 220	40	88	FY2025
Geothermal	Appi	Iwate	Under construction	15	15	2	FY2024
	Onikobe	Miyagi	Under construction*2	15	100	15	FY2023
Solar	Kitakyushu Hibikinada	Fukuoka	Preparing for construction	30	100	30	FY2024
	Himeji Oshio	Hyogo	Preparing for construction	2	100	2	FY2024

Under Environmental Impact Assessment

Type	Projects	Location (Prefecture)	Output Capacity (MW)
Wind Onshore	Setana-Futuro	Hokkaido	*3
	Naka-Noto	Ishikawa	
	Fukui Ono Ikeda	Fukui	
	New Tahara Bayside (Replacement)	Aichi	
	Watarai	Mie	
	Kichu	Wakayama	
	Hiroshima-Nishi	Hiroshima	
	Reihoku Kunimiyama	Kochi	

Type	Projects	Location (Prefecture)	Output Capacity (MW)
Wind Onshore	Seiyo Yusuhara	Ehime/Kochi	*3
	Youra	Oita	
	Aso-Nishihara (Replacement)	Kumamoto	
	Minami Osumi (Replacement)	Kagoshima	
	Hisatsu	Kumamoto/Kagoshima	
	Kita-Kagoshima	Kagoshima	

*1 Data for phase 1 construction of Kaminokuni No. 2. Planned maximum capacity of 120 MW.

*2 Onikobe began operations in April 2023.

*3 The maximum output is approximately 800 MW in total at the planned sites undergoing environmental impact assessment procedures.

Overseas (As of March 31, 2023)

Type	Projects	Location	Status	Output Capacity (MW)	Ownership (%)	Owned Capacity (MW)	Start of Operation
Hydroelectric	Bulanog Batang	Philippines	Under development	34	40	13	2029
Pumped storage	K2-Hydro	Australia	Under construction	250	7.7	19	2024
Solar	Refugio	United States	Under development	400	25	100	After 2023
	Rooftop solar (7)	Thailand	Under construction	total 10	60	6	After 2023
Storage	Bouldercombe	Australia	Under construction	50	7.7	39	2023
Onshore wind	Kidston Stage-3 Wind	Australia	Under development	258	53.9*4	139	2026
Thermal	EGCO Cogeneration	Thailand	Under construction	74	20	15	2024

*4 The total of J-POWER Group 50% equity and 7.7% investment in Genex.

Major Transmission/Transformation Development Plans*5

Project	Status	Capacity	Start of Operation
Construction of the New Sakuma Frequency Converter Station and replacement and expansion of related transmission lines	Under construction	New Sakuma Frequency Converter Station: 300 MW Sakuma East Trunk Line: Approx. 141 km	Expansion scheduled or completion at the end of FY2027

*5 The power transmission and transformation business is handled by J-POWER Transmission Network Co., Ltd., a wholly owned subsidiary of J-POWER.

Attestation of Validity

On the issuance of the J-POWER Group Integrated Report 2023



Representative Director President
and Chief Executive Officer
Hitoshi Kanno

To deepen understanding of our initiatives aimed at the creation of medium- to long-term value, J-POWER began issuing an Integrated Report in 2019 while engaging in dialogue with stakeholders.

This year's Integrated Report marks our fifth since beginning publication. In it, we reiterate our mission to promote sustainability throughout society by balancing stable energy supply with the response to climate change. This year's report also introduces our competitiveness and business model, which balances growth with our transition to carbon neutrality.

One change from last year is the update of information on the progress of efforts to achieve materiality related key performance initiatives (KPIs) and the progress of efforts based on the J-POWER "BLUE MISSION 2050." We are further improving the content of our disclosures with regard to climate change scenario analysis in accordance with TCFD recommendations through internal discussions based on opinions received through dialogue with our stakeholders.

In addition, the report also introduces initiatives that support the Group's business foundation and drive its growth, such as its strategies for human capital and DX as well as the status of efforts to strengthen corporate governance.

This report was created in partnership with related departments and the Corporate Planning & Administration Department, which primarily handles its editing. As the person in charge of ESG oversight, I attest that the process for creating the report is appropriate and that the content is accurate.

I hope that stakeholders find this report helpful in gaining a deeper understanding of the Group. We will continue to work to further expand the content of the report and make it useful for dialogue with stakeholders.

Corporate Profile/Stock Information (As of March 31, 2023)

Corporate Name	Electric Power Development Co., Ltd.
Communication Name	J-POWER
Date of Establishment	Sept. 16, 1952
Headquarters	15-1, Ginza 6-chome, Chuo-ku, Tokyo 104-8165, Japan
Paid-in Capital	¥180,502,169,192
Number of Shares Authorized	660,000,000
Number of Shares Issued	183,051,100
Number of Shareholders	95,002
Stock Exchange Listing	Tokyo Stock Exchange
Independent Public Accountants	Ernst & Young ShinNihon LLC
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited

Major Offices

- Head Office: 15-1, Ginza 6-chome, Chuo-ku, Tokyo
- East Regional Headquarters: Kawagoe-shi, Saitama
- Chubu Regional Headquarters: Kasugai-shi, Aichi
- West Regional Headquarters: Osaka-shi, Osaka

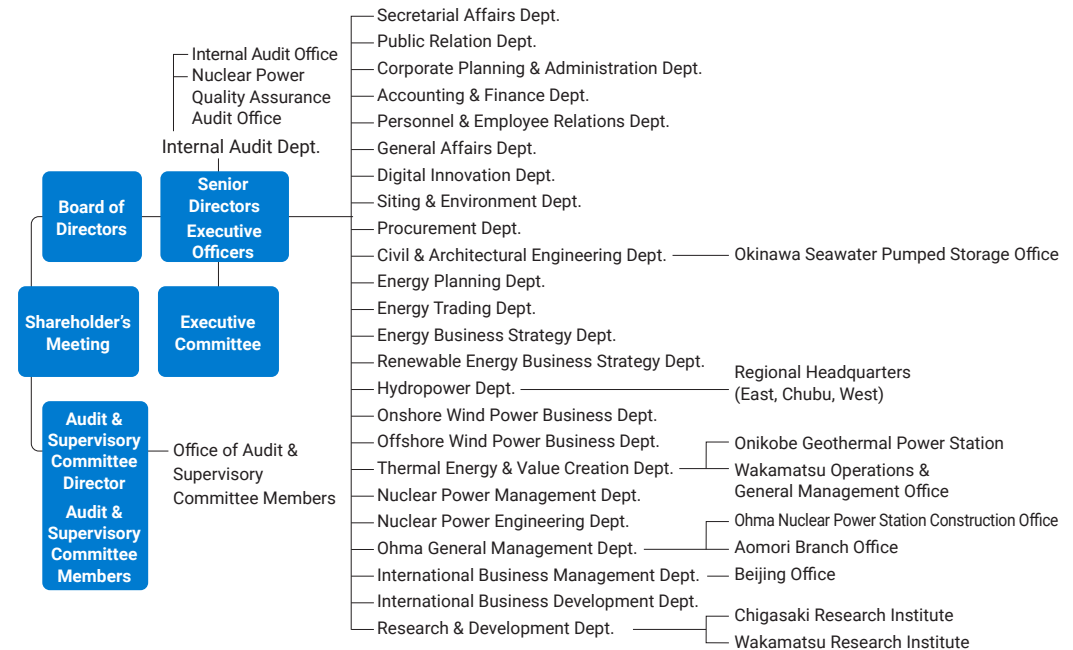
Major Overseas Subsidiaries

- J-POWER USA Development Co., Ltd.
- J-POWER Generation (Thailand) Co., Ltd.
- J-POWER Consulting (China) Co., Ltd.

Major Shareholders (Top 10/As of March 31, 2023)

Name or Designation	Number of Shares Held (Thousands of Shares)	Percentage of Total Shares Issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,111	12.08
Nippon Life Insurance Company	9,152	5.00
Custody Bank of Japan, Ltd. (Trust Account)	8,308	4.54
Mizuho Bank, Ltd.	5,155	2.82
J-POWER Employees Shareholding Association	4,960	2.71
JP MORGAN CHASE BANK 385635	4,189	2.29
Sumitomo Mitsui Banking Corporation	3,436	1.88
CGML PB CLIENT ACCOUNT/COLLATERAL	3,348	1.83
JP MORGAN CHASE BANK 380072	3,055	1.67
Fukoku Mutual Life Insurance Company	3,029	1.65

Organization Chart (As of June 28, 2023)



Composition of Shareholders (As of March 31, 2023)

* "Individuals and Others" includes 3,331 shares of treasury stock.

