




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.





Response to climate change



Engagement with local communities

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 • <u>9.20 million ton</u> CO₂ reduction from domestic power generation business by FY2025 (compared to FY2013 results) • <u>22.5 million ton</u> 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

- 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

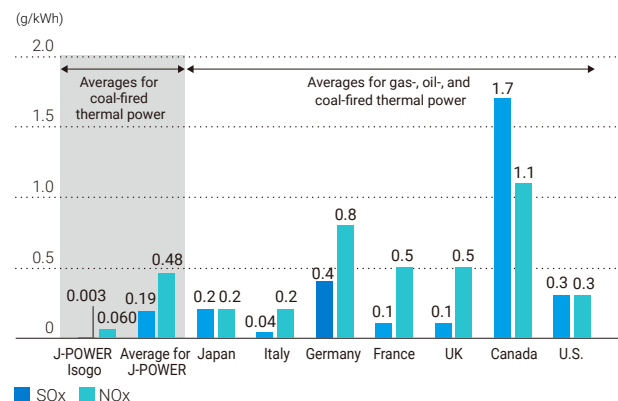
Controlling Environmentally Harmful Substances

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

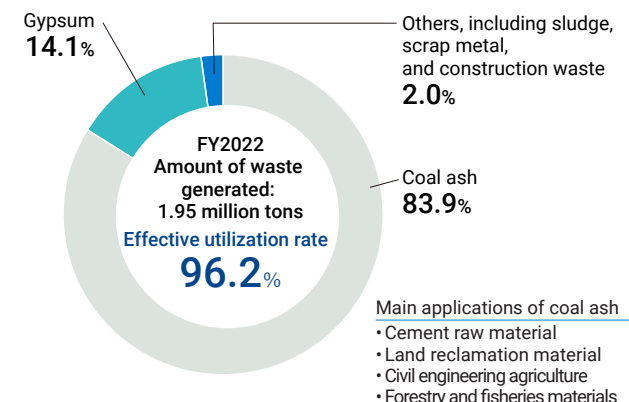
J-POWER Group emissions of industrial waste totaled 1.95 million tons in FY2022. 98% of this was discharged coal ash and gypsum from thermal power plants. More than 90% of these substances were successfully used as raw materials for cement, building supplies, and other products. Industrial waste had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

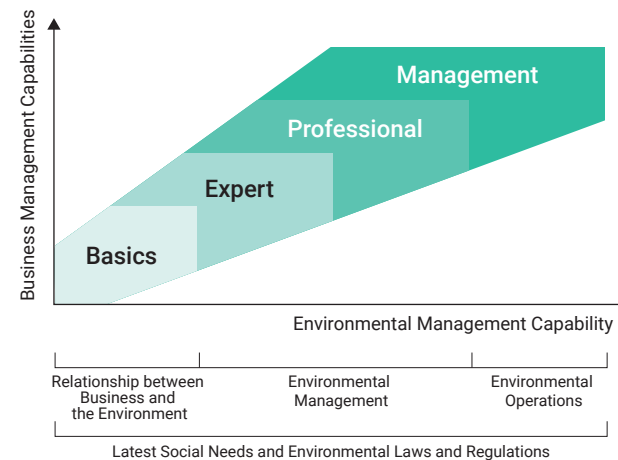


J-POWER Group Integrated Report 2023 Supplementary Materials: Environment
https://www.jpowers.co.jp/english/ir/library/pdf/2023/jpower_integrated2023e_appx_environment.pdf

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)
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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

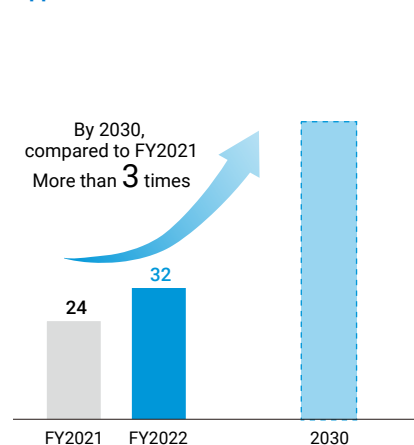
new graduate hires, the percentage of women under 30 years old is particularly high compared to other age groups. We are aiming to establish more comfortable systems and offer career development support while also educating employees about the various systems and offering consultation services that will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



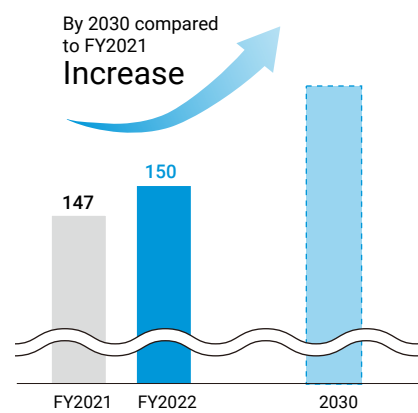
Female executive officers conduct a roundtable discussion to support the career development of female employees.

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

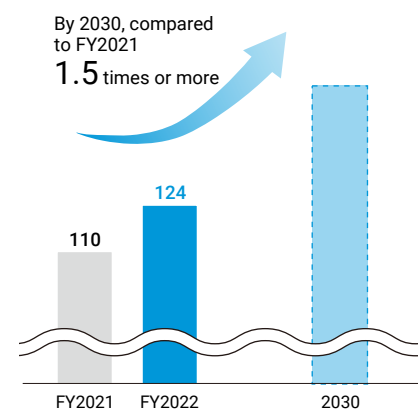
Appointment of women to senior roles



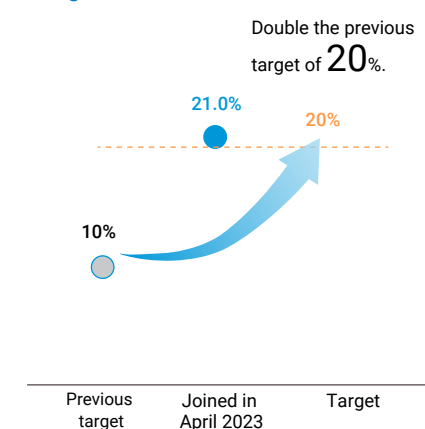
Appointment of foreign nationals to senior roles



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.



Employee Engagement

Since FY2021, the Company has been conducting employee satisfaction surveys. By quantitatively assessing employee satisfaction (e.g. overall satisfaction with job satisfaction, corporate culture, working environment, compensation and welfare measures, and other factors), we identify issues that need to be prioritized in the future and reflect them in our human resources and labor policies.

In addition, our executives travel throughout Japan to meet with Group employees at power plants, regional headquarters, and offices. In FY2022, participants made 25 such onsite visits to discuss the importance of promoting communication and issues related to the development of business systems, digital tools, and other infrastructure to improve business execution.

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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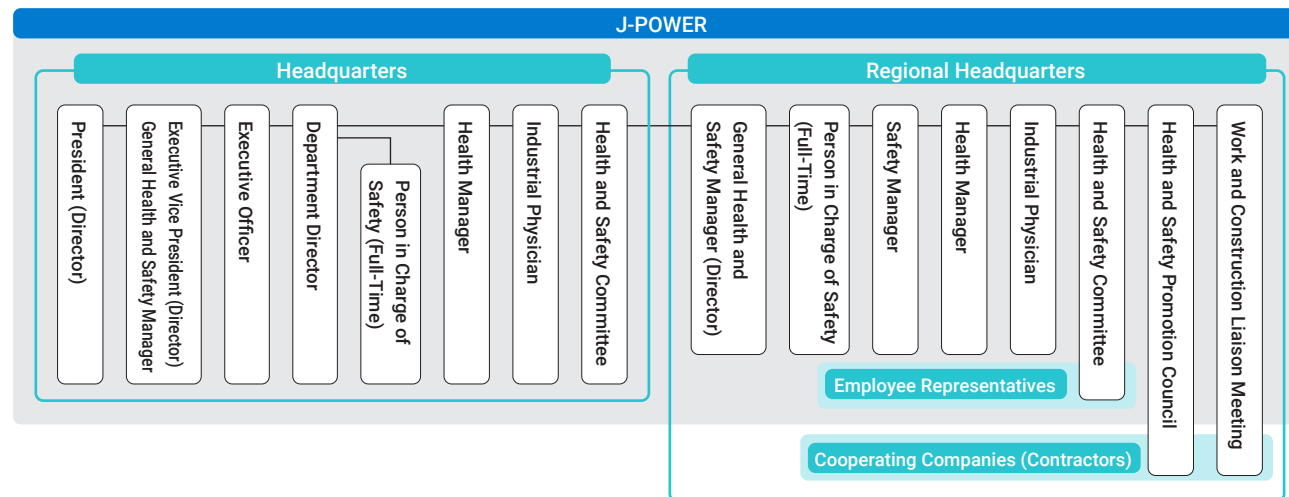
Occupational Health and Safety

- 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.

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

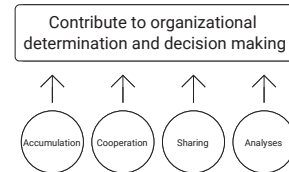
Smartness

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.

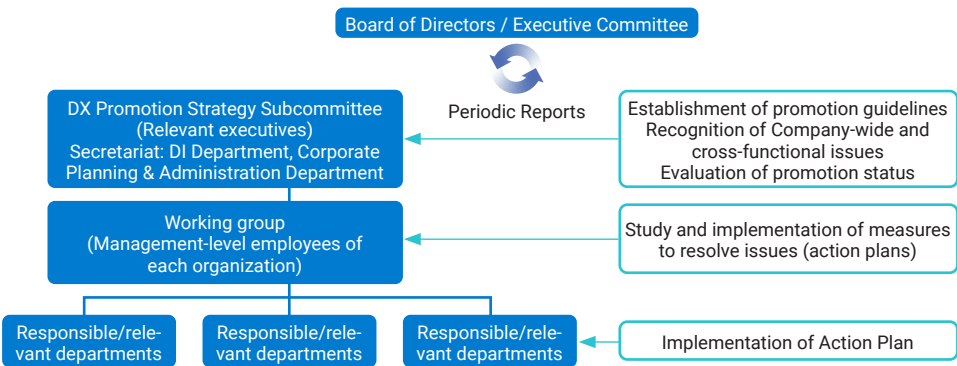
Also, the development of various forecasting technologies and analyses will immediately contribute to an increase in corporate value from a financial standpoint by improving profitability and optimizing power generation costs. The widespread adoption of renewable energy in Japan as well as the achievement 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)

Our DX Promotion Structure and Examples of Initiatives

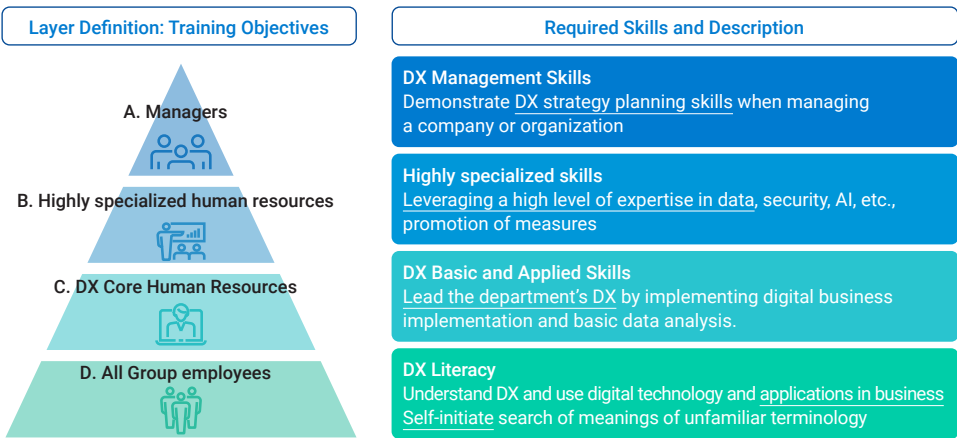
DX Promotion Structure



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.

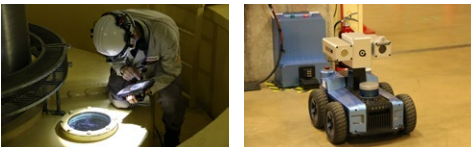


Case 2: Initiatives at the Shimogo Digital Special Zone

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.

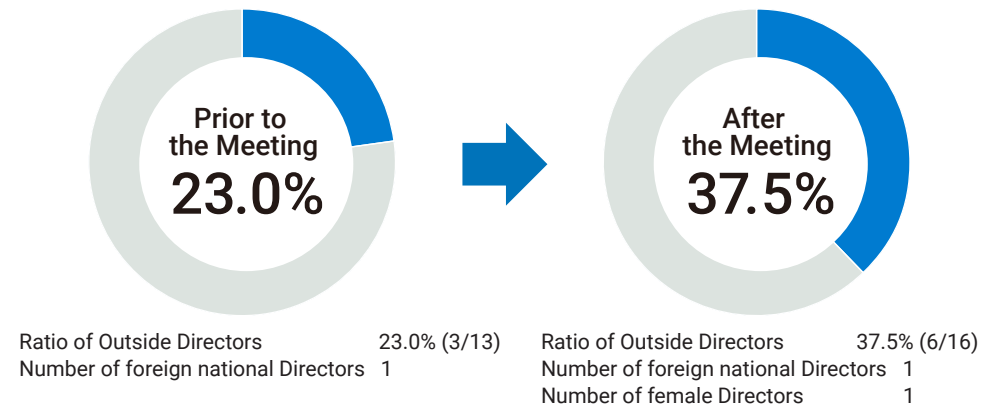
- FY2004** Fully privatized by listing on the First Section of the Tokyo Stock Exchange
- FY2006** Strengthened the Audit & Supervisory Committee Member system (Transitioned to a system of three outside Audit & Supervisory Board Members)
- FY2009** Invitation of Outside Director (Ratio of outside directors 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

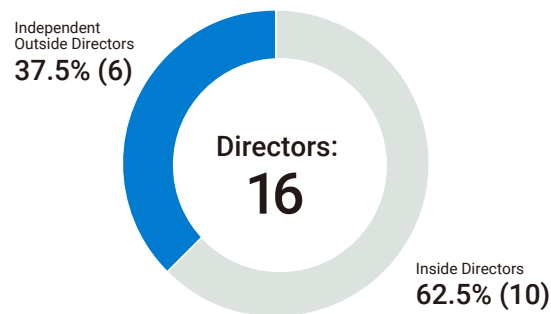
Composition of the Board of Directors

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.

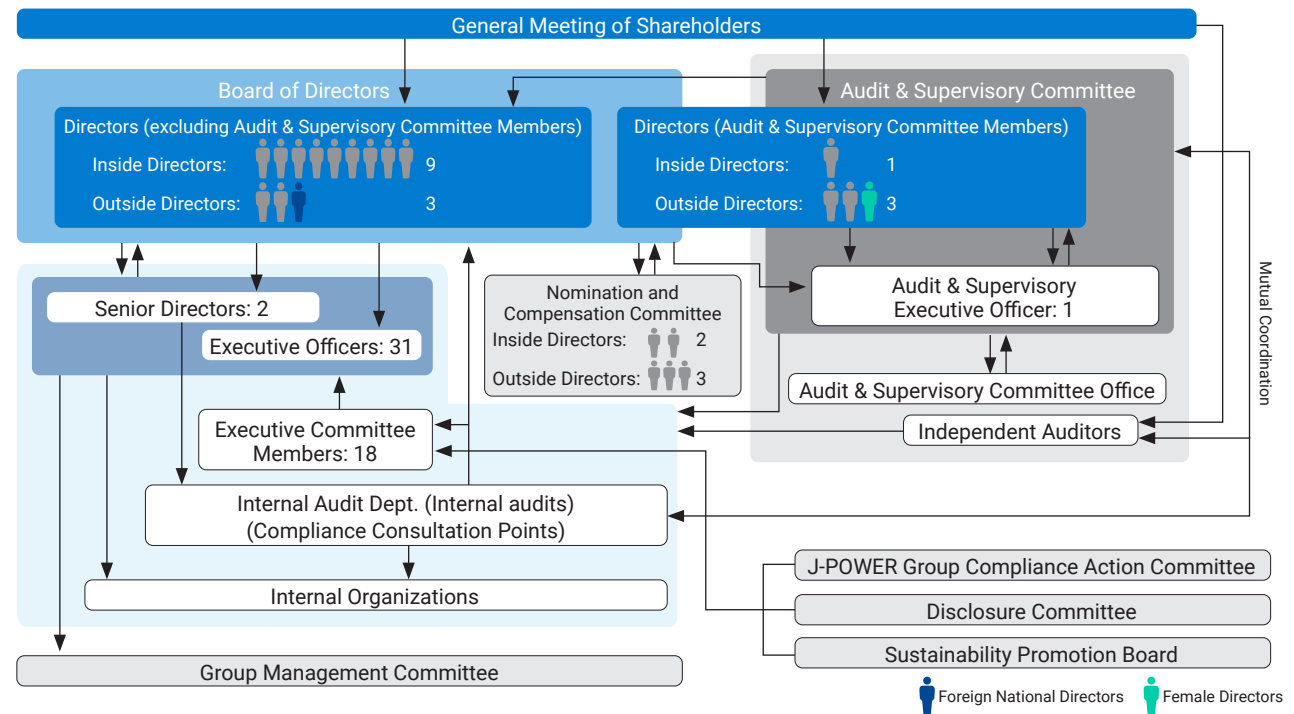
Composition of the Board of Directors



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

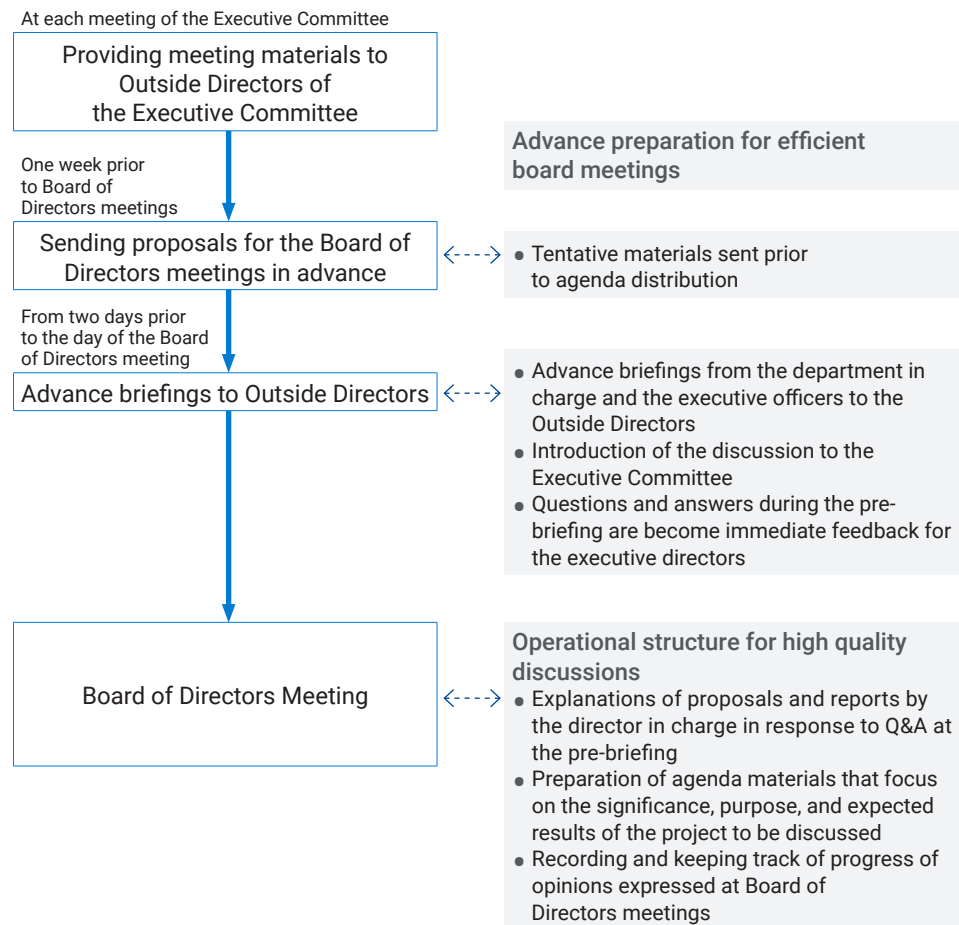
With regard to the administration of subsidiaries and affiliates, the J-POWER Group's basic policy calls for group-wide business development in accordance with the Group's management plan. The administration of subsidiaries and affiliates is undertaken in accordance with the Company's internal regulations, 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)



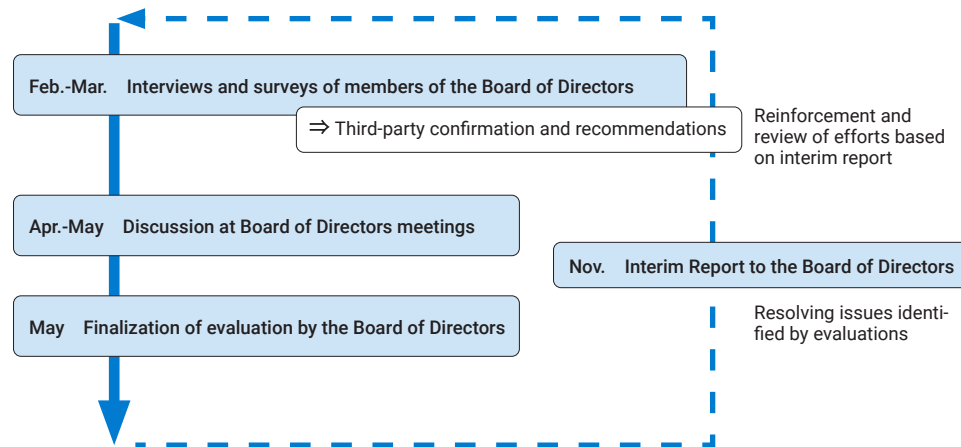
Examples of Items Discussed at Board of Directors Meetings

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.

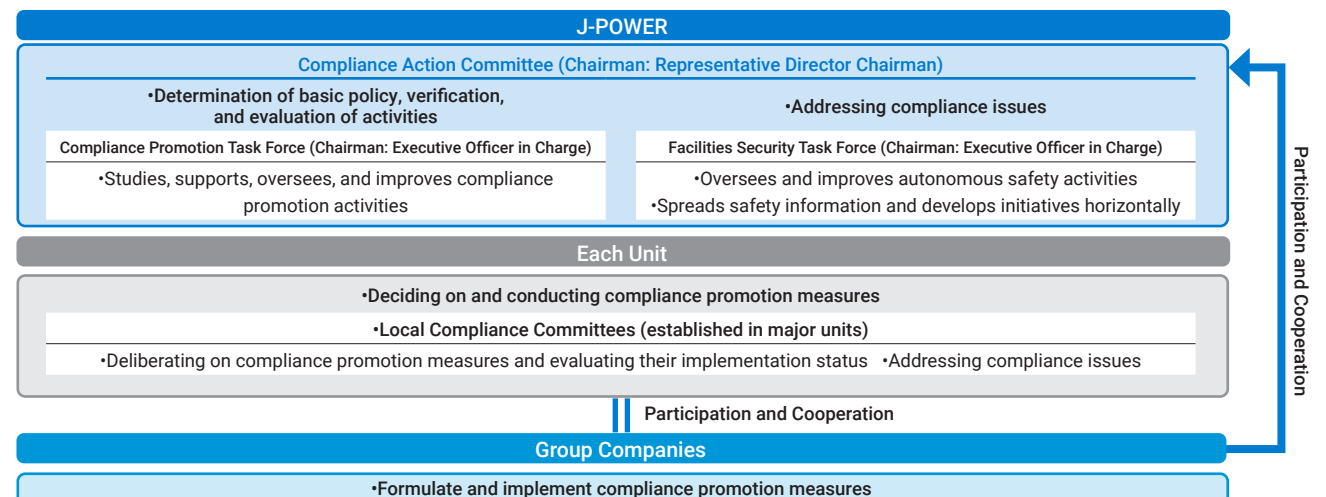
Compliance Promotion Activities

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

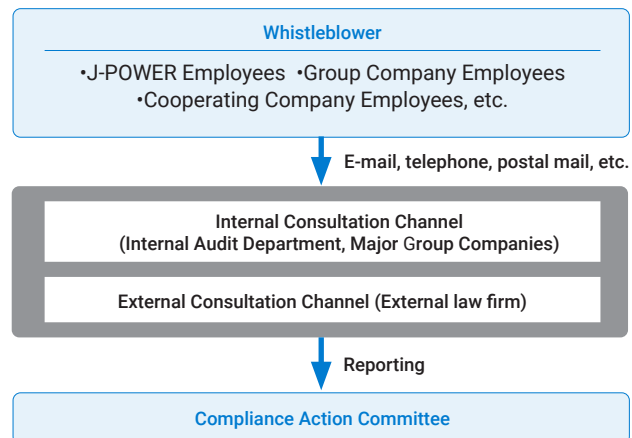
Compliance Survey

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.

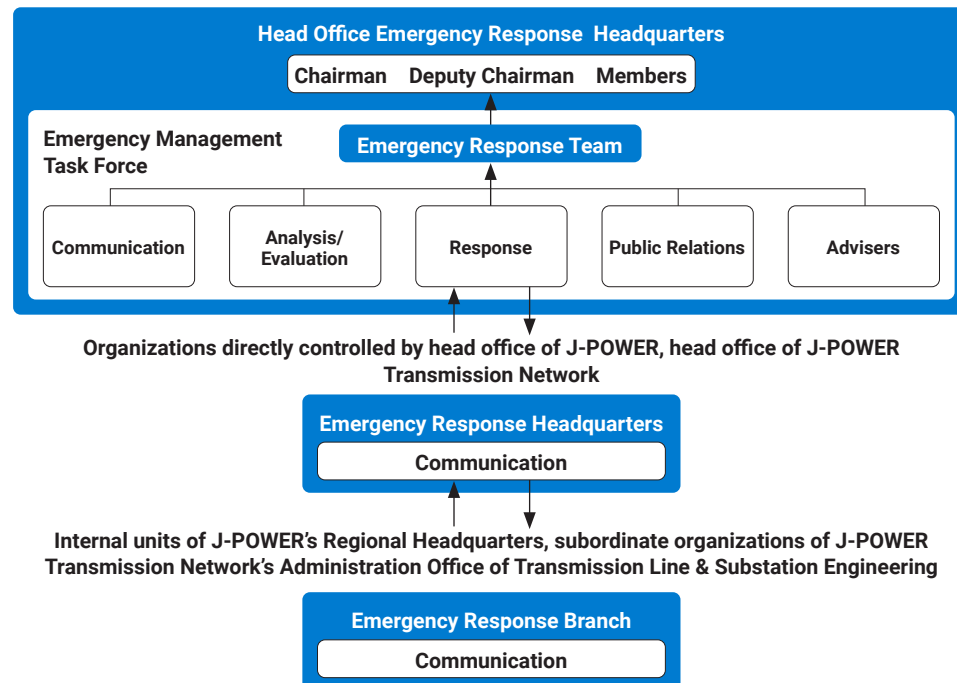
- (1) Installation of appropriate facilities and development of disaster recovery systems in preparation for natural disasters, including earthquakes, typhoons, lightning strikes, and tsunamis
- (2) Enhancement of security to prevent malicious and violent conduct
- (3) Enhancement of regular facility 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.

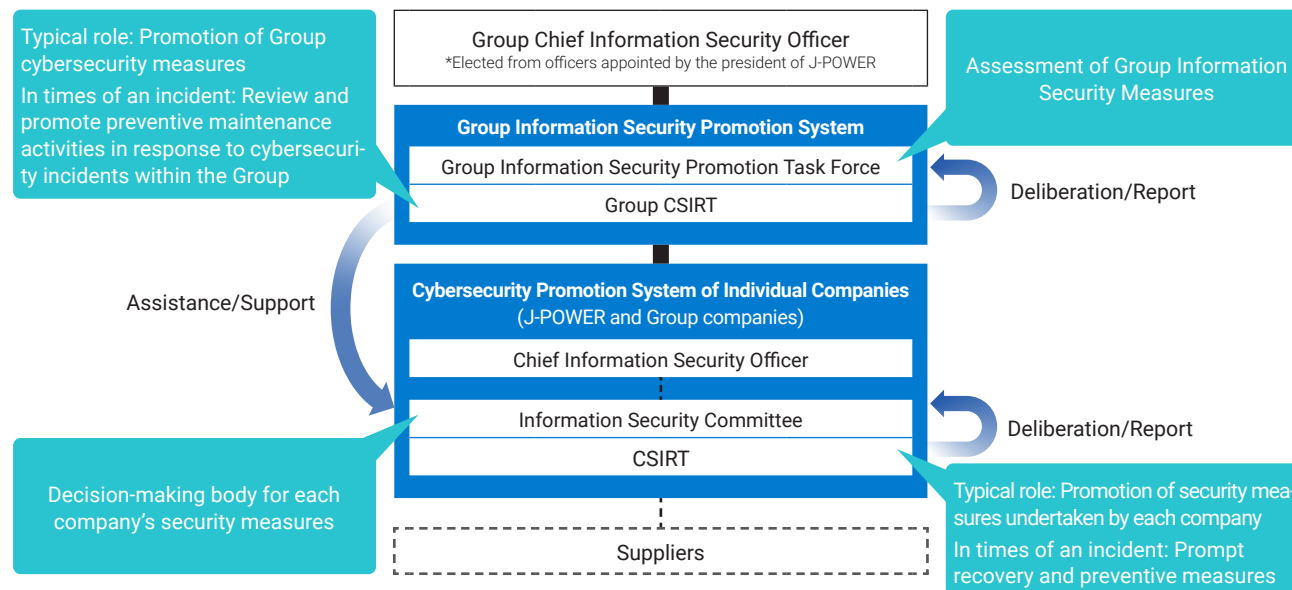
In conjunction with these measures, in order to respond to cyber-attacks and recover quickly in the event of any breach, we have established a Basic Policy on Information Security and established the J-POWER CSIRT^{*2} as a cybersecurity crisis management system, working to prevent

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	