

Compliance & Risk Management

Material issues ▶



- 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 a spirit of compliance and 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.

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.jpower.co.jp/english/company_info/philosophy/

Compliance Action
Guidelines

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

Compliance Promotion Structure

The Chairman serves as the top compliance officer to promote compliance, with the President serving as the Chairman's assistant and the Compliance Officer serving as the Chairman's and President's assistant. The J-POWER Group Compliance Action Committee chaired by Chairman, 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 autonomous 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

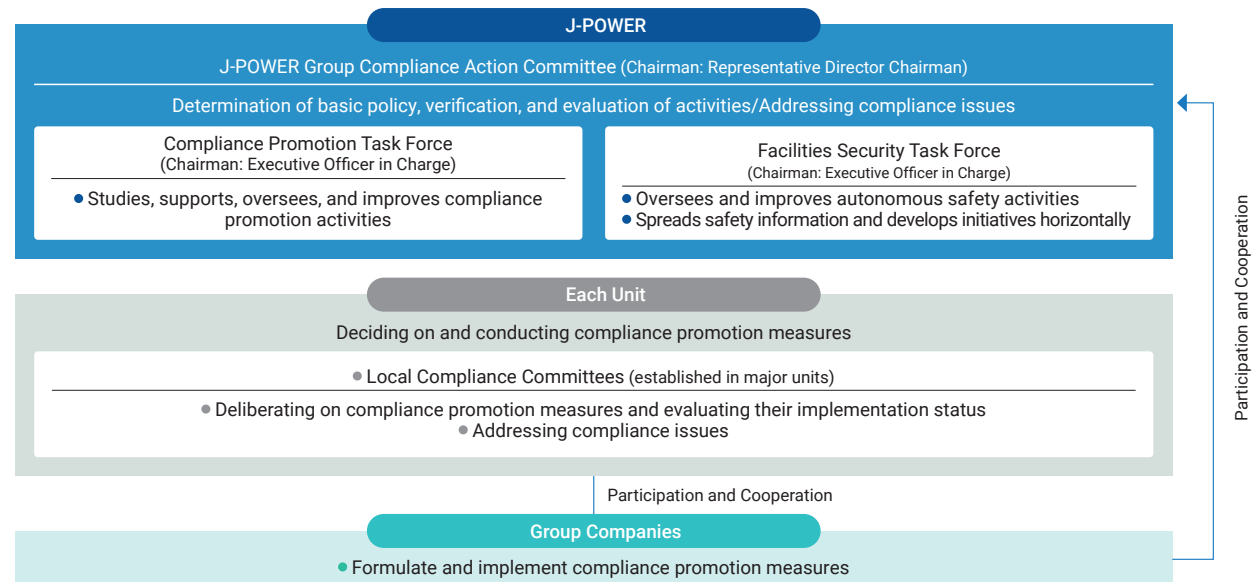
The Compliance Action Committee utilizes a PDCA (plan-do-check-act) method for compliance promotion, formulating a plan for each fiscal year, evaluating results at the end of that fiscal year, and formulating the next year's plan based on the results. The compliance promotion plan and evaluation are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



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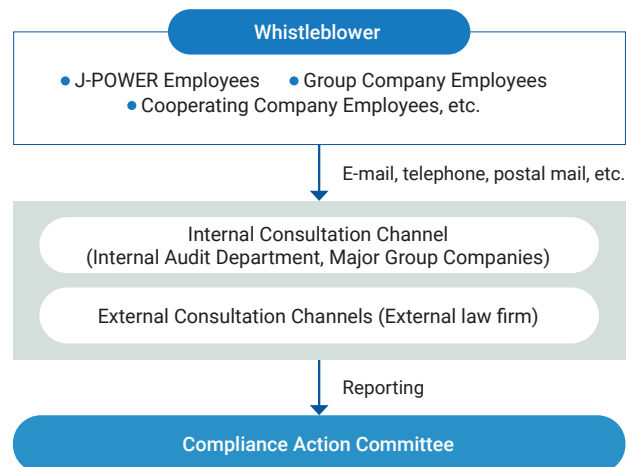
Compliance Survey

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 used by Group's each unit 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 has worked on the identification and improvement of issues. 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 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 the headquarters and onsite institutions (including Group companies and overseas subsidiaries) 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 FY2023, 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 2024 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.79 Training and Education on Human Rights and Compliance Initiatives](#)