

Disclosure Based on TNFD Recommendations

The J-POWER Group will disclose information based on Recommendations of the Task Force on Nature-related Financial Disclosures (“TNFD Recommendations”) released by the Task-force on Nature-related Financial Disclosures* on September 2023.

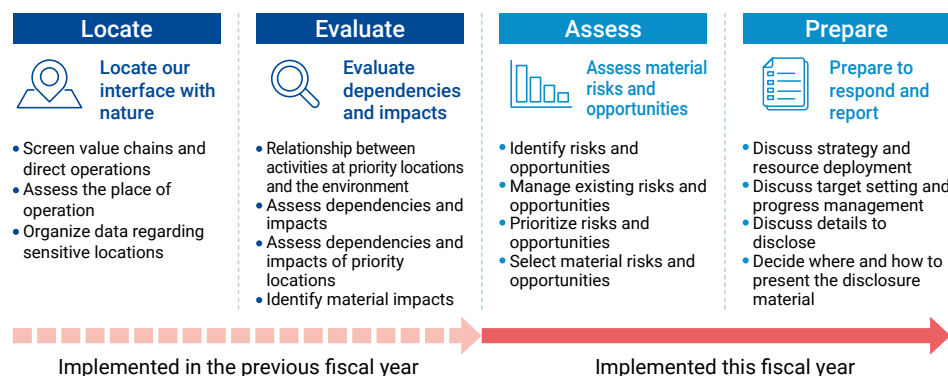
*Taskforce on Nature-related Financial Disclosures (TNFD): An international organization that aims to establish a framework to help businesses and financial institutions properly evaluate and disclose the risks and opportunities related to natural capital and biodiversity.

Foreword

The TNFD Recommendations require companies to make clear how they impact nature, depend on natural capital, and the relevant risks and opportunities. We used the integrated approach for the assessment of nature-related issues advocated by the TNFD Recommendations (LEAP approach) in evaluating operating locations and the business activities’ dependencies and impacts on natural capital to identify material risks and opportunities associated with material dependencies and impacts.

The LEAP approach consists of four phases: Locate, Evaluate, Assess, and Prepare. It is a framework that helps businesses locate the interface with nature, assess and manage dependencies and impacts as well as risks and opportunities, and organize the details to disclose by applying the set of procedures. While we completed the evaluation of the power generation business for the Locate and Evaluate phases by the end of the previous fiscal year, we conducted the evaluation for the Assess and Prepare phases this fiscal year.

Steps for adopting the LEAP approach



J-POWER Group and Its Relationship with Nature

Under our Corporate Philosophy of “We will meet people’s needs for energy without fail, and play our part in the sustainable development of Japan and the rest of the world,” the J-POWER Group has striven to supply power efficiently and stably and operated the business globally for over 70 years. Furthermore, we are making efforts to enhance our corporate value by identifying the following five material issues from the medium- to long-term sustainability perspective and setting them as the core of the Group’s ESG management: supply of energy, response to climate change, respect for people, engagement with local communities, and enhancement of our business foundation.

We acknowledge that large-scale energy supply projects impact local communities and the environment. As part of our commitment to “engagement with local communities,” we are working toward the preservation of natural capital and local environment including biodiversity, and building trust with the local community.

J-POWER Group Environmental Basic Policy, Environmental Targets, and Environmental Action Guidelines

The Group has formulated the Environmental Basic Policy that sets forth the direction of the Group’s environmental initiatives based on its Basic Policy on Sustainability. The Group also established medium- to long-term challenges and goals as Environmental Targets and the details of challenges the Group needs to address and major initiatives as Environmental Action Guidelines, and is taking various actions in line with these targets and guidelines.

J-POWER Group Environmental Basic Policy (Addressing Local Environment Issues)

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

Applying General Requirements

The TNFD Recommendations provide a set of general requirements for disclosures.

General requirements	Status of disclosure during FY2025
Application of materiality	Double materiality approach*
Scope of disclosures	The business of the Group is centered on the power generation and transmission and transformation businesses. Since the directly operated power generation business is large in scale and is considered to have significant impacts on natural capital, we decided to include the 101 sites (thermal, hydro, wind, and geothermal) in Japan and around the world that were in operation as of March 1, 2024, in the scope of assessment and disclosure. We will continue to consider expanding the scope of disclosure on business areas and value chains other than the directly operated power generation business.
Location of nature-related issues	Biodiversity importance, ecosystem integrity, and water availability were assessed for domestic and overseas power plants within the scope of disclosures as the evaluation of operating locations to identify areas that require priority efforts.
Integration with other sustainability-related disclosures	We acknowledge that climate change and natural capital mutually influence each other. The overall status of the ESG challenges is included in this report.
Time horizons considered	In this disclosure, we assessed risks and opportunities using the following three time horizons: short term (up to 2025), medium term (up to 2030), and long term (up to 2050).
Engagement with indigenous peoples, local communities and affected stakeholders	In the electric power business, power plant operation runs on a premise that it has gained understanding of the local residents. An environment impact assessment is performed at the time of the construction to study the impact on the environment and organisms. During operation, we comply with environmental conservation values agreed with the local governments where the plants are located, and make efforts to gain further understanding of the local residents about the power plants through events such as plant visits.  P.73 Engagement with Local Communities  P.75 Initiatives to Respect Human Rights

*Double materiality is a concept that requires companies to emphasize not only the financial impact, but also how their corporate activities and business models affect the environment and society.

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Governance

The J-POWER Group has identified “engagement with local communities (preservation of local environment)” as one of its material issues and holds meetings of the Sustainability Promotion Board, headed by the ESG Oversight (President), at least three times a year. The Sustainability Promotion Board plans and examines measures related to natural capital and discusses risk identification, assessment, and management based on the company policy. Important matters are proposed or reported to the Board of Directors or the Executive Committee.

 [P.16 Sustainability promotion structure](#)

The Group has also established the J-POWER Group Basic Policy on Human Rights 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.

 [P.75 Initiatives to Respect Human Rights](#)

Strategy

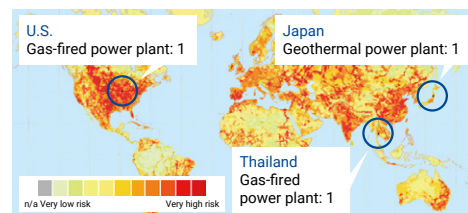
Locate

Understanding the areas that require priority efforts

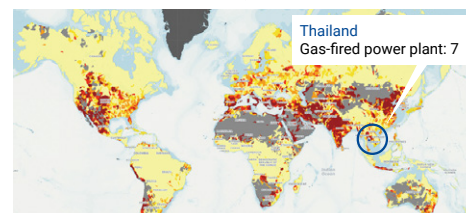
For each power generation site, we used a publicly available tool to assess ecosystem integrity, biodiversity importance, and water stress, which are metrics related to water and the ecosystem deemed to be closely related to events, and identified sites that are in sensitive locations.

Assessment results: We designated areas that were identified as either areas of extremely low ecosystem integrity, areas of high biodiversity importance, or areas of high water stress as sensitive locations. As a result, we confirmed that 85 sites (4 coal-fired power plants, 10 gas-fired power plants, 50 hydroelectric power plants, 20 wind farms, and one geothermal power plant) were situated in sensitive locations.

Results of ecosystem integrity assessment (using BRF^{*1})

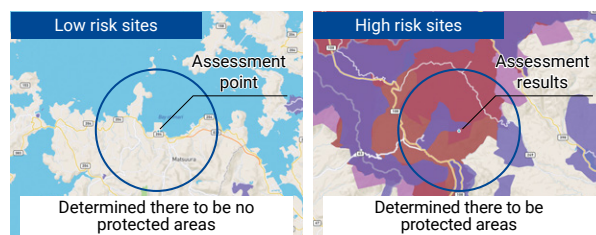


Results of water stress assessment (using Aqueduct^{*3} or WRF^{*4})



Results of biodiversity importance assessment (using IBAT^{*2})

Category	Protected areas
Key Biodiversity Area (KBA)	Alliance for Zero Extinction Sites Important Bird and Biodiversity Areas Other
Protected areas	Natura2000 World Heritage Ramsar MAB
Protected areas (IUCN area management category)	IUCN Management Ia IUCN Management Ib IUCN Management II IUCN Management III IUCN Management IV



^{*1} BRF (Biodiversity Risk Filter): A tool developed by the World Wide Fund for Nature (WWF) to help companies and financial institutions assess risks within their businesses and supply chains that could impact biodiversity

^{*2} Integrated Biodiversity Assessment Tool (IBAT): A tool jointly developed by BirdLife International, UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), International Union for Conservation of Nature (IUCN), and Conservation International that provides integrated access to protected areas, key biodiversity areas, and other areas designated for conservation around the target point, and maps of endangered species

^{*3} Aqueduct: A tool developed by the Water Resources Institute (WRI) to assess water risks. It can assess water risks of the area where the subject site is located, from the aspects of water quantity, water quality, and regulatory or reputational risk.

^{*4} WRF (Water Risk Filter): A tool developed by the World Wide Fund for Nature (WWF) and Deutsche Investitions- und Entwicklungsgesellschaft (DEG) to assess water risks. It can assess water risks of the area where the subject site is located as well as water risks arising from the operations of each site.

Evaluate

Dependencies and impacts of our business on natural capital

To understand the level of dependency of the business on nature and the level of impact on nature, we used ENCORE^{*5}, a tool for analyzing whether the business activity impacts the ecosystems and evaluating the magnitude of such impacts, and analyzed the dependencies and impacts by sector.

Below is a heatmap (created by modifying the results of the ENCORE assessment to align with the Company's business characteristics) that visualizes the dependencies and impacts on natural capital. Items assessed to have extremely large dependencies and impacts were selected as high priority matters.

^{*5} Stands for Exploring Natural Capital Opportunities, Risks and Exposure. A tool developed by the Natural Capital Finance Alliance (NCFA) and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) to help understand the magnitude of impacts and dependencies of business activities on nature

Heatmap of dependencies and impacts

	Things that depend on natural capital										Things that impact natural capital				
	Groundwater supply (groundwater)	Freshwater supply (surface water)	Water flow regulation	Water purification	Solid waste remediation	Water purification (treatment and storage accumulation of contaminants)	Global climate regulation	Flood and rainstorm mitigation	Soil and sediment retention	Area of land use	Area of freshwater use	Area of seabed use	Volume of water use	Emissions of GHG	Emissions of non-GHG air pollutants
Thermal power										-					
Hydroelectric power										-					
Wind power	-	-	-	-	-	-				-					
Geothermal power										-					

● For the details of each indicator subject to dependencies and impacts assessment using ENCORE, please see ENCORE's website (<https://www.encorenature.org/en/data-and-methodology/impact-drivers>).

● "-" means that the sector has few dependencies and impacts on the indicator.

Results of assessment of dependencies and impacts on natural capital

Thermal power	There are large dependencies on surface water and large impacts on volume of water use, given that water is an essential resource in power plant operations. There are large impacts on emissions of GHG and non-GHG air pollutants, given that burning fuel causes GHG emissions and non-GHG air pollutants emissions.
Hydroelectric power	There are large dependencies on surface water and water flow regulation and large impacts on volume of water use, given that water is an essential resource in power plant operations. There are large dependencies on global climate regulation, given that a stable climate leads to a stable water cycle. There are large impacts on the freshwater ecosystem, given that hydroelectric power generation changes the river's earth and sand and the flow of water.
Wind power	There are large dependencies on global climate regulation, given that a stable climate leads to a stable supply of wind.
Geothermal power	There are large dependencies on groundwater and large impacts on volume of water use, given that water is an essential resource in power plant operations.

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Assess Nature-related risks and opportunities across our business

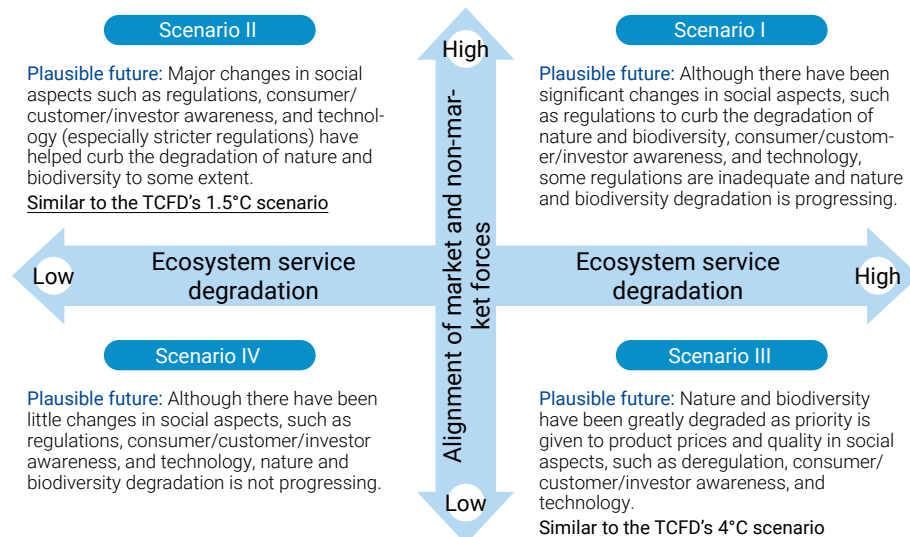
We identified nature-related risks and opportunities closely related to our business (dependencies and impacts) to assess such risks and opportunities using indicators such as likelihood of occurrence, impact on business, and impact on nature. Furthermore, we conducted a scenario analysis under the assumption of environmental and social changes to evaluate their materiality taking into account various future global changes.

1 Scenario analysis

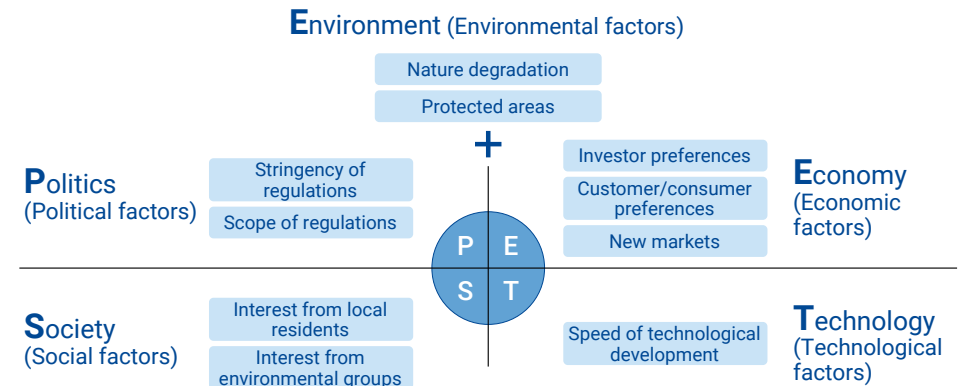
We analyzed the materiality of risks and opportunities taking into account changes in plausible futures using the scenario analysis under the assumption of environmental and social changes relating to our business.

As an approach to the scenario analysis based on TNFD, we have set four plausible futures with "ecosystem service degradation" and "alignment of market and non-market forces" as the scenario axes. We used the PEST+E analysis to set the directions of changes in respective plausible futures by breaking down change factors, such as environment and technology, to see how the materiality of risks and opportunities changes. Based on the analysis results, we will identify risks and opportunities that are material to the Group and enhance our efforts with priority to those that are most material.

① Setting of the four plausible futures (scenarios)



Framework of PEST+E analysis



② Results of PEST+E analysis for four scenarios

Factors	Elements	Four plausible futures (scenarios)			
		Scenario I	Scenario II	Scenario III	Scenario IV
Environmental factors	Nature degradation	High	Recovering	Very high	Recovering
	Protected areas	Expanding	Expanding	Stagnant	Stagnant
Political factors	Stringency of regulations	Strict (some are inadequate)	Very strict	Relaxed	Status quo retained
	Scope of regulations	Global	Global	Local	Local
Economic factors	Investor preferences	Focus on ESG investment	Focus on ESG investment	Focus on investment for economic growth	Focus on conventional investment
	Customer/consumer preferences	Emphasis on eco-friendly products	Emphasis on eco-friendly products	Emphasis on price and quality	Some customers/consumers place emphasis on eco-friendly products
	New markets	Expansion of markets for eco-friendly products	Expansion of markets for eco-friendly products	Stagnant	Stagnant
Social factors	Interest from local residents	High	High	Low	Low
	Interest from environmental groups	High	High	Medium	Medium
Technological factors	Speed of technological development	Fast	Fast	Slow	Status quo retained

*The results are shown on a scale of one to five. (High 5, 4, 3, 2, 1 Low)

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2 List of risks and opportunities identified as material based on the scenario analysis

Risks identified as material due to the dependencies and impacts between the power generation business and nature

Risk of dependencies and impacts		Impact on nature	Impact on business		Likelihood of occurrence				Assessment time horizon	Status of response
					Changes in Scenario I	Changes in Scenario II	Changes in Scenario III	Changes in Scenario IV		
Dependencies	① Lower rainfall reduces water resources, resulting in a decline in the supply of river water, groundwater, and industrial water.	Not subject to the assessment as dependencies exist	Thermal	The limited supply of process water causes operating restrictions, resulting in a decline in power generation.	↗	↘	↗	↘	Short to long term	We have been endeavoring to efficiently use water resources through such measures as collecting information on water resources, reusing wastewater, and saving water. The financial impact of this risk is limited as there are few sites located in high water stress areas in Japan.
	② The degradation of ecosystem services increases the damage from natural disasters (e.g. flood, sediment runoff).	Not subject to the assessment as dependencies exist	Hydroelectric	The degradation of ecosystem services causes large-scale natural disasters and damage to facilities, such as reservoirs and power generation facilities, resulting in a medium- to long-term shutdown.	↗	↘	↗	↘	Short to long term	We identify the risks of flood and mudslides, confirm the safety of facilities, and is taking countermeasures at each location. We are also taking flood countermeasures, such as sediment routing/discharge at regulating ponds and improving downstream warning equipment.
			Wind							We are seeking to mitigate the risk of damage by stopping the wind turbines when thunderclouds approach.
			Geothermal							We monitor the underground environment of storage tanks to check any indication of abnormalities through the regular measurement of temperature and pressure, water quality analysis, and other measures.
	③ Severe rain and wind occur due to the impact of climate change.	Not subject to the assessment as dependencies exist	Hydroelectric	The severe rain and wind cause large-scale natural disasters and damage to facilities, such as reservoirs and power generation facilities, resulting in a medium- to long-term shutdown.	↗	↘	↗	↘	Short to long term	We identify the risks of flood and mudslides, confirm the safety of facilities, and is taking countermeasures at each location. We are also taking flood countermeasures, such as sediment routing/discharge at regulating ponds and improving downstream warning equipment.
			Wind	Changes in wind conditions reduce power generation (cutout due to deteriorated wind conditions and strong wind). The severe rain and wind cause damage to power generation and other facilities, resulting in a medium- to long-term shutdown.						The blades of a wind turbine are leveled to prevent damage when wind speed exceeds the cut-out wind speed. The financial impact of this risk is limited as the locations of wind farms are decentralized and the single-unit output is small.
	④ Sea surface temperature rises due to the impact of climate change.	Not related (the risk is associated with dependency and has no impacts)	Thermal	Higher sea surface temperature causes operating restrictions, resulting in a decline in power generation.	↗	↘	↗	↘	Long term	We will strive to maintain our plant efficiency to prevent operating restrictions caused by higher sea temperature.
Impacts	⑤ Increased sedimentation in dam reduces the reservoir capacity, affecting the habitat environment for freshwater organisms.	The deposition of sediments adversely affects the habitat environment for freshwater organisms.	Hydroelectric	A decline in water-storage capacity reduces power generation. Sedimentation near the water intake hinders power generation. Stricter regulations and criticism from local communities increase costs for measures to deal with such events, including a shutdown.	↗	↗	→	→	Short to long term	Dam sediments are excavated and taken out of the dam lake on a regular basis. At some sites, sediment routing/discharge measures are taken to let earth and sand flowing into a dam lake at the time of flooding flow down to downstream as much as possible, and bypass tunnels have been installed for sediment routing.
	⑥ Greenhouse gas (GHG) emissions from business activities increase costs for dealing with such emissions.	GHG emissions raise the concentration of CO ₂ in the atmosphere.	Thermal	To reduce GHG emissions, ordinary profit is estimated to decrease by around ¥10 billion mainly due to the suspension or discontinuation of inefficient coal-fired power plants.	↗	↗	→	→	Long term	We will advance our CO ₂ reduction and decarbonization initiatives by converting high-efficiency coal-fired power plants using the optimal technology according to the local characteristics of the site, while phasing out inefficient coal-fired power plants.
	⑦ Higher environmental awareness leads to harsh criticism against GHG emissions and soot and smoke generation.	Not subject to the assessment as this is a reputation risk for the operator	Thermal	A failure to take appropriate action or disclose information leads to being excluded from ESG indexes, increasing stock price fluctuations.	↗	↗	↘	→	Short to long term	We will actively work to enhance information disclosure through our integrated report and Annual Securities Report, respond to third-party questionnaire surveys, and foster engagement with investors.
			Thermal	The increasing need of customers for decarbonized power sources reduces the sales volume of electric power generated by thermal power plants.	↗	↗	↘	→	Short to long term	We will advance our CO ₂ reduction and decarbonization initiatives by converting high-efficiency coal-fired power plants using the optimal technology according to the local characteristics of the site, while phasing out inefficient coal-fired power plants.
			Thermal	Nature protection efforts increase costs for developing and introducing new technologies, such as CCS for thermal power generation.	↗	↗	→	→	Short to long term	We will work together with other companies to introduce new technologies, including CCS, biomass, and hydrogen/ammonia mixed combustion, utilizing government support programs.

*The likelihood of occurrence is assessed taking into account the sensitivity of operating locations based on the Locate evaluation and changes in each scenario. However, the likelihood of occurrence of risks already materialized has been assessed to be "high."

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Opportunities identified as material due to the dependencies and impacts between the power generation business and nature

Opportunities from dependencies and impacts		Impact on nature	Impact on business		Likelihood of occurrence				Assessment time horizon	Status of response
					Changes in Scenario I	Changes in Scenario II	Changes in Scenario III	Changes in Scenario IV		
Dependencies	① The appropriate management of water resources enables us to maintain stable operations.	The adverse impact on the water environment can be mitigated by avoiding the excess use of water resources. (This has a higher impact on locations of higher water risk.)	Thermal	The appropriate management of water resources enables us to avoid a shutdown due to water supply restrictions or other reasons.	↗	→	↗	→	Short to long term	We have been striving to reduce our environmental impact and ensure stable operations through the efficient use of water resources by managing water resource data to take water-saving measures such as reuse of water.
	② Increasing the resilience of our power plant facilities to natural disasters improves their operability.	Assess the impact on business only	Hydroelectric	Facility damage and shutdown caused by a large-scale disaster can be avoided by making an up-front capital investment.	↗	↘	↗	↘	Short to long term	We have been making disaster prevention investments, including the relocation of some facilities to higher locations, water exposure measures at power plants, and flood control measures, to improve the stability of operations and mitigate disaster damage.
			Wind							We have been striving to lower the failure rate and improve the power generation efficiency by replacing facilities exceeding their designed lifetimes for facility update.
	③ The development of small-scale hydroelectric power plants and the repair of aging facilities promote efficient water use, allowing us to increase our revenue.	The development of small-scale hydroelectric power plants and the repowering of existing facilities enable us to mitigate the adverse impact on the downstream ecosystem and reduce the use of water resources.	Hydroelectric	The development of small-scale hydroelectric power plants and the repowering of existing facilities, among other means, allow us to increase our power generation and revenue from renewable energy power generation.	↗	↗	↘	→	Short to long term	We have been endeavoring to increase our revenue by implementing repowering work of small-scale and existing hydroelectric power plants to promote efficient water use.
	④ The development of small- and medium-scale hydroelectric power plants that utilize river flows allows us to increase our revenue.	Discharging water to maintain river flows enables us to maintain the downstream ecosystem.	Hydroelectric	Promoting the development of small- and medium-scale hydroelectric power plants that harness river maintenance flow increase power generation, leading to an improvement in our revenue.	↗	↗	→	→	Short to long term	We will actively work to develop small- and medium-scale hydroelectric power plants that utilize untapped water resources.
Impacts	⑤ Ecosystem-friendly facility management and operations allow us to improve our corporate value.	Ecosystem services can be maintained through the monitoring of the surrounding environment and ecosystem-friendly facility management and operations. This has a greater effect in areas with higher biodiversity risk (important species' habitats).	Thermal	Ecosystem-friendly facility management and operations allow us to avoid reputation risk, leading to an improvement in our corporate value that contributes to maintaining ecosystem services.	↗	↗	→	→	Short to long term	We have been managing and operating our facilities through the constant monitoring of seawater flows and temperature difference between intake and discharge water based on the ecosystem-friendly environment impact assessment.
			Hydroelectric							We have been working to preserve the river environment through ecological flow, construct fishways, and restore the healthy aquatic environment through sediment replenishment to downstream of dams. We are also seeking to improve the river environment by taking measures to reduce turbid water resident.
	⑥ Efforts to expand and improve existing facilities and to promote renewable energy projects accelerate decarbonization, allowing us to improve our corporate value.	Such efforts allow us to reduce the use of fossil fuel, leading to a mitigation of the risk of natural resource depletion and a reduction of GHG emissions.	Thermal	Efforts to increase the use of non-fossil fuel and to promote renewable energy projects accelerate decarbonization, improving our corporate value. This also allows us to reduce costs for dealing with GHG emissions.	↗	↗	→	→	Short to long term	We will advance our CO ₂ reduction and decarbonization initiatives by converting coal-fired power plants using the optimal technology according to the local characteristics of the site.
			Hydroelectric							We have been promoting the development of small-scale hydroelectric power plants and the repowering of existing facilities.
			Wind							We have been striving to ensure facility maintenance and secure the required capacity of power generation through the replacement of wind farm sites.
	⑦ Efforts to promote renewable energy projects lead to the conservation of resources and to the promotion of decarbonization, enabling us to contribute to regional development and improve our corporate value.	Efforts to promote renewable energy projects lead to the conservation of natural resources.	Renewable energy*	Efforts to promote renewable energy projects allow us to make progress in, among other initiatives, the creation of clean energy at local regions, leading to an improvement in our corporate value along with regional development.	↗	↗	↘	→	Short to long term	We are selling environmental value with additionality generated from power generation by expanding virtual power purchase agreements (PPAs) with electricity consumers.
	⑧ Building good relationships with local communities allows us to reduce environmental reputation risk, leading to an improvement in our business continuity.	Environmental preservation activities and other collaborative initiatives with local communities lead to the restoration of natural environment and biodiversity.	Thermal Hydroelectric Wind	Efforts to promote collaborative initiatives with local communities allow us to build good relationships with them, leading to an improvement in our business continuity.	↗	↗	→	↘	Short to long term	We aim to build relationships of trust with local communities as well as contribute to local revitalization efforts through proactive local community engagement activities in Japan and overseas.
	⑨ Efforts to promote renewable energy projects attract ESG investment, allowing us to capture opportunities to improve our corporate value.	Assess the impact on business only	Renewable energy*	Efforts to promote renewable energy projects allow us to capture opportunities to improve our corporate value, while attracting ESG investment.	↗	↗	→	→	Short to long term	We utilize the Green/Transition Finance Framework as a means of fundraising for our transition initiatives based on the long-term strategy for achieving carbon neutrality by 2050.
	⑩ Efforts to promote renewable energy projects allow us to expand opportunities to sell environmental value and so forth.	Assess the impact on business only	Renewable energy*	Efforts to promote renewable energy projects amid increasing social awareness of climate change and biodiversity allow us to expand opportunities to sell renewable electricity, credits, and so forth.	↗	↗	→	→	Short to long term	We have been endeavoring to engage with stakeholders.
	⑪ Efforts to advance decarbonization and promote renewable energy projects, among other efforts, allow us to increase electricity sales to environment-conscious customers.	Assess the impact on business only	All sectors	Disseminating information on our efforts to promote renewable energy projects, advance decarbonization, and preserve the natural environment, among other initiatives, allows us to improve our corporate value, leading to an increase in electricity sales to environment-conscious customers.	↗	↗	→	→	Short to long term	We have been working to disclose sustainability information through our integrated report and corporate website.

*Renewable energy refers to hydroelectric, wind, and geothermal power generation.

Risk and Impact Management

The J-POWER Group defines "risks" as potential threats posed to an organization that arise from its and society's dependencies and impacts on nature. The Sustainability Promotion Board chaired by the Sustainability Promotion Officer (President and Director) works together with Group companies to manage such risks by examining and promoting specific measures. The Sustainability Promotion Board convenes three times a year to discuss the drafting of the Basic Policy on Sustainability and other policies to be determined by the Board of Directors and the Executive Committee. It is also tasked with formulating plans and reviews measures based on policies, risk identification, assessment, and management, and other matters. In addition, the Sustainability Promotion Officer regularly reports the

contents of those deliberations to the Executive Committee and the Board of Directors to monitor the status of initiatives and reflect them in management and business plans.

The Board of Directors works to identify risks, including those related to ESG and sustainability, at an early stage by receiving regular reports on the status of business execution. The Board is also seeking to minimize the effect of losses when risks occur while fully understanding and avoiding risks in the execution of company activities, including ESG and sustainability risks, by ensuring mutual checks and balances in the internal decision-making process, discussions at various meetings, and the creation of a crisis management system in accordance with internal regulations during peacetime.

Disclosure Based on TNFD Recommendations

Indicators and Targets

The J-POWER Group has disclosed information on our environment target achievements in FY2024 in line with the core global indicators and metrics recommended by TNFD. With the local environment-related targets of “creation of a recycling-oriented society,” “biodiversity preservation,” and “protecting aquatic environments,” we will continue to work on the effective utilization of industrial waste, the preservation of habitat and growth environment of rare plants and animals, and the appropriate management of wastewater, among other initiatives.

[P.64 J-POWER Group and the Environment > J-POWER Group Environmental Targets](#)

Achievements against the core global indicators and metrics (dependencies and impacts)

Dependency and impact indicators and metrics assessed to be materials are as follows:

No.	Driver of nature change	Indicators	Metrics	Relevant dependencies/impacts
—	Climate change	GHG emissions	P.49 Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)	Impacts: Emissions of greenhouse gas (GHG) Dependencies: Global climate regulation, rainfall pattern regulation, air purification
C2.0	Pollution/ pollution removal	Pollutants released to soil	***	
C2.1		Wastewater discharged	Highly treated wastewater: 3.32 million m ³	Impacts: Toxic pollutants released to water and soil, nutrient salt pollutants released to water and soil Dependencies: Water purification
C2.2		Waste generation and disposal	Industrial waste generated: 1.56 million tons Effective utilization rate: 93%	Impacts: Generation and release of solid waste Dependencies: Solid waste remediation
C2.3		Plastic pollution	Plastic waste: 1,190 tons Effective utilization rate: 45%	Impacts: Generation and release of solid waste
C2.4		Total emissions of non-GHG air pollutants	NOx: 21.7 thousand tons SOx: 8.9 thousand tons Soot and dust: 0.7 thousand tons	Impacts: Emissions of non-GHG air pollutants Dependencies: Air purification
C3.0	Resource use/ replenishment	Water withdrawal and consumption from areas of water scarcity	From areas of water scarcity*: • Water withdrawn: 0 thousand m ³ • Water consumed: 0 thousand m ³ *Areas of water scarcity are defined as areas assessed to have a water stress score of 4 or higher in the Aqueduct assessment.	Impacts: Volume of water use Dependencies: Freshwater supply
C3.1		Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Coal: 13.48 million tons Heavy oil: 31 thousand kl Light oil: 30 thousand kl Biomass: 126 thousand tons	Impacts: Extraction of other biological resources
EPC 2.0	Pollution/ pollution removal	Coal combustion residue (CCR)	CCR generated: 1.29 million tons Effective utilization rate: 92%	Impacts: Generation and release of solid waste Dependencies: Solid waste remediation

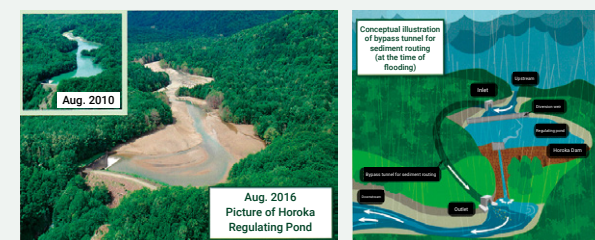
Natural Capital-Related Initiatives

To preserve the local environment, the J-POWER Group is making efforts to preserve biodiversity and the water environment tailored to the environment of each location.

Example of Initiatives

Installment of a bypass tunnel for sediment routing at Horoka Regulating Pond

The deposition of sediments due to rainfall and other reasons reduces the reservoir capacity. Therefore, we have been working to install bypass tunnels to maintain and improve the downstream river environment and ensure the stable supply of renewable hydroelectric electricity.



Development of small- and medium-scale hydroelectric power plants that utilize untapped water resources

We have been working to develop small- and medium-scale hydroelectric power plants that utilize untapped water resources, including those harnessing river maintenance flow and utilizing unused head of water from the water inlet to the reservoir.



Illustration of completed Ikushunbetsugawa Power Plant that harnesses river maintenance flow

Preservation of plant and animal habitats

We have been striving to preserve the habitat, growth environment, and ecosystems of plants and animals through such means as conducting construction work during the non-bleeding period at the habitats of rare birds. In the Okutadami and Otori Dam area, we are working on outdoor work plans and wetland maintenance in consideration of Japanese golden eagles and other raptors. At the construction office for expansion of Tozai Interconnection Line in Shizuoka, we compiled a pocketable book with information on rare plants and animals that inhabit and grow in the area around the construction site and use it to share information with those involved with the construction, aiming to help protect rare flora and fauna.

