Interview with an Outside Director

The corporate culture and ideal corporate governance of the J-POWER Group

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Mission as an Outside Director

I built my career in the engineering department of an automobile company and gained experience as a Director at an automobile-related company before joining J-POWER as an Outside Director in 2024. My role is to contribute to enhancing J-POWER's corporate value by offering opinions from two perspectives, the perspective of an engineer developed in the field and the perspective of seeking profits developed over my career.

From the perspective of an engineer, what I always keep in mind is how J-POWER can understand the needs of users and society, and provide valuable technologies and services. I led the development of hybrid vehicles with a view toward a sustainable society during my time as an engineer. Based on this experience, I strongly feel the importance of investing in technologies that will be needed in the future and earnestly executing those plans. I believe that one of my roles is to incorporate this mindset of technological development into management.

From the perspective of seeking profits, I also monitor and pay close attention to the business feasibility and growth potential of each business. Regarding business feasibility, I feel that there is still room for improvement in terms of discussions and initiatives related to profitability at J-POWER based on my experience during my days as an engineer addressing tackling cost reduction to ensure my company's survival. Regarding growth potential, it is important for a company to assess how energy will change in the future and what technologies will be required to generate that energy, and to respond accordingly. Going forward, I intend to offer concrete advice to deepen my understanding of J-POWER's cost structure and the energy industry in order to improve the profitability and growth potential of each business.

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Stimulating Discussions at Meetings of the Board of Directors

J-POWER's Board of Directors engages in discussions within a very flat and open corporate climate. Many Outside Directors are willing to honestly express their opinions, and their diverse backgrounds contribute to the sharing of a wide range of ideas.

In addition, in the course of the transition to a company with an Audit & Supervisory Committee, we have been promoting initiatives to stimulate discussion, such as holding opinion exchange meetings. These meetings actively discuss J-POWER's future vision and important management issues such as business strategies, portfolio, organizational structure, and finance, thereby playing a role in enhancing the deliberations of the Board of Directors.

What I feel in the Audit & Supervisory Committee is the high capacity for information gathering. A wide range of risk analysis is conducted for each business using cutting-edge technologies such as AI, and reported to the committee. This provides a multifaceted perspective particularly on the power generation business, which is closely linked with local communities and society. I believe that these efforts contribute to creating relationships of trust with our stakeholders.

Unique Value Creation Born from Corporate Culture

J-POWER's greatest strength lies in our ability to develop energy businesses in multiple directions, including thermal, hydro, nuclear, wind, geothermal, and solar power, and to combine these approaches to achieve an optimal balance of energy supply that meets a wide range of needs. I believe that our corporate culture, which promotes sustainability and innovation by leveraging the abilities of specialized human resources in each field and refining our technical capabilities, will enable us to respond to the needs of future society.

In addition, a strong sense of social responsibility is deeply rooted in our corporate culture as a company that has been engaged in businesses with a highly public nature for many years. When I visited a hydroelectric power plant myself, I was deeply impressed that the staff in the field first reported their efforts to enhance the safety of the surrounding community. This thorough consideration for stakeholders, which forms the foundation of our business activities, directly contributes to the motivation of our employees and is a driving force for enhancing corporate value. A corporate culture that harmonizes profitability with social responsibility is also a major strength.

The Issue That Needs to Be Addressed Is the Shift Away from a Silo Mentality

The challenges I have identified since assuming office stem from the silo mentality that exists in our organization due to our diverse business areas. Each business operates independently, resulting in a lack of cooperation between departments and a rigid way of thinking. J-POWER's mission is balancing a stable energy supply with response to climate change, not simply about expanding renewable energy or decarbonizing thermal power as isolated business efforts. We should promote active personnel exchange between different businesses and create an environment where everyone works toward a common goal.

At meetings of the Board of Directors and opinion exchange meetings, it is necessary to set agendas based on the needs of society, not just discuss each business. First, we must understand the needs of society, discuss the path we should take as a company, and then consider the optimal business portfolio, organizational structure, and human resource development to support that path. We are currently advancing proposals to foster more constructive discussions such as introducing task forces to address cross-departmental issues.

From the perspective of social needs, what is important is the creation of energy that achieves stable supply, low cost, and decarbonization. It is the export industry that supports the Japanese economy, and energy is the foundation of that industry. If Japan is to remain competitive internationally, we must thoroughly reduce costs and CO_2 emissions in order to protect our key industries. In particular, although public opinion on the feasibility and timing of carbon neutrality may fluctuate from time to time, if we think about the needs of future society, we must treat it as an essential goal and consider what actions to take. Stable supply is also a crucial pillar to support the lives of citizens. It is by no means easy to pursue stable supply, low costs, and decarbonization at the same time. Even so, in order to maintain and strengthen our competitiveness as a company, we believe that it is important to pursue these three goals simultaneously, even under severe risk scenarios.

For J-POWER to Lead Energy in Japan

I believe that J-POWER should become a company that leads energy in Japan. The foundation for this has already been sufficiently put in place through the development of diverse energy businesses and the accumulation of technological expertise over many years. We need to leverage these strengths, focus on social contribution grounded in safety, enhance the value of energy itself, and contribute to the sustainable development of Japan and the world. In addition, J-POWER is enhancing its corporate value by engaging with a broad range of stakeholders through our diverse energy businesses both in Japan and overseas. I believe that in the ideal future of J-POWER, it is equally important to build trusting relationships with all stakeholders by respecting each one of them and ensuring highly transparent information disclosure and responsible decision-making. I will devote myself to proposing and accelerating the direction of our business toward the future we aim to achieve.