

Initiatives for Carbon Neutrality

Development of Renewable Energy



Integrated Strengths of the J-POWER Group

With a history of nearly 70 years in the development of renewable energy, the J-POWER Group boasts a wealth of equipment and human resources, as well as a wide range of expertise in everything from the siting and construction of power plants to maintenance, operation, and sales of electricity. In particular, as a domestic front runner in the fields of hydroelectric and onshore wind power plants in Japan, we have a track record of development of these technologies and has many facilities in promising water and wind-rich areas. Leveraging our advantage as one of Japan's leading renewable energy suppliers, we continuously aim to promote new development of onshore and offshore wind, hydroelectric, geothermal, and solar power, as well as maximize the use of renewable energy through upcycling of existing facilities.

Strategic Investments and Development Targets

We plan to make strategic investments of ¥700 billion from FY2023 to FY2030. From FY2024 to FY2026, we also plan to invest ¥250 billion in the development of global renewable energy and ¥95 billion in the expansion of the power network, which is essential for the development of renewable energy. We will utilize green bonds and green/transition finance to raise funds. The Medium-Term Management Plan includes a target to increase domestic power generation from renewable energy sources by 4.0 billion kWh per year by FY2030 (from the FY2022 level). To achieve development on a larger scale, at a faster pace, and with higher profitability, we will promote diversification of sales methods and other initiatives using alliances.



Okutadami Dam



K2-Hydro

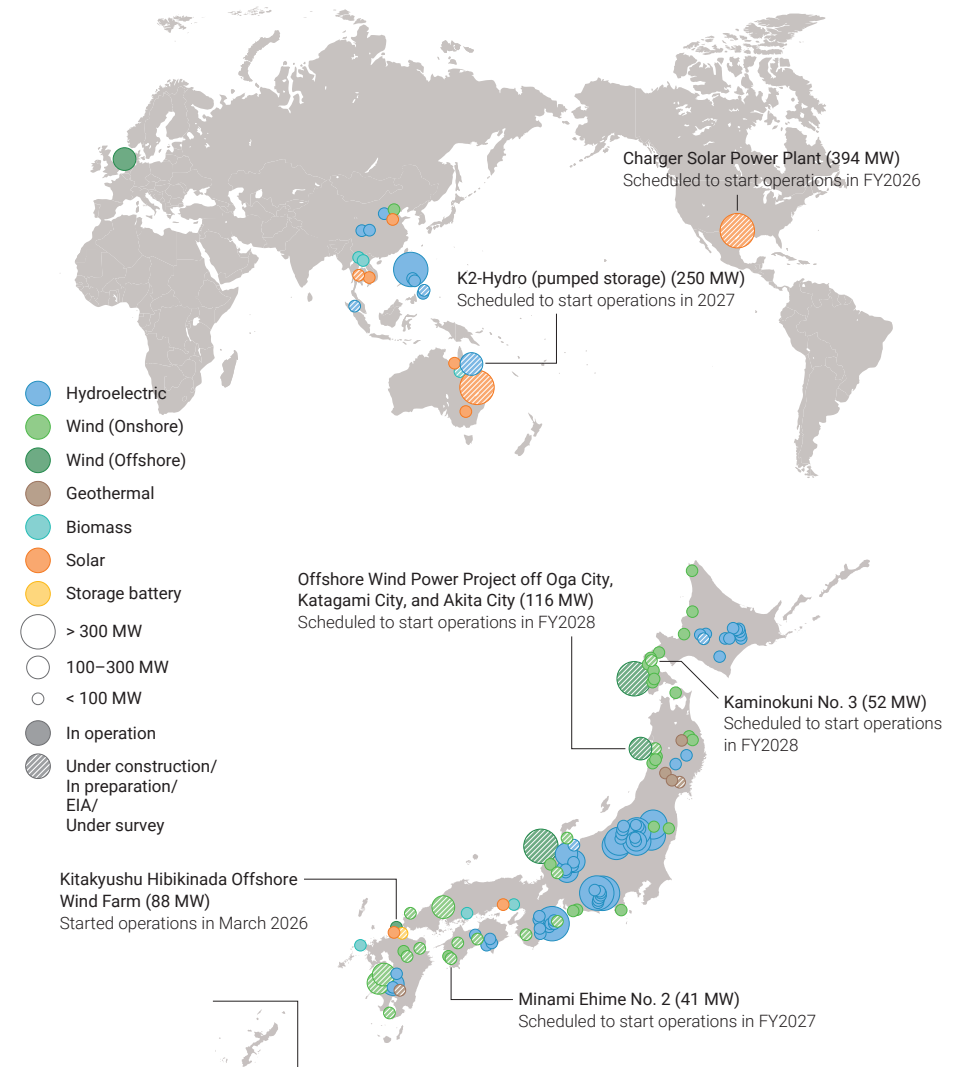


Kaminokuni Wind Farm



Charger

Development status of renewable energy (as of March 31, 2026)



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

Initiatives for Carbon Neutrality

Development of Renewable Energy

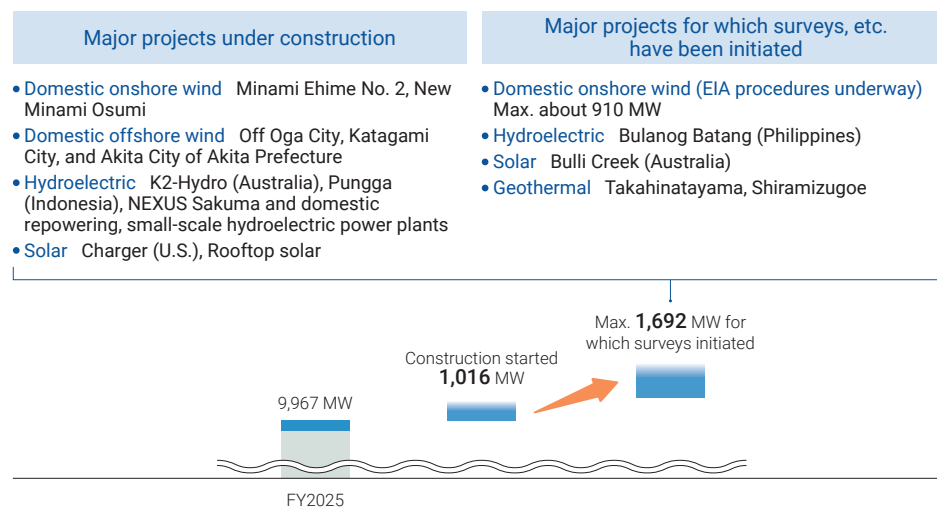


Development Results and Expansion Status

J-POWER has been steadily promoting the development of new renewable energies. Several projects focusing on construction and replacement of domestic onshore wind power plants are currently in progress, including the installation of offshore wind power, the repowering of small-scale hydroelectric power and existing hydroelectric power, and the installation of solar power. In FY2025, J-POWER started operating Kitakyushu Hibikinada Offshore Wind Farm, Japan's largest-class offshore wind farm located in a port area. In the same area, the Hibikinada Solar Power Station has also commenced operation, and construction of the Hibikinada Electricity Storage Station is currently underway. With respect to the refurbishment of existing hydroelectric power plants, repowering projects at Unit 1 of the Nagayama Hydroelectric Power Plant, Unit 3 of the Okutadami Power Plant, and other facilities were completed in FY2025, increasing output capacity and power generation. The Company also has focused on the NEXUS Sakuma Project to renovate the Sakuma Power Station, which has contributed to a reliable supply of electricity for more than 60 years, and make it a next-generation hydroelectric power plant. This power station, which can supply power to both 50 Hz and 60 Hz areas, is scheduled to increase its maximum capacity from 350 MW to 400 MW through a two-stage renovation construction from FY2026 to FY2035.

Overseas, we have also launched new initiatives, including participation in the WHEEL floating offshore wind demonstration project in the Canary Islands, Spain, to gain expertise in floating offshore wind power, as well as the start of construction of the large-scale Charger Solar Power Project in the United States. In September 2025, we established JH International B.V. to develop hydroelectric power projects in Southeast Asia. In April 2026, we also participated in the Pak Lay Hydropower Project, a large-scale hydroelectric power development project on the Mekong River in Laos. Currently, the overall quantity of renewable energy projects under construction or development is up to approximately 2,700 MW, including domestic onshore wind sites under construction or development (up to about 910 MW) and overseas projects in the planning stage.

Renewable energy development goals and progress

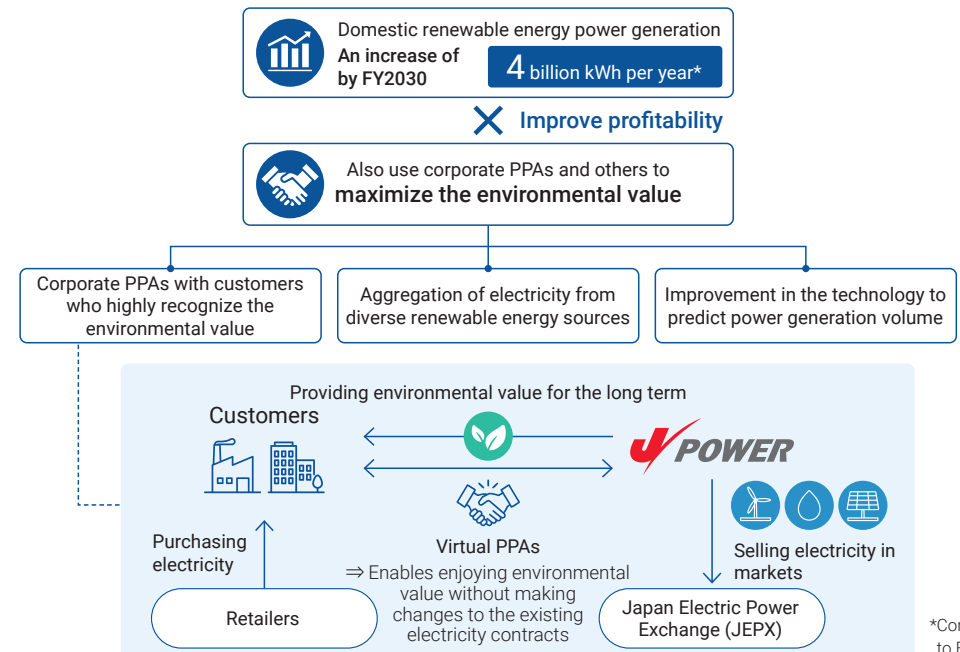


Diversification of Sales Methods and Development of Related Businesses

In the sale of electricity derived from renewable energy sources (renewable energy), which we are developing as a domestic front runner, we are promoting initiatives for direct sales to consumers, including the use of the FIT and FIP programs and corporate PPAs. We are also diversifying our sales methods by promoting the execution of corporate PPAs for newly developed wind and solar power plants and by concluding a long-term agreement in 2025 for the environmental value derived from hydroelectric power generation.

Besides, in order to implement the sale of renewable energy in a way other than the FIT program, we need to work on our own projections of the power output of renewable energy sources (renewable energy aggregation), whose power generation varies depending on the weather. Then, we are also working to accumulate the know-how and provide the renewable energy aggregation service to other power entities (the renewable energy aggregate service for onshore wind power plants started in March 2025, in addition to solar power plants). In addition, on behalf of our clients, we also sell and purchase non-fossil certificates, which virtually transform electricity into renewable energy. We also sell tracking information that discloses attribute details like the power source type and power plant location.

In November 2025, we entered into a basic agreement with Mitsubishi Heavy Industries regarding the acquisition of its onshore wind power business, and completed the business acquisition in April 2026. Through this business acquisition, we aim to further expand our business as a power producer by enhancing the reliability of our facilities and accelerating new project development, while also strengthening the foundation for expanding our maintenance and operation services.



*Compared to FY2022

Initiatives for Carbon Neutrality

Construction of Nuclear Power Plants



The Ohma Nuclear Power Plant Project

Plan overview and significance

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

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

Overview of the Ohma Nuclear Power Plant construction plans

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



Ohma's position in the pluthermal program

In July 2018, the Japanese government issued The Basic Principles on Japan's Utilization of Plutonium, a policy paper published by Japan's Atomic Energy Commission (JAEC), which stated that Japan will reduce the size of its plutonium stockpile. The Federation of Electric Power Companies of Japan (FEPC) unveiled in December 2020 its Pluthermal Program and a plan for the utilization of plutonium in February 2026. J-POWER also released its MOX Fuel Utilization Plan at the Ohma Nuclear Power Plant in February 2026. Approximately 1.7 tons of plutonium can be used annually at the stage of loading MOX fuel into all reactor cores, thereby helping to reduce the size of plutonium stockpiles.

Recovery of investment: Long-Term Decarbonization Power Source Auction and Basic Agreements

To recover our investment in this project, we submitted a bid in the FY2025 Long-Term Decarbonization Power Source Auction and were awarded the contract in May 2026. The auction was established to support the development of decarbonized power sources by improving the predictability of long-term recovery of investment. During the term of the scheme, while approximately 90% of revenue from other markets must be returned, stable long-term capacity remuneration equivalent to fixed costs, including capital costs, can be secured. In addition, the scheme includes a mechanism under which the winning bid price is automatically adjusted using price indices and other indicators to reflect changes in prices and interest rates after the contract award. As a result, the project can maintain the predictability of its recovery of investment even during periods of inflation and rising interest rates. The scheme also includes a mechanism under which, if additional costs that are beyond the control of the project developer and could not have been reasonably anticipated at the time of bidding are incurred after the contract award due to regulatory requirements, regulatory reviews, or compliance with administrative guidance, the approved amount may, upon application, be added to the fixed capacity remuneration.

In addition, for this project, we have already entered into Basic Agreements with the nine former general electric utility companies (EPCOs), excluding The Okinawa Electric Power Company, Incorporated. Under these agreements, the nine EPCOs have committed to purchase the project's entire output at cost-based prices and other appropriate charges. Going forward, we will continue discussions with the nine EPCOs while leveraging the Long-Term Decarbonization Power Source Auction.

Financing

For this project, which requires large-scale capital investment, securing financing for its construction is also an important challenge. Accordingly, in addition to conventional borrowings and bond issuances, we are considering measures such as the use of Green/Transition Finance (specified-purpose funding), debt guarantees provided by the GX Acceleration Agency, and direct loans from OCCTO.

Initiatives for Carbon Neutrality

Construction of Nuclear Power Plants



Ohma Nuclear Power Plant safety reinforcement measures

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

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

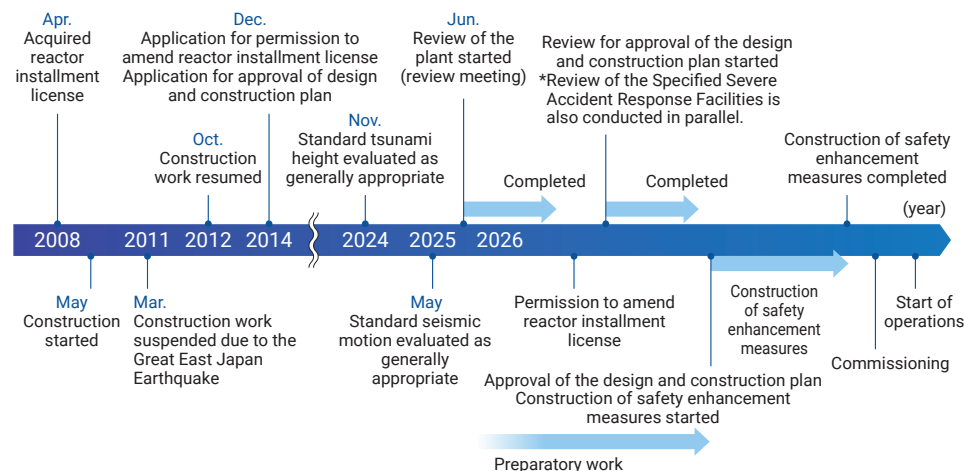
For details of safety enhancement measures, please refer to the J-POWER website. (available only in Japanese)

 https://www.ipower.co.jp/bs/nuclear/safety_measure/index.html

Status of Ohma Nuclear Power Plant review

The Nuclear Regulation Authority is currently reviewing the Ohma Nuclear Power Plant's compliance with the New Safety Standards for Nuclear Power Stations. Ninety-one review meetings have been held in connection with the application for approval of the amendment to the reactor installation license as of June 30, 2026. We will respond sincerely to the review so that our explanation can be understood by the authority.

Process (actual results and outlook)



At the review meeting held in November 2024, the plant was evaluated as generally appropriate given that the standard tsunami height was T.P+7.1m against the site elevation of T.P+12.0m. At the review meeting held in May 2025, the standard seismic motion at 957 gal was evaluated as generally appropriate. Following the completion of the review of the standard seismic motion, the review of the plant commenced in June 2025. As the business operator, we are unable to predict the progress of the compliance review. However, once the review has been passed, we aim to begin construction on facility safety reinforcement at the earliest possible date based on the review findings. Meanwhile, preparatory work, including site development, is being carried out on site to the extent that it is not subject to the New Safety Standards. To gain the community's understanding and trust, we shall keep working toward providing more detailed information and communication.

Enhancing disclosure on the Ohma Nuclear Power Plant

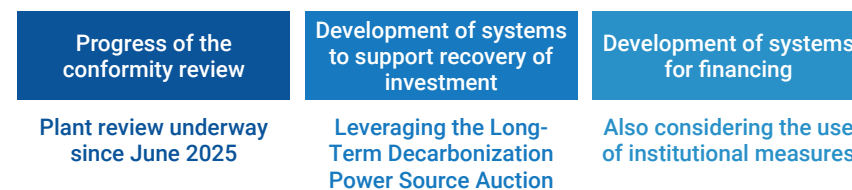
The investment made in this project to date is recorded on our balance sheet as construction in progress. On the other hand, we recognize that the absence of sufficient disclosure at this stage regarding the project's total investment, future investment outlook, and profitability has been perceived by the capital markets as a risk factor.

However, in FY2025–2026, the project made steady progress, including the finalization of the standard seismic motion, the start and progress of the plant review, and the successful bid in the Long-Term Decarbonization Power Source Auction.

In addition, to reduce uncertainty in the capital markets, we intend to provide, to the fullest extent practicable, comprehensive disclosure in our next management plan regarding this project, including its investment scale, construction period, financial impact during construction, and earnings contribution after the start of operation.

Current status

Steadily advancing the Ohma Nuclear Power Project while leveraging available institutional measures



Future direction

Planning comprehensive disclosure to the fullest extent possible in the next management plan on the following matters concerning the Ohma Nuclear Power Plant



Initiatives for Carbon Neutrality

Push for Zero-Emission Power Sources



Thermal Power Transition Strategy

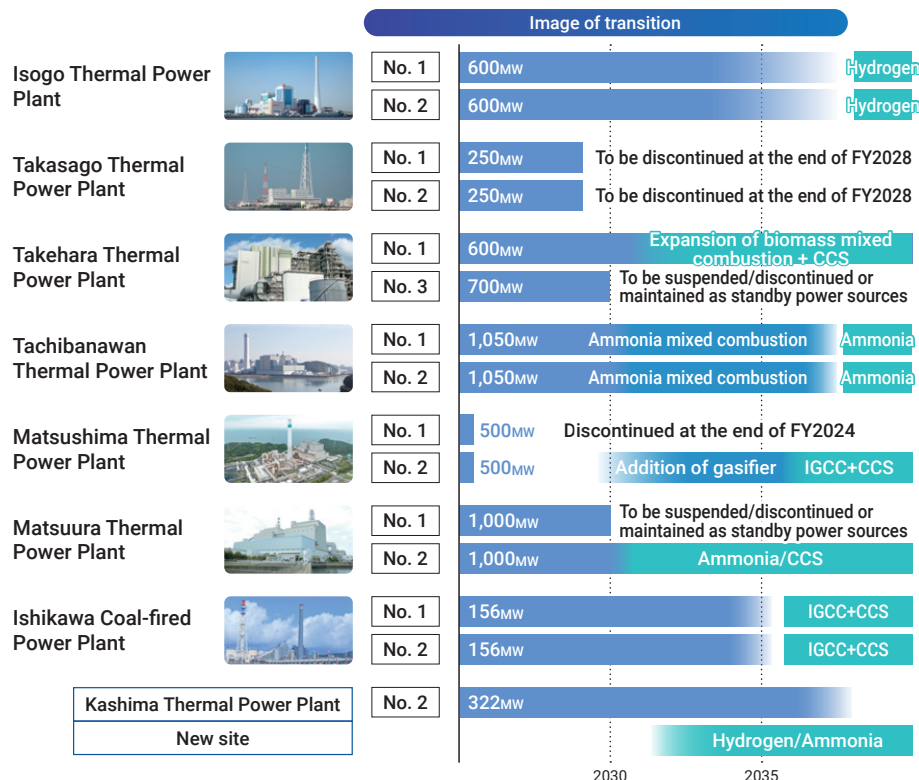
In order to achieve both stable power supply and carbon neutrality in Japan, it is necessary to utilize thermal power sources that can provide supply regulation, in addition to renewable energy and nuclear power, while reducing or eliminating their carbon content.

The J-POWER Group has announced the direction of coal-fired power plants at eight locations (15 plants) to achieve zero-emission thermal power in the Medium-Term Management Plan 2024–2026. By using hydrogen, ammonia, and biomass, the Group aims to gradually achieve zero-emission thermal power, taking into account plant characteristics.

The Group will also secure a variety of decarbonization technologies from the upstream to downstream in the supply chain, including hydrogen/ammonia production and CCS, with the goal of achieving a reliable transition from thermal power.

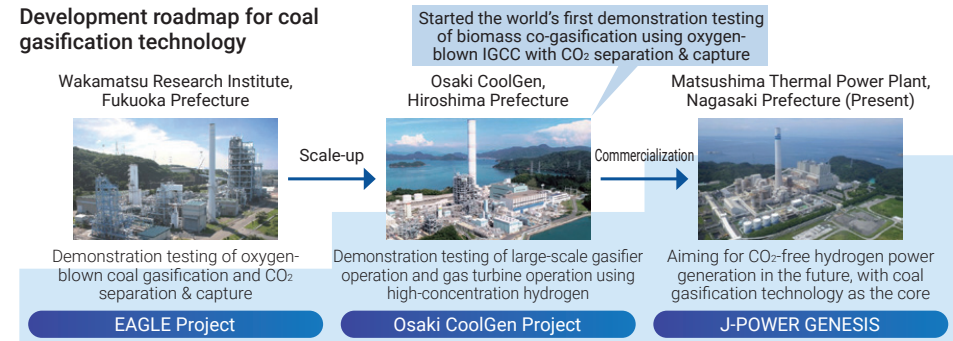
[P.31 Medium-Term Management Plan](#)

[P.54 Direction for Thermal Power Transition in Japan](#)



*The plan will be updated, reviewed, and refined as needed based on changes in the assumptions including the Japanese government's GX policy (Strategic Energy Plan, global warming countermeasures, NDC, etc.), power demand-supply situation, power system design, and progress of industry development, etc.

Development roadmap for coal gasification technology



Government policy trends

Hydrogen and ammonia are expected to contribute to carbon neutrality not only in the power generation sector, but also in various other industries. Since they can also be produced from various energy sources, hydrogen and ammonia are also important from the perspective of Japan's energy security. The Japanese government has announced its Basic Hydrogen Strategy and enacted the Hydrogen Society Promotion Act in 2024, which provided for support for the supply chain by compensating for the price difference between hydrogen and ammonia and support for site development. Regarding CCS, the government aims to launch projects in the early 2030s and expects to invest approximately ¥4 trillion in the public and private sectors over the next 10 years to establish an advanced CCUS value chain. The CCS Business Law enacted in 2024 provided for a licensing system for exploratory drilling and storage projects necessary for commercialization, as well as the regulations for storage business operators.

Ammonia power generation

We are considering transitioning to ammonia-based power generation at our thermal sites. In this consideration, sites will be selected taking into account the conditions of plant equipment and port facilities as well as the surrounding environment. In addition, we will work with various stakeholders to establish a stable ammonia supply chain in Japan, as large-scale mixed/mono combustion requires bulk procurement of ammonia.

CCS

J-POWER established a joint venture, West Japan Carbon dioxide Storage Survey Co., Ltd., with ENEOS Xplora Inc., with the aim of starting a CO₂ separation, capture, transportation, and storage project in western Japan in the early 2030s. This project has been selected as a JOGMEC* public offering project related to "Advanced CCS Projects." We are now preparing for commercialization, including exploration and evaluation of the selection of candidate storage sites (storage volume: approx. 1.6 million tons/year). In addition, the Southern Offshore of Peninsular Malaysia CCS project in Malaysia, in which several companies including J-POWER participate, has been selected as a JOGMEC public offering project related to "Advanced CCS Projects" (storage volume: approx. 5 million tons/year).

*JOGMEC: Japan Organization for Metals and Energy Security

Initiatives for Carbon Neutrality

Power Network Stabilization and Enhancement

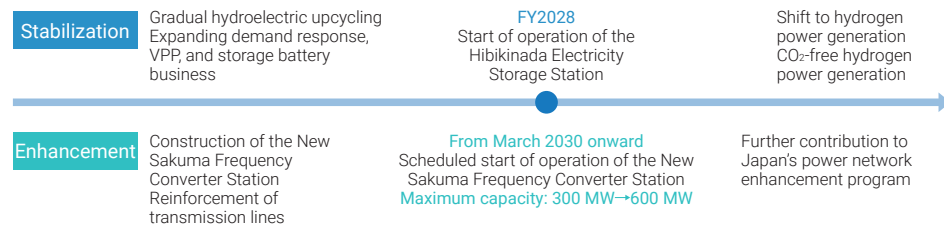


Supporting Mass Introduction of Renewable Energies

Renewable energies like solar and wind power are vulnerable to sudden fluctuations in output depending on weather conditions. When they are introduced in large amounts, the need to be able to adjust to control the supply-demand balance becomes even more critical. In addition, the power network must be strengthened to deliver electricity from renewable energy-rich power production sites (such as Hokkaido, Tohoku, and Kyushu) to distant consumption areas.

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

Roadmap



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

Stabilization

Hydroelectric power and hydrogen power generation

The Group has large-scale general hydroelectric power plants and pumped storage hydropower plants to generate power according to seasons and time frames and to absorb surplus power. It also aims to realize hydrogen power generation, which enables flexible load adjustment. By using these as regulated power sources, we contribute to the stabilization of the power network.

Distribution network system

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

Enhancement

Expansion of trunk transmission lines and inter-regional connection lines

The J-POWER Group has trunk transmission lines and inter-regional connection lines that enable flexible transmission between regions. In order to enhance the capability to interchange electric power between 50Hz in eastern Japan and 60Hz in western Japan, the Group is promoting the new construction of the New Sakuma Frequency Converter Station and the replacement/expansion of related transmission lines.

Expansion of wide-area interconnected grid

To deliver electricity from sites suitable for renewable energy to major consumption areas, the construction of submarine ultra-high-voltage DC transmission facilities using submarine cables is being planned. The Group successfully built ultra-high-voltage DC power transmission facilities and developed ultra-high-voltage DC CV cables for the first time in Japan. It also owns and maintains cross-regional interconnection facilities, contributing to the development of Japan's enhanced power network based on the Master Plan for Wide-Area Interconnected Grid with a view to realizing a decarbonized society and making renewable energy a major power source.

Overview of the cross-regional interconnection facilities connecting the Chugoku region and Kyushu

The Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO) announced a plan to reinforce the transmission lines connecting Kyushu and Honshu. The plan calls for the installation of a new submarine DC cables across the Kanmon Strait, with the aim of increasing transmission capacity by 1 million kW. J-POWER Transmission Network has been selected, together with Kyushu Electric Power Transmission and Distribution, and Chugoku Electric Power Transmission & Distribution, as one of the project operators for the plan and is advancing the project with the aim of commencing operation in FY2038.

Overview of the cross-regional interconnection facilities connecting Hokkaido and Honshu (the Japan Sea route)	
Estimated construction cost* ¹	¥1.5–1.8 trillion
Estimated construction period* ¹	About 6 to 10 years
Major operating entities	Hokkaido Electric Power Network, Tohoku Electric Power Network, TEPCO Power Grid, and J-POWER Transmission Network are four qualified operators.
Schedule* ²	April 2024 Determination of basic requirements December 2024 Deadline to express an intention to apply* ³ February 2025 Announcement of qualified operators December 2026 Deadline to submit implementation plans End of FY2026 (prospect) Finalization of the plan

*¹ Estimated construction costs and construction periods are included in the basic requirements.

*² Schedule refers to the schedule described in public offering guidelines (partially revised on December 24, 2025).

*³ When expressing their intention to apply, Hokkaido Electric Power Network, Tohoku Electric Power Network, TEPCO Power Grid, and J-POWER Transmission Network have listed 12 preconditions, including the following.

- It can be determined that there are no unacceptable risks in terms of technical or business feasibility.
- It is likely that loans from Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO) and guarantees from public institutions for loans are available.
- The government publicly discloses an appropriate rate of return on each project in line with the level of risks involved and its rationale.

They will postpone or withdraw from the submission of implementation plans if these preconditions are not met.