

Promotion of DX

Realization of DX 3S x AI and Enhancement of Corporate Value

The J-POWER Group strives to draw Yoryoku* powers from our employees through the promotion of digital transformation (DX), thereby driving business and organizational transformation and enhancing corporate value. Through FY2025, the J-POWER Group has advanced the development of a data utilization platform, human resource development, and business process transformation based on "DX 3S+D," which is centered on "Data (data driven)" and aims to enhance "Safety (safety and security)," "Smartness (efficiency and immediate response)," and "Strength (earning power)," while creating new value.

From FY2026, while continuing to strengthen these foundations, we will evolve our DX promotion vision to "DX 3S x AI" based on an AI-first approach, in which AI serves as employees' "partner," and accelerate the transformation of our business processes and organization. The realization of "DX 3S x AI" is an objective that will contribute to achieving a carbon-neutral society by 2050, in addition to resolving material issues such as enhancement of our business foundation and respect for people, and will lead to the creation of financial and social corporate value.



*Power of potentiality: The power of leeway created through the automation and streamlining of operations
Power of productivity: The power of originality and ingenuity gained through the addition of senses and new functions
Power of predictivity: The ability to predict and foresee based on data analysis

Status of Promotion

In promoting DX, we have been carrying out various initiatives guided by the DX Roadmap for 2030 and the Medium-Term Plan for DX Promotion (DX Medium-Term Plan), a two-year rolling plan that lays out specific measures to achieve the roadmap. Since 2022, under the DX Medium-Term Plan, we have promoted greater efficiency and sophistication in internal operations, while also advancing DX human resource development and the establishment of a data utilization platform. Under the Phase III DX Medium-Term Plan, which begins in FY2026, we will further deepen our DX initiatives.

Phase II DX Medium-Term Plan: Targets and Results

Targets (for the end of FY2025)	Results
• Qualitative impact Creating the three Yoryoku powers to promote work-in-life and enhance labor productivity • Quantitative target (guideline) *vs. FY2021 Time savings: 300,000 hours per year Financial impact: ¥3 billion per year	• Qualitative impact Employees' perceived improvement in the three Yoryoku powers has steadily increased. • Quantitative impact Indicative targets for both time savings and financial impact were largely achieved.

Phase III DX Medium-Term Plan Initiatives

Focus areas	Initiatives
① Corporate business area	• Upgrade of the financial accounting system, including major Group companies • Promotion of work management tools and RPA implementation
② Existing business area	• Verification, implementation, and promotion of the use of AI and advanced technologies • Operation of the Smart Safety Promotion Committee by relevant departments to strengthen safety x DX initiatives
③ New business area	• Promotion of technology verification and business feasibility studies for AI data centers for critical social infrastructure operators • Verification of an environmental value platform and AI for unsafe condition detection
④ Data driven and AI platform	• Development of an AI and data platform for the use of AI agents • Development of our own generative AI environment in addition to the use of general-purpose AI tools • Measures to enhance cybersecurity level and cybersecurity literacy, and establish incident response procedures
⑤ Group DX human resource foundation	• Continued implementation of DX training programs (e-learning for all Group employees and training for DX core/highly specialized human resources) • Promotion of DX momentum and the use of generative AI and other tools through DX forums, networking events, consultation sessions, and community activities



In January 2024, we were certified as a "DX-certified Operator" under the certification initiative established by the Ministry of Economy, Trade and Industry (METI).

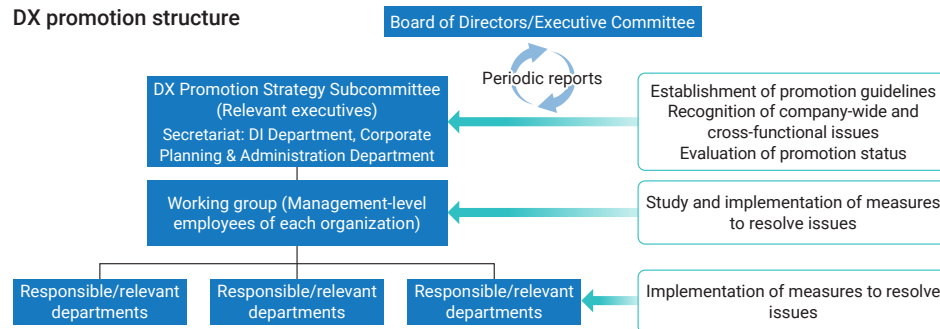
(Certification renewed on January 1, 2026)

Promotion of DX

Promotion Structure

The DX Promotion structure consists of two levels: the DX Promotion Strategy Subcommittee and a working group. The DX Promotion Strategy Subcommittee discusses the direction of Group-wide DX promotion, recognition on cross-sectional issues and measures to resolve such issues, and formulates roadmaps and medium-term plans. The working group discusses how to materialize and implement these measures. The status of DX promotion is periodically reported to the Board of Directors and the Executive Committee for discussion to identify issues and revising existing strategies, which will be then incorporated into the new direction of promotion. As such, this cycle enables flexible responses to changes.

DX promotion structure



DX Human Resource Development

We define DX human resources in accordance with the Digital Skill Standards established by 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 roles of each employee, from executives to general employees.



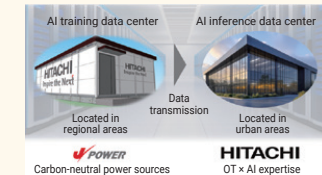
Case Examples

AI data center initiatives

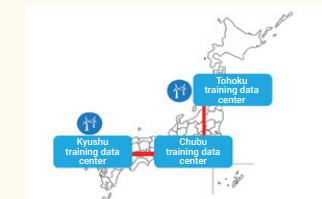
In collaboration with Hitachi, Ltd., we are advancing technology verification and business feasibility studies for an AI data center (AI-DC) for critical social infrastructure operators that provides a highly reliable and secure environment for the safe handling of highly confidential OT data. We aim to separate AI training from inference by adopting a distributed architecture in which training data centers are powered by carbon-neutral power sources in regional areas, while inference data centers are located primarily in urban areas.

These initiatives support the "watt-bit collaboration" policy, which promotes the location dispersion of data centers. They contribute to local communities by simultaneously advancing green transition and digital transformation.

We also aim to establish a model for the integrated operation of multiple geographically distributed data centers. Together with railway operators and other partners, we will jointly study workload shifting and wide-area optical network technologies.



Realization of a distributed AI-DC



Realization of workload shifting between data centers

Initiatives to reduce occupational accidents using AI

We have worked to develop AI systems that detect unsafe behaviors at worksites, as part of our efforts to reduce occupational accidents. We capture footage from network cameras installed at worksites to issue alerts when unsafe conditions persist, and also analyze trends in near-miss incidents using past footage, aiming to utilize the results of the analyses for work reviews and hazard prediction activities.

We have implemented functions for detecting entry into elevated work areas and openings, near-miss behaviors, and the unsafe use of ladders and stepladders. While conducting pilot testing at actual construction sites and other locations, we are continuing to develop and expand the range of detectable scenarios. Going forward, we will continue to improve accuracy and functionality, with the aim of rolling out the system across the entire Group.



Display on a system screen when work in high places is detected



Filming data for learning tripping and falling accidents