

## Special Feature: Dialogue Between Outside Directors and Investors

We held a small meeting between Outside Directors and investors in October 2025. Here, we present the main questions from investors and the responses from Outside Directors.

### Overview of the small meeting

- Date: October 1, 2025 • Format: Roundtable discussion at our headquarters
- Participants: 15 institutional investors and analysts  
Outside Director (Audit & Supervisory Committee Member) Shizuo Abe  
Outside Directors Tomonori Ito Takashi Yokomizo

### Q What do you consider to be the most important management challenges for J-POWER?

**Director Ito:** The greatest challenge is the construction of the Ohma Nuclear Power Plant. The investment amount is large, and both the review and construction processes are taking considerable time, so ensuring steady progress is management's most significant challenge. As the review process advances, we are considering utilizing the Long-Term Decarbonization Power Source Auction for financing. If we secure a successful bid, we can cover a substantial portion of the construction costs with the resulting cash flow. We are also thinking to utilize financing guarantee frameworks provided by the GX Acceleration Agency and other options for funding. We are exploring all possible means and aim to establish mechanisms that enable us to cover construction costs and secure financing.

### Q How do you perceive J-POWER's governance compared to other companies?

**Director Yokomizo:** Our decision-making process is extremely cautious, and there is a deeply rooted culture of avoiding mistakes while moving forward. We tend to take plenty of time before reaching conclusions because we proceed only after explaining how we can reliably address risks. This approach has advantages in preventing mistakes, but in situations where efficiency and speed are required, I believe we need to adopt a more breakthrough perspective and a greater sense of urgency going forward.

### Q How do you plan to balance technical feasibility and profitability in the roadmap for the thermal power transition?

**Director Abe:** The thermal power transition faces challenges both technically and in terms of profitability. We are currently discussing this issue in depth at the Board of Directors and in opinion exchange meetings, and we recognize that balancing the speed of technological development with market needs is essential. We believe the greatest issue is costs. Many technologies have already reached a certain level of advancement, but to achieve social implementation and large-scale adoption, it is essential to address cost-related issues. For new technologies such as CCS and mixed combustion of hydrogen, we intend to proceed with their phased rollout while exploring possibilities for cost reduction and utilizing government support measures to ensure profitability.

### Q This is the first time a share buyback will be implemented. What discussions took place at the Board of Directors regarding this decision?

**Director Ito:** I believe that, fundamentally, a company should grow, generate solid profits, endeavor to raise its share price, and meet investor expectations. For that reason, I am personally cautious about share buybacks, but the management team decided to implement a ¥20.0 billion share buyback aimed at meeting investor expectations. In particular, since we generated solid profits in FY2024, we decided it would be better to return those profits to investors.

### After the dialogue



Director Ito\*

Concerns raised about J-POWER included the ROE level, future policy on shareholder returns, and issues such as construction costs and returns on investments in the Ohma Nuclear Power Plant. On the other hand, I was encouraged that investors understood our efforts to develop new asset turnover-based business models in the United States and other markets. With regard to shareholder returns, I was reminded that it is important not only to distribute dividends but also to increase shareholder returns through share price appreciation. I believe it was a very productive discussion, as we were able to share both the perspectives of investors and the management team.

\*Director Ito retired as Director at the end of the 74th Ordinary General Meeting of Shareholders held on June 25, 2026.



Director Yokomizo

Through this dialogue, I was once again made keenly aware that investors expect us to manage J-POWER in a way that continually enhances corporate value, and to make prompt and appropriate decisions while keeping the Company's future outlook in mind. In addition, regarding the role of the Nomination and Compensation Committee, some investors were of the opinion that the Committee should be more actively involved in Director nominations, consider diversity, and carefully examine the appropriate term of office for Outside Directors. We were also advised that the ratio of stock compensation in Director compensation packages should be increased. We intend to further deepen our discussions in the Nomination and Compensation Committee, taking these opinions into account.



Director Abe, Audit & Supervisory Committee Member

Investors asked us how we intend to guide the development of thermal and nuclear power and prepare for future business. This matter is under discussion by the Board of Directors. They also showed great interest in the distinctness of our corporate culture and initiatives compared with those of the cost-focused automotive industry, which relates to my own career background. As one of the Outside Directors, I will strive to quickly communicate to investors the direction of our internal discussions and points for improvement in business perspectives gained from experience in other industries.