

J-POWER GROUP INTEGRATED REPORT 2026



Purpose

The Corporate Philosophy of the J-POWER Group

Our Mission

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.

Our Credo

Integrity and pride	We value integrity and pride, which drive everything we do.
Harmony with the environment	We pursue harmony with the environment, and thrive in the trust of communities where we live and work.
Growth	We regard profits as the source of our growth, and share the fruits with the society.
Continuing to improve	We refine our knowledge constantly, to be the pioneering leader in technologies and wisdom.
Dare to create	We unite diverse personalities and passions as one, and dare to create a better tomorrow.

Mission

Balancing a stable energy supply with response to climate change

By becoming carbon neutral while preserving energy supplies through 2050, the J-POWER Group will contribute to the sustainable growth of humanity living on the Earth and their civilization.

Strategy

We have identified five material issues from social issues and other challenges. Under the J-POWER "BLUE MISSION 2050," our long-term strategy for achieving our material issues, we aim to balance a sustained increase in corporate value with the solving of social issues through our business activities.



Action

We will develop CO₂-free energy, such as renewable energy and nuclear power, as a priority. We will also ensure a stable energy supply and a shift toward carbon neutrality by enhancing the power network and promoting the transition of thermal power operations.

Expansion of CO₂-free
power sources

+

Push for zero-emission
power sources

+

Power network
stabilization and
enhancement

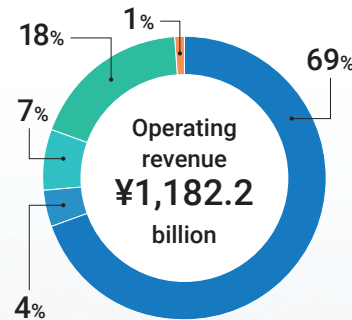
At a Glance

(As of March 31, 2026)

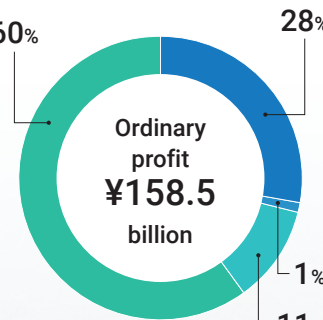
Business Overview by Segment

■ Power generation business ■ Transmission and transformation business
■ Electric power-related business ■ Overseas business ■ Other business

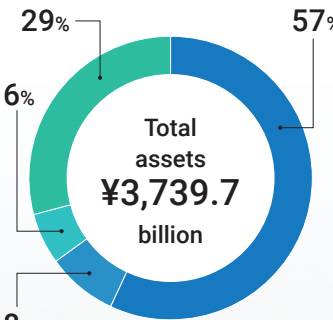
Operating revenue by segment



Ordinary profit by segment



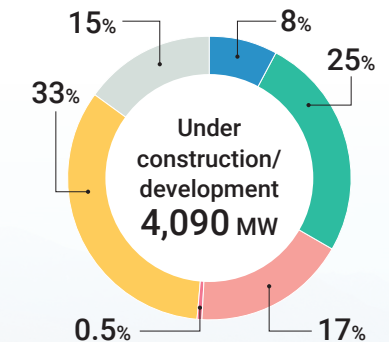
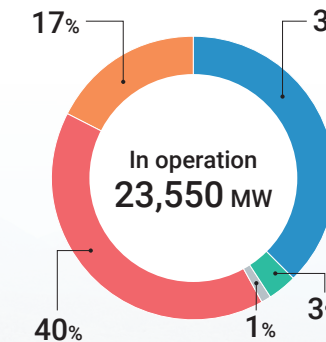
Total assets by segment



Global Facility Output (Owned capacity basis)

■ Hydroelectric ■ Wind ■ Coal
■ Gas ■ Other

Well-balanced portfolio



Equity Ratio

Stable financial base

37.6%

Comprehensive Front-runner in Renewable Energies

Share of domestic output capacity

No. 2
in hydroelectric

No. 2
in wind

Overseas Power Generation Business

7 countries/regions (**44** projects)
(Under construction/development and in operation)

Electric Power Sales Volume

Approx. **81.0** billion kWh

Domestic approx. 67.0 billion kWh*,
Overseas approx. 14.0 billion kWh

*Equivalent to approx. 8% of domestic demand
*Includes sales of electricity procured from the
wholesale electricity trading market, etc.

Electric Power Network That Connects All of Japan

Transmission line
distance

Approx. **2,410** km **10** locations

Substations, frequency
converter stations, AC/
DC converter stations

Overseas Technical Consulting

Over 60 years of experience

64 countries/regions (**376** projects)

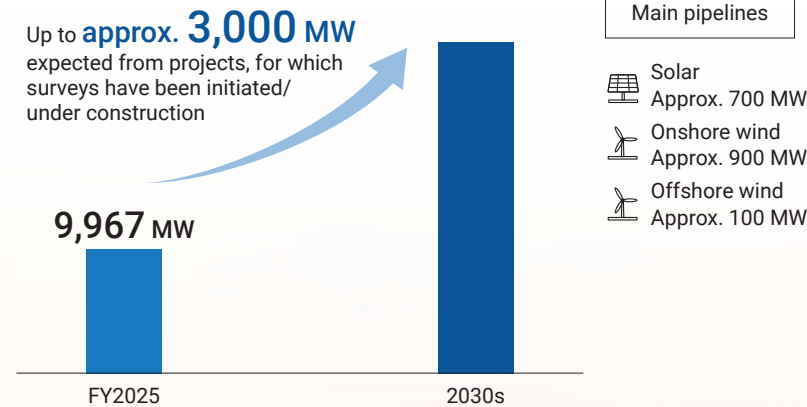
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Comprehensive Front-runner in Renewable Energies

Comprehensive technical capabilities built on over 70 years in business

Research, project development, siting, construction, operation, maintenance, power sales, and portfolio management

A solid track record in domestic and overseas development



Technology for Thermal Power Transition

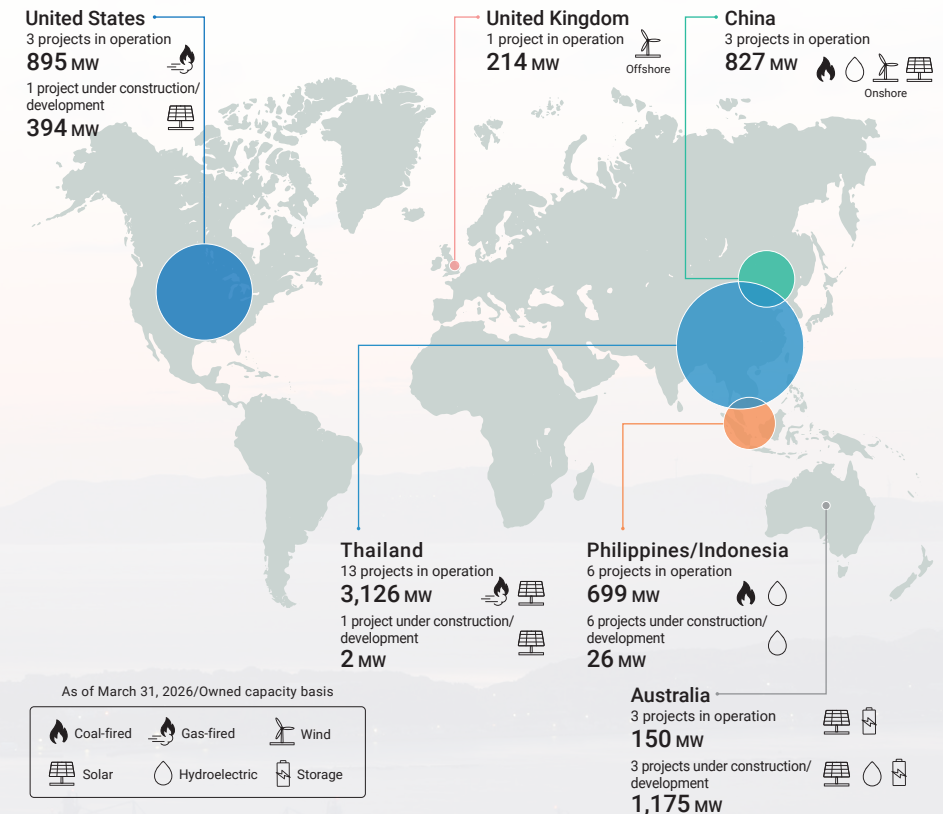
Mixed combustion with biomass	→	Introducing 10% mixed combustion for commercial machine
Hydrogen production from coal/biomass	→	Proven/considering commercialization
IGCC power generation with hydrogen gas	→	Proven/considering commercialization
Implementation of large-scale CCS in Japan	→	Preparing for surveys for commercialization
Use of hydrogen/ammonia for power generation	→	Considering introduction

Global Business Foundation

Stable business operations

- Stable revenue by signing long-term PPAs and utilization of market
- Overseas business segment as a percentage of consolidated ordinary profit is 59.8% (FY2025 results)
- Diverse business models (in-house development, collaboration with partners, consulting, O&M service, etc.)

Acquisition of developer's profits and expansion of the development of new renewable energies



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This integrated report is structured along the following key points based on the opinions we have received while engaging with our stakeholders.

 Growth roadmap for the J-POWER Group	Starting with the Message from the President, who was newly appointed in April 2026, these sections concisely describe the kind of company that J-POWER is, what it aims to accomplish, its growth roadmap and the value it creates.	 P.06 Message from the President  P.13 Value Creation Process
 Group-wide targets, strategies, and steps taken toward achieving its action plan	Along with an outline of the BLUE MISSION action plan for 2050 and the current Medium-Term Management Plan 2024–2026, these sections discuss specific business initiatives to achieve the plan and financial initiatives related to shareholder returns and capital policy.	 P.30 J-POWER “BLUE MISSION 2050”  P.31 Medium-Term Management Plan 2024–2026  P.32 Initiatives for Carbon Neutrality  P.38 Financial Initiatives
 Initiatives to address climate change and nature-related issues	The J-POWER Group has positioned striking a balance between the supply of energy and response to climate change as key management challenge, and as a company involved in the supply of energy, it contributes to a sustainable society while aiming to be in harmony with the environment. J-POWER discloses information based on TCFD and TNFD recommendations.	 P.47 Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)  P.61 Disclosure Based on TNFD Recommendations
 Initiatives to reinforce the business foundation that supports value creation	These sections cover the J-POWER Group’s initiatives to reinforce the business foundation in terms of local community engagement, human resources and corporate governance, the key areas that support value creation.	 P.72 Engagement with Local Communities  P.78 Human Resources Strategy for Enhancing the Group’s Competitiveness  P.92 Activities of the Nomination and Compensation Committee  P.93 Dialogue Between Outside Directors and Investors

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Editorial Policy

The J-POWER Group began releasing integrated reports in FY2019. Through these reports, we work to present financial and non-financial information in a systematic and highly readable format aimed at explaining how we will achieve the value we create to society and enhance our corporate value.

Reporting Period

April 1, 2025 to March 31, 2026 (also contains reporting on important matters after this period)

Publication of Previous Report

September 11, 2025

Guidelines Referenced, etc.

- GRI Standards (Global Reporting Initiative)
- International <IR> Framework (IFRS Foundation)
- SASB Standards (IFRS Foundation)
- Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry)

Forward-Looking Statements

Statements in this integrated report, other than those of historical fact, are forward-looking statements about the future performance of the J-POWER Group that are based on management's assumptions and beliefs in light of information currently available, and involve both known and unknown risks and other uncertainties. Actual events and results may differ materially from those anticipated in these statements.

Presentation of Monetary Amounts and Other Figures

For monetary amounts and electric power sales volumes, figures less than the indicated unit are rounded down. For other amounts, figures less than the indicated unit are rounded to the nearest unit unless otherwise mentioned. Therefore, the sums may not total 100% in the composition ratio.

Relationship with Other Reports

Integrated Report/
Disclosed on the J-POWER website

Financial
Information

- Annual Securities Report
- Financial Statements
- Earnings Results Presentation

Non-Financial
Information (ESG)

- Basic Policy on Sustainability
- Corporate Governance Report
- J-POWER Group Integrated Report 2026 Supplementary Material: <Environmental> <Social> <Governance>
- Basic Policy on Corporate Governance
- Compliance Action Guidelines
- J-POWER Group Environmental Basic Policy
- J-POWER Group Basic Policy on Human Rights

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**Aiming to enhance corporate
value from a long-term
perspective, while reliably
supplying energy even
amid dramatic changes
in the world**

A handwritten signature in black ink, reading 'H. Kato', is positioned above the title.

Representative Director,
President and Chief Executive Officer



On Assuming the Office of President

My Responsibilities as the Chief Executive Officer

I am Hideaki Kato, and I assumed the office of President in April 2026. What I value most in management is continuing to deliver, in a stable manner, the electric power that supports society and industry.

Electric power is an indispensable social infrastructure that supports people's lives and corporate activities, and no matter what changes occur in the environment, we must never allow its supply to be interrupted. I believe that continuing to fulfill this mission, with the responsibility and pride of a company entrusted with a highly public business, is the starting point of the J-POWER Group.

At the same time, J-POWER is also a private-sector company. While fulfilling our responsibility to support social infrastructure, we must respond flexibly to the changing business environment, achieve growth and enhance corporate value. I believe that my responsibility as the Chief Executive Officer is to achieve sustainable growth and enhance corporate value as a private-sector company while fulfilling our responsibility for a highly public business.

My career began at the Matsuura Thermal Power Plant in Nagasaki Prefecture, and I have gained experience in a wide range of fields, from the resources and energy frontline, such as fuel procurement for coal-fired power and the acquisition of interests in Australian coal mines, to human resources and corporate planning in the corporate division. Through these experiences, I have learned the importance of making realistic management decisions while carefully assessing the balance among stable supply, economic efficiency and environmental compatibility, however the environment surrounding the energy business may change.

Today, the environment surrounding energy is at a major turning point. Fluctuations in resource prices, the growing importance of energy security and the response to carbon neutrality have become important management challenges that directly affect the Company's business environment and corporate value. In such an era, the role that the J-POWER Group should fulfill is to continue supplying the energy that supports society and industry in a stable and competitive

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manner, while advancing the transition to a decarbonized society along a realistic path. We will steadily fulfill this role and, through continued dialogue with our stakeholders, link these efforts to trust from society and to sustainable enhancement of corporate value.

The Role We Should Fulfill in a Changing Business Environment

The external environment surrounding our business is changing significantly, and we need to address multiple issues at the same time, namely energy security, decarbonization and rising electricity demand. Heightened geopolitical risks, including the situation in the Middle East, have once again highlighted the vulnerability of Japan’s energy supply, which depends on overseas resources, through the destabilization of supply chains and rising international prices for oil and LNG. In addition, in Japan, while the introduction of the emissions trading system (GX-ETS) has brought the costs associated with CO₂ emissions to the surface, we also see changes in policy implementation, such as the lifting of operational restrictions on inefficient coal-fired power* in response to concerns over electricity supply. Precisely because of such changes in the environment, I believe that the importance of “S+3E” (safety, energy security, economic efficiency, and environment), the foundation of Japan’s energy policy, is in fact increasing. We need to steadily advance the transition to carbon neutrality, but in that process, we must make realistic decisions that also take into account the balance with energy security and economic efficiency. To balance stable supply with decarbonization, we need not only ideals but also the perspective of appropriately utilizing technologies that are actually available and our existing assets. Each option, including the expansion of renewable energy, the utilization of non-fossil power sources such as nuclear power, the decarbonization of thermal power, hydrogen and ammonia, and CCS, has both potential and challenges.

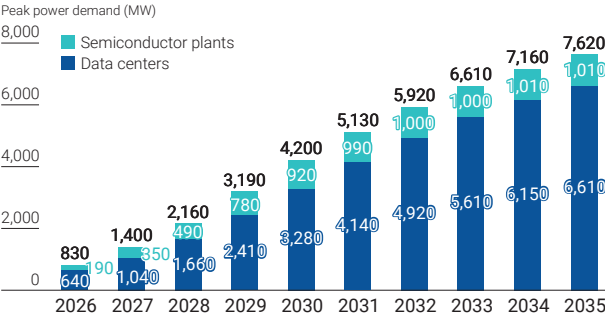
As the J-POWER Group, we need to make business decisions while carefully assessing the balance among not only environment but also stable supply, economic efficiency and feasibility.

Furthermore, we expect electricity demand to expand over the medium to long term, driven by the spread of AI and the

*The operational restriction imposed on inefficient coal-fired power plants in the capacity market (a facility utilization rate of 50% or less) has been lifted for FY2026 only.

increase in data centers. Since developing power supply facilities requires large-scale, long-term investment, planned investment in power sources that anticipates future demand is indispensable. I believe that this expansion in demand also represents a new growth opportunity for the J-POWER Group. While fulfilling our responsibility to support stable supply, we will also meet the new demands of society, namely the transition to a decarbonized society and the expansion of electricity demand.

Projected demand from the construction and expansion of data centers and semiconductor plants



Source: OCCTO “Forecast on Electricity Demand Nationwide and by Regional Service-Area (FY2026)”

- P.28 Environment Surrounding the Domestic Electric Power Business
- P.29 Trends in Policies to Achieve Carbon Neutrality

Medium-Term Management Plan Progress

Review of Business Results and Thoughts on P/B Ratio Below 1.0 Times

The Medium-Term Management Plan 2024–2026, which we launched in FY2024, is now entering its final year. My first mission is, above all, to carry out this plan to its conclusion.

We expect to be largely able to achieve the targets set out in the plan for FY2026: ordinary profit of ¥90.0 billion, ROE of 5% and performing assets ROIC of 3.5%. Meanwhile, as a risk

going forward, we must pay attention to the destabilization of supply chains accompanying developments such as a deterioration in the situation in the Middle East. Supply shortages and price increases for raw materials such as naphtha could push electricity demand below expectations by reducing operations at factories and construction sites, and we will therefore continue to monitor these developments closely.

We recognize that lifting our P/B ratio, which has remained below 1.0 times for a long period, is an important management challenge for the Company. Although it improved to the 0.5 times range in FY2025, it remains at a low level even compared with companies in other industries. We understand that behind this lies the fact that the capital market does not yet have a sufficiently clear view of the Company’s business direction over the medium term, including the Ohma Nuclear Power Plant Project and the transition of our domestic coal-fired power plants. In addition, by strengthening our earning power, we intend to improve ROE, which fell below the cost of equity in FY2025. While presenting our future vision and its financial impact more clearly, we will raise both our return on invested capital and our valuation by the market, and thereby improve the P/B ratio.

P.31 Medium-Term Management Plan 2024–2026

In particular, improving the earning power of our existing businesses is indispensable if we are to enhance capital efficiency while ensuring financial soundness. In the domestic business, we believe it is important to link the value of our renewable energy assets, which include hydroelectric and wind power and are among the largest in Japan, to the needs of customers seeking to decarbonize the electricity they use and to secure environmental value. In some respects, we have not yet fully monetized the environmental value of the CO₂-free power sources that the J-POWER Group owns. By diversifying our sales methods, including the provision of environmental value through corporate PPAs and the integrated supply of electricity derived from hydroelectric power plants together with its environmental value, we will translate the value of our renewable energy assets into stronger earning power. At the same time, we are also working to expand our CO₂-free power sources in order to respond to growing demand for renewable energy. In FY2025, the Kitakyushu Hibikinada Offshore Wind Farm, one of the largest offshore wind farms in Japan, began operation, and in FY2026 we are further expanding our renewable energy power sources

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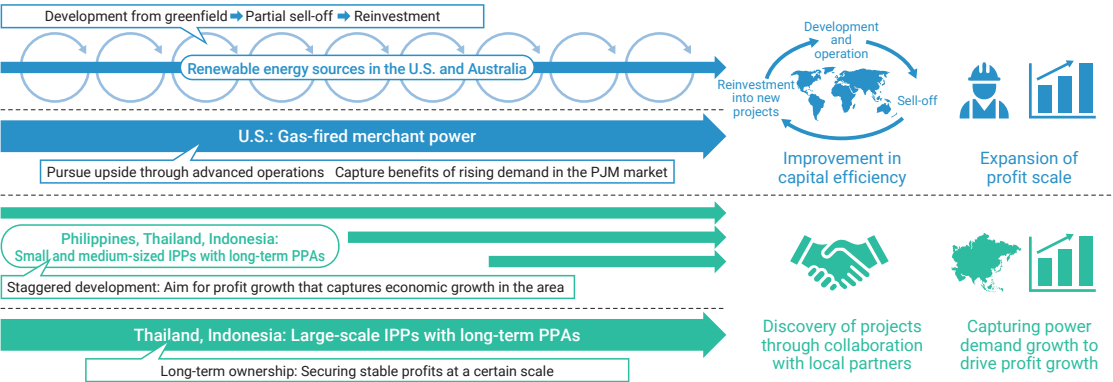
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Overseas business model and J-POWER Group's strengths



through such initiatives as the start of full-scale construction of the NEXUS Sakuma Project and the advancement of offshore wind power development in Akita Prefecture.

In addition, in the overseas business, we are developing operations that raise both capital efficiency and earnings stability in line with the market characteristics of each country and region. In regions where markets for buying and selling power generation assets are well developed, such as the United States and Australia, we combine new development with the sale of interests, accelerating the recovery of invested capital and reallocating it to the next growth investments, thereby improving capital efficiency. At present, we are developing our operations in these regions mainly in renewable energy, and in large-scale solar power in particular. In Southeast Asia, meanwhile, we are promoting the development of power generation projects on the basis of partnerships that we have built over many years. At the center of this development are projects accompanied by long-term power sales contracts, which will expand our stable earnings base. In recent years, hydroelectric power development has become increasingly active in Southeast Asia, and the J-POWER Group is also drawing on the expertise it has cultivated in its domestic business to participate in projects in Indonesia, the Philippines and Laos.

[P.32 Initiatives for Carbon Neutrality \(Development of Renewable Energy\)](#)

Progress on the Ohma Nuclear Power Plant Project

Advancing the Project and Dispelling Uncertainty

The Ohma Nuclear Power Plant Project, the greatest management challenge for the J-POWER Group, has reached a crucial phase. I position this project as an important management challenge that will determine the future of the J-POWER Group, and I am addressing it with a strong sense of responsibility. In May 2026, the Ohma Nuclear Power Plant won a contract in the FY2025 Long-Term Decarbonization Power Source Auction. This auction is a system designed to enhance the predictability of long-term investment recovery from the perspective of promoting new investment in decarbonized power sources. This successful bid has significantly improved the certainty of the investment recovery outlook for the project, and we regard it as steady progress.

In addition, the Nuclear Regulation Authority is conducting a conformity review. In May 2025, the standard seismic motion, a key site-specific issue, was finalized, and the plant review is now under way. Thereafter, we intend to obtain permission to amend reactor installation license and then move on to approval of the design and construction plan and to the review of the Specified Severe Accident Response Facilities, and once we

obtain these approvals we plan to resume the large-scale construction work that has been suspended since the Great East Japan Earthquake. At the site, we are proceeding with preparatory work such as site development, within the scope not affected by the regulatory standards. We had previously targeted FY2030 for the start of operation, but in light of the current situation, we recognize that achieving that target is extremely unlikely. In addition to the considerable time required to obtain approval of the construction plan and to carry out test operation before the start of operation, we will need to make meticulous preparations to resume the large-scale construction work. Furthermore, we must also take into account the possibility that supply chain constraints across Japan will affect the schedule.

The start of operation of the Ohma Nuclear Power Plant will be a major milestone for the Company, but it is not the goal in itself. How will we get through the period leading up to the start of operation, and what kind of growth will we achieve once operation begins? I believe that setting out that path in a realistic and concrete manner is an important responsibility of top management. We believe that our priority issue at this point is to dispel the uncertainty surrounding the future vision of the J-POWER Group, including the Ohma Nuclear Power Plant Project, and we are therefore accelerating our deliberations about the next management plan.

[P.34 Initiatives for Carbon neutrality \(Construction of Nuclear Power Plants\)](#)

Enhancing disclosure on the Ohma Nuclear Power Plant

Current status			
Steadily advancing the Ohma Nuclear Power Project while leveraging available institutional measures			
Progress of the conformity review	Development of systems to support recovery of investment	Development of systems for financing	
Plant review underway since June 2025	Leveraging the Long-Term Decarbonization Power Source Auction	Also considering the use of 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			
Investment scale	Construction period	Financial impact during construction	Earnings contribution after the start of operation

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Shareholder Returns

Stable and Flexible Shareholder Returns in Line with Profit Growth

Our basic shareholder return policy is to provide stable and flexible returns in line with profit growth while maintaining financial discipline. The power generation business of the J-POWER Group follows a business model that recovers returns after long-term investment and development, and we have therefore made it our basic approach to increase dividends on the foundation of stable profits generated after the start of operation. At the same time, profits sometimes fluctuate substantially on a temporary basis due to factors such as the sale of overseas assets and changes in resource prices. Since reflecting such short-term profit increases directly in dividends could lead to dividend reductions from the following term onward, we introduced the total payout ratio, which combines share buybacks with dividends. The update to our basic approach to shareholder returns, announced in May 2025, reflects this thinking.

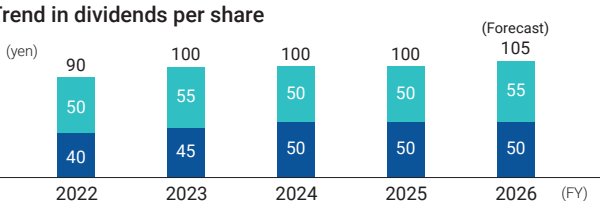
Under this policy, as we anticipated a certain degree of certainty in achieving ordinary profit of ¥90.0 billion in FY2026, we announced in May 2026 our plan to raise the annual dividend from ¥100 to ¥105 per share. In addition, taking into account the ¥20.0 billion share buyback conducted in FY2025, we expect that a total payout ratio of 30% is achievable during

Basic approach to shareholder returns

Strive to enhance stable and continuous return with 30% total payout ratio as a guide, taking into consideration the profit level, earnings estimates, and financial conditions, etc.

+

During the period of the MTMP 2024–2026, the minimum dividend is ¥100 per share.



the Medium-Term Management Plan (FY2024-2026). Going forward, we will continue to maintain financial discipline and pursue management that emphasizes the balance between growth investment and shareholder returns.

[P.38 Financial Initiatives](#)

Preparing the New Management Plan

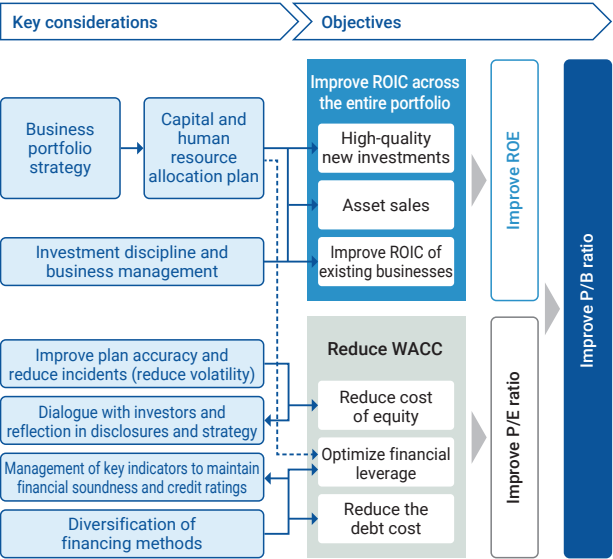
Presenting Our Vision for the Future and Plotting a Path to Enhancement of Corporate Value

We are currently advancing discussions toward the formulation of a new management plan covering FY2027 onward. In the new plan, we first intend to clearly present the future business portfolio that the J-POWER Group aims to build. What I place particular emphasis on is presenting a concrete path toward achieving that business portfolio. Looking ahead to the start of operation of the Ohma Nuclear Power Plant, we intend to show what kind of growth we will achieve beyond that point.

To realize our future business portfolio, we will clarify the role of each business and, while assessing growth potential, profitability and capital efficiency, formulate a business portfolio strategy that combines growth investment, asset replacement and allocation of management resources. In particular, the Ohma Nuclear Power Plant Project is an important project that will have a major impact on our future business portfolio and corporate value. Accordingly, we intend to disclose as comprehensively as possible the information investors need to assess our medium- to long-term profile, including the scale of investment, the construction period and the financial impact during the construction period. At the same time, taking the start of operation of the Ohma Nuclear Power Plant as a milestone, we intend to present our financial outlook along separate time horizons: the outlook for the immediate future, the outlook through to the start of operation, and the outlook incorporating the earnings contribution after operation begins. In these deliberations, we will engage in ongoing dialogue with investors and make the plan concrete while also reflecting the perspective of the capital markets.

In addition, to enhance corporate value, we will work on improving ROIC and reducing WACC as two wheels of the same effort. Specifically, we will raise the ROIC of our entire business portfolio through high-quality new investments and the timely replacement of assets, while reducing WACC by lowering our cost of equity and optimizing financial leverage. Through these efforts, we intend to improve ROE and P/E ratio, and thereby lead to an improvement in the P/B ratio.

Building a framework for enhancing corporate value



Promoting Sustainability

A Realistic Path that Balances Stable Supply with Decarbonization

Balancing a stable energy supply with response to climate change is an important mission that the J-POWER Group must fulfill. Given the increase in electricity demand accompanying the full-scale arrival of an AI-driven society and the destabilization of energy supply caused by geopolitical risks, a

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realistic path that simultaneously secures stable supply and economic efficiency is indispensable, including in advancing decarbonization.

I believe that steadily advancing the transition to decarbonization is indispensable to this end. At the same time, to maintain a stable supply of electricity and Japan's industrial competitiveness, we also need a realistic perspective that advances the transition while appropriately utilizing available technologies and existing assets. To that end, we need to pursue an energy mix that combines multiple options, centering on renewable energy while also drawing on non-fossil power sources including nuclear power, the decarbonization of thermal power, hydrogen and ammonia, and CCS. Because such diversification of power sources entails large-scale, long-term investment, institutional design that allows private-sector operators and financial institutions to foresee the recovery of their investments is also important. Power supply capability and electricity costs are issues directly linked to Japan's industrial competitiveness, and achieving decarbonization requires a framework through which society as a whole supports a realistic transition. Without relying excessively on any particular technology or power source, the J-POWER Group will advance its decarbonization initiatives by combining multiple options while carefully assessing safety, economic efficiency and feasibility. Going forward, we will continue to fulfill our responsibility to support stable supply while proactively working on a realistic and steady transition to carbon neutrality.

[P.47 Climate Change Scenario Analysis](#)
(Disclosure Based on TCFD Recommendations)

Growing Together with Society by Making Diversity a Strength

In our human resources strategy and corporate governance, we position the securing of diversity as an important theme. While the J-POWER Group, which is grounded in the electric power business, possesses a high level of expertise, it also has an aspect in which the perspectives of its human resources and organizations can easily become limited. In addition, as a company responsible for social infrastructure, we require each and every employee to maintain high ethical standards and act responsibly.

I believe that what matters most in human resources is an attitude of learning from different values and experiences rather than confining oneself to one's own field of expertise. We are working to develop human resources who can incorporate diverse values and outside perspectives and put into practice judgments and actions that earn the trust of society. At the same time, we will advance governance reforms, beginning with the appointment of women as Outside Directors, incorporate diverse perspectives into management and link them to better decision-making.

Engagement with local communities is also an important element of the social responsibility that the J-POWER Group must fulfill. The J-POWER Group has developed businesses in various locations in Japan and overseas, expanding its business foundation while building relationships of trust with each host community one by one. Our attitude of engaging sincerely with local communities and advancing our businesses while earning their trust is a valued corporate culture that we have cultivated over many years. Even today, we continue initiatives to share culture and values through participation in local events and other activities and to deepen our understanding of local communities. Based on this attitude, we place importance on each employee having a perspective that is not confined within the Company and on learning from points of contact with local communities and society.

Going forward, we will continue to value the corporate culture cultivated on relationships of trust with local communities, incorporate diverse values into management and work to build an organization that supports sustainable growth.

[P.72 Engagement with Local Communities](#)
[P.78 Human Resources Strategy for Enhancing the Group's Competitiveness](#)
[P.85 Corporate Governance](#)

Message to Our Stakeholders

The J-POWER Group has inherited both the responsibility of supporting electric power as social infrastructure and a corporate culture that takes on the challenge of change and creates new value. Drawing on these two as strengths of our management, I will work to balance a stable supply with decarbonization, evolve our business portfolio and enhance our earning power and capital efficiency.

The environment surrounding energy will continue to change significantly, driven by geopolitical risks, the response to decarbonization and rising electricity demand. Precisely because this is an era of high uncertainty, I believe it is important not to remain at the level of philosophy alone but to build up our judgments while squarely facing the changes actually taking place. The J-POWER Group aims to achieve sustained profit growth through growth investment and stronger earning power in existing businesses, while continuing to supply the energy that supports society and industry in a stable manner. At the same time, we will maintain financial discipline and advance management that emphasizes improved capital efficiency and shareholder returns, steadily linking these efforts to enhancement of corporate value. While balancing our responsibility for businesses of high public interest with our stance of pursuing enhancement of corporate value as a private company, we will continue our dialogue with investors and other stakeholders, present a concrete vision of our future and devote our full efforts to realizing it.

Squarely facing the changes actually taking place, we will take on the challenge of building an energy foundation that is sustainable for future generations as well.



History of Value Creation of the J-POWER Group

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INTEGRATED REPORT CHAPTER 1

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History of Value Creation of the J-POWER Group

The J-POWER Group has continued to grow while transforming its business portfolio, with the aim of contributing to solving various energy-related issues of each era through its business. Going forward, we will continue to enhance corporate value.

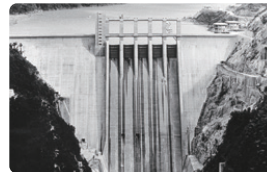
Social
issues

J-POWER's history

From post-war power shortage to growth in power demand

Contributed to solving power shortage by developing power sources

- J-POWER, established as a government-funded company in 1952, worked to develop large-scale hydroelectric power plants to ease the power shortages occurring in Japan in the aftermath of World War II.
- Overseas, we have contributed to the development of each country and building the relationships of trust between each country and Japan through technical supports and consulting services for power plant and transmission line construction.



Sakuma Dam (Completed in 1956)



Consulting business in Peru (1962)

Oil crises

Contributed to stable power supply by diversifying power sources

- Following two oil crises, we responded to strong calls for diversified energy sources by building Japan's first coal-fired power plant fueled by overseas coal and acquiring interests in overseas coal mines.
- To fulfill peak demand, we continued construction of large-scale pumped storage hydropower plants and high-capacity transmission lines.



Matsushima Thermal Power Plant
(Commercial operation began in
1981)



Tomamae Winvilla (Commercial
operation began in 2000)
*Completed replacement in 2023

Climate change

Contributed to the sustainable development of Japan and the rest of the world by deploying new technologies and expanding the overseas business

- J-POWER became one of the first in Japan to start responding to climate change by developing large-scale commercial wind farms in the early 2000s.
- We began rapidly developing our overseas power generation and wind power businesses after being fully privatized in 2004, actively expanding our business fields.
- J-POWER aims to achieve sustainable growth, based on "coexistence of energy and the environment," by leveraging the technologies and achievements we have cultivated in Japan and around the world.

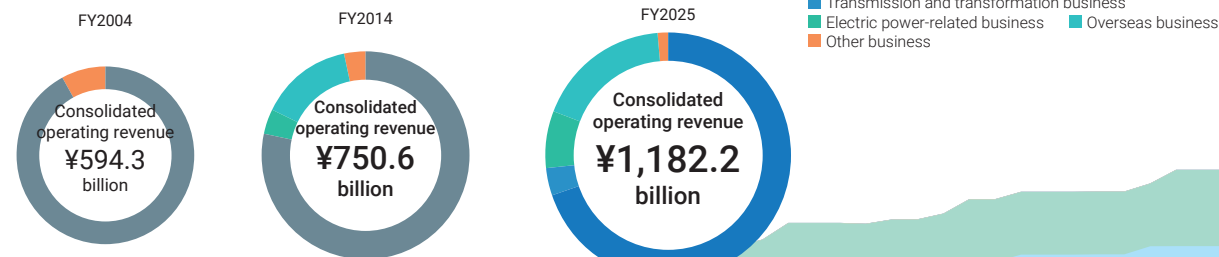


Jackson Thermal Power Plant
(Commercial operation began in
2022)



Triton Knoll Offshore Wind Farm
(Commercial operation began in
2022)

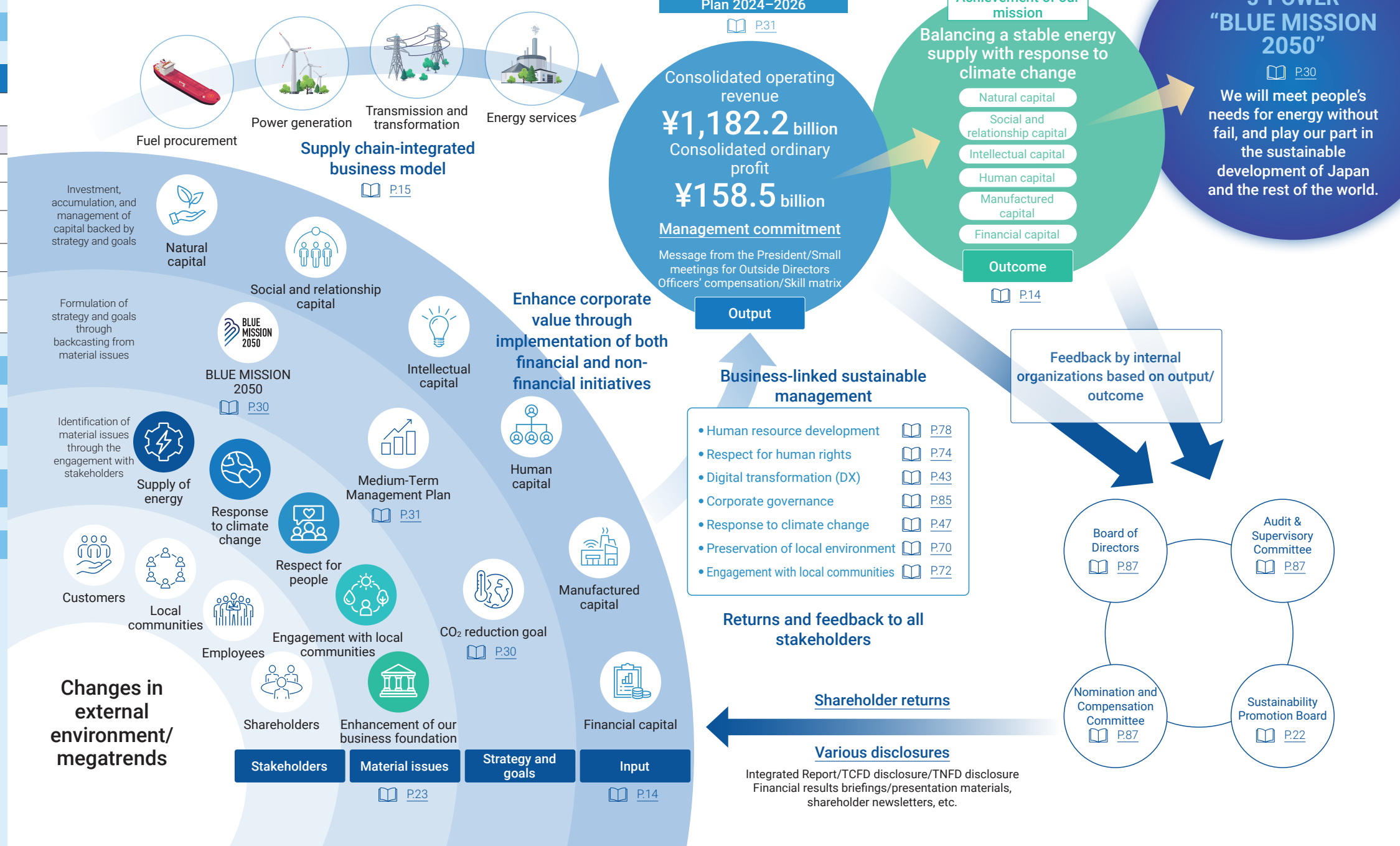
Changes in post-privatization consolidated operating revenue composition



○ Established in September 1952, based on the Electric Power Development Promotion Law

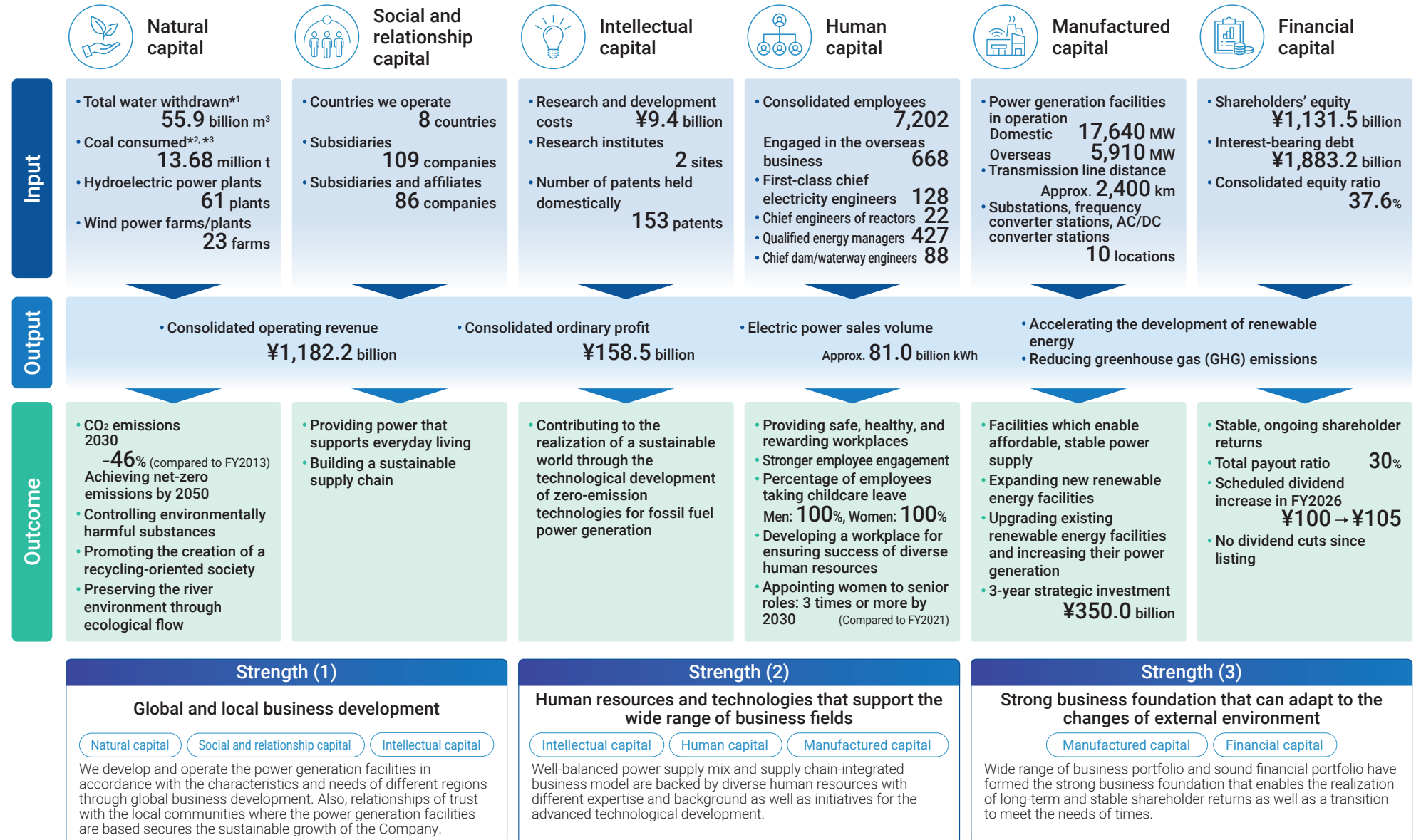
Changes in power generation facility output and post-privatization ordinary profit

Value Creation Process



Value Creation Process

Capital That Has Strength



*1 The figure includes J-POWER and consolidated subsidiaries, including those operating abroad, in electric power business, electric power-related business, etc.

*2 The figure includes J-POWER and consolidated subsidiaries, including those operating abroad, in electric power business, electric power-related business, etc. (Consolidated subsidiaries are considered in terms of investment ratio.)

*3 Dry coal: 28 MJ/kg equivalent

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Initiatives Supporting Our Value Creation
Data Section

Business Model

Investment in upstream resource interests for the purpose of stable power supply



Stable fuel supply

Comprehensive technical capabilities covering development, design, construction, and operation



Integrated Group operational know-how

Renewable energy sources



Securing promising and suitable sites
Accumulation of wind condition and power generation data

Thermal power sources



Appropriate risk management and a flexible operation system

Electric power transmission and transformation facilities



Technologies that boost wide-area electricity grid operation and expansion of introduction of renewable energies throughout Japan

Provision of kW/kWh/ΔkW/non-fossil value according to the characteristics of the power source

Electric Power-Related Business

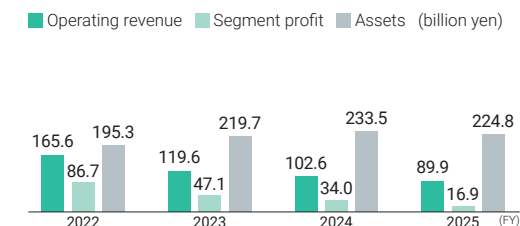
FY2025 ROIC: 9.9%

The Group engages in businesses which support the smooth and efficient execution of the power generation business, including the ownership of coal mining interests and the importing and transportation of coal.



- Value chain that supports the power generation business
- Diversification of suppliers of fuel procured

P.20 Electric Power-Related Business



Power Generation Business

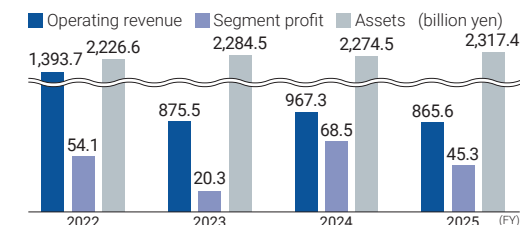
FY2025 ROIC: 4.7%

The Group engages in power generation, employing various energy sources including renewable energy and thermal power, and electric power retailing in collaboration with partner companies in Japan.



- Bilateral contracts with EPCOs
- Sales to the Japan Electric Power Exchange (JEPX)/retail operators

P.16 Power Generation Business



Overseas Business

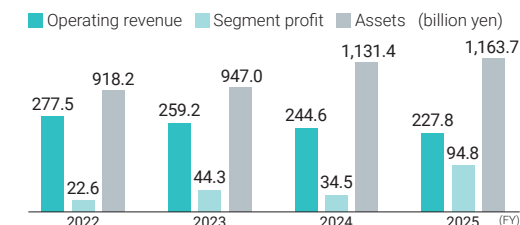
FY2025 ROIC: 8.9%

The Group engages in power generation business and consulting overseas. We not only hold assets but also replace our business portfolio as appropriate.



- PPA* with government-owned electric power companies, etc.
- Sales to liberalized markets in various countries and regions

P.19 Overseas Business



Provision of power transmission and transformation functions

Transmission and Transformation Business*2

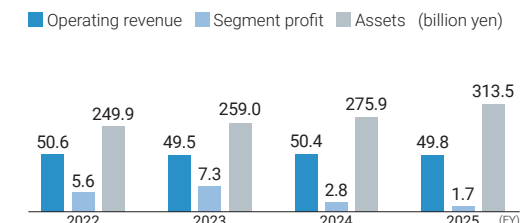
FY2025 ROIC: 2.0%

The Group engages in power transmission and transformation that contribute to the wide-area operation of the entire Japanese power grid.



- Transmission contracts with transmission system operators

P.18 Transmission and Transformation Business

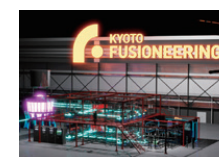


Initiatives to provide new value

Other Business

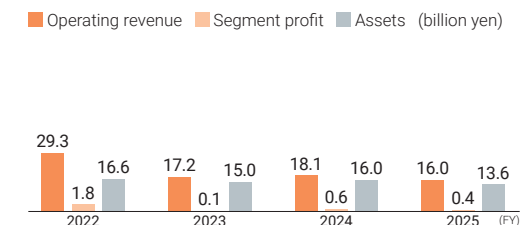
FY2025 ROIC: 9.8%

We operate information communication businesses and environment-related businesses that leverage the Group's know-how and management resources. We are also investing in and working with startup companies to develop new businesses in the future.



- Creation of new businesses and solving of issues in the electric power business through investment in and cooperation with startup companies
- Provision of new value through co-creation with diverse partners

P.45 Promotion of Innovations



*1 PPA: power purchase agreement *2 Initiatives of J-POWER Transmission Network Co., Ltd.

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J-POWER Group Businesses

Power Generation Business

The Value We Provide

- Realizing economical and stable power supply through CO₂-free power sources and high-efficiency thermal power sources
- Contributing to ensuring energy security and preventing regional environmental issues such as air pollution

Recognition of Business Environment

- | | |
|----------------------|--|
| Opportunities | <ul style="list-style-type: none">• Widespread use and expansion of CO₂-free power sources and CO₂-free hydrogen aimed at achieving carbon neutrality• Expansion of new markets and forms of selling |
| Risks | <ul style="list-style-type: none">• Greater earnings fluctuations resulting from increased volatility in resource and electricity market prices• Earnings deterioration due to CO₂ emissions regulations• Higher operating costs due to inflation |
| Strengths | <ul style="list-style-type: none">• Well-balanced power source portfolio consisting of renewable energy and thermal power• Comprehensive technological capabilities that can be executed within the Group from development to operation• The highest level of engineering and execution capabilities gained from involvement in global development• Relationships of trust with local communities |

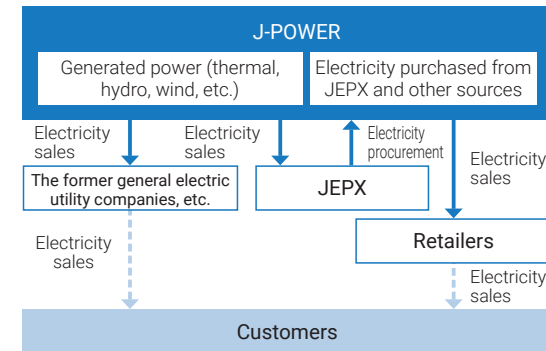
Direction of Responses

- Preferentially allocate investment funds to carbon-neutral assets such as renewable energy and Ohma Nuclear Power Plant
- Aim for improved profitability and further growth of renewable energy by increasing the volume of power generation and realizing environmental value
- For Ohma Nuclear Power Plant, put the highest priority on safety, while utilizing the Long-term Decarbonization Power Source Auction
- Aim to maximize profit by reviewing the operation of existing thermal power plants, while promoting thermal power transition

Overview of Power Generation Business

The J-POWER Group generates electricity from various power sources, including renewable energy and thermal power, and sells it to the former general electric utility companies (EPCOs) and the Japan Electric Power Exchange (JEPX) to ensure a stable supply of electricity in Japan. J-POWER also sells electricity procured from JEPX and other sources to retail electricity suppliers.

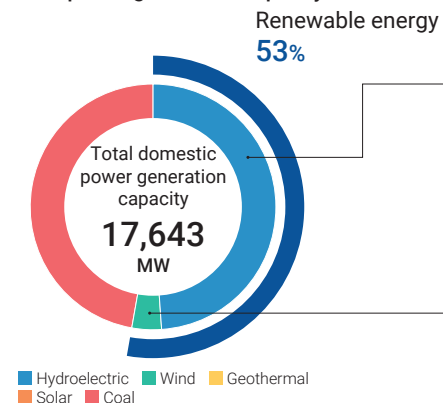
Flow of electricity sales



In principle, the structure of sales charges to EPCOs consists of a baseline charge based on the value of power generation capacity (kW) and a metered charge based on the electric power sales volume (kWh). For the portion equivalent to fuel costs, which account for the majority of the metered charge for thermal power generation, we have introduced a system that reflects fluctuations in market conditions related to fuel procurement as appropriate.

The sales price of the electricity procured from JEPX is determined through discussions with retailers and is revised in a timely manner.

Domestic power generation capacity



As of March 31, 2026

Share of
hydroelectric
power generation
capacityNo. 2 in Japan
8,590 MWShare of wind
power generation
capacityNo. 2 in Japan
663 MW

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J-POWER Group Businesses

Power Generation Business

Renewable Energy

Hydroelectric power

Hydroelectric power generates stable cash flow because it incurs no fuel costs and is therefore subject to only limited fluctuations in power generation costs. Hydroelectric power plants can be started quickly and their output is adjustable. In particular, pumped storage hydropower plants play an important role in stabilizing the power system as a regulating power source that absorbs surplus power and compensates for power shortages. In addition, hydroelectric power has environmental value as a CO₂-free power source, and we aim to improve profitability by maximizing this value. Meanwhile, given the limited potential for new large-scale hydropower development in Japan, we are steadily expanding earnings by increasing power generation volume through the development of small hydroelectric power plants and the comprehensive renewal of main facilities.

Wind power

The J-POWER Group began engaging in wind power generation early on and is currently developing new projects while also replacing facilities at existing sites with favorable wind conditions. We are also focusing on offshore wind power. In March 2026, Kitakyushu Hibikinada Offshore Wind Farm commenced operation, and we are also advancing the development of an offshore wind power project off the coast of Oga City, Katagami City, and Akita City in Akita Prefecture. Through these initiatives, we aim to increase power generation volume over the medium to long term and achieve sustainable earnings growth by utilizing corporate PPAs while maximizing environmental value.

[P.33 Wind power project](#)

Geothermal power

Geothermal power is a renewable energy source capable of stable power generation regardless of weather conditions and is expected to generate stable earnings over the long term. Currently, the J-POWER Group operates the following three geothermal power plants: Wasabizawa Geothermal Power Plant, Onikobe Geothermal Power Plant, and Appi Geothermal Power Plant. In addition, we are currently conducting research and advancing plans for new geothermal power development in the Takahinatayama region and the Shiramizugoe area.

Solar power

The J-POWER Group currently operates the Kitakyushu Hibikinada Solar Power Plant and Himeji Oshio Solar Power Plant. We are also promoting the on-site PPA model, where we install solar power generation equipment on the roofs or in open spaces of customers' facilities to supply power, thereby contributing to their needs for self-consumption of renewable energy.

Storage battery business

The introduction of renewable energy is progressing, leading to an increase in power sources whose output fluctuates depending on weather and other conditions. As a result, insufficient balancing capacity in the power system has become a challenge. To meet these needs, the J-POWER Group is developing a storage battery business capable of providing balancing capacity. The Hibikinada Electricity Storage Station, currently under construction with the aim of commencing commercial operation in April 2028, will contribute to power grid stabilization and the avoidance of output curtailment at renewable energy power plants, while creating new earnings opportunities through the provision of balancing capacity.

Thermal Power

Coal, which supports Japan's power supply, is currently considered an important energy source offering supply stability and economic efficiency because it entails relatively low geopolitical risks in procurement, has a comparatively low unit price per calorific value, and is easy to store.

Coal-fired power generation has traditionally been used as a baseload power source operating at a constant output. In recent years, however, it has increasingly served as an intermediate-load power source whose output is adjusted according to supply and demand in order to accommodate fluctuations in the supply-demand balance resulting from the growing introduction of renewable energy. By adjusting the load, it contributes to the stabilization of the power system. Meanwhile, amid concerns about the impact of tighter CO₂ emissions regulations, we are working to improve efficiency and promote mixed combustion of biomass. We are also exploring the thermal power transition, including the phase-out of inefficient coal-fired thermal power plants, IGCC, CCS, and mixed combustion of hydrogen and ammonia.

Nuclear Power

The J-POWER Group is implementing the Ohma Nuclear Power Plant Project with safety as our top priority, aiming to expand CO₂-free power sources.

[P.34 Ohma Nuclear Power Plant Project](#)



Kitakyushu Hibikinada Offshore Wind Farm
Photo credit: Hibiki Wind Energy Co., Ltd.



Nanairo Dam



Appi Geothermal Power Plant



Takehara Thermal Power Plant

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J-POWER Group Businesses

Transmission and Transformation Business

The Value We Provide

- Contributing to stabilizing electric power networks and expanding the introduction of renewable energy in Japan through trunk transmission lines and cross-regional interconnection facilities

Recognition of Business Environment

Opportunities	• Expansion of renewable energies • Growing need to achieve carbon neutrality
Risks	• Impact of intensifying natural disasters on facilities • Aging of facilities
Strengths	• A broad range of technologies related to power transmission and transformation facilities, including ordinary AC transmission lines and DC transmission lines, submarine cables, cables laid on bridges, and frequency converter stations enabling the exchange of electricity between eastern and western Japan which operate at different frequencies. • Relationships of trust with local communities cultivated through over 70 years of experience in the construction, maintenance, and management of power transmission and transformation facilities

Direction of Responses

- Based on the premise of ensuring economic efficiency, contribute to the enhancement of electric power networks through efforts leveraging a broad range of technologies, including the expansion of trunk transmission lines and cross-regional interconnection lines, DC transmission facilities, and frequency converter stations.

Overview of Transmission and Transformation Business

J-POWER Transmission Network Co., Ltd. (J-POWER Transmission) is a company which is independent of the J-POWER Group's power generation and retailing divisions, handling its transmission business from a neutral position. With 10 substations and converter stations, and 2,410 km of transmission lines across Japan, J-POWER Transmission contributes to the cross-regional operation of Japan's overall power grid.

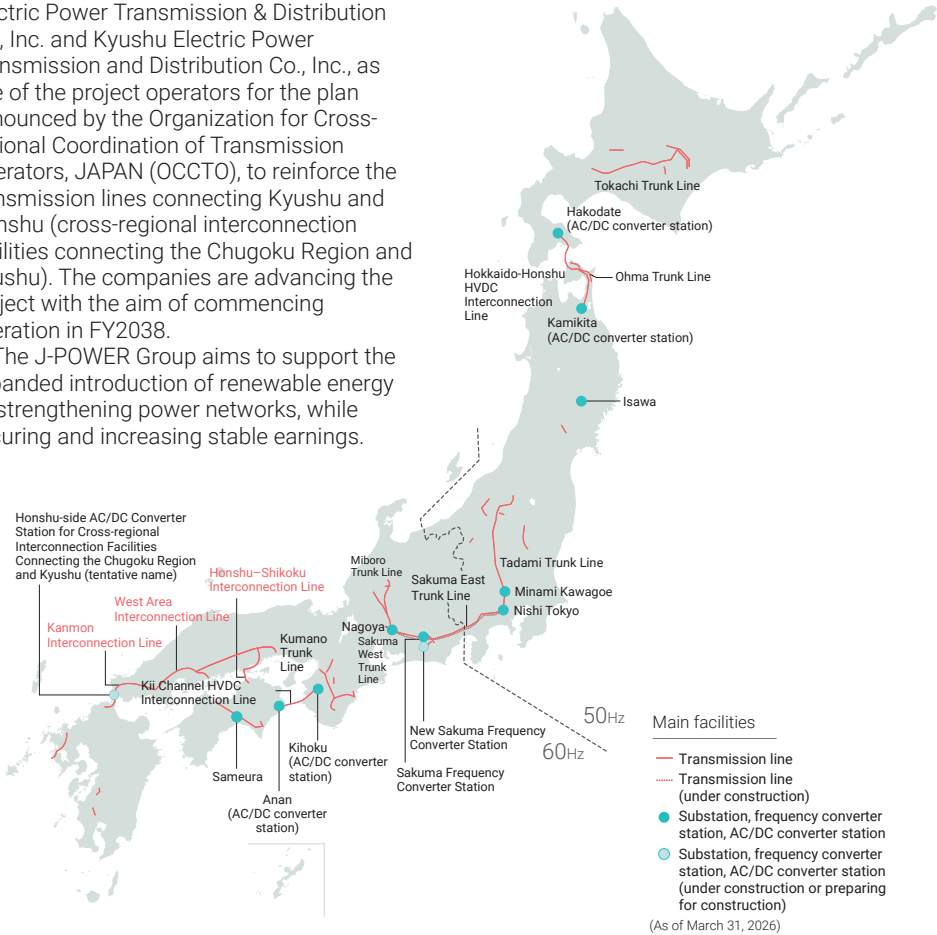
In particular, cross-regional interconnection facilities connecting Honshu with Hokkaido, Shikoku, and Kyushu, and the Sakuma Frequency Converter Station, which was the first in Japan to enable the flexible exchange of power with different frequencies between eastern Japan (50 Hz) and western Japan (60 Hz), are important in enabling the cross-regional operation of power grid in Japan.

Strengthening power networks is a key challenge in achieving the large-scale introduction of renewable energy.

J-POWER Transmission is steadily advancing the construction of the New Sakuma Frequency Converter Station and replacement and expansion of related transmission lines to meet expectations for increased power interchange capacity between eastern Japan, which operates at 50 Hz, and western Japan, which operates at 60 Hz.

In addition, J-POWER Transmission has been selected, together with Chugoku Electric Power Transmission & Distribution Co., Inc. and Kyushu Electric Power Transmission and Distribution Co., Inc., as one of the project operators for the plan announced by the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO), to reinforce the transmission lines connecting Kyushu and Honshu (cross-regional interconnection facilities connecting the Chugoku Region and Kyushu). The companies are advancing the project with the aim of commencing operation in FY2038.

The J-POWER Group aims to support the expanded introduction of renewable energy by strengthening power networks, while securing and increasing stable earnings.



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J-POWER Group Businesses

Overseas Business

The Value We Provide

- Contributing to stable power supply through consulting business and the development of power plants overseas
- Contributing to reducing CO₂ emissions and addressing environmental issues through the development of renewable energy and the construction and operation of state-of-the-art environmentally friendly high-efficiency thermal power plants overseas

Recognition of Business Environment

Opportunities	• Strengthened international initiatives to achieve carbon neutrality • Growing power demand primarily in emerging economies
Risks	• Increasingly volatile resource prices • Tighter international environmental regulations
Strengths	• Project development capabilities • Project promotion capabilities • Ability of management to control risk and replace assets in response to changes in the business environment to increase profitability and sustainability

Direction of Responses

- Move forward with the development of primarily renewable energy in the U.S., Australia, Southeast Asia, and Middle East
- Acquire developer's profits and improve capital efficiency by selling interests after completion of development projects

Overview of Overseas Business

Overseas Consulting Business

Leveraging the experience and technical prowess acquired through its domestic electric power business, the J-POWER Group conducts businesses including basic design study, feasibility studies, design, construction management, and transfer of environmental technologies on development of power sources and transmission and transformation facilities around the world. Since its first project in 1962, the Group has conducted 376 projects in 64 countries and regions.

(As of March 31, 2026)

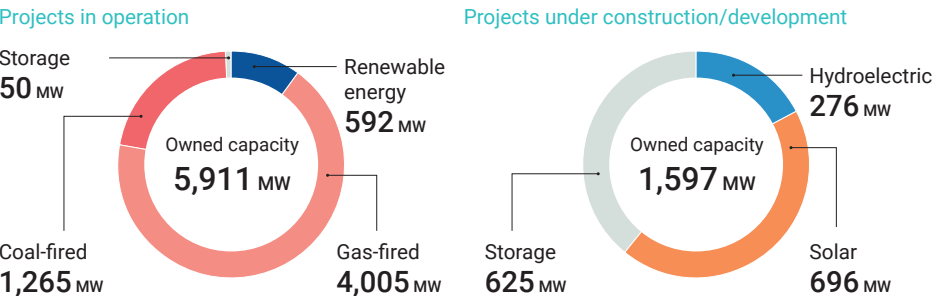
Overseas Power Generation Business

The J-POWER Group has actively identified and developed overseas power generation projects by leveraging its experience, credibility, and networks cultivated through its domestic operations and overseas consulting business.

When the Group first began its overseas power generation business in 1997, it was partial participation primarily in the construction of power plants or plant operations through relatively small-scale investment. The Group has gradually expanded the business, shifting from acquiring interests in existing profitable projects to greenfield development, mainly in Thailand, the U.S., China, and other Asian countries. We have built a business portfolio that currently offers diverse earnings opportunities. This portfolio includes projects primarily in Southeast Asia that are expected to generate stable earnings under PPAs with government-owned electric power companies and other entities, as well as projects in the United States that pursue earnings opportunities by capitalizing on market conditions amid rapidly growing electricity demand driven by data center construction and other factors.

Furthermore, after developing a power plant and commencing its operation, we sell part or all of our interest to acquire developer's profits and use the proceeds for subsequent growth investments, thereby incorporating an asset-recycling business model. Through these initiatives, we are optimizing our business portfolio while improving capital efficiency.

Results of overseas power generation business



As of March 31, 2026

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J-POWER Group Businesses

Electric Power-Related Business

The Value We Provide

- Contributing to ensuring stable power supply and energy security through stable procurement of fuels

Recognition of Business Environment

Opportunities	• Low-cost and stable power supply • Growing interest in energy security
Risks	• Increasingly volatile resource prices • Tighter international environmental regulations
Strengths	• Stable and long-term fuel procurement based on diversified sources • Proven technological capabilities cultivated through the electric power business, which requires high reliability

Direction of Responses

- Continue efforts to diversify procurement sources and methods in pursuit of stable supply and economic efficiency

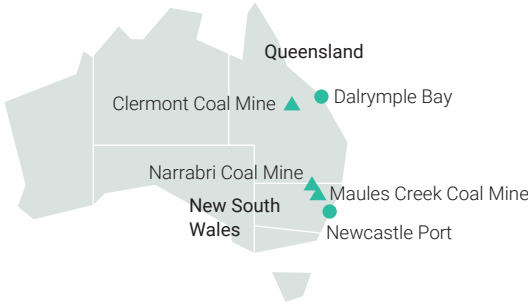
Overview of Electric Power-Related Business

The electric power-related business engages in businesses that complement the power generation and transmission and transformation businesses, and contribute to their smooth and efficient business execution.

Investments in Coal Mines

We have been investing in Australian coal mines since 1980 and currently hold interests in three coal mines in order to provide consistent, long-term supplies of high-grade coal as fuel for thermal power generation.

In the face of increasingly volatile resource prices, we are seeking to optimize the entire supply chain, spanning from fuel procurement to power generation.



Coal mining projects (as of December 31, 2025)

Coal mine	Location	Outport	2025 sales volume	Vested interest	Coal production start
Clermont	Queensland	Dalrymple Bay (Hay Point Port)	11.17 million tons	22.2%	2010
Narrabri	New South Wales	Newcastle Port	3.76 million tons	7.5%	2012
Maules Creek	New South Wales	Newcastle Port	8.82 million tons	10.0%	2014

Telecommunications Network Business

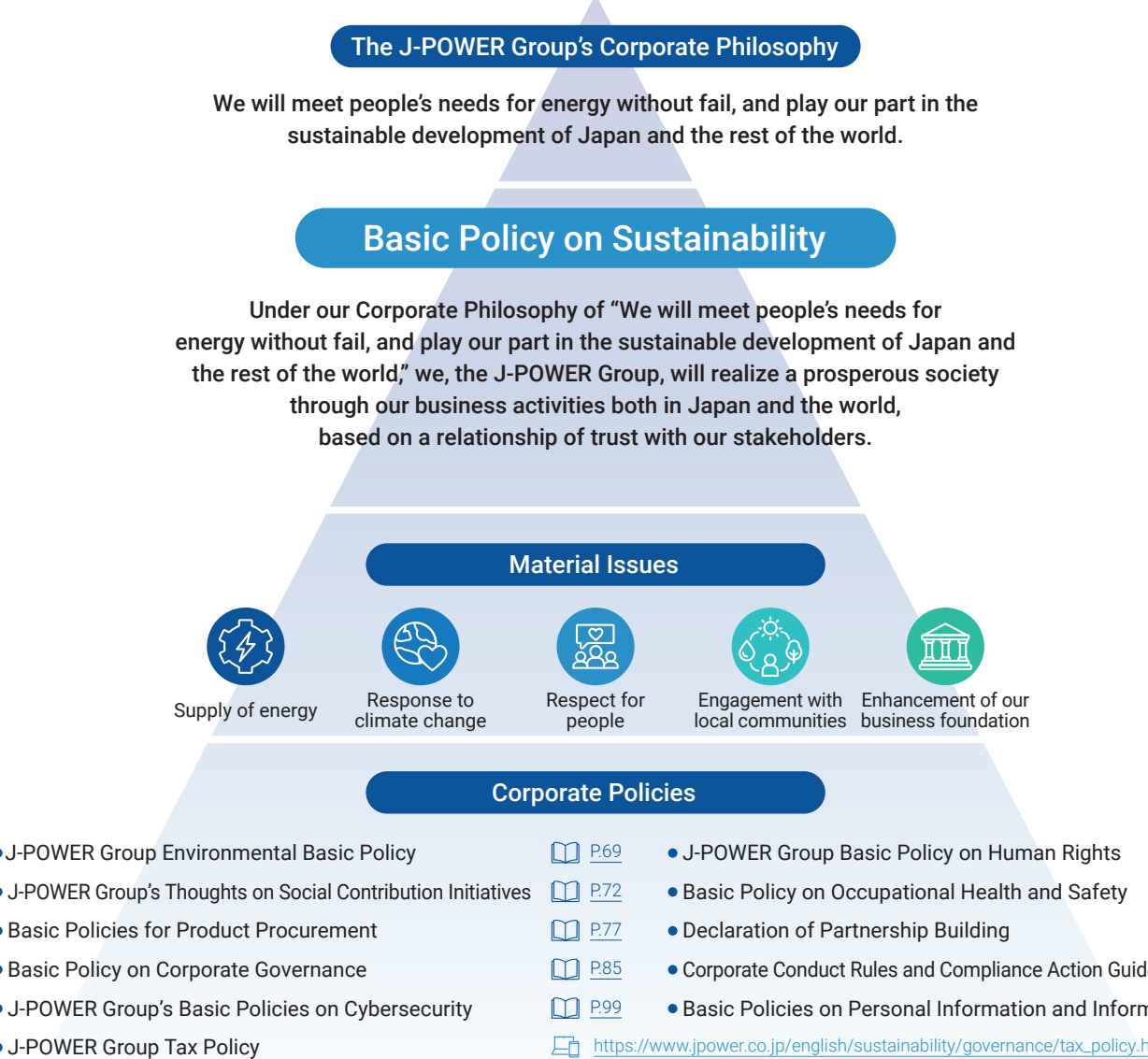
Telecommunications networks are essential infrastructure for operating power plants, as well as transmission and transformation facilities, and thus require high level of reliability. J-POWER Telecommunication Service Co., Ltd. undertakes the construction, maintenance, and management of the J-POWER Group's all telecommunications facilities for electric power systems, contributing to the stable supply of power.

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J-POWER Group's Sustainability Initiatives and Management

Basic Policy on Sustainability

In accordance with the Basic Policy on Sustainability, J-POWER has established individual basic policies regarding ESG and is promoting initiatives in these areas. The structure of the policies and rules is shown in the diagram below.



Sustainability and Improving Corporate Value

The J-POWER Group's corporate philosophy aims to solve social issues through the enhancement of corporate value, which is sustainability in and of itself. Among various social issues, the Group has identified five material issues: supply of energy, response to climate change, respect for people, engagement with local communities, and enhancement of our business foundation, and we have set specific goals (KPIs) for each. The initiatives set to achieve the KPIs are closely related to the actions and management strategies laid out in the Medium-Term Management Plan. We will contribute to the continuous enhancement of our corporate value and the advancement of sustainability of society as a whole by achieving our KPIs while enhancing our financial value.

[P.23 J-POWER Group's Material Issues](#)

Signing of the UN Global Compact

In April 2021, J-POWER became a signatory to the UN Global Compact (UNGC), a voluntary initiative undertaken by companies and organizations that act as good members of society and participate in the creation of a global framework for sustainable growth by demonstrating responsible and creative leadership. We will drive forward with our efforts in regard to the Ten Principles of the UN Global Compact, which focus on the four areas of human rights, labor, environment and anti-corruption, as they align with our Corporate Philosophy and policies.

WE SUPPORT



- | | | | |
|---|---|---|---|
| • J-POWER Group Environmental Basic Policy | P.69 | • J-POWER Group Basic Policy on Human Rights | P.74 |
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| • J-POWER Group's Basic Policies on Cybersecurity | P.99 | • Basic Policies on Personal Information and Information Security | https://www.jpowers.co.jp/english/privacy/ |
| • J-POWER Group Tax Policy | https://www.jpowers.co.jp/english/sustainability/governance/tax_policy.html | | |

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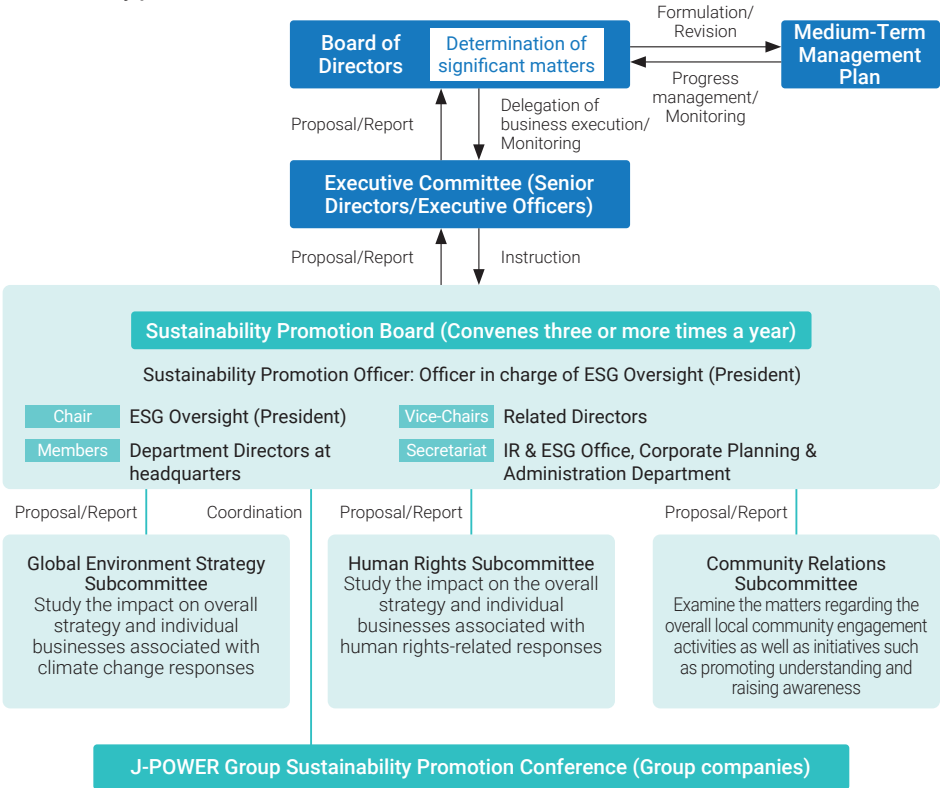
J-POWER Group's Sustainability Initiatives and Management

Management Structures

Because the promotion of sustainability is directly related to the Group's management strategy and management issues, our important matters regarding sustainability, including our Basic Policy on Sustainability and material issues, are decided by the Board of Directors after discussions at the Executive Committee. Specific measures are discussed and promoted by the Sustainability Promotion Board, headed by the ESG Oversight (President), in cooperation with Group companies.

The Sustainability Promotion Board convenes at least three times a year to discuss the drafting of policies to be submitted and reported to the Board of Directors and the Executive Committee. It is also tasked with formulating and reviewing measures based on policies and discussing risk management and other matters. In addition, the person in charge of sustainability promotion regularly reports the contents of those deliberations to the Executive Committee and the Board of Directors to allow them to monitor the status of initiatives and reflect them in management and business plans.

Sustainability promotion structure



Recently determined and reported matters

Determined by the Board of Directors	• Replacement of assets in our asset portfolio • Evaluation of effectiveness of the Board of Directors • Appointment of officers/compensation system/appointment of important employees • Decision on a share buyback • Decisions on the implementation of and participation in new projects
Matters reported to the Board of Directors	• Domestic and overseas trends on climate change • Status of dialogue with institutional and individual investors • Status of ESG initiatives and evaluation by external organizations • Report on internal audit results • Disclosure policy based on TCFD and TNFD Recommendations • Occurrence status of occupational accidents
Matters reported to/determined at the Executive Committee, Sustainability Promotion Board	• Disclosure of the results of material issue targets (KPIs)/PDCA • Circumstances surrounding sustainability management • Report on the status of initiatives to respect human rights • Review and evaluation of the Environmental Basic Policy and targets • Enhancement of the promotion structure of local community engagement activities and the results of such activities

Engagement with Stakeholders

We disclose information and engage in dialogue with a variety of stakeholders, including local residents, individual investors, institutional investors and NGOs. The opinions we receive, as well as the expectations and requests of society and the stock market, are shared with our management team and utilized in our sustainability promotion and business operations.

Main initiatives

Stakeholders	Initiative examples
Local communities	• Briefing sessions on environmental impact assessment procedures • Holding events such as tours of our power plants • Participating in community activities • Organizing energy and environmental education events and collaborating with educational institutions
Individual shareholders, institutional investors, analysts	• Disclosure of information on websites, etc. • Holding financial results briefings and individual meetings on IR and ESG • Holding facility tours
Employees	• Holding dialogues between executives and labor unions and site visits to business sites by executives • Conducting employee surveys • Dissemination of information via company newsletter, intranet and other methods
Business partners and others	• Disclosure of Basic Policies for Product Procurement and Declaration of Partnership Building • Launch of an inquiry form on the website and participation in organizations and initiatives • Dialogues with NGOs on climate change response, etc.

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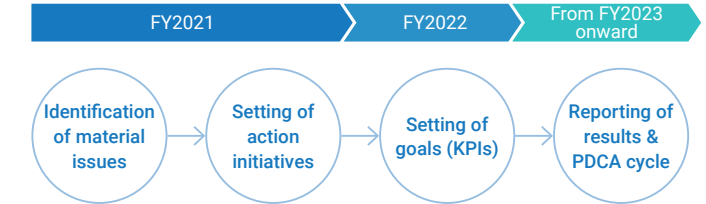
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Risks, Opportunities, and Material Issues

J-POWER Group's Material Issues

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 contributed to the achievement of an affluent society through its business activities. In 2021, we identified social issues that are important to the J-POWER Group, and have identified five material issues, taking into consideration the interests of our stakeholders, the relation with our Corporate Philosophy, and the impact on our business. After preparing a materiality proposal based on third-party opinions, the Sustainability Promotion Board and the Executive Committee discuss it, and then the Board of Directors makes a resolution. Since 2022, in addition to setting goals (KPIs) and disclosing the results of initiatives taken, we have adopted five material issues as non-financial indicators for the evaluation of executive compensation (performance-linked remuneration). By strengthening ESG management while applying the PDCA cycle to initiatives for material issues, we will work to enhance our corporate value over the medium to long term while contributing to solving social issues.



Identifying social issues and needs	Main business environment challenges and the associated risks and opportunities		Material issues	The value we create
	Risks	Opportunities		
Power resilience	- Stable operation of electric facilities - Being prepared for natural disasters - Protecting the local environment	- Facility accidents from natural disasters - Difficulty in procuring fuel (soaring resource prices, supply shortages, geopolitical risks)	- Investment in aging facilities - Investment in network facilities	 Supply of energy
Changes in the business environment	- Changes in the electric power business system - Changes in society's perception of nuclear power	- Revenue fluctuations due to changes in market value - Decreasing electric power sales volume - Delay in starting operations at Ohma Nuclear Power Plant	- Strengthening of our revenue and financial base - Overseas business development - Promotion of safe nuclear power generation business	 Response to climate change
Climate change	- Development of renewable energy - Pursuit of the possibility of CO₂-free hydrogen - CO₂ reduction, carbon capture and storage (CCS) promotion	- Earnings deterioration due to CO₂ emissions regulations - Difficulties in implementing CCS in society - Difficulties in securing suitable land for renewable energy	- Development of CO₂-free hydrogen - Development of CO₂-free power sources - Network enhancement	 Respect for people
Transition to a digital society	Digital transformation (DX), cybersecurity	- Cyber attacks - Delayed use of digital technologies	- Improvement of productivity by upgrading equipment maintenance - Strengthening of IT risk system, improvement of IT literacy	 Engagement with local communities
Domestic population decline, depopulation	- Human resource development - Regional revitalization	- Difficulty in maintaining technological capabilities - Fewer workers in rural areas	- Use of diverse human resources - Improvement of productivity through streamlining work	 Enhancement of our business foundation
Growing interest in ESG	- Corporate governance - Enforcement of compliance - Improved information disclosure	- Decline in reputation - Increased difficulty in raising funds	- Attracting ESG investment - Strengthening of governance - Strengthening of compliance	

The J-POWER Group's corporate philosophy states, "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." As such, the supply of energy is not only the Company's main goal but also the cornerstone for addressing a number of social issues.

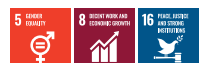
Energy supply and climate change response are social issues that cannot be taken into consideration separately in light of the growing global concern over climate change. The J-POWER Group aims to balance stable energy supply and response to climate change by leveraging its technological capabilities.

As the activities of the J-POWER Group are supported by our employees and other human resources, we will create an environment in which they can play an active role. We will also proactively address social issues related to people, including diversity and human rights.

Large-scale energy supply projects have an impact on local communities and the environment. They are only possible with the understanding of local residents. Therefore, we will work to preserve the local environment and build relationships of trust with local communities.

We will work to ensure corporate governance and compliance as we strengthen our earnings and financial base so that we can solve social issues and increase corporate value through our business activities.

Relevant SDGs



Create social value by solving social issues

Create corporate value over the medium to long term with a strong management foundation

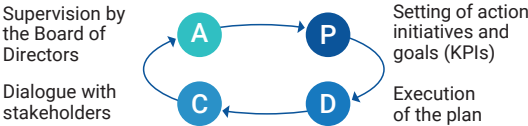
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Progress toward KPIs for Material Issues

Goals (KPIs) and FY2025 Progress

Goals (KPIs) for material issues and the progress made in FY2025 are presented on this page. Each fiscal year, we report the status of our goals to the Sustainability Promotion Board and the Board of Directors, and review the goals for following fiscal years as needed. We make a public announcement of the status of progress and use it for the dialogue with stakeholders to apply the PDCA cycle.

Reporting of results & PDCA cycle



Material issues	Action initiatives	Goals (KPIs)	FY2025 results	FY2025 evaluation/reference																																				
 Supply of energy	Stable operation of electric facilities	Electric power sales volume: Achieve the initial fiscal year forecasts	<table><thead><tr><th></th><th>Initial fiscal year forecasts*¹</th><th>Results</th><th>Achievement rate</th></tr></thead><tbody><tr><td>Hydroelectric</td><td>9.3 billion kWh</td><td>8.3 billion kWh</td><td>89%</td></tr><tr><td>Thermal</td><td>41.6 billion kWh</td><td>41.8 billion kWh</td><td>100%</td></tr><tr><td>Wind</td><td>1.3 billion kWh</td><td>1.3 billion kWh</td><td>100%</td></tr><tr><td>Geothermal, solar</td><td>0.1 billion kWh</td><td>0.1 billion kWh</td><td>100%</td></tr><tr><td>Overseas business*²</td><td>17.0 billion kWh</td><td>14.4 billion kWh</td><td>85%</td></tr><tr><td>Subtotal ... ①</td><td>69.3 billion kWh</td><td>66.1 billion kWh</td><td>95% (Below KPI)</td></tr><tr><td>Other*³ ... ②</td><td>15.3 billion kWh</td><td>15.0 billion kWh</td><td>98%</td></tr><tr><td>Total (①+②)</td><td>84.6 billion kWh</td><td>81.1 billion kWh</td><td>96% (Below KPI)</td></tr></tbody></table> *Due to the fractions, totals do not add up.		Initial fiscal year forecasts* ¹	Results	Achievement rate	Hydroelectric	9.3 billion kWh	8.3 billion kWh	89%	Thermal	41.6 billion kWh	41.8 billion kWh	100%	Wind	1.3 billion kWh	1.3 billion kWh	100%	Geothermal, solar	0.1 billion kWh	0.1 billion kWh	100%	Overseas business* ²	17.0 billion kWh	14.4 billion kWh	85%	Subtotal ... ①	69.3 billion kWh	66.1 billion kWh	95% (Below KPI)	Other* ³ ... ②	15.3 billion kWh	15.0 billion kWh	98%	Total (①+②)	84.6 billion kWh	81.1 billion kWh	96% (Below KPI)	[Below KPI]  P.104
		Initial fiscal year forecasts* ¹	Results	Achievement rate																																				
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Preparation for and response to natural disasters	- Appropriately review BCP based on the latest knowledge - Expand facility measures and crisis management system (including education and training)	- Continued enhancing facility measures against earthquakes, tsunamis, etc. based on the new disaster prevention master plan, and developed measures against volcanic eruption risks and other hazards - Developed on-site teams to prepare for wide-area disasters based on response to Nankai Trough Earthquake Extra Information - Organized the crisis information communication routes to reconstruct a faster reporting structure	[Ongoing]  P.98																																					
Strengthening of cybersecurity	Achieve zero major security incidents	Achieved zero major security incidents	[Achieved]  P.99																																					
 Response to climate change	Reduction of greenhouse gases	Reduce CO₂ emissions from the domestic power generation business (compared to FY2013) Reduce 9.2 million tons by FY2025 Reduce 46% (22.5 million tons) by 2030	Achieved the FY2025 goal of reducing 9.2 million tons (Result) Reduced CO₂ emissions by 12.99 million t-CO₂ compared to FY2013 (Reference) CO₂ emissions in FY2025: 35.78 million tons	[Achieved]  P.60																																				
	Development of renewable energy	Increase electric power generated from domestic renewable energy by 4.0 billion kWh/year by FY2030 (compared to FY2022)	As of the end of FY2025: Increased by 0.632 billion kWh/year (compared to FY2022)* Supplementary information: Expected to increase by 1.9 billion kWh/year by the end of FY2030 (compared to FY2022)* *The amount of annual power generation expected to increase due to the completion of development, facility upgrade, and other reasons.	[Ongoing]  P.32-33																																				
	Steady promotion of the Ohma Nuclear Power Plant Project, with safety as a major prerequisite	Promote the CO₂-free Ohma Nuclear Power Plant Project on the basis of safety	Addressing the assessment of Ohma Nuclear Power Plant's adherence to the New Safety Standard for Nuclear Power Stations	[Ongoing]  P.35																																				
	Pursuit of the possibility of CO ₂ -free hydrogen	Promote green and blue hydrogen production and utilization technologies in Japan and overseas	(Green hydrogen) Considered the production and supply of hydrogen using domestic renewable energy sources. Considered a green hydrogen/ammonia production project overseas (Overseas blue hydrogen) Participated in a demonstration project to establish an international liquefied hydrogen supply chain in which hydrogen was produced through brown coal gasification in Victoria, Australia to export to Japan. Conducted a survey of electricity supply and demand involving the use of hydrogen based on the knowledge obtained from the project (Domestic blue hydrogen) Considering the GENESIS Matsushima Plan as CO₂-free hydrogen power generation through coal gasification and CCS. For CCS, conducting research and proceeding with design work under the "Advanced CCS Project," a JOGMEC public offering project. Advancing preparations for commercialization by proceeding with design work while considering the rationalization and cost reduction of CO₂ separation and capture facilities, with the aim of launching the CCS business in the early 2030s (Hydrogen power generation) Considered the introduction of hydrogen and ammonia-fueled gas turbines	[Ongoing]  P.36																																				

*1 Initial forecast of electric power sales volume (billion kWh) for FY2025 announced on May 9, 2025. Initial forecasts for FY2026 total 81.8 billion kWh: 8.8 billion kWh for hydroelectric; 43.6 billion kWh for thermal; 1.4 billion kWh for wind; 0.1 billion kWh for geothermal, solar; 15.6 billion kWh for overseas business; and 12.3 billion kWh for other (announced on May 12, 2026)

*2 Electric power sales volume of overseas consolidated subsidiaries (Electric power sales volume of equity method affiliates is not included.)

*3 Sales of electricity procured from the Japan Electric Power Exchange, etc.

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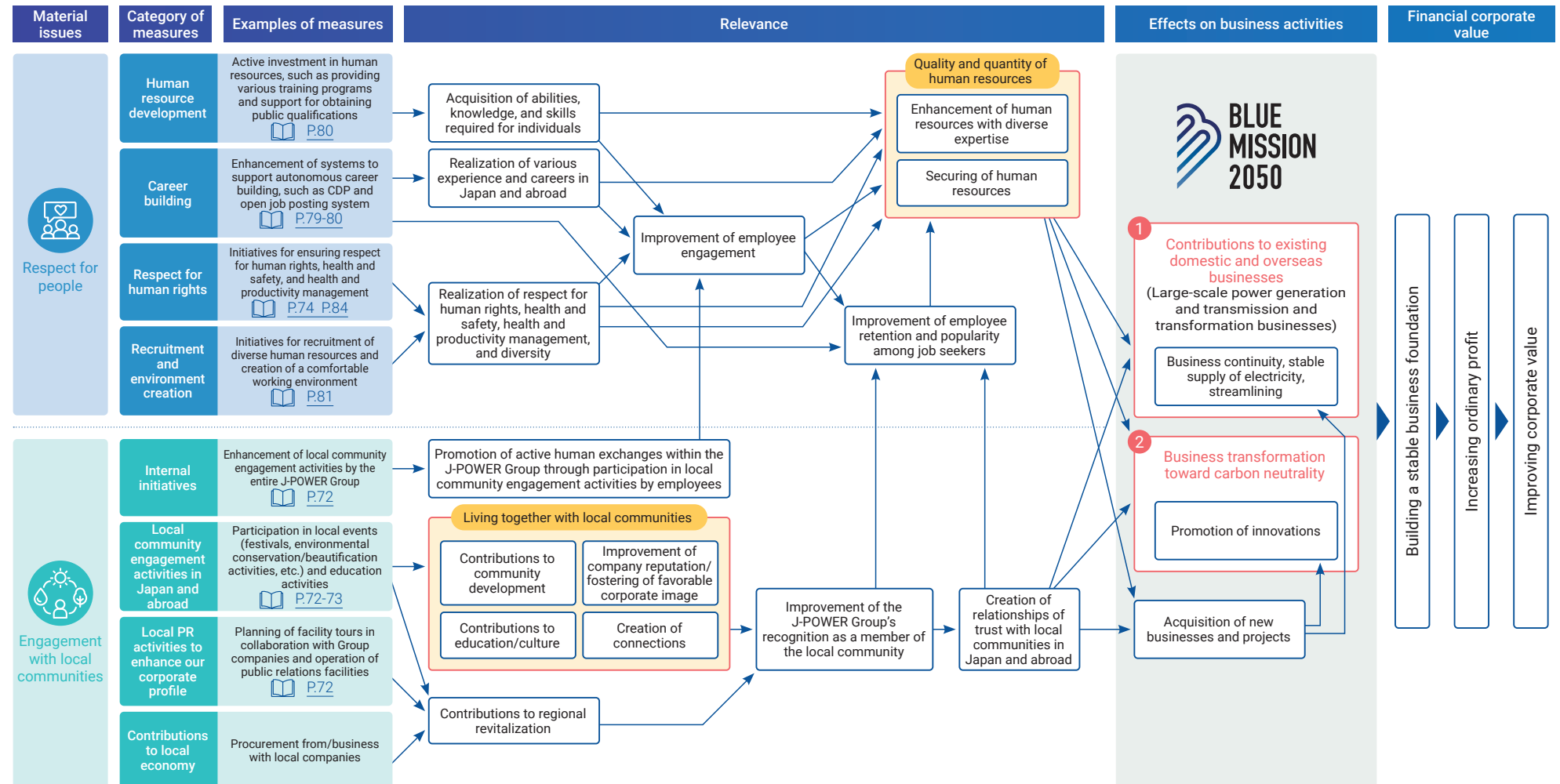
Progress toward KPIs for Material Issues

Material issues	Action initiatives	Goals (KPIs)	FY2025 results	FY2025 evaluation/reference
 Respect for people	Respect for human rights	Continue implementing initiatives, such as human rights due diligence and human rights training, based on the Basic Policy on Human Rights, to mitigate human rights risks	- Continued implementing human rights due diligence and human rights training - Engaged with suppliers, exchanged opinions with Group companies, and shared human rights risk information internally	[Ongoing]  P.74
	Human resource development	Foster human resources who can take on various management issues through the creation of a workplace that promotes continuous innovation	- Hours of training per employee.....36.7 hours/person (comparable to FY2024) - Training cost per employee¥287 thousand/person (comparable to FY2024)	[Ongoing]  P.78
	Assurance of occupational health and safety	- Eliminate major disasters (zero fatalities or serious injuries) - Maintain and improve high uptake rate of thorough medical check-ups (90% or more) *Until FY2025 - Achieve the engagement survey score equal to or higher than the previous fiscal year's score**	- Fatalities: 1, Serious injuries: 18 (Below KPI) - Percentage of people receiving medical check-ups: 93% (KPI achieved) - Engagement survey score: Comparable to FY2024 score (KPI achieved) Work engagement: 59.8 → 58.9 Employee engagement: 67.7 → 67.5	[Achieved except for one KPI]  P.82-84
		The KPI of "Maintain and improve high uptake rate of thorough medical check-ups" has changed as follows in FY2026: - Healthy weight: Increase from 60.2% to 65.2% or more in five years *Healthy weight: BMI of 18.5 to under 25 - Reduce the smoking rate: Decrease from 20.6% to 18% or less in five years	- Set the goal from FY2026 - Set the goal from FY2026	-
	Promotion of diversity	- Number of female employees in senior roles*: At least three times the number in FY2021 (24 employees) by 2030 - Appointment of foreign nationals to senior roles: Increase from FY2021 (147 employees) by 2030 in line with expanded overseas business - Number of mid-career hires among employees in senior roles*: At least 1.5 times the number in FY2021 (110 employees) by 2030 - Percentage of female employees among new hires*: 25% or more (average between FY2025 and FY2027) - Percentage of employees taking childcare leave*: 100%	- Number of female employees in senior roles.....42 (Ongoing) - Appointment of foreign nationals to senior roles 163 (Ongoing) - Number of mid-career hires among employees in senior roles 152 (Ongoing) - Percentage of female employees among new hires FY2025: 22% (Ongoing) - Percentage of employees taking childcare leave 100% (KPI achieved)	[Ongoing (some KPIs achieved)]  P.80
 Engagement with local communities	Preservation of local environment	- Achieve zero serious violations of environmental laws and agreements - Achieve effective utilization rate of industrial waste: Approx. 97%	- Number of serious violations of environmental laws and agreements: 0 (KPI achieved) - Effective utilization rate of industrial waste: 94% (KPI almost achieved)	[Achieved] Despite a decrease from FY2024 in the effective utilization of coal ash for the domestic cement sector, results comparable to FY2024 were maintained by expanding the customer base and through other measures.  P.70
	Creation of relationships of trust with local communities	Actively participate in local contribution activities	- Number of activities: 1,128 (FY2024: 1,039) 9,166 J-POWER Group employee participants in total (FY2024: 9,381). The activities include tree thinning and planting, environmental beautification, cleanup activities, visiting lectures, accepting facility tours, taking part in dialogues with communities and participation in local events, providing financial support, and conducting patrols for traffic safety.	[Ongoing]  P.72
 Enhancement of our business foundation	Enforcement of corporate governance	Make continuous efforts to identify issues and improve them through annual evaluation of the effectiveness of the Board of Directors	- Held intensive opinion exchange meetings and opinion exchange meetings by non-executive directors to discuss J-POWER's future vision and important management issues - Improved and confirmed progress on the list of findings identified by the Board of Directors, etc.	[Ongoing]  P.90
	Enforcement of compliance	Strengthen efforts by the J-POWER Group Compliance Action Committee through compliance activity reports, understanding the issues, and case analysis	- Held discussion meetings where executives and employees (from local operating units in and outside Japan and headquarters) directly communicated with each other - Shared information on tax laws and the Act on Proper Transactions with Small and Medium-Sized Entrusted Business Operators (formerly the Subcontract Act) with relevant personnel and provided various compliance training programs, including lectures by attorneys - Conducted investigations and analyses of serious misconduct cases and identified company-wide issues	[Ongoing]  P.95
	Strengthening of our revenue and financial base	FY2026 - Consolidated ordinary profit: Approx. ¥90 billion - ROE: Approx. 5%; Performing assets ROIC: Approx. 3.5%	- Consolidated ordinary profit: ¥158.5 billion - ROE: 4.3%; Performing assets ROIC: 4.5%	[Ongoing]  P.38 P.41

*4 Employees enrolled in J-POWER (excluding some on secondment)

Value Relevance Analysis (Visualization of Non-Financial Value)

In this section, we have developed a hypothesis as to how our material issues related to employees and other human resources, namely, respect for people and engagement with local communities, lead to improving financial corporate value, and visualized the relationship. The J-POWER Group is engaged in energy supply operations using large-scale power generation and transmission and transformation facilities. We believe that it is our human resources who are responsible for the appropriate operation of these facilities and engagement with local communities. For respect for people, employees enhance their expertise by pursuing diverse career paths and gaining experience, thereby assuring the quality and quantity of human resources. This leads to the stable operation of our facilities, contributions to existing businesses, and business transformation toward carbon neutrality. For engagement with local communities, our efforts to build relationships of trust with local communities and stakeholders through local community engagement activities in Japan and abroad have led to the smooth continuation of our existing businesses and the acquisition of new businesses. Through this analysis, we have also identified that the two material issues are interrelated, and that engagement with local communities contributes to the improvement of employee engagement and the assurance of the quality and quantity of human resources. The Group will continue to operate our business with an emphasis on human resources and engagement with local communities.



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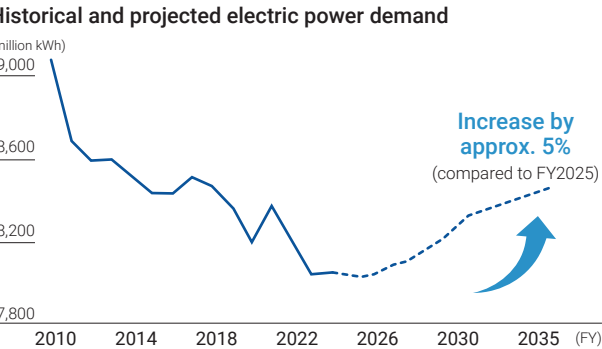
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Environment Surrounding the Domestic Electric Power Business

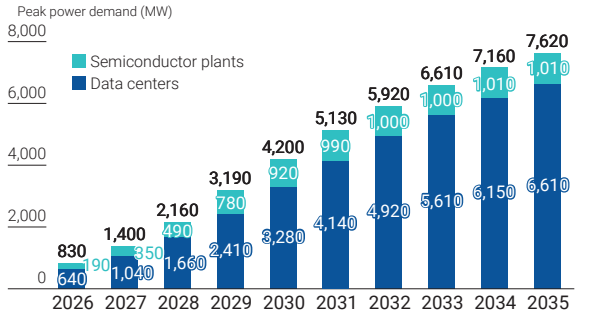
Electric Power Demand in Japan: From a Period of Stagnation to a Growth Phase

Electric power consumption in Japan has expanded over the long term, driven by the country's postwar economic growth, industrial development, advances in information technology, and increasingly sophisticated lifestyles. However, following the Great East Japan Earthquake in 2011, electricity demand entered a downward trend due to the widespread adoption of energy conservation measures and population decline associated with Japan's aging society and declining birthrate. Accordingly, future demand was also expected to remain stagnant or decline.

In recent years, however, the demand forecast released by the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO) has indicated that electricity demand, particularly in the industrial sector, is expected to shift to a growth trajectory, driven by the construction and expansion of semiconductor plants and data centers.



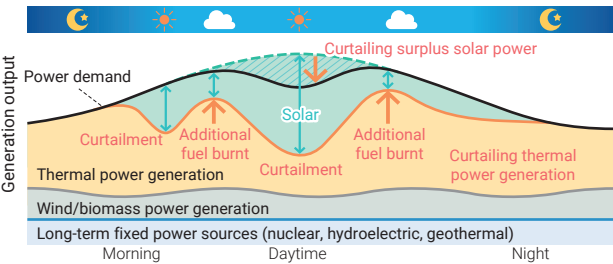
Projected demand from the construction and expansion of data centers and semiconductor plants



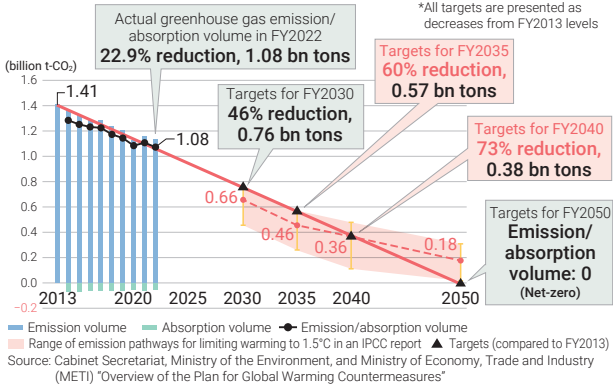
Power Supply in Japan: Changes in the Supply Structure and the Transition to Decarbonization

In Japan, power supply has traditionally relied on coal-fired thermal power, nuclear power, and general hydroelectric power, which can provide stable around-the-clock operation at relatively low generation costs, to serve as baseload power sources that supply the level of electricity required at all times. In contrast, LNG-fired thermal power, oil-fired thermal power, and pumped storage hydroelectric power generation, which can adjust their output in response to fluctuations in electricity demand, have served as intermediate-load and peak-load power sources by balancing electricity supply and demand.

In recent years, as renewable energy has come to account for a growing share of Japan's power supply due to its large-scale deployment, thermal power sources, including coal-fired thermal power, have operated as intermediate-load power sources with adjustment capability during periods when renewable energy output declines, such as during unfavorable weather conditions and at night, thereby playing a vital role in ensuring a stable supply of electricity in Japan.

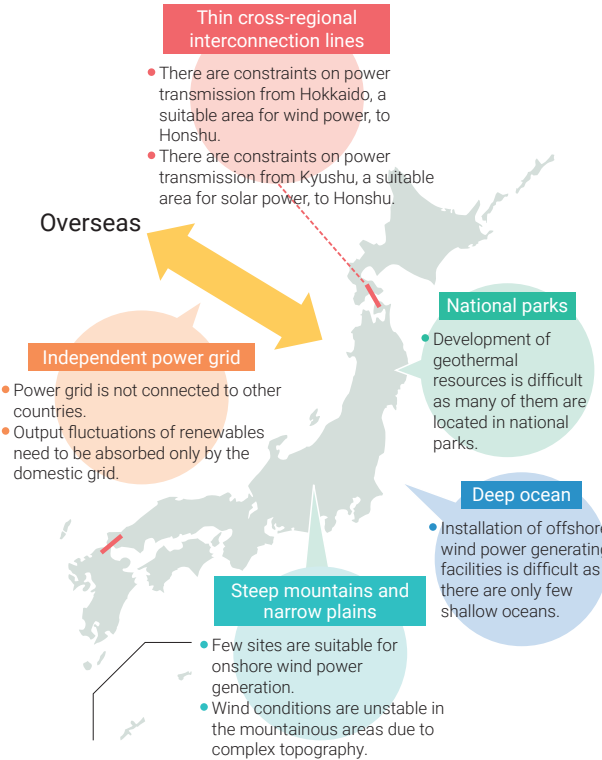


Against this backdrop, in February 2025, Japan submitted its new Nationally Determined Contribution (NDC) to the United Nations, setting an ambitious target consistent with the global 1.5°C target and aimed at achieving carbon neutrality by 2050.



To achieve a carbon-neutral society by 2050, future thermal power sources are required to gradually transition to zero CO₂-emission thermal power. As part of this initiative, the government has set out a policy to promote the phase-out of inefficient coal-fired thermal power generation facilities with supercritical (SC) or lower conditions by 2030.

Meanwhile, although Japan's policy is to maximize the deployment of renewable energy as a primary power source, its geographic characteristics—including a limited extent of shallow coastal waters and predominantly mountainous terrain—pose constraints on the siting of renewable energy facilities. Accordingly, the early development of promising sites, based on the understanding of local communities, and the effective use of existing facilities will be key to expanding renewable energy. Offshore wind power, which is expected to be a large-scale, stable power source, has limited development potential in the near term partly due to capacity constraints in the power grid that connects promising sites with large demand areas.



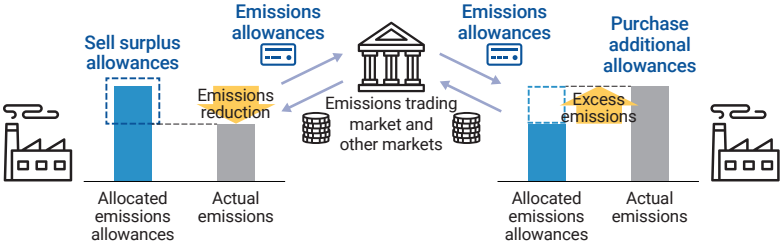
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Trends in Policies to Achieve Carbon Neutrality

In Japan, policies aimed at achieving both decarbonization and industrial competitiveness have been gaining momentum toward the realization of carbon neutrality by 2050. Against this backdrop, under the framework of Japan's green transition (GX) policy, the emissions trading system (GX-ETS) and the Long-Term Decarbonization Power Source Auction have been introduced and developed as market-based mechanisms to promote investment in decarbonization. These mechanisms are designed to provide incentives for reducing greenhouse gas emissions while enhancing medium- to long-term business predictability for investments in decarbonized power sources. Accordingly, both mechanisms are expected to have a significant impact on the business environment and revenue opportunities of electric utility companies.

Overview of the GX-ETS

GX-ETS will be fully implemented from FY2026 for businesses with average direct CO₂ emissions of 100,000 tons or more over the three fiscal years from FY2023 to FY2025. Under the scheme, the government allocates emissions allowances to covered entities based on specified criteria, and they are required to hold emissions allowances equivalent to their actual emissions each fiscal year. Covered entities may trade emissions allowances in the emissions trading market and other markets to address any surplus or shortfall in their emissions allowances.



Source: Ministry of Economy, Trade and Industry (METI), "Overview of the Emissions Trading System"

The allocation of emissions allowances to the power generation sector under the GX-ETS is designed to be reviewed on a phased basis. For FY2026 through FY2028, emissions allowances will be allocated based on emissions intensity benchmarks established for each fuel type (coal, LNG, oil, etc.) From FY2029 onward, the fuel type-specific emissions intensity benchmarks will be gradually combined with the average emissions intensity for all thermal power generation.

Allocation formula

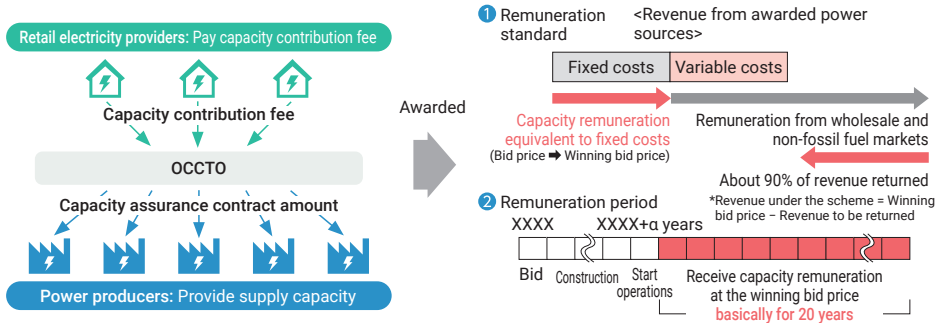
Allocation = Baseline activity level (average electricity generation over FY2023–FY2025) × Target emissions intensity (Power generation BM level)
Power generation BM level = All-thermal BM level × α% + Fuel-specific BM level × (100 – α)%

All-thermal BM level: Weighted average of the fuel-specific BM levels based on the power generation share of each fuel type
Fuel-specific BM level: top x%* of power producers' fuel-specific BM indicators
*Linearly reduced from the base-year level (equivalent to the top 50%) to the FY2030 level (equivalent to the top 32.5%)

FY	2026	2027	2028	2029	2030
α	0	0	0	20	40

Overview of Long-Term Decarbonization Power Source Auction

The Long-Term Decarbonization Power Source Auction was introduced against the backdrop of uncertainty over investment recovery for power sources requiring substantial upfront investment, such as renewable energy and nuclear power, as efforts to decarbonize the power sector progress. The scheme is expected to facilitate the transition of the future power supply mix while promoting both the expansion of decarbonized power sources and a stable power supply by enhancing long-term revenue visibility. Under the scheme, capacity contribution fee paid by retailers are used as the funding source to secure, in principle for 20 years, capacity remuneration equivalent to fixed costs for awarded power sources, thereby enhancing the long-term predictability of return on investment.



Source: Partially compiled from the Agency for Natural Resources and Energy, "Long-Term Decarbonization Power Source Auction"

Capital Cost Level Reflected in the Bid Price

Under the Long-Term Decarbonization Power Source Auction, the bid price is calculated based on the total fixed costs, including construction costs and operation and maintenance costs. In addition, bidders are permitted to incorporate the expected capital cost into the bid price, taking into account the long-term investment risks. The capital cost that may be incorporated into the bid price is specified for each power source according to its construction period and associated risks. For example, a pre-tax WACC of 5% is applied to solar, wind, and geothermal power projects that have not yet completed environmental impact assessments, while a pre-tax WACC of 6% is applied to nuclear power and hydroelectric power projects that have not yet completed environmental impact assessments.

Response to Inflation and Fixed Cost Increases

Because the scheme is based on long-term revenue over a period of 20 years in principle, it includes a mechanism under which the contract price is adjusted annually in line with a price index throughout the contract period to mitigate the decline in the real value of revenue due to inflation and ensure the predictability of fixed cost recovery.
In addition, for the construction or replacement of large-scale power sources with long construction lead times, even if additional costs arise due to regulatory compliance or other factors, such costs may be reflected in the contract price, up to 1.5 times the winning bid price. The scheme is therefore designed with due consideration for the certainty of long-term investment recovery.

Environment Surrounding the Domestic Electric Power Business
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J-POWER “BLUE MISSION 2050”

See P.32–P.37 for details of each initiative.

Three Action Plans

J-POWER “BLUE MISSION 2050” is a long-term strategy and roadmap for the J-POWER Group. We will advance the transition into a carbon neutral and hydrogen society, while solving social issues by stages concerning each of the three pillars of expansion of CO₂-free power sources, push for zero-emission power sources, and power network stabilization and enhancement.

Expansion of CO ₂ -free power sources
• Further expansion of renewable energy • Steady promotion of nuclear power generation
Push for zero-emission power sources
• Conversion from thermal power generation to CO₂-free hydrogen power generation • Production and supply of CO₂-free hydrogen • CCS
Power network stabilization and enhancement
• Stabilizing power network • Power network enhancement

Acceleration and Upcycling

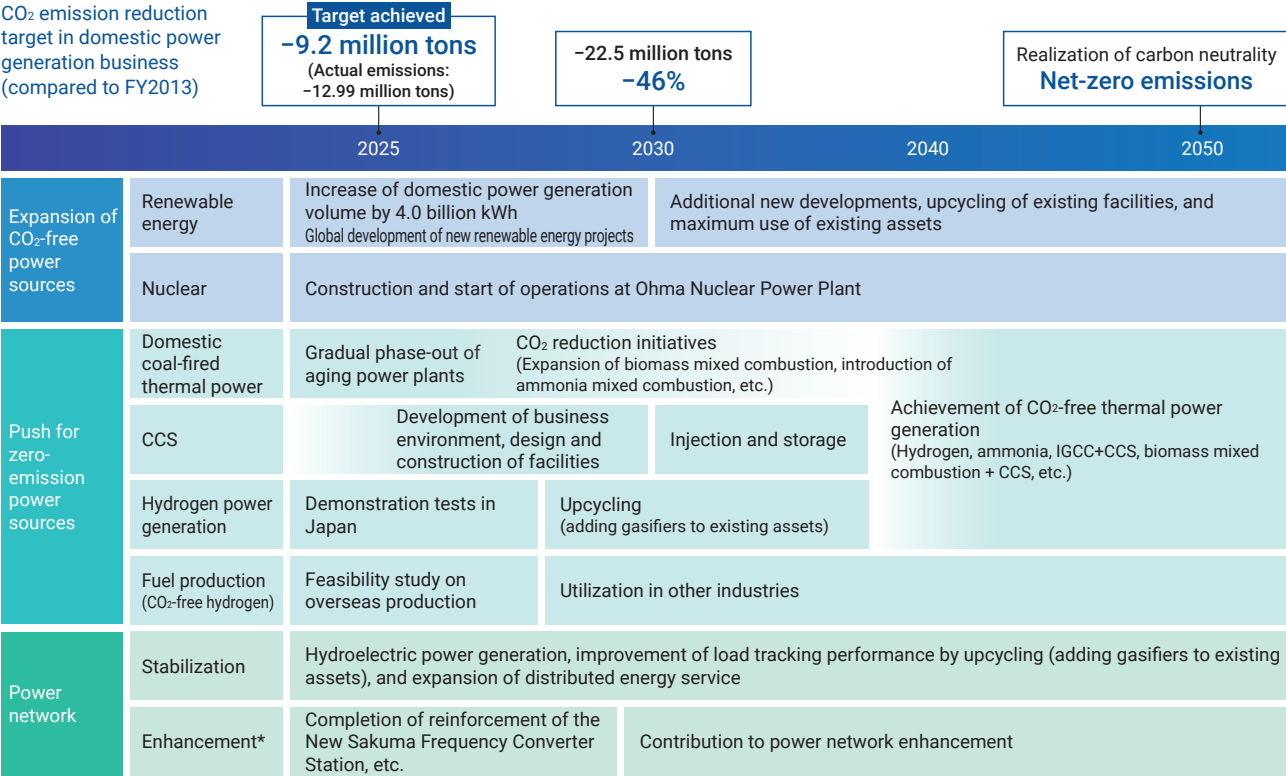
We have set acceleration and upcycling as our priorities for implementation. Regarding acceleration, in addition to developing new renewable energies, we will also accelerate the expansion of renewable energy throughout Japan by providing power balancing capabilities through technologies such as hydrogen power generation, and by enhancing the power network. Upcycling refers to the transformation of existing management resources into high value-added assets through the application of new technologies. Specific initiatives include replacing hydroelectric and wind power facilities and introducing hydrogen, ammonia, and CCS technologies at thermal power plants.

Roadmap and CO₂ Emissions Reduction Targets

As part of the short- and long-term goals toward achieving carbon neutrality by 2050, we have set goals for eliminating CO₂ emissions from the Group's domestic power generation business* by FY2025 and 2030.

This roadmap 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.

*Emissions from the J-POWER Group's domestic power generation business, which are covered by emissions reduction targets, account for approximately 80% of the Scope 1 emissions.
*Expansion of renewable energies and operation of Ohma Nuclear Power Plant do not directly contribute to the reduction of the Group's CO₂ emissions from thermal power plants, but they do contribute to reducing emissions intensity, as well as CO₂ reductions at power generators and consumers, who are our customers.



*The power network enhancement is to be implemented by J-POWER Transmission Network Co., Ltd.

Environment Surrounding the Domestic Electric Power Business

Trends in Policies to Achieve Carbon Neutrality

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» Medium-Term Management Plan 2024–2026

Initiatives for Carbon Neutrality

Financial Initiatives

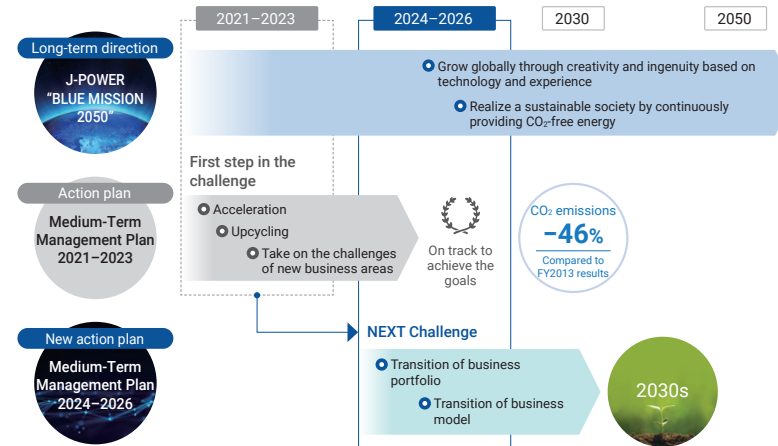
Financial and Non-Financial Highlights

Promotion of DX

Technology Development & Intellectual Property/Promotion of Innovations

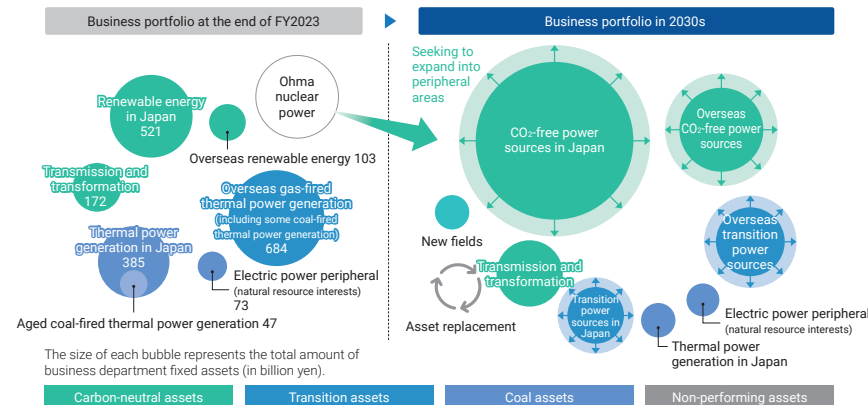
Medium-Term Management Plan 2024–2026

In pursuit of achieving carbon neutrality under J-POWER "BLUE MISSION 2050," we are implementing the Medium-Term Management Plan 2024–2026 "Next Challenge," which serves as the next step following the Medium-Term Management Plan 2021–2023 as the first step in the challenge. Based on our vision for the 2030s, we are steadily pursuing the transition of our business portfolio and business model.



Vision for the Business Portfolio in the 2030s

The J-POWER Group is aiming to transform our business portfolio while remaining conscious of capital efficiency so that in the 2030s, our business in Japan and overseas will be centered on carbon neutral assets. We will work to replace assets by developing renewable energies and nuclear power from Ohma Nuclear Power Plant, while transitioning our thermal power business in Japan to CO₂-free thermal. We will also explore expansion into peripheral business areas in order to meet diverse needs related to the electric power business in a way that is not limited to electricity supply and asset ownership.



Direction for Thermal Power Transition

We will phase out inefficient coal-fired power plants and select the most appropriate replacement technology, including biomass, hydrogen, ammonia, or CCS, based on factors such as the characteristics of each site and the status of equipment. In this way we will contribute to the stable supply of electricity while reducing CO₂ emissions.

Power plant	Unit	Image of transition	Power plant	Unit	Image of transition
Isogo	1	Hydrogen	Matsushima	1	Discontinued at the end of FY2024
	2	Hydrogen		2	Addition of gasifier IGCC+CCS
Takasago	1	To be discontinued at the end of FY2028	Matsuura	1	To be suspended/discontinued or maintained as standby power sources
	2	To be discontinued at the end of FY2028		2	Ammonia/CCS
Takehara	1	Expansion of biomass mixed combustion + CCS	Ishikawa	1	IGCC+CCS
	3	To be suspended/discontinued or maintained as standby power sources		2	IGCC+CCS
Tachibanawan	1	Ammonia mixed combustion	Kashima	2	Hydrogen/Ammonia
	2	Ammonia mixed combustion			
		2030 2035			2030 2035
Coal assets			Transition assets		
			Carbon-neutral assets		

*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.

Priority Items

Under the Medium-Term Management Plan 2024–2026, we will advance initiatives based on five priority items that will guide our business portfolio and business model transitions.

1 Establishment and growth of sustainable revenue streams

Renewable energy [P.32](#)
Overseas business [P.19](#)

2 Strategies for business portfolio in the 2030s

Hydrogen/ammonia [P.36](#)
Transmission and transformation [P.18](#)
Nuclear [P.34](#) Promotion of Innovations [P.45](#)

3 Improvement of profitability and investment efficiency

Department management and investment efficiency
[P.38](#) [P.59](#)

4 Enhancement of the Group's competitiveness

Human resources [P.78](#) DX [P.43](#)

5 Deepening of ESG management

Sustainability management [P.21](#)

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

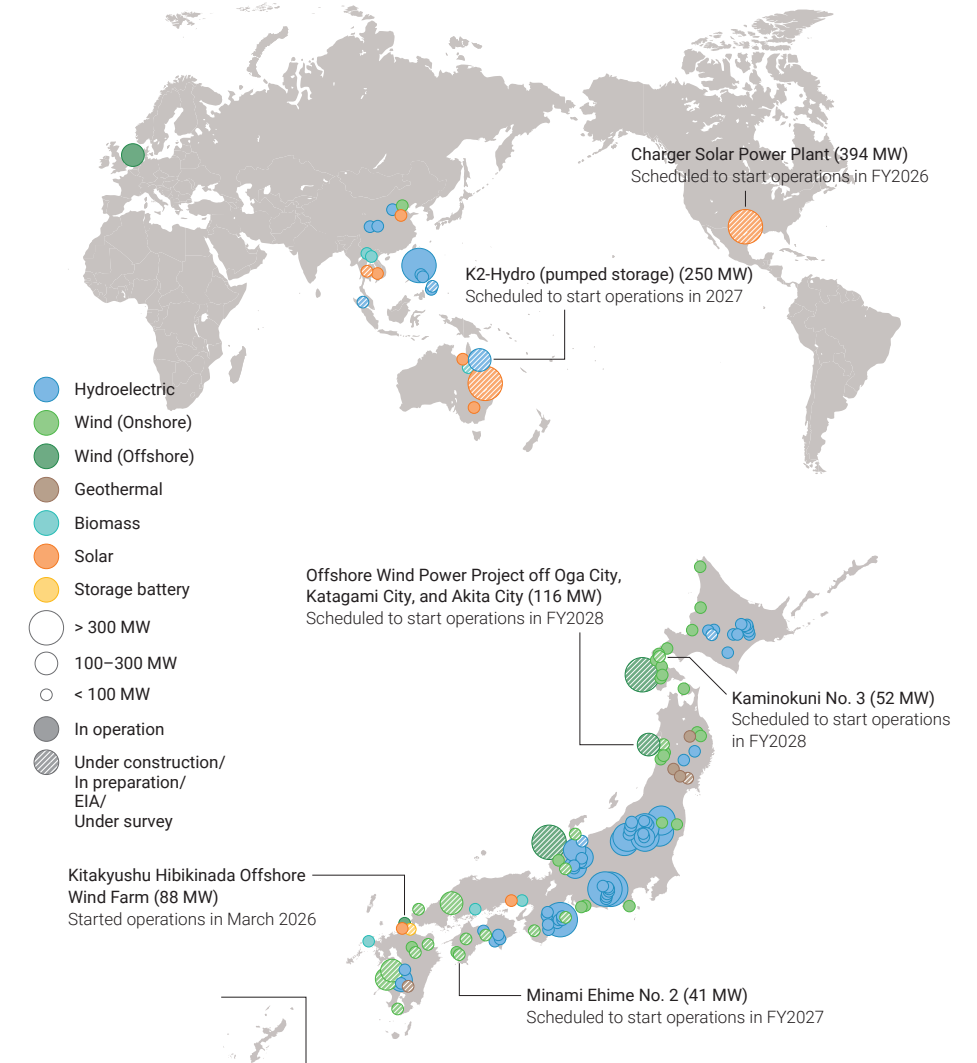


Kaminokuni Wind Farm



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

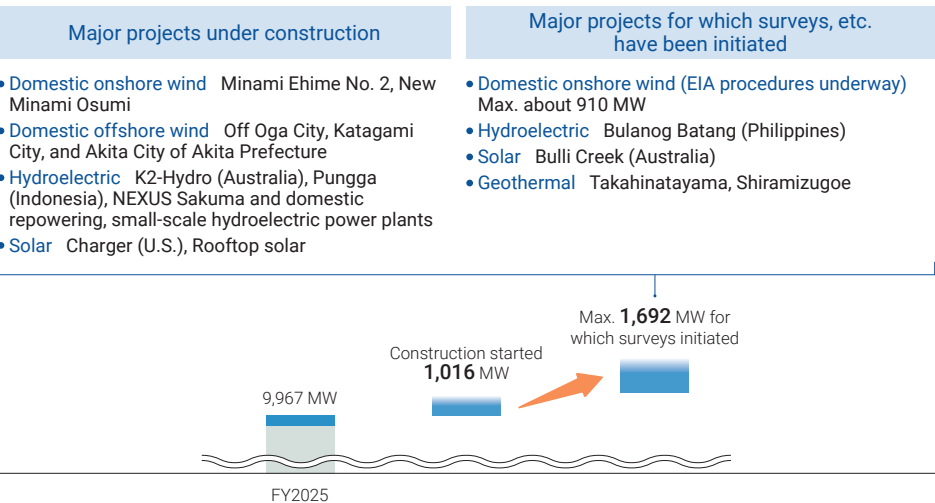
Development of Renewable Energy

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

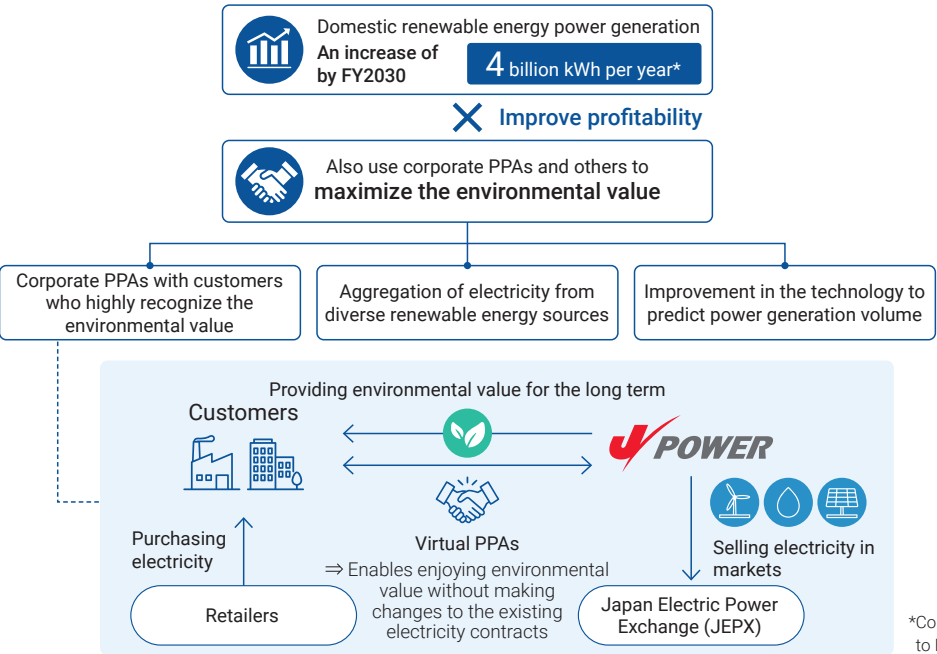


Diversification of Sales Methods and Development of Related Businesses

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

Push for Zero-Emission Power Sources

Thermal Power Transition Strategy

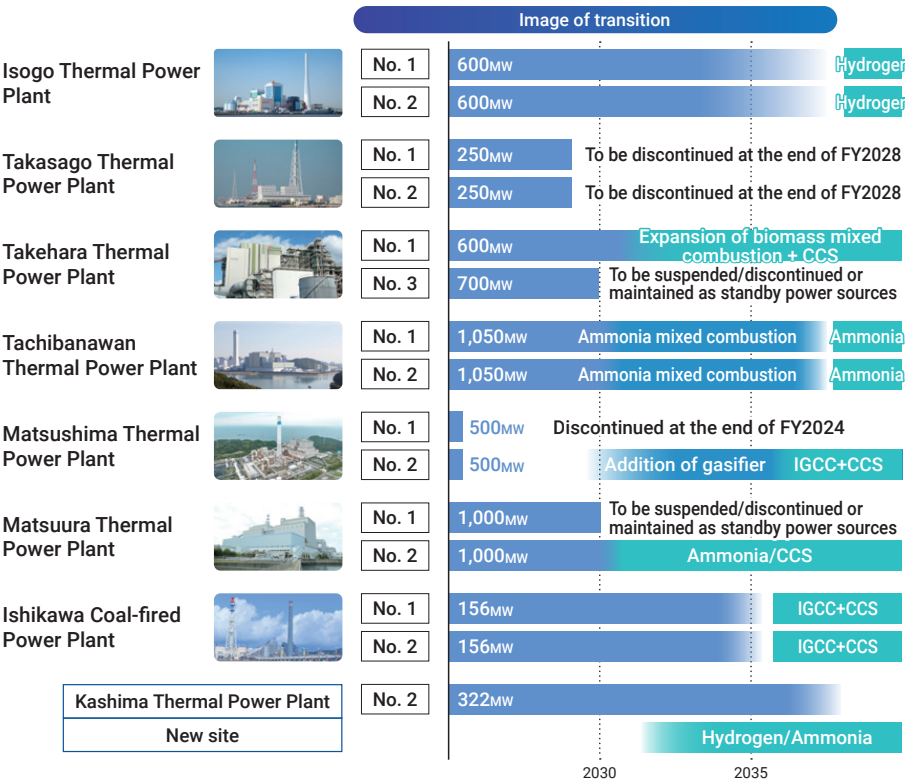
In order to achieve both stable power supply and carbon neutrality in Japan, it is necessary to utilize thermal power sources that can provide supply regulation, in addition to renewable energy and nuclear power, while reducing or eliminating their carbon content.

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.

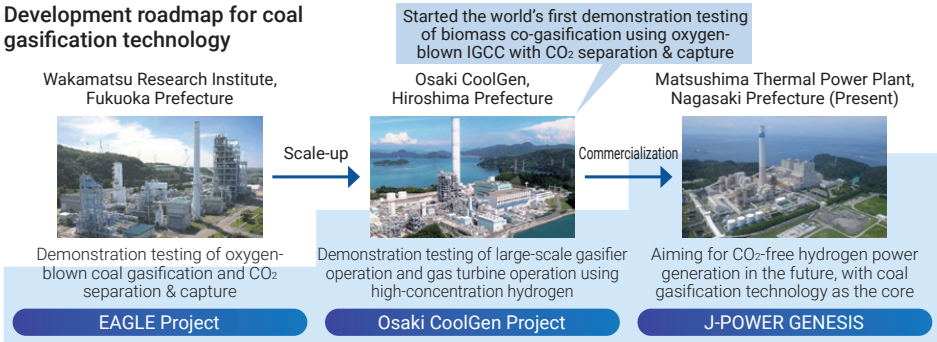
[P.31 Medium-Term Management Plan](#)

[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



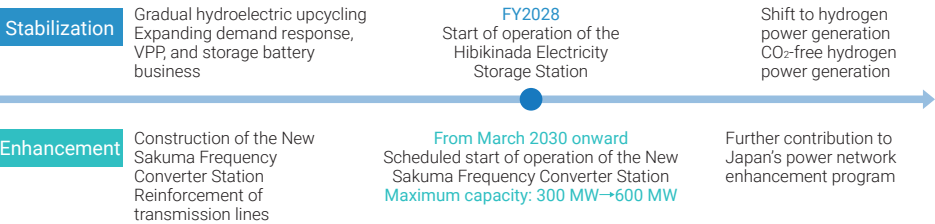
Initiatives for Carbon Neutrality

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.

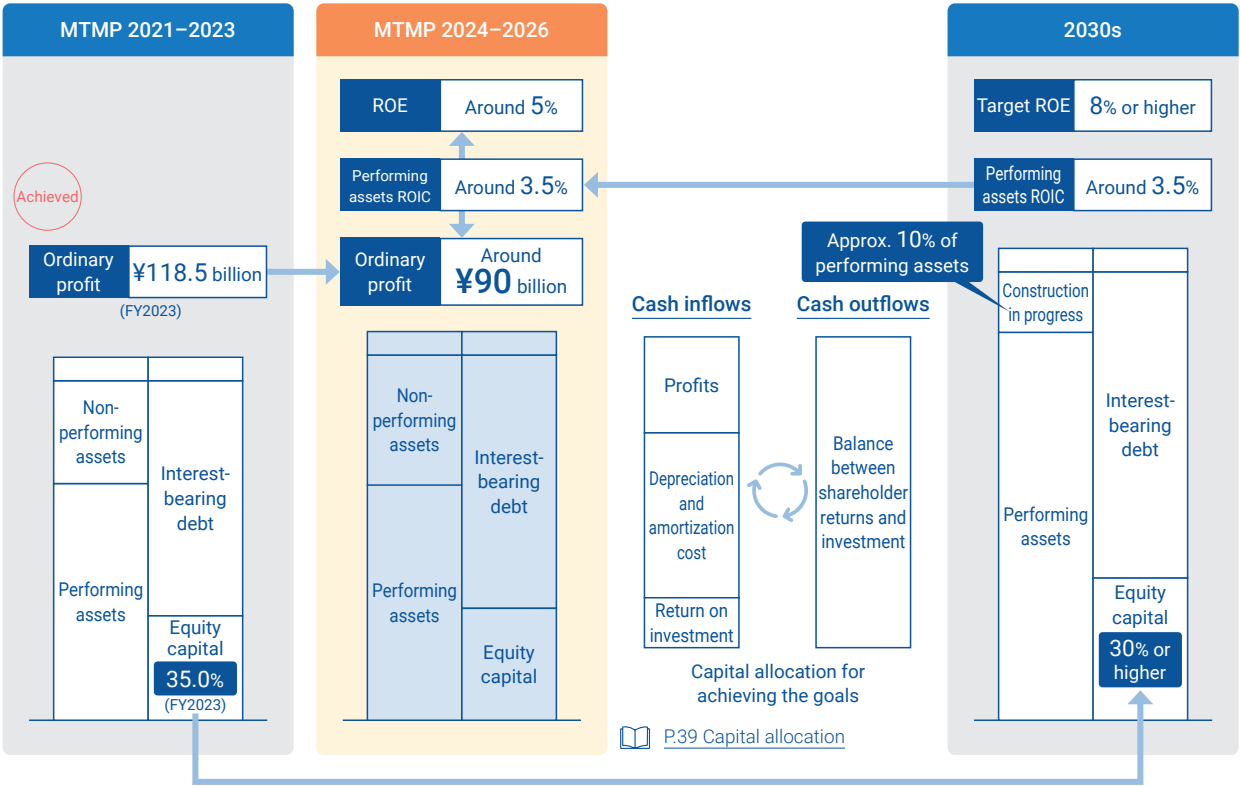
Overview of the cross-regional interconnection facilities connecting Hokkaido and Honshu (the Japan Sea route)	
Estimated construction cost*1	¥1.5–1.8 trillion
Estimated construction period*1	About 6 to 10 years
Major operating entities	Hokkaido Electric Power Network, Tohoku Electric Power Network, 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.

Financial Initiatives

Management Goals

- While the impact of climate change response on our business performance is unavoidable to a certain extent, we have set a future ROE target of 8% or higher.
- Based on the earnings forecasts for FY2026 announced on May 12, 2026, we expect to achieve the targets set out in the Medium-Term Management Plan 2024–2026 of approximately ¥90 billion in ordinary profit and an ROE of around 5%.



Performing assets ROIC =
$$\frac{\text{NOPAT} + \text{Investment gain (loss) on equity method}}{\text{Interest-bearing debt} + \text{Shareholders' equity} - \text{Non-performing assets}}$$

*1 NOPAT includes non-operating income/loss and extraordinary income/loss which can be directly charged to business departments.
*2 Non-performing assets = Construction in progress + Nuclear fuel, etc.

In the Medium-Term Management Plan ("MTMP") 2024–2026, we have set a management goal to achieve an ROE of 8% or higher in the 2030s, after the start of operation of the Ohma Nuclear Power Plant.

The ratio of non-performing assets to performing assets (non-performing asset ratio) is expected to drop from the current 30% level to around 10% once the business portfolio transition, including operational start-up of the Ohma Nuclear Power Plant, will have made a certain progress. With this level of non-performing asset ratio, the ROIC of performing assets needed to achieve an ROE of 8% or higher is calculated to be around 3.5%.

Currently, electricity market prices are highly volatile due to resource price fluctuations and the massive introduction of renewable energy. Even under such circumstances, to achieve a performing assets ROIC of 3.5%, which is required in the 2030s, we have set target levels of ordinary profit and ROE for FY2026 at about ¥90 billion and 5%, respectively, as targets for the period covered by the MTMP.

According to the earnings forecasts for FY2026 announced on May 12, 2026, ordinary profit is expected to reach ¥125 billion, exceeding the target of approximately ¥90 billion. Furthermore, based on the same earnings forecasts, we also expect to achieve the target ROE of around 5%.

We are not yet planning any significant reduction of equity capital, which is the denominator of ROE, because it is still difficult to foresee the absolute amounts of risk buffer and appropriate equity capital required for the Ohma nuclear power and thermal power transition at this stage. Meanwhile, we consider the equity ratio can be adjusted to about 30% as the required risk buffer is expected to decrease in the 2030s, when the aforementioned business portfolio transition will have made certain progress.

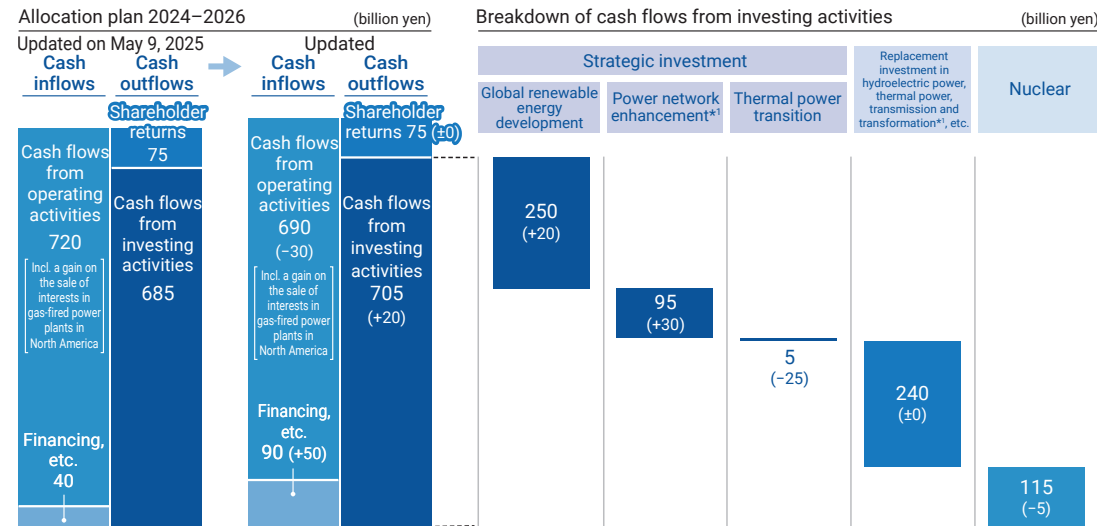
Under the MTMP 2024–2026, we will promote the transformation of our business and profit structure toward the 2030s, while practicing management that is conscious of capital efficiency.

Financial Initiatives

Capital Allocation and Shareholder Returns

- ✓ We disclosed an update to the capital allocation plan on May 12, 2026.
- ✓ Given our expectation of achieving the management goals set out in the Medium-Term Management Plan 2024–2026, we plan to increase the annual dividend for FY2026 by ¥5 to ¥105 per share.

Capital allocation



*1 The transmission and transformation business is handled by J-POWER Transmission Network Co., Ltd.

We have updated the capital allocation plan for FY2024–2026 in light of the financial results for FY2025 and progress of investment.

We have updated the plan to reflect the progress of our global renewable energy investments, including the Charger Solar Power Project in the United States, as well as investments in power network reinforcement and the thermal power transition. For nuclear power, while full-scale safety enhancement work for the Ohma Nuclear Power Plant will commence after completion of the conformity review, the plan includes engineering costs and preparatory expenses for the full-scale construction work.

We are considering financing funds in excess of operating cash flows by using the Green/Transition Finance Framework.

Shareholder returns

Shareholder return policy

In May 2025, we updated our shareholder return policy by introducing a total payout ratio, in addition to our previous policy of providing stable dividends, enabling us to maintain stable dividends while implementing flexible shareholder returns.

Basic approach to shareholder returns

Strive to enhance stable and continuous return with 30% total payout ratio as a guide, taking into consideration the profit level, earnings estimates, and financial conditions, etc.

+

During the period of the MTMP 2024–2026, the minimum dividend is ¥100 per share.

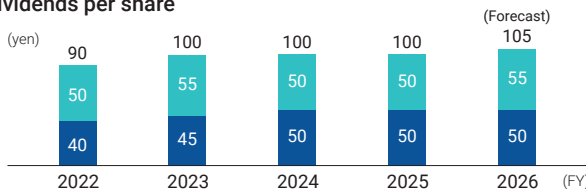
Share buyback

Based on the above shareholder return policy, we decided in May 2025 to repurchase ¥20.0 billion of treasury shares. Reflecting stronger-than-expected financial results for FY2024 and the earnings forecasts for FY2025, we brought forward our decision on additional shareholder returns for the cumulative three-year period from FY2024 to FY2026 and completed the treasury share repurchase within FY2025.

Dividend increase

For FY2026, given our expectation of achieving the management goals set out in the Medium-Term Management Plan 2024–2026, we plan to increase the annual dividend by ¥5 to ¥105 per share.

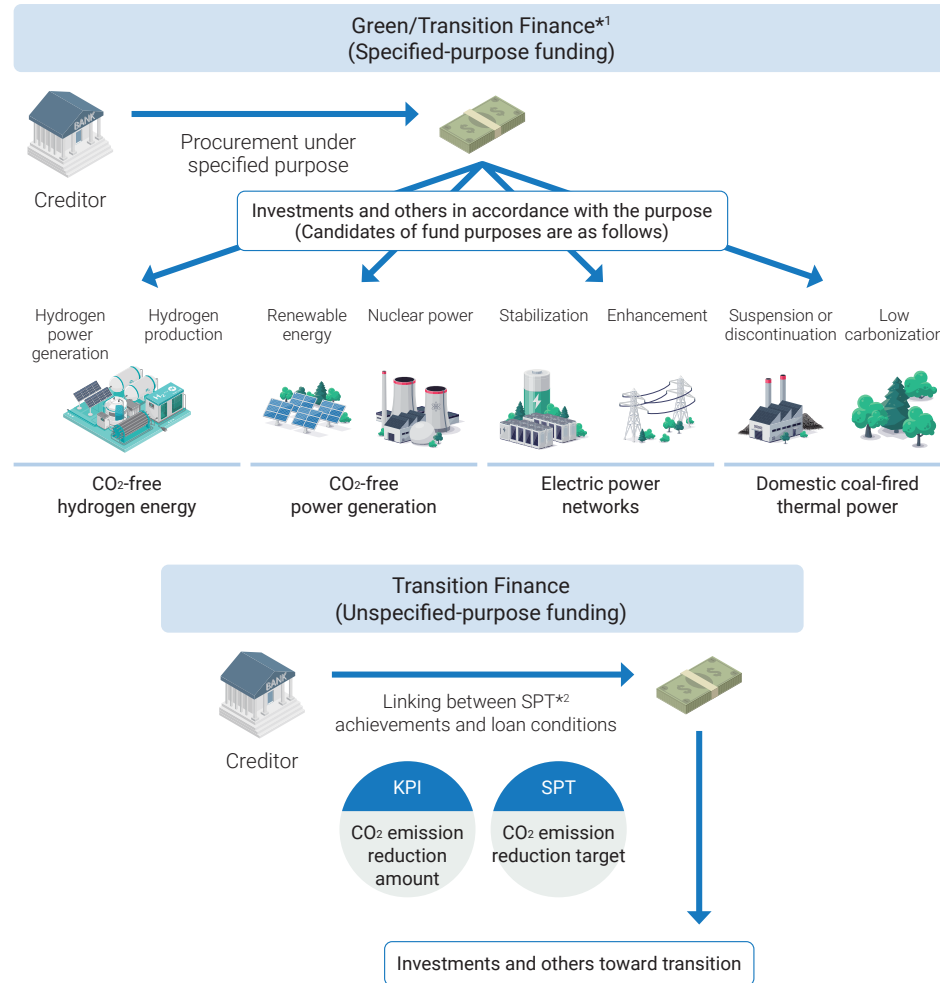
Trend in dividends per share



Financial Initiatives

Diversifying Methods of Fundraising toward Transition

We have formulated a new framework called "Green/Transition Finance Framework" for fundraising toward transition to a carbon-neutral society. This framework has been evaluated for its eligibility to various finance standards by a third-party evaluation organization called DNV BUSINESS ASSURANCE JAPAN.



*1 Green Finance only applies to those accepted as eligible green projects.

*2 An abbreviation of Sustainability Performance Target, representing a target that should be achieved to fulfill KPI

Examples of transition-linked loan financing

Date borrowed	Sep. 29, 2023	Sep. 29, 2023	Feb. 29, 2024
Borrowed amount of money	¥10.0 billion	¥10.0 billion	¥10.0 billion
Borrowing period	7 years	10 years	7 years
Creditor	Domestic financial institutions (joint financing)	Domestic financial institutions (joint financing)	Domestic financial institutions (joint financing)

Name and issue number of corporate bonds	The 93rd issuance of unsecured corporate bonds of J-POWER (with inter-bond pari-passu clause) (Green Bond)
Maturity period	10 years
Amount issued	¥16.5 billion
Interest rate	2.015%/year
Issue price	¥100 per face value of ¥100
Date issued	Aug. 14, 2025

The fund-purpose, reporting, and environmental improvement effects related to Green Bonds issued in the past are posted on the Company's website:

<https://www.jpower.co.jp/sustainability/finance/> (available only in Japanese)

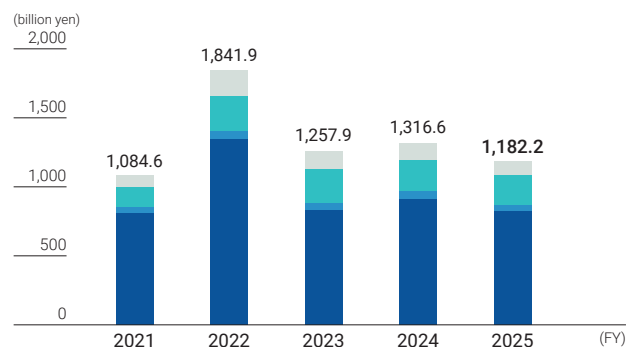
Financial and Non-Financial Highlights

These are key indicators of the Company's financial and non-financial performance.

Financial Highlights

Consolidated Operating Revenue

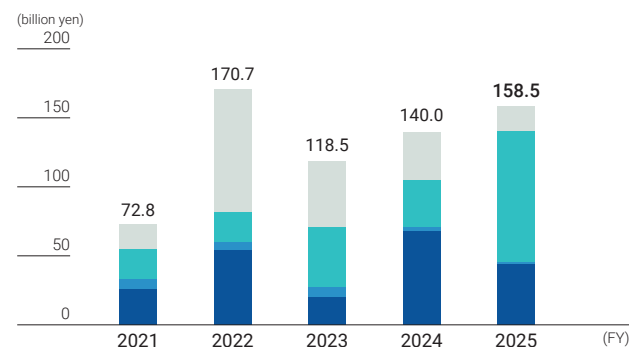
■ Power generation business ■ Transmission and transformation business
■ Overseas business ■ Electric power-related business/Other business



In FY2025, consolidated operating revenue decreased by 10.2% year on year to ¥1,182.2 billion. This was mainly due to lower electric power sales volume in Thailand, the suspension and discontinuation of the Matsushima Thermal Power Plant, and lower capacity market prices.

Consolidated Ordinary Profit

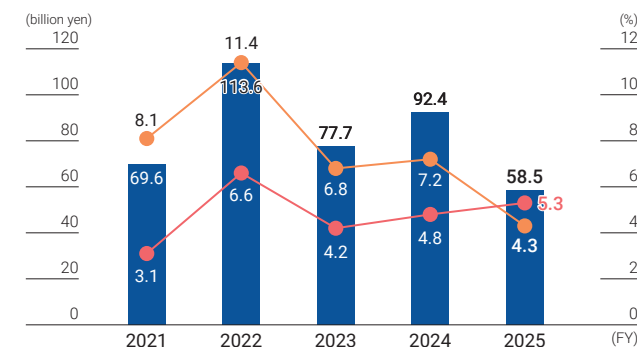
■ Power generation business ■ Transmission and transformation business
■ Overseas business ■ Electric power-related business/Other business



In FY2025, consolidated ordinary profit increased by 13.2% year on year to ¥158.5 billion. This was mainly due to gains on the sale of interests in gas-fired power plants in North America, despite the impact of the suspension and discontinuation of the Matsushima Thermal Power Plant and a decrease in profit from an Australian consolidated subsidiary that owns coal mining interests due to a decline in coal sales prices. This is higher than the ordinary profit target of ¥90.0 billion set forth in the J-POWER Group's Medium-Term Management Plan 2024–2026.

Profit Attributable to Owners of Parent, ROE, ROA

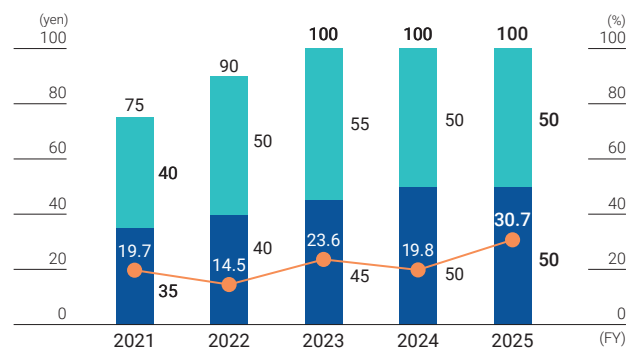
■ Profit attributable to owners of parent (left axis)
● ROE (right axis) ● ROA (excl. construction in progress) (right axis)



In FY2025, profit attributable to owners of parent decreased by 36.7% year on year to ¥58.5 billion. This was mainly due to impairment losses recognized on renewable energy power generation facilities in Australia and the Takasago Thermal Power Plant, as well as extraordinary losses on the retirement of non-current assets resulting from the removal of certain equipment at the Ohma Nuclear Power Plant Project to ensure the quality and reliability of instrumentation and control equipment, despite the increase in consolidated ordinary profit.

Dividend per Share and Dividend Payout Ratio

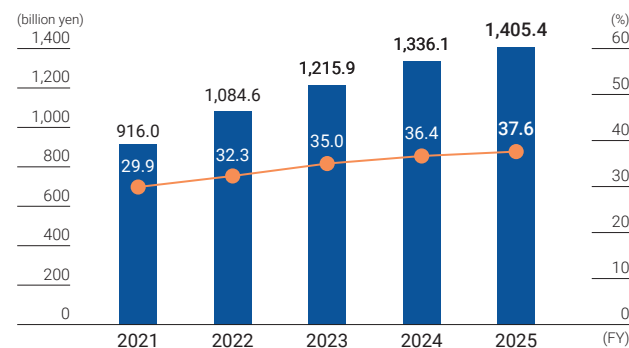
■ Interim (left axis) ■ Year-end (left axis) ● Dividend payout ratio (right axis)



We set the dividend of ¥100 per share as the lower limit during the period covered by the J-POWER Group's Medium-Term Management Plan 2024–2026. We announced the revision to our shareholder return policy on May 9, 2025 and set the new policy as follows: J-POWER will strive to enhance stable, ongoing returns to shareholders considering the level of profit, earnings forecasts, and its financial condition with a total payout ratio of 30%. Based on the above policy, we repurchased treasury shares of up to ¥20 billion by bringing forward the decision on additional shareholder returns for the period covered by the Medium-Term Management Plan.

Shareholders' Equity and Shareholders' Equity Ratio

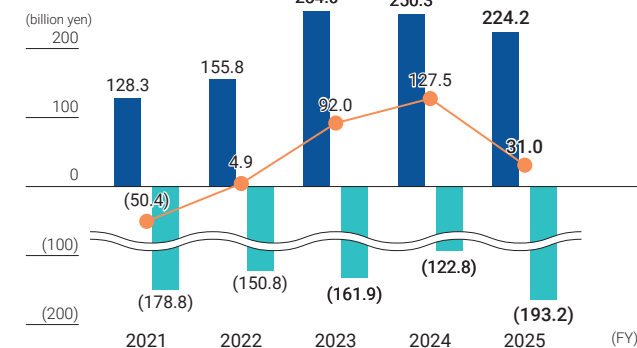
■ Shareholders' equity (left axis) ● Shareholders' equity ratio (right axis)



Shareholders' equity ratio for FY2025 was 37.6%, due to the recording of consistent profit attributable to owners of parent.

Cash Flows

■ Cash flows from operating activities ■ Cash flows from investing activities
● Free cash flows



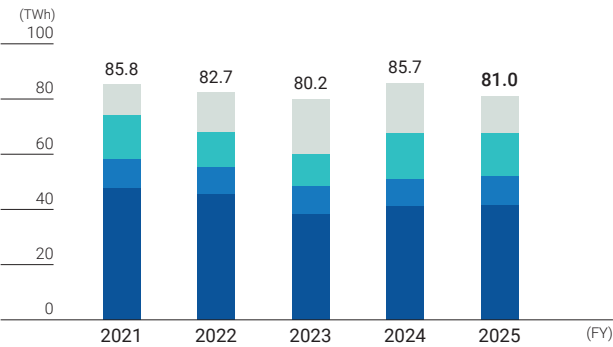
Free cash flows for FY2025 decreased by ¥96.5 billion year on year to ¥31.0 billion. This was due to lower operating cash flow and higher investing cash outflows, mainly as a result of increased purchases of non-current assets.

Financial and Non-Financial Highlights

Non-Financial Highlights

Electric Power Sales Volume

■ Thermal ■ Renewable energy ■ Other ■ Overseas

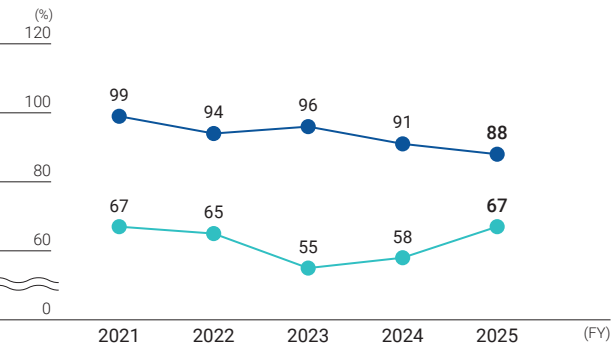


In FY2025, electric power sales volume decreased due to a decrease in electric power sales volume in the overseas business, as well as a decrease in electric power sales volume from the power generation business following the suspension and discontinuation of the Matsushima Thermal Power Plant and other factors. "Other" represents the sales volume of electricity procured from JEPX, etc.

Water Supply Rate/Thermal Power Load Factor*

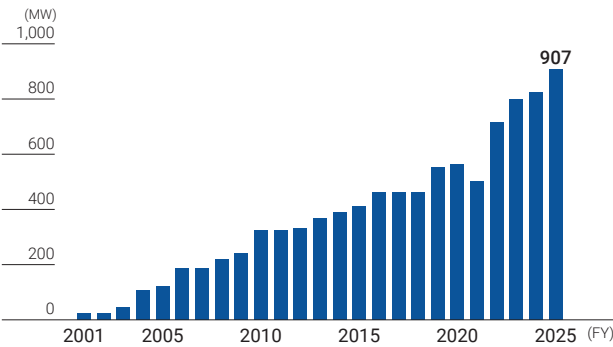
● Water supply rate ● Thermal power load factor

*Thermal power load factor is calculated on a non-consolidated basis.



Water supply rate depends on factors such as weather conditions. In FY2025, the water supply rate was 88% due to drought conditions. Meanwhile, the competitiveness of our coal-fired power plants improved, resulting in a higher load factor of our thermal power plants, from 58% to 67%.

Owned Capacity of Wind Power Generation Facilities
(Onshore and Offshore, Domestic and Overseas)



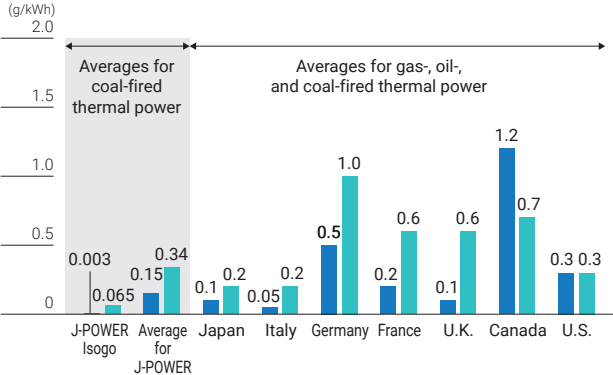
The replacement of existing sites started in FY2021. In FY2025, the Kitakyushu Hibikinada Offshore Wind Farm started operation.

International Comparison of SOx and NOx Emissions
Intensity for Thermal Power Generation

■ SOx ■ NOx

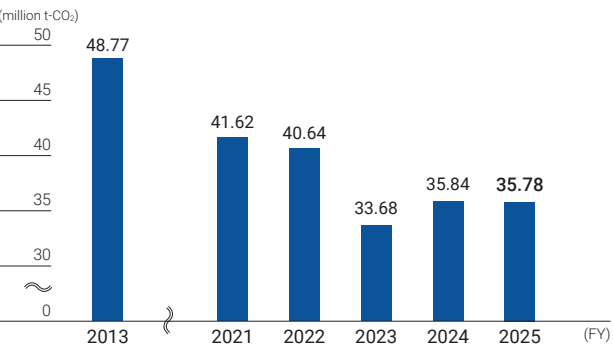
*Emissions are based on OECD StatExtracts, and power generated is based on IEA "Data and statistics."

*Average for J-POWER and J-POWER Isogo figures (coal-fired) are FY2025 results.



CO₂ Emissions from Domestic Electric Power Business

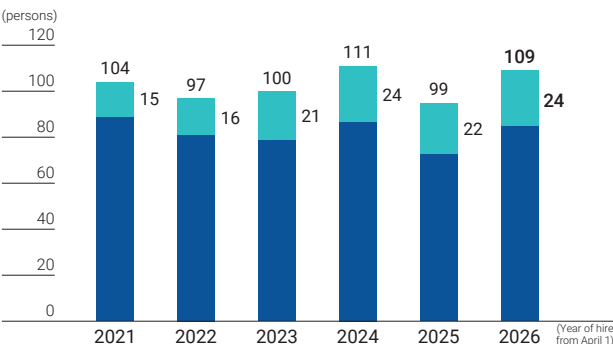
*Aggregates CO₂ emissions generated from the Group's domestic power plants. Subsidiaries and affiliates are aggregated according to their investment ratios.



Compared to FY2013, we aim to reduce CO₂ emissions by 9.2 million tons by FY2025 and 22.5 million tons by 2030. Actual CO₂ emissions in FY2025 totaled 35.78 million tons, achieving the above target.

Number of New Graduates Hired by J-POWER

■ Male ■ Female



In addition to steady hiring for the purpose of sustainable growth, the Company is taking on the challenge of ensuring diversity in order to create a workplace that promotes continuous innovation. In light of the fact that we achieved the previous target ratio of women in new graduate hires of 20%, we have revised upward the target to 25% or more (average between FY2025 and FY2027) with the aim of further promoting diversity.

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 thorough 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).

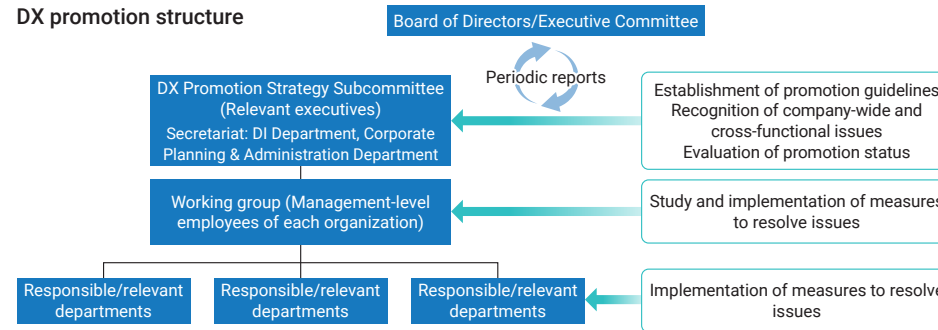
(Certification renewed on January 1, 2026)

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.



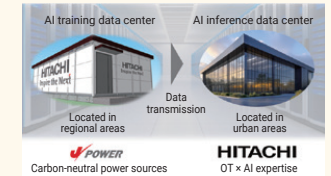
Case Examples

AI data center initiatives

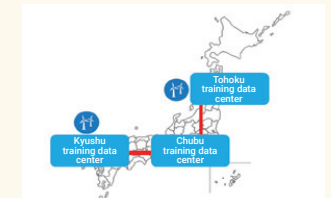
In collaboration with Hitachi, Ltd., we are advancing technology verification and business feasibility studies for an AI data center (AI-DC) for critical social infrastructure operators that provides a highly reliable and secure environment for the safe handling of highly confidential OT data. We aim 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

Technology Development & Intellectual Property/Promotion of Innovations

J-Power Group's Technological Development

With a view to achieving carbon neutrality by 2050 under J-POWER "BLUE MISSION 2050," we are addressing future energy challenges through a multifaceted approach. Our efforts include technology development to resolve challenges and introduce new technologies in each area of the roadmap—expanding CO₂-free power sources, pushing for zero-emission power sources, and stabilizing and enhancing power networks—as well as technology development aimed at creating new business opportunities.

For details of the initiatives of our Research & Development Department, please refer to our website.

https://www.jpowers.co.jp/company_info/rd/ (available only in Japanese)

Priority items and major areas of research

Creating new business opportunities

- Research aimed at the development of new profit-making businesses centered on energy and the environment (cultivation and fuel conversion of herbaceous energy crops, and synthetic fuels), etc.
- Initiatives for low-carbon concrete and blue carbon

Promoting transition

- Expansion of CO₂-free power sources and realization of environmental value (next-generation floating-axis wind turbine)
- Pushing for zero-emission power sources (CO₂-free hydrogen and underground CO₂ hydrate storage technology)
- Stabilizing and enhancing power networks (energy storage technologies and development of supply-demand analysis models)

Strengthening existing businesses

- Automation and DX (enhancing power plant maintenance operations through digital technologies)
- Grid simulation technology
- Strengthening resilience against natural disasters (remote monitoring using satellite image data)

Example of initiatives

Mixed combustion with biomass

Conducting Japan's first co-firing test using the energy crop "Erianthus"
A new initiative toward carbon neutrality using domestically grown biomass fuel

For details of the initiatives, please refer to our website.

https://www.jpowers.co.jp/english/news_release/pdf/news260310e.pdf

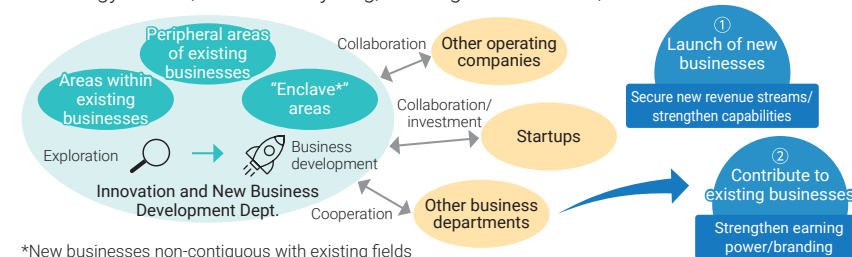


Intellectual Properties

For outcomes achieved in technological development and other activities, we continuously seek to acquire their intellectual property by, for example, filing for patents. We hold 153 patent rights in Japan as of the end of FY2025. To help advance J-POWER "BLUE MISSION 2050," we will further promote the creation, protection, and utilization of intellectual property.

Promotion of Innovations

The J-POWER Group is taking on the challenge of promoting innovations and capturing new business domains by integrating the assets and know-how, which were accumulated mainly in the power generation business, with the technologies and ideas of startup companies and other organizations. So far, we have invested in three funds and 18 startups. The Innovation and New Business Development Department undertakes exploration and business development/promotion activities in a wide range of areas centered on decentralization, energy transition, sustainability, regional co-creation, and AI. These activities span our existing businesses and their peripheral areas, focusing especially on areas the Company has not tapped into in its existing businesses, such as energy-related, resource recycling, food/agriculture areas, and data centers.



Major portfolio startups

Morgenrot Inc.

Morgenrot provides consulting services for the construction and operation of AI data centers and is developing a product that enables visualization of the operating status and power consumption of AI servers and high-performance computing (HPC) systems. J-POWER will explore opportunities to participate in the data center business by leveraging Morgenrot's expertise, with the aim of realizing environmentally friendly green data centers that combine our strengths.



*Image

Examples of new business development

BASHFIBER®, a continuous filament fiber developed by Nippon Fiber Corporation, in which J-POWER has invested, is made primarily from coal ash. It provides high strength and heat resistance, and thus, is expected to be used in a wide range of fields, including construction, civil engineering, and industrial materials. BASHFIBER® is attracting strong attention as a means of building a sustainable society as it contributes to reducing CO₂ emissions through the upcycling of coal ash and is easier to recycle compared to conventional glass fibers. We are jointly exploring business opportunities with Nippon Fiber Corporation.



For updates of activities by Innovation and New Business Development Department, visit the following site dedicated to the department.

<https://www.jpowers.co.jp/english/innovation/>

INTEGRATED REPORT

CHAPTER 3

Disclosure Based on TCFD and TNFD
Recommendations

Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)	P.47
Disclosure Based on TNFD Recommendations	P.61



Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)



The figures in this scenario analysis have the potential to fluctuate due to various conditions that include the state of operation of power generation facilities and the external environment. As such, they have been simplified and calculated under certain suppositions solely for the purpose of ascertaining the sense of scale of the impact involved.

Governance: Framework

The J-POWER Group has identified “response to climate change” as one of its material issues, which is overseen by the Board of Directors. Important matters such as policies and strategies related to climate change response are determined by the Board of Directors.

With respect to execution, the Group has established a sustainability promotion framework supervised by the ESG Oversight (currently the President and Chief Executive Officer), who is appointed by the Board of Directors. We have established the Sustainability Promotion Board as an executive body and the J-POWER Group Sustainability Promotion Conference at the Group-wide level to work towards promoting sustainability, including climate change-related initiatives.

The Sustainability Promotion Board convenes three or more times a year to deliberate areas such as strategy, planning and measures related to sustainability in general and risk management. Important matters out of those deliberated are proposed and reported to the Board of Directors and the Executive Committee, and the Board of Directors oversees its progress.

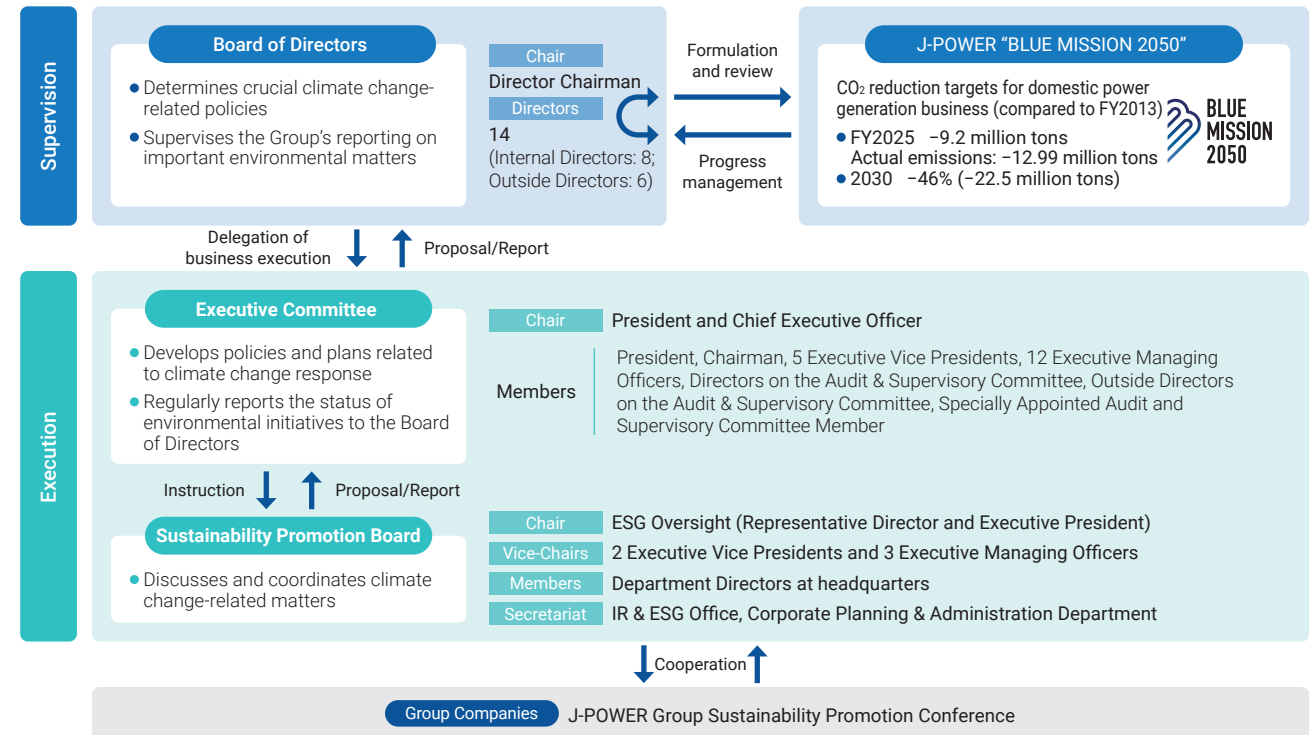
The Board of Directors formulates and reviews management strategies and makes important decisions based on these proposals, reports, and other matters, taking into account risks and opportunities associated with sustainability.

Governance: Skills of Directors

We have identified “general management and sustainability” as essential skills required for our Directors. This ensures that our Board of Directors is appropriately structured for the decision-making and oversight of climate change response policies.

The Board of Directors reviews and analyzes the latest edition of the World Energy Outlook, published annually by the International Energy Agency (IEA), reports its findings to engage in in-depth discussions. This helps deepen the Board’s understanding of current trends in energy supply and climate change measures.

Governance framework related to climate change



Definition of “General Management and Sustainability”

This refers to the ability to present the Group's overall direction, including management strategy; contribute to solving climate change and other social issues through energy supply; realize sustainability through continuous enhancement of corporate value, achieved in part through human capital development; and possess the experience and knowledge necessary to supervise such initiatives as a corporate manager.

Please see P.101 for information on the skill matrix of Directors.

Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Governance: Deliberation Status of Board of Directors

Since the establishment of J-POWER “BLUE MISSION 2050” in February 2021, the Board of Directors of J-POWER has been monitoring the progress of initiatives by management, receiving feedback through dialogues with shareholders and other stakeholders, and appropriately identifying changes in the business environment (including policy and international conditions), and discussing updates and revisions to the contents of the plan as appropriate.

Matters (related to climate change) determined at the Board of Directors

FY2020	• Formulation of J-POWER “BLUE MISSION 2050”
FY2021	• Formulation of Basic Policy on Sustainability and identification of material issues
FY2022	• Setting of CO ₂ reduction target for FY2025
FY2023	• Raising of CO ₂ emission reduction target for 2030 • Introduction of non-financial targets (material issues) in the evaluation of performance-linked remuneration for executives
FY2024	• Disclosure of transition direction of thermal power operations in Japan • Decision on the suspension and discontinuation of Matsushima Thermal Power Plant • Formulation and disclosure of the vision for the business portfolio in the 2030s
FY2025	• Decision on the discontinuation of Takasago Thermal Power Plant

Matters reported to the Board of Directors

Domestic and overseas trends on climate change issues (Strategic Energy Plan, IEA WEO, etc.)
Basic policy regarding Green Transformation (GX) League
Disclosure policy based on TCFD Recommendations
Actual CO ₂ emissions (Scopes 1–3)
Dialogue with external stakeholders regarding climate change and ESG evaluation

Governance: Officers’ Compensation

From the viewpoint of sustainability management, we introduced five material issues including response to climate change as non-financial targets for the evaluation of performance-linked remuneration.

The Company’s five material issues, which are the benchmarks for performance-linked remuneration, are supply of

energy, response to climate change, respect for people, engagement with local communities, and enhancement of our business foundation. KPIs for addressing climate change include numerical targets for renewable energy development and CO₂ reduction targets.

Officer compensation system

	Compensation type	Compensation details	Percentage (estimate) in the compensation package
Fixed compensation	Fixed monthly salary	Fixed monthly salary is a fixed amount of monetary compensation calculated based on the position of each Director	70%
	Performance-linked remuneration	① First indicator Evaluation factor Degree of achievement of consolidated ordinary income Range 0% minimum to 200% maximum ② Second indicator Evaluation factor Comprehensive evaluation of material issues (KPIs) Range 0% minimum to 120% maximum ③ Payment calculation Weight of evaluation factors Evaluation factor for first indicator × 90% + Evaluation factor for second indicator × 10%	20%
Variable compensation	Stock-based compensation	Introduced as an incentive for the Company’s long-term growth based on the characteristics of the Company’s business content and business development	10%

Please see PP.24–25 for details of the targets (KPIs) for material issues and results of initiatives.

Column

Engagement with policies, etc.

Policies and regulations related to climate change significantly impact the Company’s medium- to long-term business environment as well as risks and opportunities. J-POWER will pay close attention to government policy trends and, by expressing its views as an individual company and through affiliated organizations, seek to secure investment predictability, while contributing to the realization of policies that help to balance the response to climate change with the stable supply of energy.

Examples of engagement

We submitted public comments to the government for the formulation of the Seventh Strategic Energy Plan. While endorsing the plan’s greenhouse gas reduction targets for FY2040 and the direction to maximize the use of renewable energy and aim for a balanced power generation mix, we also expressed our view about the need to carry out further discussions on the nature of the public burden and for policy support to secure investment predictability.

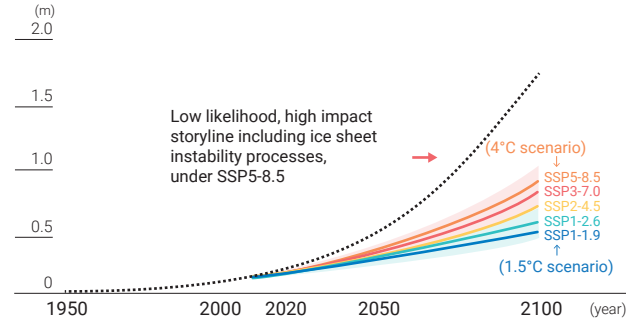
Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Strategy: Risk and Opportunities

The J-POWER Group regards the variety of risks and opportunities that arise from environmental issues as material management issues. By identifying and assessing these factors, we are pushing forward its initiatives as it strives to bolster competitiveness. We understand that climate change in particular will require measures in the utilization of new technology and a number of other domains, including measures for addressing regulatory reinforcement by national governments. These factors may exert considerable impact on J-POWER's business domains and could create business-based risk. However, we believe that the ability to appropriately handle that risk will link to the bolstering of our competitiveness and the acquisition of new business opportunities. We have detailed risks related to climate change based on this understanding, and identified risks with a particularly high degree of importance after also factoring in that degree of importance and concern on the part of stakeholders.

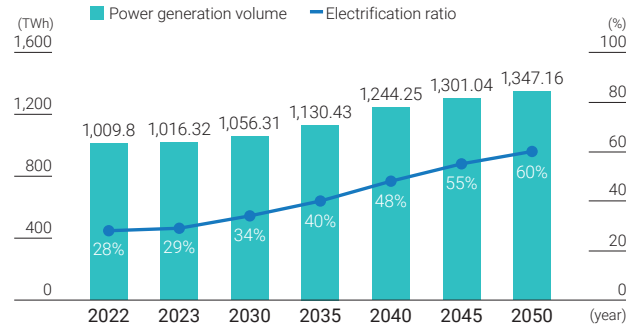
In our analysis of risk and opportunities, we assumed two cases: one where temperatures rise by 1.5°C and another by 4°C, and conducted analysis for both. In the former case, we assume that formidable measures and regulations will be enacted, and that in Japan as well, the renewable energy ratio will grow by a wide margin, and the decarbonization of electric power will progress at a rapid pace. Also, in the case where temperatures rise by 4°C, where it is assumed that global warming countermeasures will not be thoroughly enforced, it is projected that by the year 2100, the average ground temperature across the globe will rise by at least 4°C, and that average sea levels will rise nearly one meter. There are concerns that if measures to combat climate change are not sufficiently taken, the physical risks of climate disasters in 2050 and beyond in particular will become prominent. Taking these analysis results into account, we have organized the main risks and opportunities related to climate change as follows.

Sea level rise by scenario



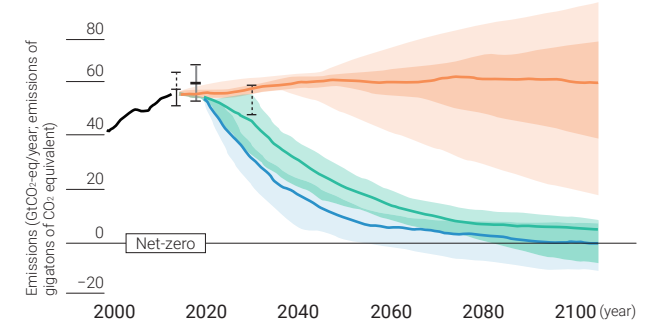
Source: Compiled from the Sixth Assessment Report by IPCC

Power generation volume in Japan, changes in electrification ratio (1.5°C scenario)



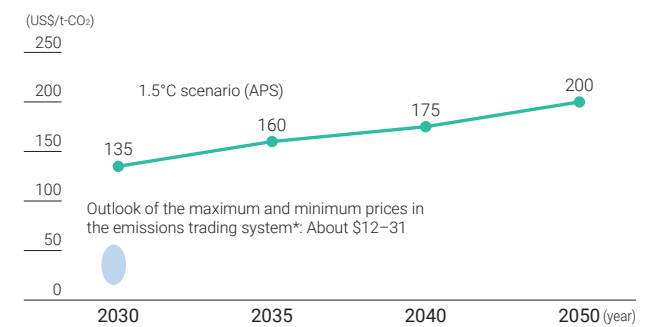
Source: Compiled from IEA WEO2024

Greenhouse gas reduction pathways by scenario



Source: Compiled from the Sixth Assessment Report by IPCC

Japan's carbon price outlook



*The 2030 outlook for the maximum and minimum prices in the emissions trading system (¥1,913~4,840) is converted at ¥155 per dollar. The scenario analysis for 2035 uses \$39 from the WEO2025 STEPS.

Configured scenarios	Reference scenarios	Scope and period covered	Scenario description	Results of scenario analysis
1.5°C scenario	“World Energy Outlook 2024 (WEO2024)” by the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE Scenario), Announced Pledges Scenario (APS), WEO2025 Stated Policies Scenario (STEPS) - Sixth Assessment Report by IPCC, etc.	Japan, in 2050 *For overseas scenarios, please see the Column on P.55.	Scenario in which formidable measures and regulations are enacted, carbon neutrality is achieved by 2050, and the rise in surface temperature is kept to 1.5°C	- Development of technologies involving hydrogen, ammonia and other energy sources and CCS will be promoted, and thermal power plants using these technologies will continue to operate to some extent to provide supply and adjustment capacity from the perspective of stable supply - Maximum introduction of CO₂-free power sources such as renewable energy and nuclear power - Electrification of the demand side and diffusion of distributed power sources will progress. Total power generation volume will increase with the growth of electrification - No significant increase in extreme weather events
4°C scenario	SSP5-8.5 Scenario of the Sixth Assessment Report by IPCC		Maximum emission scenario in which climate policies are not introduced due to fossil fuels dependence-based developments	- Distributed generation becomes widespread, but thermal power plants remain to some extent due to lack of technological alternatives - Despite progress in energy conservation and electrification, which are cost-effective with existing technologies, a significant portion of the energy system still relies on fossil fuels

Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Strategy: Risk and Opportunities

	Division	Risk and opportunity category	Specific examples from the Company	Timing of occurrence			Response strategies
				Short term	Medium term	Long term	
1.5°C scenario	Transition risk	Policy, legal system, and regulation risk	- Introduction of carbon pricing (FY2026: full-scale implementation of emissions trading system, FY2033: paid auctions to power producers) - Regulatory measures aimed at phasing out inefficient coal (book value of aging thermal facilities: ¥43 billion at the end of FY2025)	●	●	●	- Introducing an internal carbon price and utilizing it to assess the impact on revenue and expenditure over the next 10 years and make investment judgments ¥1,913–4,840/t in 2030 (outlook for the maximum and minimum prices in the emissions trading system) - For 2035, approx. ¥6,000 (\$39) is assumed based on the WEO2025 STEPS - Competitiveness assessment and phase-out policy development for power plants based on regulatory measures
		Technology risk	Thermal power generation facilities that have not taken steps to reduce CO₂ emission becoming stranded assets		●	●	Reducing or discontinuing the operation of coal-fired thermal power plants, starting with aging plants, while considering their importance in maintaining a steady energy supply; Progressive adoption and extension of emission reduction strategies including mixed combustion of biomass and ammonia and CCS, etc.; Eventual transition to CO₂-free hydrogen power generation
		Market risks	Changing preference for CO₂-free electricity		●	●	- Formation of a balanced power supply portfolio (hydroelectric, wind, geothermal, solar, nuclear, CO₂-free hydrogen power generation) - Accelerate business expansion by leveraging the strengths as a top runner of renewable energy (Hydroelectric: No. 2, Wind: No. 2 in Japan)
		Reputation risk	- Corporate image is affected due to CO₂ emissions - Divestment and/or active engagement by investors	●	●	●	- Steady progress and timely updates of J-POWER "BLUE MISSION 2050" - Enhancement of information disclosure regarding climate change and continuous dialogue with stakeholders
	Opportunities	Resource efficiency	- Developments in low carbon/decarbonization technologies and expansion of opportunities - Improvement of existing asset value	●	●	●	- Creation of new value through existing assets (upcycling) - Short- to medium-term: GENESIS Matsushima Plan (under consideration) and promotion of NEXUS Sakuma Plan, increase in kWh output through the replacement of wind power facilities - Initiatives to reduce CO₂ emissions - Short- to medium-term: Expanded introduction of biomass, introduction of mixed combustion with ammonia, realization of CCS - Long-term: Development of hydrogen mono-fuel combustion technology, conversion to CO₂-free hydrogen power generation through CCS
		Energy sources	Realization of new businesses pertaining to hydrogen, ammonia, and other energy sources	●	●	●	- Challenges with CO₂-free hydrogen manufacturing and initiatives geared toward supply - Australian brown coal hydrogen project, examination of green ammonia initiatives, joint examination of negative emission hydrogen manufacturing, etc.
		Products and services	- Increase in revenues due to expansion of renewable energy - Provision of services that correspond to consumer and end user needs - Realization of the environmental value of CO₂-free electricity through the introduction of carbon pricing	●	●	●	- Increase renewable energy power generation in FY2030 by 4.0 billion kWh/year (compared to FY2022) - Construction and operation of Ohma Nuclear Power Plant - Direct sales of CO₂-free electricity and associated environmental value to customers who need CO₂-free electricity - Provision of the renewable energy aggregation service and development of a platform to supply non-fossil power on an hourly basis, etc.
		Markets	- Increase in electricity sales volume due to progress in electrification - Growing need for sustainable finance		●	●	Allocation of investment funds toward transition - Strategic investment up to FY2030: ¥700 billion Diversification of financing - FY2025 results: ¥16.5 billion from issuance of 6th J-POWER Green Bonds - Results to date: ¥93.5 billion from issuance of J-POWER Green Bonds ¥60 billion from transition-linked loan FY2025 investment results FY2026 investment forecast Renewable energy Power network Nuclear Thermal power transition Renewable energy Nuclear Power network Thermal power transition About 55%About 75%
		Resilience	- Expansion of renewables, distributed power sources, and businesses on the consumer side - Diversification of low-carbon fuels - Expansion of opportunities for network development conducive to renewable energy introduction	●	●	●	
4°C scenario	Physical risk	Acute risk	- Facility damage caused by extreme weather such as torrential rain disasters, forest fires, cold waves and heat waves. Water shortage in power plants - Negative impact on sales of ¥240 million per day should operation of a thermal power plant (1 million kW) be obstructed		●	●	- Carrying out revisions of BCP based on updated knowledge as appropriate - Response to water risk - Risk assessment and management utilizing WRI Aqueduct (3.0)* *A global standard assessment tool for water risk developed by the World Resources Institute (WRI).
		Chronic risk	- Assumes negative impact on facilities caused by prolonged rises in average temperatures, changes in rainfall and rises in sea surface - Thermal power generation facilities: ¥103 billion, Hydroelectric power generation facilities: ¥76 billion *Calculated by multiplying the current book value of thermal and hydroelectric facilities with the rate of 0.296 for damage by 0.5 m sea-level rise and 0.189 for flooding damage, respectively.			●	

Short term: Up to 2030 Medium term: Up to 2040 Long term: Up to 2050

Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

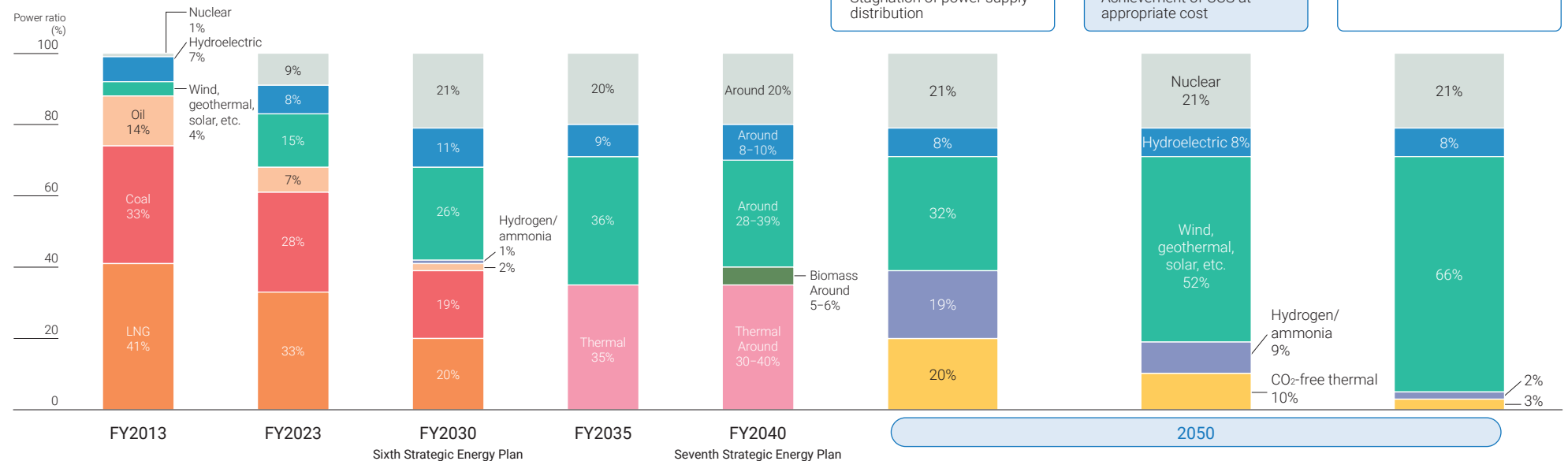
Strategy: Scenario Analysis toward Carbon Neutrality in 2050: Japan as a Whole

The J-POWER Group performed climate change scenario analysis for Japan as a whole, based on the 1.5°C scenario advocated in the Paris Agreement, which pursues efforts to limit the average temperature increase at the end of this century to less than 1.5°C above pre-industrial levels (for the main scenario for the energy mix in Japan, which is assumed to have achieved carbon neutrality by 2050, please refer to APS under WEO2024). The power source compositions for FY2030 and FY2040 are based on the Japanese government's Sixth Strategic Energy Plan and Seventh Strategic Energy Plan, respectively.

According to IEA projections, by the year 2050, total variable renewable energy (VRE) as represented by solar and wind power will be 70% of total power in the EU and the U.S. Conversely, in 2050 Japan, VRE and total renewable energy are projected at 40% and 60%, respectively, with nuclear power accounting for 20% and the remaining 20% comprised of hydrogen/ammonia and thermal power + CCS. We believe this is because electric power systems in Japan are interconnected in tandem rather than mesh-shaped like their Western counterparts, leaving them with weak cross-regional interconnection capacity and poor versatility and flexibility. In addition,

there are also constraints on the introduction of VRE due to the lack of appropriate sites for it, and therefore from the perspective of stable supply, making it necessary to provide supply and adjustment capacity through CO₂-free thermal power generation. The actual environment in the year 2050 may not take the shape of the assumptions under this main scenario, as there are many uncertainties involved including progress of innovation. Given that, we also analyzed scenarios in which preconditions related to renewables and thermal power generation were modified, which are believed to be areas where the Group will be particularly impacted.

Energy mix in Japan



Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

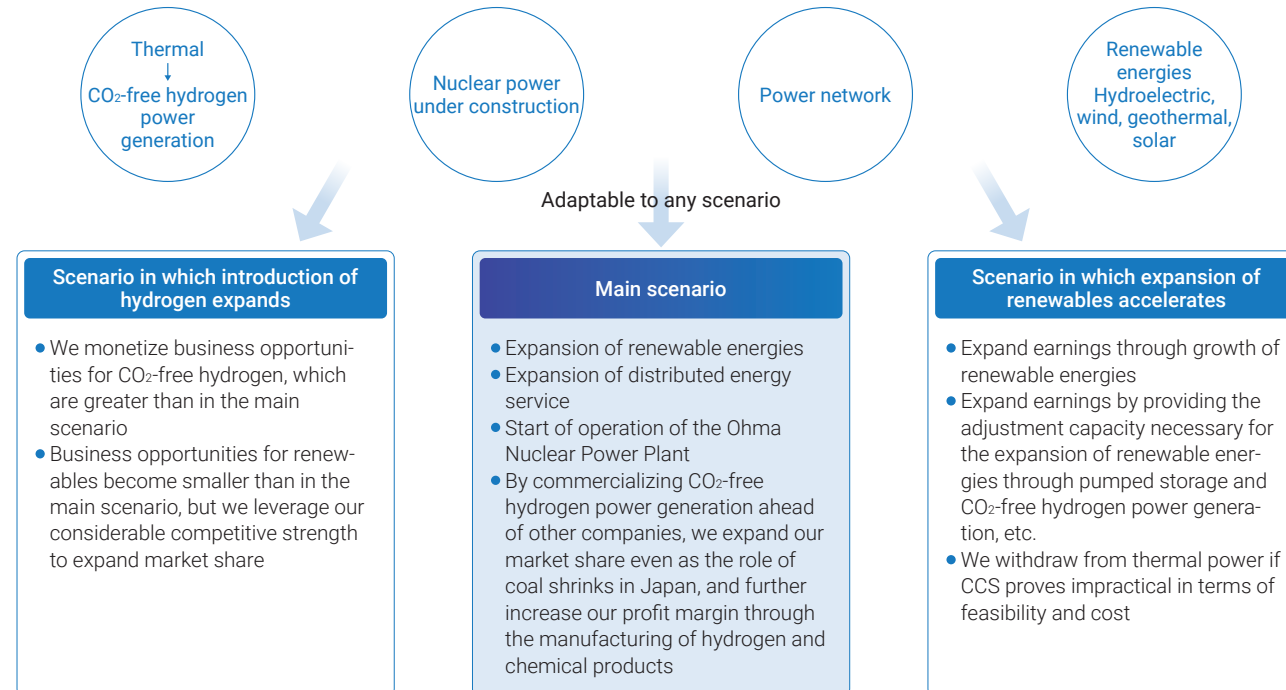
Strategy: Scenario Analysis toward Carbon Neutrality in 2050: J-POWER Group

Power generators, including the J-POWER Group, will need to focus on developing renewable energy sources to achieve carbon neutrality in 2050, while also converting coal- and gas-fired power generation eventually to CO₂-free hydrogen from the perspective of stable supply. The Group believes it to be economically sound to convert to CO₂-free hydrogen by making gradual capital investments (upcycling) in the latest innovations while utilizing existing, substantially depreciated power plant infrastructure. We also believe that upcycling is an important means of sustainably using developed renewable energy.

The Group has formed and operated a well-balanced power source portfolio consisting of renewable energies

(hydroelectricity, wind, geothermal, and solar) and thermal power, and has also accumulated a wealth and wide range of technologies and expertise in nuclear power construction and the development of CO₂-free hydrogen production and generation technologies. Therefore, by accelerating the expansion of renewable energy and flexibly upcycling existing power generation facilities while keeping an eye on the progress of innovation and economic trends, we can respond to not only the main scenario of Japan's energy mix in 2050, but also the scenario in which expansion of renewables accelerates and the scenario in which introduction of hydrogen expands.

The extensive and wide-ranging technologies and knowledge of the J-POWER Group



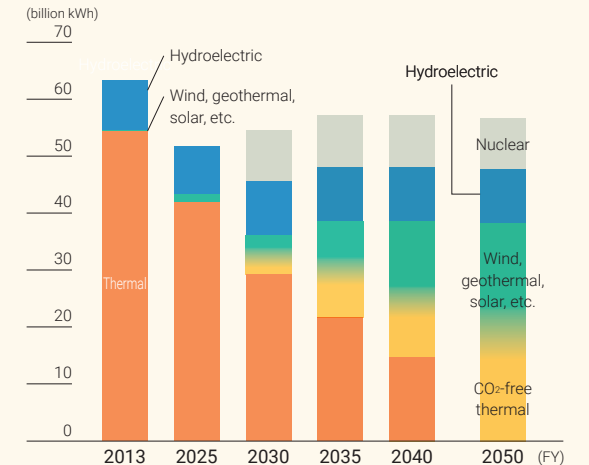
Column

Projected electricity generation

Based on the scenario analyses and our transition strategy, J-POWER "BLUE MISSION 2050," we have projected the transition of our power generation volume to carbon neutral by 2050 with certain assumptions. 2050 will see the expansion of renewable energy*, which is a priority for development, as well as the addition of nuclear power generation. We will continue to reduce or eliminate thermal power generation, while taking into consideration its role in ensuring a stable supply. We will gradually introduce and expand measures to reduce CO₂ emissions, such as mixed combustion (biomass and ammonia) and CCS, and eventually convert to CO₂-free hydrogen power generation.

*Our wind power generation capacity is assumed to expand in pace with the expansion of wind's share in Japan's overall generation capacity under the APS.

J-POWER Group's electricity generation trends and forecasts



Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Transition Plan to Achieve Goal of Carbon Neutrality in 2050: J-POWER “BLUE MISSION 2050”

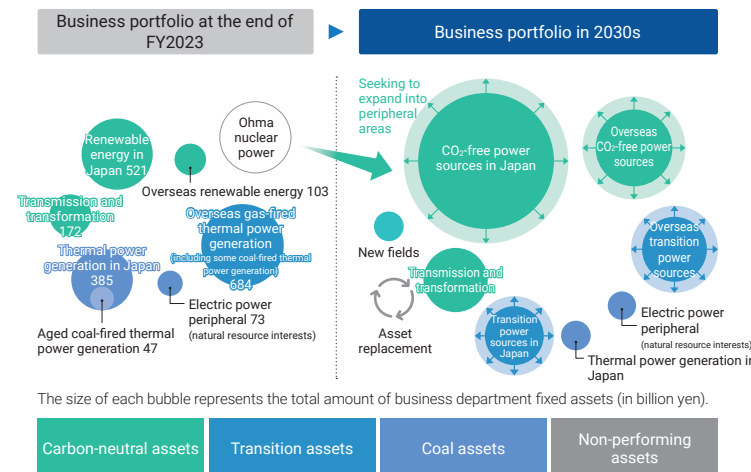
The J-POWER Group has formulated the J-POWER “BLUE MISSION 2050” to accelerate its efforts to address climate change. We are steadily working toward carbon neutrality in 2050 by promoting the three pillars of expanding CO₂-free power sources; push for zero-emission power sources; and stabilization and enhancement of the electric power network.

As our CO₂ reduction quantitative targets, we will take on the challenge of incrementally achieving carbon neutrality in our domestic power generation business. As a milestone, we aim to reduce CO₂ emissions by 9.2 million tons in FY2025 and 46% in 2030 compared to the FY2013 level. Actual CO₂ emissions for FY2025 were 35.78 million tons (a decrease of 12.99 million tons compared to FY2013), achieving CO₂ reductions exceeding the interim target.

In addition, under the J-POWER “BLUE MISSION 2050,” we have formulated the vision for business portfolio in the 2030s and are making investments to achieve it.

📖 Please also see P.30 for further details on J-POWER “BLUE MISSION 2050.”

Vision for the Business Portfolio in the 2030s



J-POWER “BLUE MISSION 2050” roadmap

CO₂ emission reduction target of domestic power generation business (compared to FY2013)

Target achieved
-9.2 million tons
(Actual emissions: -12.99 million tons)

-22.5 million tons
-46%

Realization of carbon neutrality
Net-zero emissions

		2025	2030	2040	2050
Expanding CO ₂ -free power sources	Renewable energy	Increase of domestic power generation volume by 4.0 billion kWh Global development of new renewable energy projects		Additional new developments, upcycling of existing facilities, and maximum use of existing assets	
	Nuclear	Construction and start of operations at Ohma Nuclear Power Plant			
Push for zero-emission power sources	Domestic coal-fired thermal power	Gradual phase-out of aging power plants	CO ₂ reduction initiatives (Expansion of biomass mixed combustion, introduction of ammonia mixed combustion, etc.)		
	CCS	Development of business environment, design and construction of facilities		Injection and storage	Achievement of CO ₂ -free thermal power generation (Hydrogen, ammonia, IGCC+CCS, biomass mixed combustion + CCS, etc.)
	Hydrogen power generation	Demonstration tests in Japan	Upcycling (adding gasifiers to existing assets)		
	Fuel production (CO ₂ -free hydrogen)	Feasibility study on overseas production	Utilization in other industries		
Power network	Stabilization	Hydroelectric power generation, improvement of load tracking performance by upcycling (adding gasifiers to existing assets), and expansion of distributed energy service			
	Reinforcement*	Completion of reinforcement of the New Sakuma Frequency Converter Station, etc.		Contribution to power network enhancement	

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

Column

CO₂ reduction efforts across the value chain

J-POWER is implementing initiatives in collaboration with maritime transportation companies to reduce fuel consumption in maritime transportation and CO₂ emissions, including the installation of wind propulsion auxiliary systems (the Rotor Sail*¹ and Wind Challenger*²) and trial voyages*³ using biofuels.

In addition, leveraging our extensive experience in renewable energy development and operation, we will promote the creation of services that meet a wide range of needs, including provision of an aggregation service that centralizes and manages renewable energy electricity*⁴ and development of an environmental value platform that enables the supply of non-fossil power on an hourly basis*⁵, thereby contributing to greenhouse gas reduction across the value chain.



A transport vessel equipped with the Wind Challenger

*1 https://www.jpowers.co.jp/english/news_release/pdf/news250129e.pdf

*2 https://www.jpowers.co.jp/english/news_release/pdf/news260420e.pdf

*3 https://www.jpowers.co.jp/english/news_release/pdf/news260309_2e.pdf

*4 <https://www.jpowers.co.jp/news/2025/03/news250318.html>

(available only in Japanese)

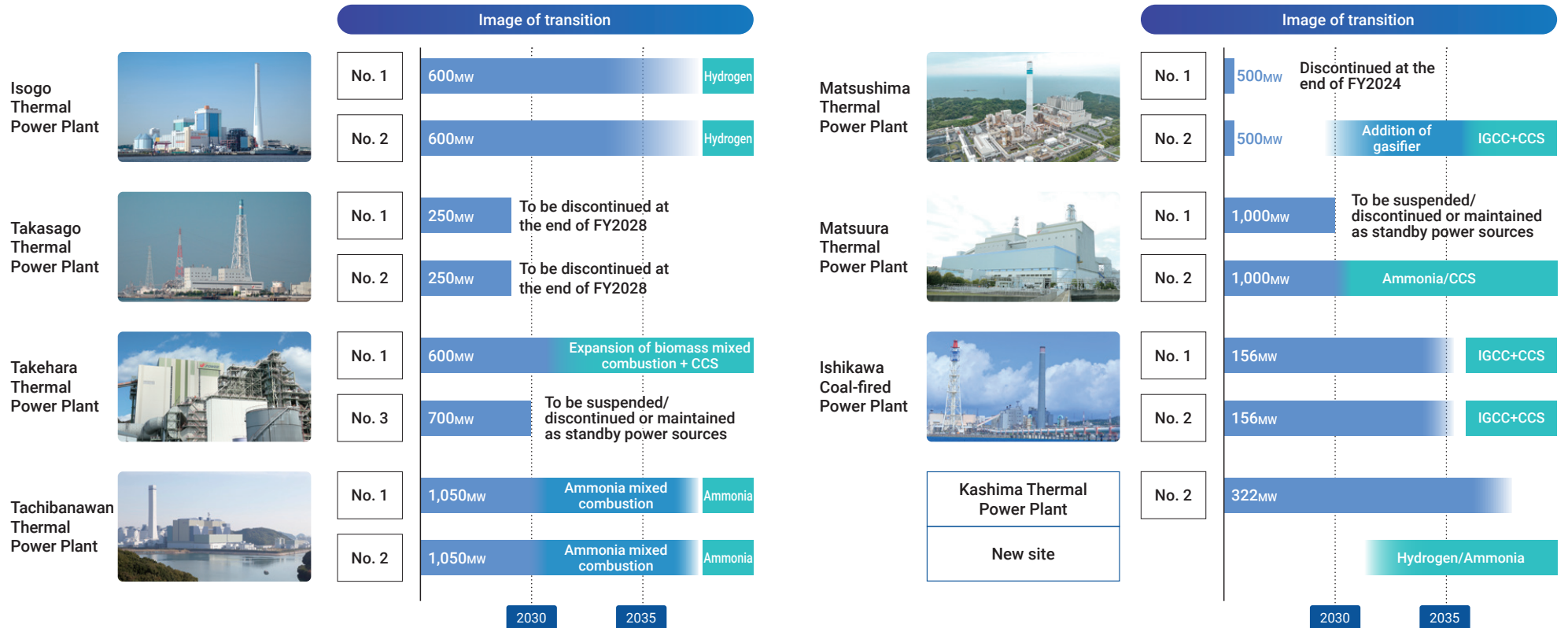
*5 https://www.jpowers.co.jp/english/news_release/pdf/news251106_1e.pdf

Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Direction for Thermal Power Transition in Japan

Based on our “BLUE MISSION 2050” roadmap, the J-POWER Group will advance its CO₂ reduction and decarbonization initiatives, while contributing to a stable power supply. This includes phasing out inefficient coal-fired power plants and converting high-efficiency thermal power plants using the optimal technology according to the local characteristics of the site.

*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.



Column

Concept of “just transition”

Please see P.79 for details on the Cross-Group CDP.

Thermal power plants not only serve as workplaces for a large number of J-POWER Group employees but also play an important role in the local economy. For that reason, when discontinuing power plants, we make sure to provide prior and thorough explanations to as many stakeholders as possible, including local governments where the plants are located, employees, and partner companies.

In addition, we have prepared an employment measures package for Group employees, agreed upon with union ship-based labor unions. We will make every effort to provide employment within the Group: In accordance with our basic policy of ensuring fairness and sufficient lead time, we will provide reskilling opportunities and offer employment options through multiple measures, including secondment and transfer to Group companies and reassignment to nearby business sites. Furthermore, we have also prepared support measures for employees seeking employment outside the Group.

In addition, under the Cross-Group CDP, a program for sharing human resources among Group companies, which has already been implemented, we have built a track record of seconding technical employees of thermal Group companies. We will work on the transition on a Group-wide basis by maximizing the utilization of our existing human capital so as to respond flexibly to changes in the business environment.

Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Column

Scenario Analysis toward Carbon Neutrality in 2050: J-POWER Group's Major Overseas Thermal Power Generation Facilities

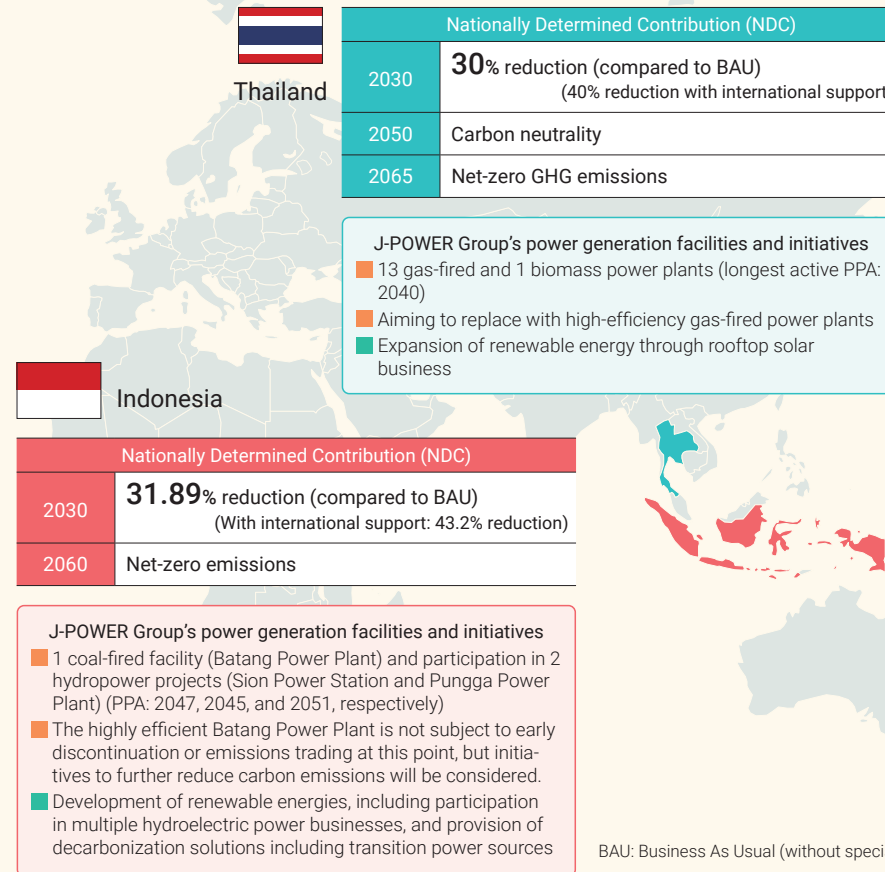
In its international business, the J-POWER Group is working to improve the investment efficiency of existing assets and advancing into new business segments, conscious of profit scale and profitability and to build a profit base on a short-, medium- and long-term perspective.

Countries have announced their Nationally Determined Contributions toward carbon neutrality. None of them, however, have committed to a single path, and instead presented multiple scenarios. They share other commonalities in their vision such as further

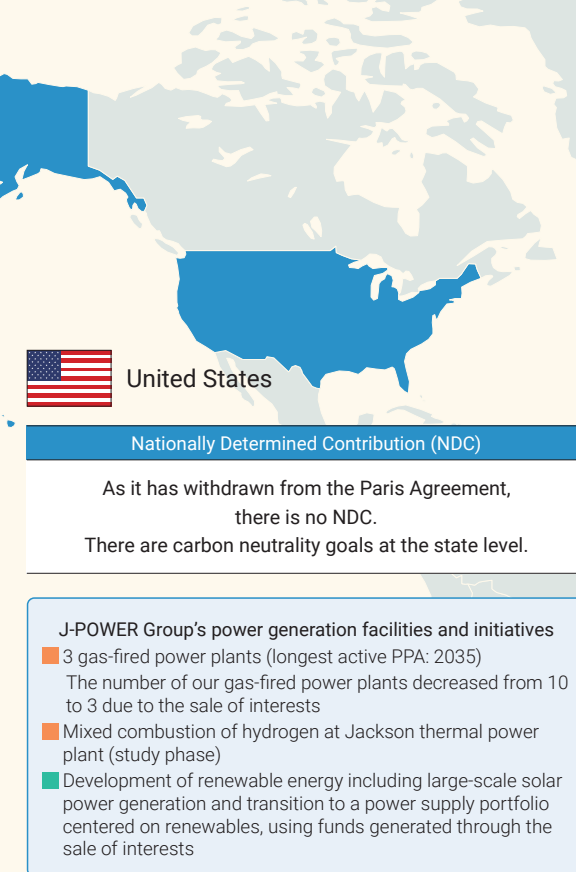
promotion of renewable energy, electrification, hydrogen use, utilization of CCS and that they all rely on future innovations.

The Group is promoting the development of renewable energy such as solar power and hydropower, in parallel with its consideration of the CO₂ reduction of existing thermal power plants. Going forward, we will continue to make investments in line with decarbonization policies while contributing to supply of electricity in each country we operate.

[Please see PP.32–33 for details of our initiatives for the transition to a renewable energy portfolio.](#)



BAU: Business As Usual (without special measures)



Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Strategy: 2030 Scenario Analysis: J-POWER Group

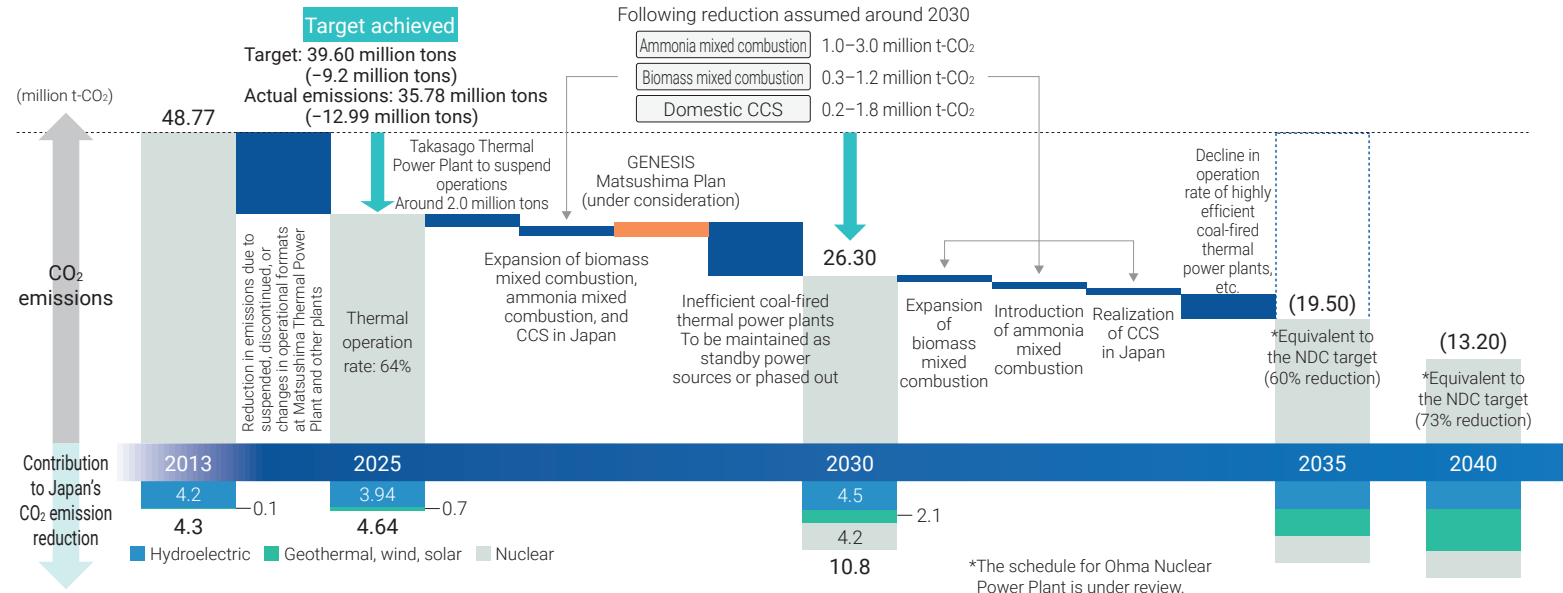
The J-POWER Group has set a target of a 46% reduction in CO₂ emissions by 2030, which is in line with the Nationally Determined Contribution (NDC) made by Japan for the Paris Agreement, as a milestone toward achieving carbon neutrality by 2050, and has estimated specific initiatives for a 46% reduction and the financial impacts in the 2030 scenario analysis. The Group's emissions levels assumed for 2035 and 2040 are also shown in the chart, based on a scenario in which emissions are reduced in accordance with Japan's NDC targets.

Toward 2030, along with reducing the use of thermal power and pushing forward biomass mixed combustion, we will consider and prepare for mixed combustion of ammonia, upcycling of existing facilities, and CCS in Japan, while steadily pursuing initiatives to reach our CO₂ reduction target. Looking ahead to 2035 and 2040, we aim to reduce CO₂ emissions to levels equivalent to the NDC targets by advancing initiatives aligned with the thermal power transition in Japan.

Contribution to CO₂ emission reduction

We have established a target to increase renewable energy by 4.0 billion kWh compared to FY2022 by FY2030. If the Group develops CO₂-free power sources like renewable energy, it will replace other thermal power sources in Japan as a whole and help the country lower its CO₂ emissions overall. By 2030, we predict that our CO₂-free power sources will have contributed to reducing 10.8 million tons of emissions, growing from 4.64 million tons in 2025. Looking beyond 2030, we will build on our contribution to the development of sustainable societies worldwide by supplying electricity generated from renewable energy sources across global markets.

Contribution to Japan's overall CO₂ emission reduction brought by J-POWER's initiatives to achieve CO₂ reduction targets and its CO₂-free power sources



Initiatives after 2030

Select an optimal decarbonization technology according to the local characteristics of the site toward achieving CO₂-free thermal power generation.

- Expansion of biomass/ammonia mixed combustion
- Further expansion of IGCC+CCS
- Hydrogen/ammonia power generation
- Biomass mixed combustion + CCS, etc.

Contribution to reduction

Power generation capacity

×

Annual operating hours

×

Facility utilization rate

×

Emission factor for JEPX FY2025 (0.472 kg-CO₂/kWh)

Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Strategy: 2030 and 2035 Scenario Analysis: Estimated Financial Impact

As a result of several steps—the implementation of carbon pricing, support for the development and introduction of CO₂ emission reduction measures, and more—to reach carbon neutrality in 2050, it is anticipated that Japan's energy costs would rise in the future. CO₂ emissions quota trading became mandatory in FY2026 following the full-scale operations of the emissions trading system (GX-ETS), while paid auctions for power producers are scheduled to commence in FY2033. While these developments may result in cost increases, they are also

expected to lead to an expansion of revenue opportunities through the enhancement of the environmental value of our CO₂-free power sources. The J-POWER Group will work to control rising energy bills and mitigate the financial impact of our response to climate change through methods that are economically sound, such as offsetting the effects of the decrease in thermal power sales with the expansion of renewable energy.

Financial impact (1/2)

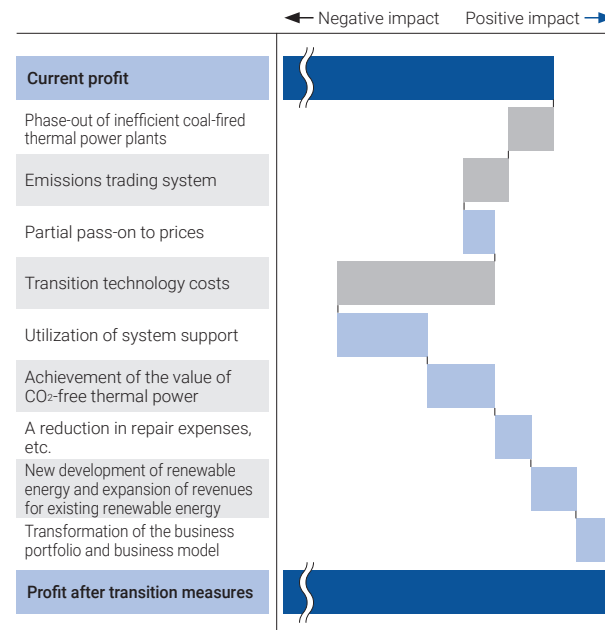
	Factors	Calculation details	Impact in value
Thermal power	Phase-out of inefficient coal-fired thermal power plants	- An estimated ¥10 billion decrease in ordinary profit mainly due to the closure of inefficient coal-fired thermal power plants *In cases where such coal-fired plants are maintained as standby power sources, no additional impact was assumed based on the assumption that institutional support will be provided.	Decrease in profits of approx. ¥10 billion
	Carbon pricing (CP)	2030: The cost of procuring emissions quotas is estimated based on the outlook for the maximum and minimum prices for the emissions trading system of ¥1,913–4,840 ... An increase in costs of approx. ¥4–10 billion 2035: As the outlook for the maximum and minimum prices beyond 2030 has not been disclosed, carbon pricing under the WEO2025 STEPS (approx. ¥6,000) is used ... Approx. ¥30–40 billion - Impact of carbon pricing will be regularly reconsidered paying close attention to Japan's energy policies to achieve Green Transformation. 2030 Impact of CP = Emissions trading prices ¥1,913–4,840/t-CO₂ × Additional procurement of emissions quotas (assumed) Approx. 2 million t-CO₂	2030: An increase in costs of approx. ¥4–10 billion 2035: An increase in costs of approx. ¥30–40 billion *However, predicting the degree of impact on ordinary profit is challenging due to the potential for part of the cost to be passed on to power charges as a social cost.
	Biomass/ammonia mixed combustion	- When reducing CO₂ emissions, the application of decarbonization options is deemed beneficial if the following formula holds. 2030: Reduction measures to be applied to CO₂ emissions around 3 million tons: CO₂ reduction cost is assumed at ¥30–54 billion. 2035: Reduction measures to be applied to CO₂ emissions around 9.8 million tons: CO₂ reduction cost is assumed at ¥84 billion or more. *Prepared by the Company based on materials from government advisory committees, the Power Generation Cost Verification Working Group, and the CCS Long-Term Roadmap Review Committee - Reduce impact using policy support, etc. Work to make the CO₂ reduction cost to be lower than the CO₂ cost. CO₂ price > CO₂ reduction cost - Support system	
	Biomass/ammonia mixed combustion	Emissions trading prices (yen/t-CO₂) × CO₂ reduction achieved by using carbon-neutral fuel > Power generation volume using carbon-neutral fuel (kWh) × Cost of mixed combustion with carbon-neutral fuel (yen/kWh) - Power generation cost using coal only (yen/kWh) - Policy support	-
	Introduction of CCS	Emissions trading prices (yen/t-CO₂) > Separation and capture expenses (yen/t-CO₂) + Transportation expenses (yen/t-CO₂) + Storage expenses (yen/t-CO₂) - Policy support	
	GENESIS Matsushima Plan	- By adding gasification facilities and other equipment to the existing Matsushima Thermal Power Plant and "upcycling" it, we aim to reduce CO₂ emissions by 10% as soon as possible while contributing to a stable supply. We will pursue CO₂-free hydrogen power generation in the future. - Use the Long-Term Decarbonization Power Source Auction to recoup capital expenditures and other fixed costs.	0
	Reduction in coal-fired thermal power repair expenses and renewal investment	- Constrain repair expenses and renewal investment for coal-fired thermal power plants prior to reduction of operations anticipated from 2030. - Actual repair costs for, as well as investments to replace, coal-fired thermal power will require about ¥35 billion per year, while investment for renewal will require about ¥20 billion per year. We will work to reduce some of these expenses.	+a

Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Financial impact (2/2)

	Factors	Calculation details	Impact in value
CO ₂ -free power sources	New development of renewable energies	Estimated from the power generation value from new development of renewable energy and non-fossil value Power generation volume of renewable energies +4.0 billion kWh FY2022 → FY2030	(Reference) Examples of non-fossil value sales and an increase in the added value of existing renewable energy ① Signed a virtual PPA for an onshore wind farm with KDDI https://www.jpowers.co.jp/english/news_release/pdf/news260421e.pdf ② Long-term agreement for environmental value derived from energy generated at hydroelectric power plants https://www.jpowers.co.jp/english/news_release/pdf/news250624e.pdf ③ Local revitalization-type PPA by JR East and J-Power https://www.jpowers.co.jp/news/2026/03/news260327.html (available only in Japanese)
	Expansion of revenues for existing renewable energy	Enhance the non-fossil value of existing renewables (10 billion kWh) With the full-scale launch of Japan's emissions trading system in 2026, carbon pricing is expected to gain momentum. As a result, rising carbon prices will likely enhance the environmental value of our renewable energy with no CO₂ emissions, contributing to greater profits. Quantifying the impact remains challenging at this stage, as it depends on the specific details of the system under consideration.	Profit increase of ¥10 billion and above
	Ohma Nuclear Power Plant (under construction)	The impact of the project has not been included in the financial impact estimation as it is currently under review based on the new regulatory criteria.	-

Financial impact at a glance



Risk scenario: If aligned with the 1.5°C target of the IPCC Sixth Assessment Report

We also analyzed the GHG emissions in the 1.5°C pathway as outlined in the IPCC Sixth Assessment Report (AR6). According to the IPCC AR6, the global model pathway for limiting global warming to 1.5°C (> 50%) with no or limited overshoot requires emissions reduction of 43% by 2030 and 60% by 2035 against 2019 levels. These targets are equivalent to 51% reduction against FY2013 levels in Japan, and when translated to reduction targets of the J-POWER Group, it would require an additional 2.4 million tons of reduction on top of our current 2030 target. Similarly, for 2035, it is equivalent to a 65% reduction compared with FY2013, and an additional reduction of 2.4 million tons will be required beyond Japan's NDC level.

IPCC Sixth Assessment Report

2030 43% reduction compared to 2019

2035 60% reduction compared to 2019



Converted to our "BLUE MISSION 2050" standard (compared to FY2013)

2030 51% reduction compared to 2013 (24.9 million-ton reduction)

An additional reduction of 2.4 million tons beyond the Company's target

2035 65% reduction compared to 2013 (31.7 million-ton reduction)

An additional reduction of 2.4 million tons beyond Japan's NDC

Financial impact of the risk scenario

Additional CO₂ reduction measures for approx. 500 MW of coal-fired thermal power are needed

With respect to the estimates for 2030 and 2035 presented on the previous page, although costs are expected to increase by about ¥10–44 billion, we will try to reduce the impact by making maximum use of an optimal combination of options, policy support, etc.

Transition costs

	Base scenario	Risk scenario
2030	¥30–54 billion	¥40–98 billion
2035	¥84 billion or more	¥94–128 billion or more

Additional costs ¥10–44 billion

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Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)

Risk Management

To identify and address various risks associated with corporate activities, the J-POWER Group has established executive bodies and dedicated departments, and has put risk management systems in place, including reporting and monitoring mechanisms.

The Sustainability Promotion Board, Compliance Action Committee, Business Strategy Subcommittee, and other executive bodies manage the risks. The Board of Directors monitors them and comprehensively manages the risks from a Group-wide perspective, reflecting them in investment decisions and business operations.

The Sustainability Promotion Board analyzes and assesses sustainability issues, including natural capital such as climate change, and discusses mitigation strategies. Furthermore,

under the Sustainability Promotion Board, the Global Environmental Strategy Subcommittee has been established to evaluate climate change threats. The Sustainability Promotion Board deliberates on the evaluation results, and makes recommendations or reports to the Executive Committee and Board of Directors.

The Board of Directors works to identify risks at an early stage by receiving regular reports on the status of business execution. It also strives to fully understand and prevent risks, while aiming to minimize the impact when they occur, through a crisis management system, established in accordance with internal regulations, as well as discussions and mutual checks and balances at various meetings.

Risk Management Related to Investment Projects

In managing new investments and lending as well as existing projects, the J-POWER Group makes decisions and conducts monitoring through multiple meetings, on the premise of alignment with the overall corporate strategy, ensuring control from both profitability and risk management perspectives. Taking into account that external changes, including those related to climate change, such as regulations, support and other policy changes as well as changes in the international situation and global supply chains, may affect the profitability and risk profile of our business, we make investment decisions under an appropriate governance framework.

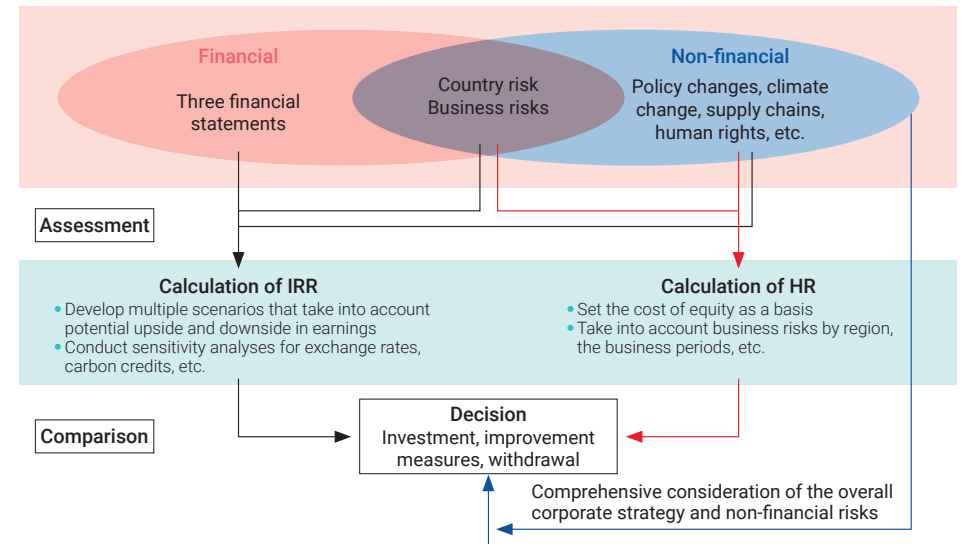
With respect to new investments, we make strict decisions on whether to proceed with investments after comprehensively evaluating the significance of the initiatives, profitability, and risks (policy changes, climate change, human rights, supply chains, etc.) at each stage of the Business Strategy Subcommittee, the Executive Committee, and the Board of Directors. As for profitability, we use the internal rate of return (IRR) as a key indicator based on cash flow plans that incorporate assumptions regarding demand outlook, electricity prices, and fuel prices. The IRR of each project is evaluated by comparing it with the hurdle rate (HR: set based on the cost of equity, taking into account business risks by region, the business periods, etc.), which represents the expected rate of return exceeding the cost of equity.

We also confirm the profitability and the status of various risks materializing for existing investment projects on a semi-annual basis. If any impairment in the profitability or in the

significance of the initiative is identified, we will implement improvement measures and consider taking other measures, including withdrawal, and report the results to the Executive Committee and the Board of Directors. In the event of a sudden change in the business environment, we will assess the situation and consider measures in a timely manner without waiting for the regular monitoring. Furthermore, beyond the evaluation of individual projects, management deliberates on the optimization of investment allocation from an asset allocation perspective, with a view to the future business portfolio, and seeks to improve capital efficiency.

[Please see P.94 for an overview of the Company's risk management.](#)

Image of investment project evaluation



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Indicators and Targets

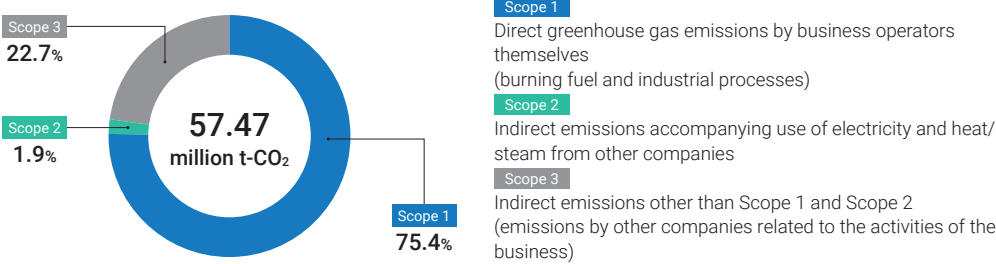
The J-POWER Group has obtained third-party certification for all of Scopes 1–3 GHG emissions since FY2022. FY2025 data that has obtained third-party certification is marked with a star (★).

GHG emissions 3-year results

	FY2023	FY2024	FY2025★
Scope 1	44.39	45.94	43.32
Domestic power generation business	33.68	35.84	35.78
Overseas power generation business	10.27	9.78	7.26
Other	0.43	0.32	0.29
Scope 2 (Location criteria)*1	0.14	0.14	1.07★1
Scope 3	13.31	13.51	13.07
Total	57.84	59.59	57.47

*1 Beginning in FY2025, in line with a change in the treatment of periodic reports under the Act on Rationalizing Energy Use, all electricity used for pumping at pumped storage hydropower plants is accounted for as purchased electricity under Scope 2. Emissions attributable to pumping amounted to 0.97 million t-CO₂ (location criteria).

FY2025 breakdown by Scope



Target

Push for zero-emission power sources

Indicators

① A reduction of 9.2 million tons* in FY2025
 ② 2030: A reduction of 46% (22.5 million tons)*

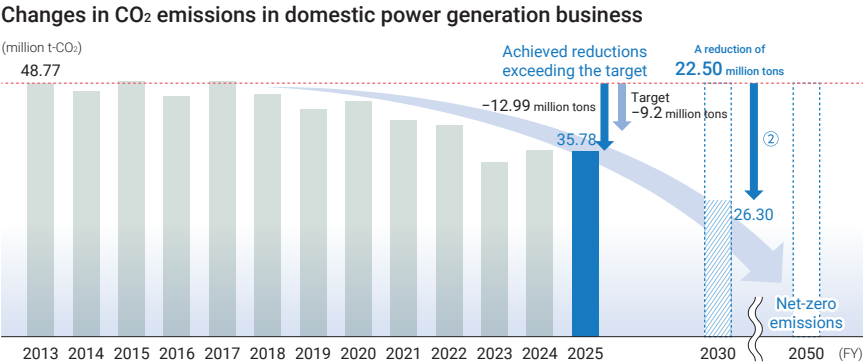
Target achieved

*Compared to FY2013

② 2030: A reduction of 46% (22.5 million tons) of emissions

- Expansion of biomass mixed combustion
- Introduction of ammonia mixed combustion
- Realization of CCS in Japan
- Reducing or discontinuing the operation of aging coal-fired thermal power plants

*Book value of aged coal-fired thermal power plants is approx. ¥43 billion.



Target

Expansion of CO₂-free power sources

Indicator

FY2030 Power generation volume of renewable energy +4.0 billion kWh/year*

Major CO₂-free power sources in operation (since FY2025)

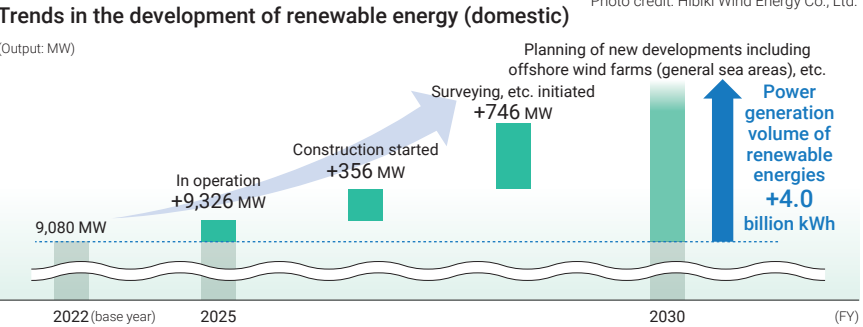
*Compared to FY2022

Kitakyushu Hibikinada Solar Power Station, Fukuoka Pref. Owned capacity: 29 MW

Okutadami Power Station, Fukushima Pref. Owned capacity: 566 MW (An output increase of 6,000 kW due to water turbine runner replacement)

Kitakyushu Hibikinada Offshore Wind Farm, Fukuoka Pref. Owned capacity: 88 MW

Photo credit: Hibiki Wind Energy Co., Ltd.



Column

Relationship between the J-POWER Group's CO₂ reduction results and SBT indicators

The Science Based Targets initiative (SBTi) calls for companies in the power sector to set intensity-based emission targets. The J-POWER Group has set its target based on actual emission volume and is working toward its achievement.

The rate of our Group-wide emissions reduction for the period from FY2022 (40.64 million tons) to FY2030 (target of 26.30 million tons) is 4.4%, exceeding the annual reduction rate of 4.2% required by SBTi for a 1.5°C trajectory alignment.

Disclosure Based on TNFD Recommendations

The J-POWER Group will disclose information based on Recommendations of the Taskforce on Nature-related Financial Disclosures (“TNFD Recommendations”) released by the Taskforce on Nature-related Financial Disclosures* in 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.

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 to be addressed 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.

General Requirements for Disclosure Based on TNFD Recommendations

General requirements	Status of disclosure during FY2026
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 considered to have significant impacts on natural capital due to its scale, we decided to include the 106 sites (thermal, hydroelectric, wind, geothermal, and solar) in Japan and around the world that were in operation as of March 31, 2026 in the scope of 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	Ecosystem integrity, biodiversity importance, and water stress 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. For some risks and opportunities, the likelihood of occurrence depends on local conditions, so we use the results of the evaluation of operating locations.
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 2026), 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 environmental 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 agreements 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.

*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.

Governance

The Group has identified “engagement with local communities” 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 Group’s policy. Important matters are proposed or reported to the Board of Directors or the Executive Committee.

[P.47 Sustainability promotion structure](#)

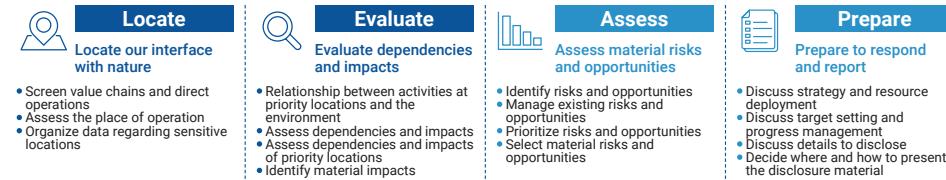
The Group has also established the J-POWER Group Basic Policy on Human Rights based on such international standards as the International Bill of Human Rights, ILO International Labour Standards, OECD Guidelines for Multinational Enterprises, UN Global Compact Principles on Human Rights, and UN Guiding 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.74 Initiatives to Respect Human Rights](#)

Disclosure Based on TNFD Recommendations

Strategy

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. 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.



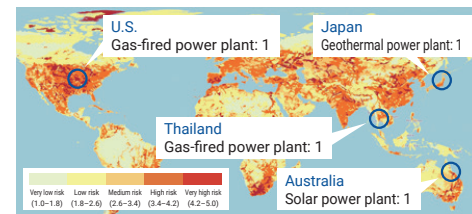
Locate

Understanding the areas that require priority efforts

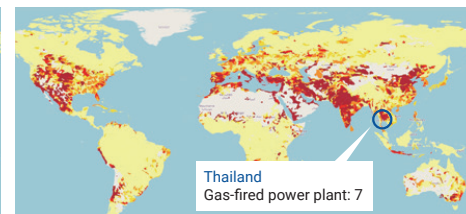
For each power generation site, we used a publicly available tool to assess ecosystem integrity, biodiversity importance, and water stress, which are metrics related to biodiversity and water deemed to be closely related to our business, and identified sites that are in sensitive locations.

We designated areas that were identified as either areas of low ecosystem integrity, areas of high biodiversity importance, or areas of high water stress as sensitive locations. As a result, we confirmed that 90 sites (4 coal-fired power plants, 10 gas-fired power plants, 50 hydroelectric power plants, 21 wind farms, 1 geothermal power plant, and 4 solar power plants) were situated in sensitive locations.

Results of ecosystem integrity assessment (using BRF*)

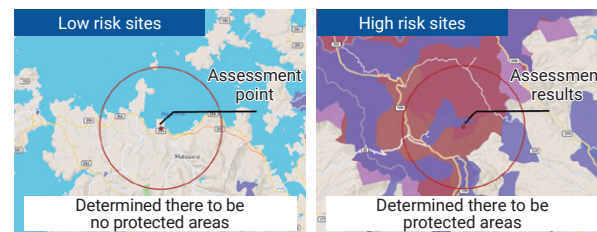


Results of water stress assessment (using Aqueduct*3 or WRF*4)



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 IBAT (Integrated Biodiversity Assessment Tool): 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 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 World 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) 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. Below is a heatmap (created by reviewing the results of the ENCORE assessment and adjusting them to reflect our actual business operations) that visualizes the dependencies and impacts on natural capital. Items assessed to have extremely large dependencies and impacts were selected as high priority matters.

Heatmap of dependencies and impacts

Very large dependencies and impacts
Moderate dependencies and impacts
Relatively small dependencies and impacts
Almost no dependencies or impacts

	Things that depend on natural capital										Things that impact natural capital										
	Freshwater supply	Global climate regulation	Local climate regulation	Air purification	Water purification	Solid waste remediation	Soil and sediment retention	Water flow regulation	Flood mitigation	Storm mitigation	Noise attenuation	Volume of water use	Area of land use	Area of freshwater use	Area of seabed use	Emissions of GHG	Emissions of non-GHG air pollutants	Emissions of toxic pollutants to water and soil	Emissions of nutrient pollutants to water and soil	Generation and release of solid waste	Disturbances (e.g., noise, light)
Thermal power											-		-								
Hydroelectric power											-		-							-	-
Wind power	-			-	-	-		-			-	-		-	-	-	-	-	-	-	-
Geothermal power											-		-	-	-	-	-	-	-		
Solar power	-			-	-	-					-				-	-	-	-	-		

*5 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): A tool developed by the Natural Capital Finance Alliance and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) to help understand the magnitude of dependencies and impacts of business activities on nature. The ENCORE assessment items disclosed in the previous fiscal year have been updated to the latest version. For details, please see ENCORE's website (<https://www.encorenature.org/en/data-and-methodology/impact-drivers>).

Results of assessment of dependencies and impacts on natural capital

Thermal power	There are large dependencies on "Freshwater supply," which is essential for power plant operations, and large impacts on "Volume of water use." There are also large impacts from "Emissions of GHG" and "Emissions of non-GHG air pollutants" due to fuel combustion.
Hydroelectric power	There are large dependencies on "Freshwater supply" and "Water flow regulation," both of which are essential for power plant operations, and large impacts on "Volume of water use." There are also large dependencies on "Global climate regulation" and "Local climate regulation," given that a stable climate leads to a stable water cycle, as well as large impacts on "Area of freshwater use" due to changes in river flows and sediment.
Wind power	There are large dependencies on "Global climate regulation" and "Local climate regulation," given that a stable climate leads to a stable supply of wind.
Geothermal power	There are large dependencies on "Freshwater supply," which is essential for power plant operations, and large impacts on "Volume of water use."
Solar power	There are large dependencies on "Global climate regulation," given that a stable climate leads to a stable supply of solar radiation.

Disclosure Based on TNFD Recommendations

Assess

Nature-related risks and opportunities across our business

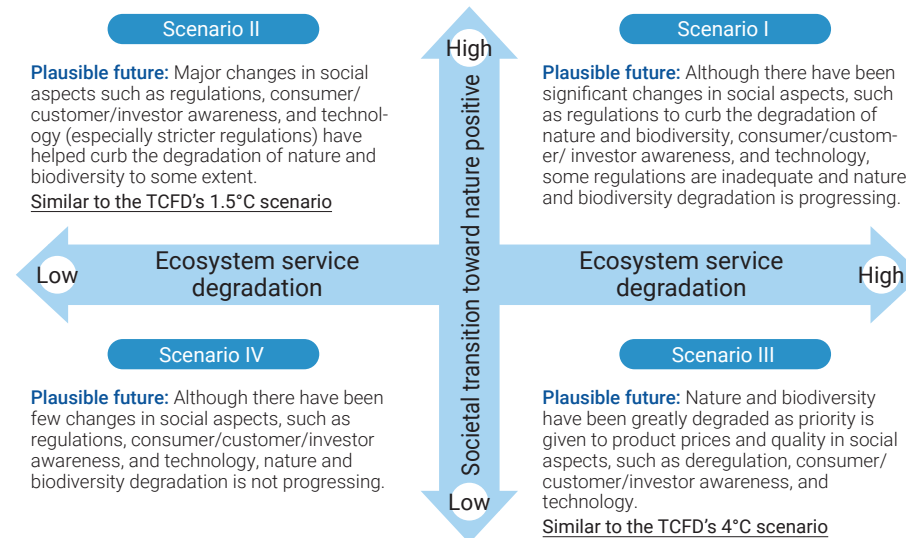
We identified nature-related risks and opportunities from the perspectives of dependencies and impacts, which reflect the close relationship between business and nature, and assessed them using indicators such as likelihood of occurrence and impact on business. Furthermore, we conducted a scenario analysis under the assumption of environmental and social changes to evaluate their materiality taking into account various future global changes.

1 Scenario analysis

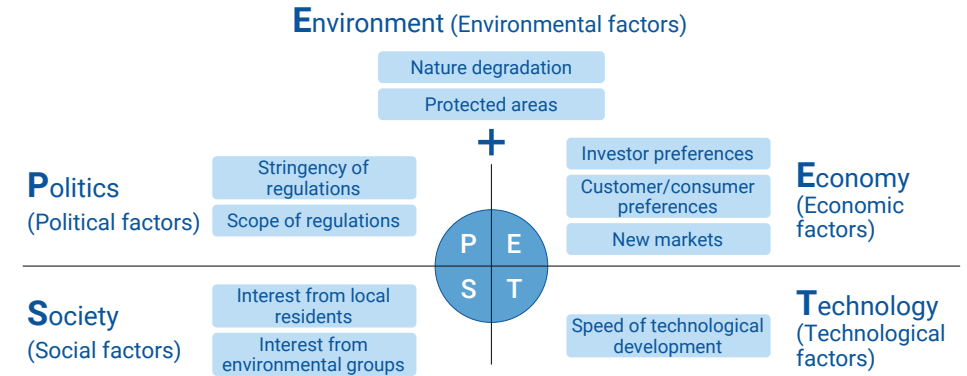
We analyzed the materiality of risks and opportunities taking into account changes in plausible futures using the scenario analysis under the assumption of environmental and social changes relating to our business. As an approach to the scenario analysis based on TNFD, we have set four plausible futures with “ecosystem service degradation” and “societal transition toward nature positive” as the scenario axes. We used the PEST+E analysis to see how the materiality of risks and opportunities changes based on the directions of change in factors such as environment and technology under the four plausible futures.

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 Four plausible futures (Scenarios II and III are similar to climate change scenarios)



② Framework of PEST+E analysis and analysis results 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)

Disclosure Based on TNFD Recommendations

2 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	Power generation type	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 take countermeasures at each location. We are also taking flood countermeasures, such as sediment routing/discharge at regulating ponds and implementing flood protection measures for facilities.
			Wind							We are seeking to mitigate the risk of equipment damage by automatically shutting down wind turbines in the event of a lightning strike and resuming operations after inspection by maintenance personnel. The wind turbines are also designed to shut down safely if the power supply is lost due to a disaster or other event.
			Geothermal							We monitor the subsurface environment of the geothermal reservoir to check for 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 take countermeasures at each location. We are also taking flood countermeasures, such as sediment routing/discharge at regulating ponds and implementing flood protection measures for facilities.
			Wind	Changes in wind conditions cause damage to power generation and other facilities, resulting in a medium- to long-term shutdown. In addition, deteriorating wind conditions and cut-outs reduce power generation.						When wind speed reaches or exceeds the preset cut-out wind speed, the wind turbine blades are positioned parallel to the wind flow and allowed to rotate freely to prevent equipment damage. The financial impact of this risk is limited as the locations of wind farms are decentralized and the single-unit output is small.
			Solar	The severe rain and wind cause large-scale natural disasters and damage to facilities, such as solar power generation facilities, resulting in a medium- to long-term shutdown.						When selecting locations, we take natural disaster risks into account and strive to mitigate them by designing facilities based on assessments of those risks.
	④ Sea surface temperature rises due to the impact of climate change.	Not subject to the assessment as dependencies exist	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 seawater temperature.
	⑤ Increased sedimentation in dams reduces 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.
Impacts	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	While advancing the development of CO ₂ -free power sources such as renewable energy and nuclear power, we are transforming our power source portfolio through initiatives including the phase-out of inefficient coal-fired thermal power plants and the decarbonization of thermal power generation (mixed combustion with biomass, CCS, etc.).
			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, while also considering costs and government support.

*The likelihood of occurrence is assessed taking into account the sensitivity of power generation sites based on the Locate evaluation and changes in each scenario.

Disclosure Based on TNFD Recommendations

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	Power generation type	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 flood protection measures at power plants, seismic reinforcement measures for dam discharge facilities, and measures against floods and earthquakes, to improve the stability of operations and mitigate disaster damage.
			Wind							We have been striving to lower failure rates and improve power generation efficiency by extending the operating lives of facilities or replacing them based on assessments of their service lives.
	③ The development of small-scale hydroelectric power plants and the repowering 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 developing small-scale hydroelectric power plants and implementing repowering work at 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 increases power generation, leading to an improvement in our revenue.	↗	↗	→	→	Short to long term	We have been actively working 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 environmental impact assessment.
			Hydroelectric							We have been working to preserve the river environment through river maintenance flow, construct fishways, and restore the healthy aquatic environment through sediment replenishment downstream of dams. We are also seeking to improve the river environment by taking measures to reduce prolonged turbidity.
	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, including mixed combustion of biomass fuels, 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 by extending the operating lives of facilities or replacing them based on assessments of their service lives.
			Solar							We are advancing studies on the selection of suitable locations and the establishment of commercial viability.
	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 promoting the use of environmental value derived from our renewable energy sources in collaboration with local governments and companies by expanding virtual power purchase agreements (PPAs) with electricity consumers, selling environmental value generated through power generation, and developing next-generation hydroelectric power plants in harmony with their river basin communities.
	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 are advancing the development of CO ₂ -free power sources, including wind, geothermal, solar, and nuclear power.
	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, geothermal, and solar power generation.

Disclosure Based on TNFD Recommendations

Prepare

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.

Examples of Initiatives

Sedimentation control measures at regulating ponds

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

Example of Horoka Regulating Pond

Left: Regulating pond filled with sediment due to rainfall
Right: Illustration of the completed bypass tunnel for sediment routing



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.

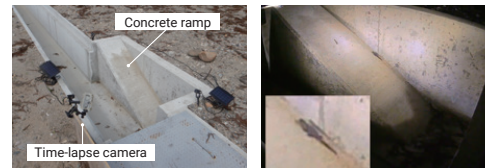
Illustration of completed Ikushunbetsugawa Power Plant that harnesses river maintenance flow



Preservation of plant and animal habitats at hydroelectric power plant sites

At Tagokura Power Plant (Fukushima Prefecture), a sediment disposal site is being developed using sediment deposited in a regulating pond. Branched bur-reed and Japanese fire-bellied newts, both of which are included in the Fukushima Prefecture Red List and were found within the development area, are being protected by transplanting the branched bur-reed to a nearby location and installing wildlife ramps in drainage ditches as a conservation measure for the newts.

In addition, the rare plant Yukiguni-kan-aoi (*Asarum ikegamii*) was found and transplanted to a location that would not



Ramp installed in a drainage ditch



Transplanting a rare plant

be affected by the development work. Black locust, which is included in the Fukushima Prefecture Invasive Alien Species List and is believed to have been introduced in transported sediment or through seed dispersal by starlings and other birds, was also found. We are therefore undertaking measures such as regularly checking for and removing the species.

Improvement of spawning grounds for ayu sweetfish

In the Nahari River (Kochi Prefecture), the reduced supply of gravel downstream of dams causes the riverbed material to become coarser, making it difficult for ayu sweetfish to spawn. Since 2005, we have therefore been working with the local fisheries cooperative and other organizations to create a suitable spawning environment.



Leveling gravel on the riverbed

Ayu sweetfish approaching the improved riverbed

Column

Biotope at Chigasaki Research Institute certified as a Nationally Certified Sustainably Managed Natural Site*1

Since 2003, the Institute has developed and continuously managed a biotope*2 comprising a diverse green environment that combines ponds, grasslands, and wooded areas. The Institute has also conducted regular field surveys of the biotope and carefully monitored changes in its vegetation and waterside environments. As a result, the biotope now provides habitat for 176 species, including birds, insects, and aquatic animals. These green space conservation activities were recognized as a locally rooted initiative for coexistence with nature, and the biotope became J-POWER's first site to be certified as a Nationally Certified Sustainably Managed Natural Site (Third round of certification in FY2025).

J-POWER is committed to biodiversity preservation/recovery and will continue working toward the realization of nature positive (nature restoration) in collaboration with local communities.



Pond in the biotope



Tour of the biotope for local residents

*1 The Nationally Certified Sustainably Managed Natural Sites scheme is a national certification scheme launched in FY2023 to help achieve the international "30by30" target of conserving at least 30% of the world's land and sea areas as protected areas by 2030. Under the scheme, the Ministry of the Environment certifies areas where biodiversity conservation is achieved through initiatives undertaken by private companies and other entities.

*2 A biotope is an artificially created space in an urban area where living organisms can coexist, with the aims of maintaining biodiversity and creating opportunities for urban residents to interact with nature.

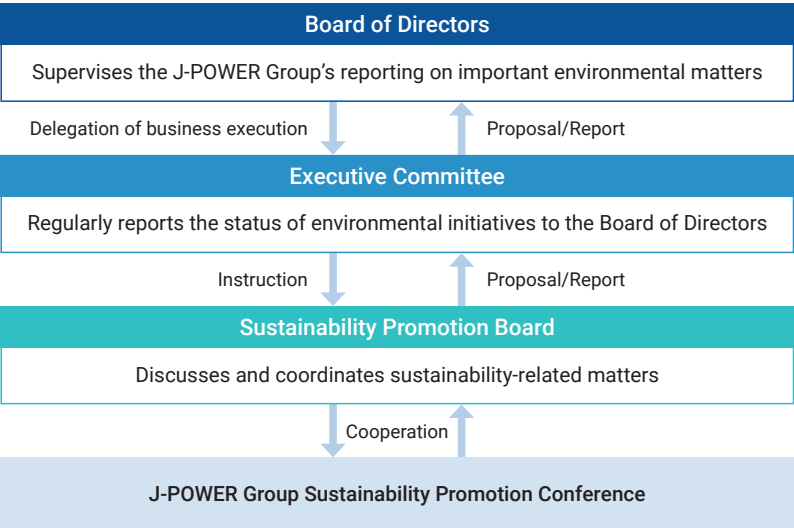
Disclosure Based on TNFD Recommendations

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 ESG Oversight (President) works together with Group companies to manage such risks by examining and promoting specific measures.

The Sustainability Promotion Board convenes at least three times a year to discuss the drafting of the Basic Policy on Sustainability to be determined by the Board of Directors and the Executive Committee, as well as the formulation and review of measures based on the policy and the identification, assessment, and management of risks, among other matters. In addition, the ESG Oversight regularly reports the contents of those discussions to the Executive Committee and the Board of Directors, monitors the status of initiatives, and reflects them in management and business plans.

The Board of Directors works to identify risks, including those from ESG and sustainability perspectives, at an early stage by receiving regular reports on the status of business execution. It also strives to thoroughly identify business risks, including those related to ESG and sustainability, and implement measures to avoid them, while aiming to minimize the impact when risks occur, through mutual checks and balances in the decision-making process, discussions at various meetings, and a crisis management system maintained under normal circumstances in accordance with internal regulations.



Indicators and Targets

The J-POWER Group has disclosed information on our environment target achievements in FY2025 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/recovery,” and “protecting aquatic environments,” we will continue to work on the effective utilization of industrial waste, the preservation of habitats and growth environments of rare plants and animals, and the appropriate management of wastewater, among other initiatives.

[P.69 J-POWER Group Environmental Targets](#)

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

Indicators and metrics related primarily to dependencies and impacts assessed to be material are as follows:

No.	Change driver	Indicators	Metrics	Relevant impacts/dependencies
—	Climate change	GHG emissions	P.47 TCFD Report	Impacts: GHG emissions Dependencies: Global climate regulation, rainfall pattern regulation, air purification
C2.1	Pollution/ pollution removal	Wastewater discharged	Highly treated wastewater: 2.97 million m³	Impacts: Emissions of toxic pollutants to water and soil, emissions of nutrient pollutants to water and soil Dependencies: Water purification
C2.2		Waste generation and disposal	Industrial waste generated: 1.76 million tons Effective utilization rate: 94%	Impacts: Generation and release of solid waste Dependencies: Solid waste remediation
C2.3		Plastic pollution	Plastic waste: 1,696 tons Effective utilization rate: 45%	Impacts: Generation and release of solid waste
C2.4		Total emissions of non-GHG air pollutants	NOx: 15.8 thousand tons SOx: 6.8 thousand tons Soot and dust: 0.4 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: 9.40 million m³ • Water consumed: 7.96 million m³ *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, water flow regulation
C3.1		Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Coal: 13.68 million tons Heavy oil: 29 thousand kl Light oil: 27 thousand kl Biomass: 146 thousand tons Natural gas: 1,410 million m³	Impacts: Extraction of other biological resources, extraction of other abiotic resources
EPC 2.0	Pollution/ pollution removal	Coal combustion residue (CCR)	CCR generated: 1.42 million tons Effective utilization rate: 93%	Impacts: Generation and release of solid waste Dependencies: Solid waste remediation

INTEGRATED REPORT CHAPTER 4

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J-POWER Group and the Environment

As a company involved in the supply of energy, the J-POWER Group contributes to the sustainable development of Japan and the world while seeking harmony with the environment.

J-POWER Group Environmental Basic Policy

Addressing climate change	Work on realizing carbon neutrality using our experience and technology to provide a constant energy supply and bring about a sustainable society.
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.
Ensuring transparency and reliability	Ensure that our business activities comply with all applicable laws and regulations, disclose a wide range of environmental information, and enhance communication with stakeholders.

J-POWER Group Environmental Targets For details of the main achievements in FY2025, please refer to J-POWER Group Integrated Report 2026 Supplementary Material <Environment>.

Addressing climate change	● Accelerating the development of CO₂-free power sources ● Reducing greenhouse gas (GHG) emissions	● Increase of electric power generated from domestic renewable energy by 4.0 billion kWh/year by FY2030 (compared to FY2022) ● Promotion of the Ohma Nuclear Power Plant Project with safety as a major prerequisite ● 9.20 million ton CO₂ reduction from domestic power generation business by FY2025 (compared to FY2013 results) Achieved ● 22.50 million ton CO₂ reduction from domestic power generation business by 2030 (46% decrease) (compared to FY2013 results) ● Achievement of the benchmark for thermal power generation under the Act on Rationalizing Energy Use by FY2030	 P.47 Climate Change Scenario Analysis (Disclosure Based on TCFD Recommendations)
Addressing local environment issues	● Creation of a recycling-oriented society ● Biodiversity preservation/recovery ● Protecting aquatic environments	● Effective utilization rate of industrial waste: Approx. 97% ● Reduction of waste plastic discharge and recycling of resources ● Consideration for biodiversity preservation/recovery in business activities ● Consideration for the preservation of river and marine environments in business activities	 P.70 Coexistence with Local Environment > Addressing Local Environment Issues
Ensuring transparency and reliability	● Improvement of environmental management level ● Full compliance with environmental laws and agreements ● Environmental communication activities	● Continuous improvement of EMS ● Zero serious violations of environmental laws and agreements ● Environmental communication activities in local communities and within the Company	 P.71 Coexistence with Local Environment > Ensuring Transparency and Reliability

J-POWER Group Environmental Action Guidelines

Issues that the J-POWER Group should address, and main details of initiatives  For details, please refer to J-POWER Group Integrated Report 2026 Supplementary Material <Environment>.

J-POWER Group Divisional Environmental Targets

Each department sets and works on its own targets, taking into consideration the J-POWER Group Environmental Targets and Environmental Action Guidelines.

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Coexistence with Local Environment

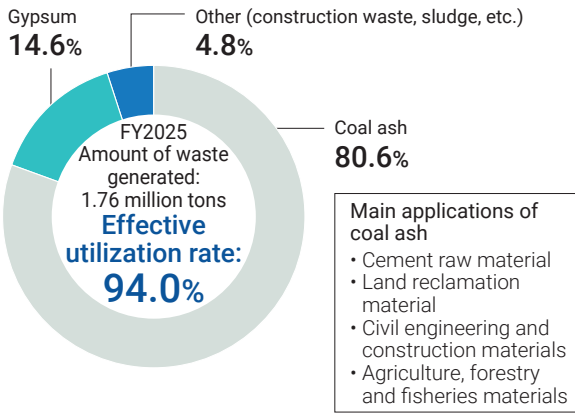
The J-POWER Group owns large-scale power generation, transmission and transformation facilities in a wide area and has been engaged in business for a long time under the banner of the material issue of engagement with local communities. We are committed to building a relationship of trust with the local community, while respecting considerations for the environment at every stage of our business and striving to preserve the local environment with the latest technology and knowledge.

Addressing Local Environment Issues

Promoting the creation of a recycling-oriented society

Maintaining and improving the effective utilization rate of industrial waste

Industrial waste discharged by the Group totaled 1.76 million tons in FY2025. Coal ash and gypsum discharged from thermal power plants accounted for 95%, of which more than 90% were successfully used as raw materials for cement, land reclamation material, and other supplies. The Company works to reduce the amount of industrial waste, and the overall effective utilization rate of industrial waste for FY2025 was 94%. From this fiscal year onward, we will continue to work on the effective use of waste with the aim of achieving an environmental target "effective utilization rate of waste of around 97%."



Dealing with waste plastics

We are also focusing on sorting, thorough monitoring of the status of discharged volume and recycling, and the 3Rs (Reduce, Reuse, Recycle) to increase recycling and decrease waste plastic discharged.

For details on the amount of plastic waste the Group produces and recycles, please refer to Supplementary Material <Environment>.

Reducing resource usage

The J-POWER Group will phase out inefficient coal-fired power plants and select the most appropriate replacement technology, including biomass, hydrogen, or ammonia, based on factors such as the characteristics of each site and the status of equipment. Through such measures, we will promote the creation of a recycling-oriented society by preventing the depletion of resources through the reduced use of coal, while reducing waste generated.

P31 Direction for Thermal Power Transition in Japan

Commercializing environmentally friendly high-performance recycled fiber

J-POWER is working with Nippon Fiber Corporation to commercialize "BASHFIBER®," a high-performance recycled fiber made of coal ash.

Utilizing the mass-production verification facility built at the Chigasaki Research Institute with a grant from the New Energy and Industrial Technology Development Organization (NEDO), we are working to establish manufacturing technology for coal ash-based fibers and verify their practical application as a substitute for glass fiber, leveraging their high strength and heat resistance. Through these efforts, we will contribute to reducing the amount of resource usage and waste, as well as mitigating supply chain risks in the industrial sector.



BASHFIBER® product range

Biodiversity preservation/recovery

Based on our business activities' dependencies and impacts on natural capital, we are working to preserve the habitats and growth environments of rare plants and animals. Moreover, through education and conservation activities, we are promoting awareness-raising toward the preservation and recovery of biodiversity.

P61 Please refer to Disclosure Based on TNFD Recommendations.

Protecting aquatic environments

Understanding the impacts of water use and discharge associated with our business activities on the water cycle, we are working on measures such as addressing water quality and sediment deposition in dam lakes and downstream areas, managing wastewater discharge into marine areas in accordance with relevant laws, regulations, and environmental preservation agreements, and conserving water through the reuse of treated wastewater.

P61 Please refer to Disclosure Based on TNFD Recommendations.

Decentralized water supply and advanced water purification

Through our water infrastructure business, we are promoting the advancement of technologies in the water purification field and the reduction of environmental impact. In March 2026, we entered into a capital and business alliance with ZEOLITE CO.,LTD, and are working on the joint development of new materials and products (such as sensor development and Proof of Concept [PoC] trials with startups) aimed at addressing the aging of local water infrastructure and promoting the widespread use of advanced water purification.



Decentralized water supply (Ishima small-scale water supply)

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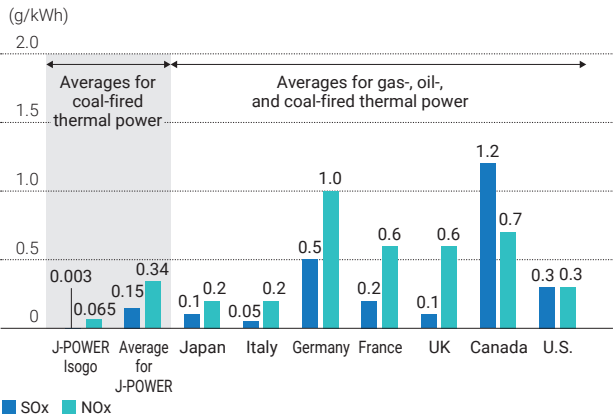
Controlling environmentally harmful substances

Thermal power plants release pollutants into the atmosphere such as soot and dust, nitrogen oxide (NOx), and sulfur oxide (SOx). High efficiency emissions reductions have been made possible through advances in combustion techniques and stable operation of flue gas treatment equipment.

In order to ensure that emissions of environmentally harmful substances comply with applicable laws, regulations, and environmental preservation agreements, we also monitor their operational conditions and smoke emissions 24 hours.

As shown in the figure below, the NOx and SOx emissions from the coal-fired power plants operated by the Company are comparable to average values for each developed country without fuel category, while our state-of-the-art units operate with a low environmental impact even by global standards.

International comparison of SOx and NOx emission intensity for thermal power generation



*Emissions: OECD Stat Extracts; Power generated: IEA "Data and statistics"
*Average for J-POWER and J-POWER Isogo figures (coal-fired) are FY2025 results.

Environmental impact assessments

Environmental impact assessments in line with laws and regulations are conducted when planning and developing power facilities. We also take the views of the local residents into consideration and work hard to preserve the environment. In accordance with signed agreements such as those for environmental preservation, we continue to monitor and verify the efficiency of environmental preservation measures once

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operation has begun. There are now 17 projects currently undergoing the environmental impact assessment process (as of July 31, 2026).

Ensuring Transparency and Reliability

Improvement of environmental management level

Every business site of the J-POWER Group has an environmental management system (EMS) that is compliant with the ISO 14001 standard of the International Organization for Standardization and the JIS Q 14001 standard of the Japanese Industrial Standards, and we are constantly working to raise the bar regarding environmental management. Internal audits of our EMS are conducted at least once a year. In the water purification business, as ensuring water safety is of particular importance, we have acquired ISO 14001 certification to ensure the reliability of the environmental management framework that supports it.

To ensure that every employee is aware of environmental management and works with a feeling of responsibility as a party to a business that entails numerous environmental burdens, we also offer various training courses that take into account each employee's position and role.

Full compliance with laws, regulations, agreements, and other rules

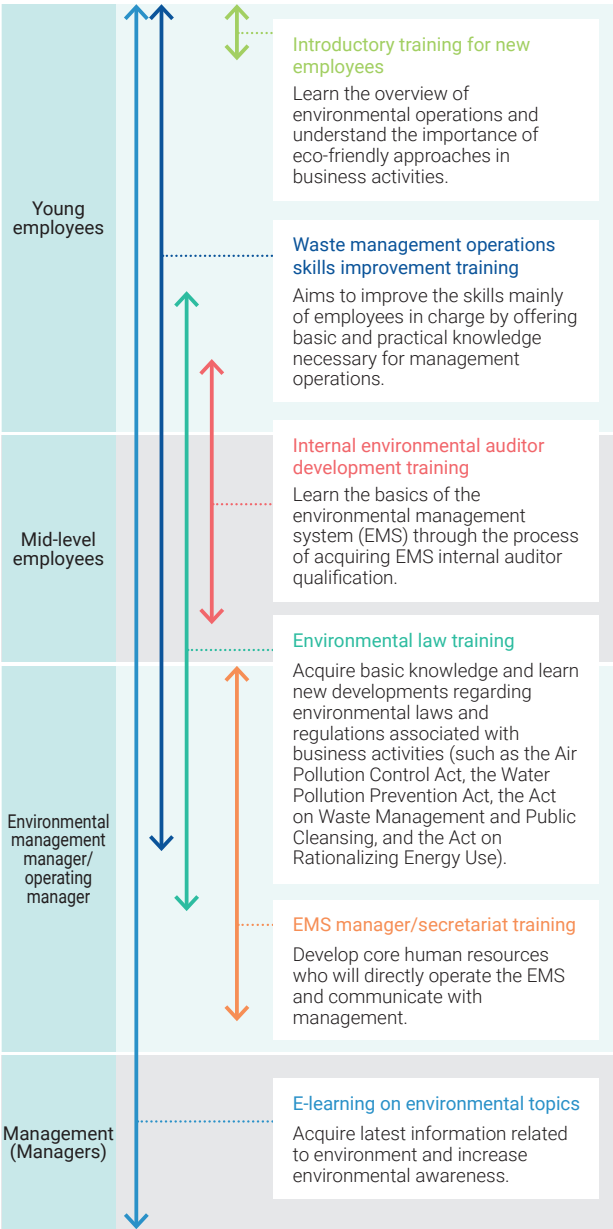
We aim to maintain and enhance the operation of our facilities while abiding by laws, regulations, and agreements in order to reduce the environmental impact of our commercial activities. In the event that environmental incidents arise, we have a system in place to stop the impact from spreading and to quickly convey information.

In addition, we strive to prevent past incidents from recurring.

Environmental communication activities

Through environmental conservation initiatives such as cleanups of local communities, we are aiming to improve environmental communication with our diverse stakeholders in addition to improving the disclosure of environmental information. In order to share environmental management information with Group companies and improve communication, we also organize events such as environmental information exchange meetings.

Major environmental education in FY2025



Engagement with Local Communities

Contributions to Local Communities

Due to the nature of our business of ensuring a stable supply of energy, the J-POWER Group views building relationships of trust with local communities and supporting their sustainable development as critical issues directly linked to maintaining and enhancing our management foundation, and has designated “engagement with local communities” as one of our material issues. We aim to build relationships of trust with local communities as well as contribute to local revitalization efforts through proactive local contribution activities in Japan and overseas.

Policy for initiatives

With the “J-POWER Thoughts on Social Contribution Initiatives” established as its policy for initiatives, the J-POWER Group, as a good corporate citizen, engages with local communities, supports culture and the arts, promotes participation in volunteer activities, and actively contributes to international society.

J-POWER's Thoughts on Local Community Engagement Initiatives

<https://www.jpowers.com/english/sustainability/contribution/policy.html>

The results and plans of each region's local community engagement initiatives are compiled by the Sustainability Promotion Board and reported to the Board of Directors. To further strengthen our structure, in April 2024, the Group appointed Executive Officers/Executive Senior Advisors who would be responsible for special assignments related to local community engagement. To implement these policies through concrete actions, we combined operations related to local community engagement with the Public Relation Department and renamed the combined departments to Public Relations & Community Relations Department in April 2025.

Promoting employee volunteer activities and developing supporting systems

The J-POWER Group encourages employees to engage in volunteer activities as members of local communities, and has developed systems to support these efforts.

- Volunteer vacation system: Separate from regular paid vacation, we have established a system that allows employees to take dedicated leave specifically for the purpose of participating in volunteer activities.
- Pre-registration of employees wishing to participate in reconstruction support activities: To ensure the prompt dispatch of employees in response to requests from local governments, volunteer organizations, and other groups in the event of unexpected disasters, we have established a pre-registration system for employees who wish to participate in disaster reconstruction support activities.

Social contribution activities

A total of 9,166* Group employees took part in 1,128 activities during FY2025. The activities include work-study programs and onsite classes (such as environmental education) in collaboration with educational institutions, as well as local environmental conservation and beautification activities such as tree planting, and environmental cleanups. The Group also engages in a wide range of activities, including conducting facilities tours, taking part in dialogues with communities and local events, and conducting patrols for traffic safety.

*Since FY2024, the Group employee participants include those in activities in the U.S. and Thailand, and in FY2025, those in Indonesia have been included.

Activities in Japan

With 61 hydroelectric power plants located throughout Japan, we are putting various efforts into action at each of the nearby river basins.

In the city of Uonuma in Niigata Prefecture, Okutadami Kanko Co., Ltd., our Group company, offers sightseeing boat tours on Lake Okutadami (approx. 60,000 users in FY2025) and operates the Okutadami Maruyama Ski Resort (approx. 30,000 users in FY2025) and a lodging facility Midori no Gakuen (approx. 6,000 guests in FY2025) as part of a joint project with the city. These initiatives contribute to regional revitalization and sports promotion through tourism.

At the Tadami and Tagokura Power Plants in Fukushima Prefecture and Okutadami Power Station in Niigata Prefecture, etc., infrastructure tours (107 tour attendees in FY2025) are conducted in partnership with JR EAST VIEW TOURISM AND SALES COMPANY LIMITED, a subsidiary of East Japan Railway Company (JR East). In FY2025, we newly added a course to visit the Onikobe Geothermal Power Station in Miyagi Prefecture. We aim to find new attractions and add value to regions through these tours.

J-POWER Generation Service Co., Ltd. conducts community engagement events and facility tours at thermal power plants and business sites. These events offer a valuable opportunity for local residents to familiarize themselves with the Group's power plants and facilities, fostering greater engagement.

In the area where Ohma Nuclear Power Plant is located, we conduct activities such as science classes, geological formation observation tours, support for science lessons, and workplace visits for local high school, junior high school, and elementary school students.

In our wind power business, we cooperate with the offshore wind power curriculum program held at Hakodate, Akita, and Hachinohe colleges of the National Institute of Technology. These initiatives aim to foster understanding in the local communities where our facilities are located, as well as strengthen the potential supply chain and broaden the base of human resource recruitment.

Respecting the healthy growth and the right to education of children who will lead the next generation, we actively provide support through sports and educational programs in each region where we develop our business activities.



Miboro Power Plant
Cleanup activities at Shokawazakura Park



Tachibanawan Thermal Power Plant
Scene from the summer festival in Anan City



Engagement with Local Communities

The J-POWER Group views making social and economic contributions to local communities as a key responsibility in our business operations both in Japan and overseas. We will achieve both the revitalization of local economies and the construction of a resilient business foundation through various initiatives in each region where we operate. These include promoting local employment and local procurement, implementing community investments such as supporting microfinance programs, developing infrastructure, and providing health and educational support for children.

Activities in Indonesia

In order to achieve self-reliance and ongoing community development, the Batang Power Plant in Indonesia is involved in activities such as educational support for children, support for local employment creation, and microfinance financing through business activities and programs via its operating company, Bhimasena Power Indonesia (BPI). For the policies and detailed track record on social contribution activities of the company, see BPI's website.

Bhimasena Power Indonesia CSR Program Summary

<https://www.bhimasenapower.co.id/content/15/rangkuman-csr/5>

Examples of activities

Economic activity support

Support for small-scale businesses (such as laundry and sewing)*1, support for local microfinancing businesses (such as training), and support for employment creation

*1 By 2025, support provided to a cumulative total of 3,021 people from 209 groups

Educational support

Support for local schools (a range of programs) in collaboration with environmental education programs of the Indonesian government and support for academic development, etc.

Health support

Provision of supplemental food, medical kits, etc.; support for village clinics; health support for villagers; and support to improve the hygienic environment, etc.

Social, cultural, and environmental support

Support for ecosystem restoration (such as mangrove planting and installation of artificial fish reefs through the placement of reef blocks), town clean-up activities, etc.

Infrastructure building*2

Support for water purification and sanitation management, support for renovation of uninhabited houses, support for repair of public infrastructure (such as mosques and schools), etc.

*2 By 2025, support provided to 1,011 facilities

Activities in Australia

Genex Power Limited, a wholly owned subsidiary of J-POWER, supports the transition to clean energy in Australia. Recognizing that gaining the trust and understanding of local communities is directly linked to maintaining our social license to operate, which is essential for business promotion, Genex Power has formulated a community engagement strategy centered on responsible business operations, managing impacts on local communities, transparent dialogue, and acting as a good neighbor.

In development projects, the company places great importance on considering social impacts and works to minimize these impacts while creating sustainable value, in collaboration with external stakeholders, including local communities, landowners, government officials, and indigenous peoples.

For projects in operation and under construction, we implement annual stakeholder engagement plans, striving to ensure that local community members can discuss various issues, participate in economic opportunities, and receive updates on key project milestones.

As part of these initiatives, Genex Power supports the improvement of health, education, and well-being, while also sponsoring local initiatives and events based on regional priorities.

Major activities in 2026 included supporting flood relief efforts, cooperating in the redevelopment of local community spaces, holding community briefing sessions, and participating in local events.

Activities in the U.S.

J-POWER's U.S. subsidiary, J-POWER USA Development, and its power generation companies collaborate with local non-profits to revitalize the community through donations and volunteer work. For instance, we support local citizens with food support programs, educational support for students, and sponsorship of cultural institutions based on the needs of the community.



Educational support activities in Indonesia



Cooperation in the redevelopment of community spaces in Australia



Volunteer activities in the U.S.



Initiatives to Respect Human Rights

J-POWER Group Basic Policy on Human Rights

Keenly aware of its responsibility to respect the human rights of those whom its business activities may affect, the J-POWER Group endeavored to clarify its stance on the matter and fulfilled that responsibility by establishing the J-POWER Group Basic Policy on Human Rights. This policy is 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. The policy applies to all employees and officers of our Group. We also encourage our business partners and suppliers to support this policy.

See our website for the J-POWER Group Basic Policy on Human Rights.

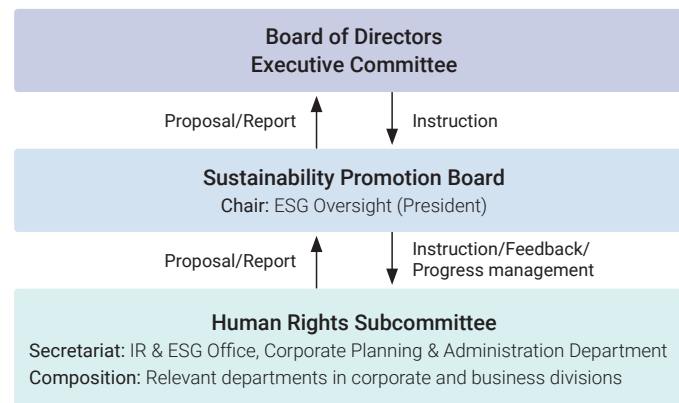
https://www.jpowers.co.jp/english/sustainability/contribution/human_rights.html

Promotion structure

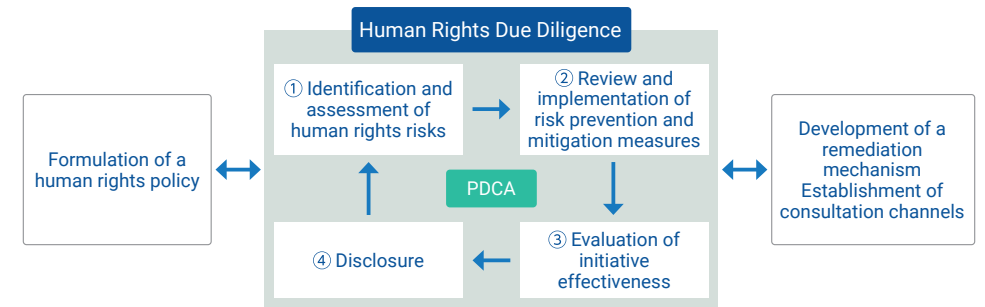
The J-POWER Group has established a Human Rights Subcommittee under the Sustainability Promotion Board, for which ESG Oversight (the President) bears supervisory responsibility, to discuss human rights issues across relevant departments. To effectively promote initiatives related to respect for human rights, the Corporate Planning & Administration Department serves as the secretariat, and dedicated management resources have been assigned to conduct human rights due diligence and gather information. Relevant departments from the corporate and business divisions participate in the Human Rights Subcommittee, communicating the human rights policy and considering and promoting specific initiatives.

The Sustainability Promotion Board discusses important matters related to respect for human rights and makes proposals and reports based on the outcomes of such discussions to the Board of Directors regularly. The Board of Directors provides appropriate instructions regarding the policies and measures related to respect for human rights based on the reports, thereby ensuring Group-wide governance.

System for respecting human right



Framework for initiatives to respect human rights



Basic Policy on Human Rights: overview and commitment

- With a mechanism for human rights due diligence based on the J-POWER Group Basic Policy on Human Rights in place, we are committed to understanding the negative impacts and risks to human rights. If it becomes clear that our business activities have had a negative impact, we will take appropriate measures to remedy the situation.
- In addition to banning child and forced labor, we thoroughly prohibit discrimination on any basis: discrimination based on race, skin color, gender, language, religion, nationality, age, sexual orientation, gender identity, gender expression, disability, political or other opinions, national or social origins, assets, social standing of family, or any other status or similar grounds.
- J-POWER also upholds the basic rights of its employees, including their right to freedom of association, respect for their right to engage in collective bargaining, and compliance with minimum wages. J-POWER has formed collective agreements with its labor unions. As part of these agreements, the Company consults with labor unions on significant changes to working conditions, including raises and bonuses. The two parties hold annual management policy discussions so that employee opinions are reflected in the resulting policy.
- In addition to utilizing independent outside expertise, we will periodically disclose information on the status of our initiatives and provide training and education to our officers and employees.

Initiatives to Respect Human Rights

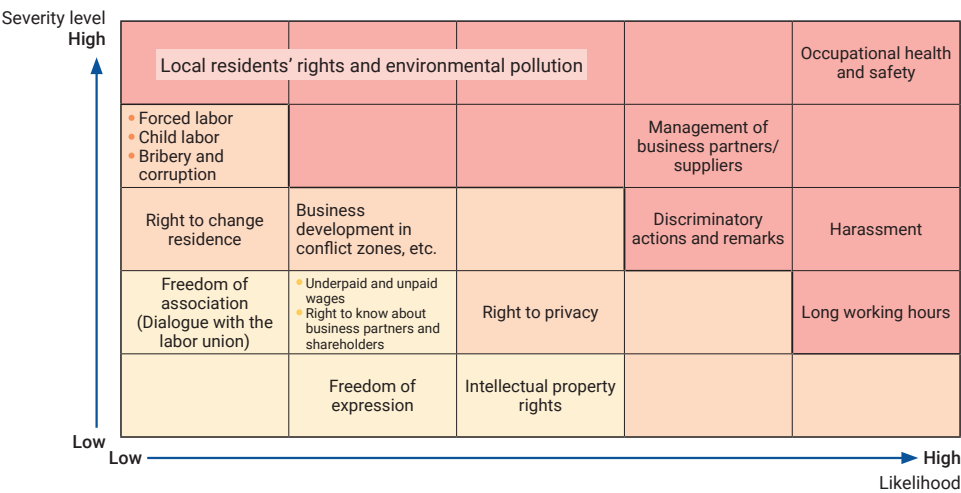
Human Rights Due Diligence

The J-POWER Group has established concrete measures to avoid, prevent, and mitigate the negative impacts from the high-priority risk items identified through the human rights due diligence process.

Identification and Assessment of Human Rights Risks

To understand the potential negative impacts and risks to human rights, we organized human rights issues with the assistance of outside experts, in accordance with the UN Guiding Principles on Business and Human Rights and other international guidelines. We administered questionnaires and conducted interviews to identify internal human rights risks. Taking into account the circumstances of the power industry and those unique to J-POWER's business, we performed a human rights risk assessment (risk mapping) to pinpoint high-risk areas. We quantify the results from questionnaire responses, etc., and reflect that on the axis of likelihood, and combine that with the severity level based on external criteria to carry out objective assessment of the risks. We implement prevention and mitigation measures, focusing on these high-risk areas. In addition, we evaluate the effectiveness of initiatives at the Human Rights Subcommittee at fiscal year-end, report the results of such evaluation to directors to reflect the results in initiatives for the next fiscal year.

Human rights risk map



Approach to formulating the risk map

- ▶ The vertical axis represents the severity level, whereas the horizontal axis indicates the likelihood of occurrence. The prioritization criteria are based on the "Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains" issued by the Ministry of Economy, Trade and Industry (METI).
- ▶ Severity levels are categorized as high, medium, and low for scale, scope, and irremediability, respectively, based on the above criteria.
- ▶ Likelihood is assessed using these criteria, supplemented by quantifying the results from internal questionnaire responses.

Identified Human Rights Risks and Initiatives for Prevention and Mitigation

Identified salient human rights risks

Based on the result of human rights due diligence and taking into account the nature of our business activities and level of impact on stakeholders, we have identified the following salient human rights risks for the J-POWER Group.

- ▶ Local residents' rights and environmental pollution
- ▶ Occupational health and safety
- ▶ Harassment
- ▶ Management of business partners/suppliers
- ▶ Discriminatory actions and remarks
- ▶ Long working hours

Examples of preventive and mitigation measures implemented

Of the identified human rights risks, the following are some of the measures we are implementing to prevent and mitigate occupational health and safety risks:

[Measures to mitigate occupational accident risks in consideration of diverse human resources]

To mitigate occupational accident risks, we are taking measures that give due consideration to the respective characteristics of our diverse human resources, including foreign nationals, elderly employees, and inexperienced staff. In addition to use of multilingual safety signs, we also conduct adequate safety trainings utilizing e-learning and disaster simulation videos, and take measures to ensure sufficient lighting of workplaces and prevent falls.

For details of initiatives related to human rights risks, please refer to pages describing them.

[P.84 Occupational Health and Safety](#) [P.77 Supply chains](#)

[P.82 The Realization of Work-Life Balance](#) [P.81 Promotion of diversity](#)

Dialogue with Stakeholders Regarding Human Rights Issues

The J-POWER Group identifies human rights risks through dialogue with stakeholders involved in its business activities and pursues continuous engagement to ensure improvements.

Specific actions

- Direct request to business partners: In April 2025, we started to send a letter of request for initiatives related to respect for human rights to key business partners and suppliers, requesting compliance with the policy.
- Exchange of opinions with partner companies: We exchange opinions regularly with partner companies to ensure the human rights (occupational health and safety and fair working conditions) of employees at those companies and collect information on various issues such as requests concerning facilities and operation as well as construction schedule, costs, and securing personnel.
- Participation in external initiatives: The Group has joined the UN Global Compact and is improving its engagement activities by adopting latest international standards and best practices of other companies.

Initiatives to Respect Human Rights

Addressing individual issues

The J-POWER Group is engaged in business in Australia, where it discloses necessary information in accordance with the country's Modern Slavery Act 2018, an act on preventing forced labor, etc. in supply chains.

We also support Children's Rights and Business Principles and strive to engage in our business activities while respecting children's rights.

Training and Education on Human Rights and Compliance Initiatives

We conduct various training programs to help directors and employees gain knowledge about compliance, various types of harassment, diversity, and other topics related to respect for human rights. Among these is a program designed to deepen their understanding of the J-POWER Group Basic Policy on Human Rights.

Respect for human rights is also stipulated in the Group's Compliance Action Guidelines, which are distributed to all employees. In addition, a compliance survey is administered to all Group employees to regularly assess employee awareness, compliance risks, and changes in the environment. The survey is subsequently used to develop measures.

Results of major initiatives (FY2025)

Level-specific training	Lectures on human rights, compliance, and prevention of various forms of harassment given during training for new hires and management training (a total of 363 employees participated)
Human rights and compliance training	Lectures on human rights, compliance, and prevention of various forms of harassment held for employees working in target institutions (a total of 48 employees participated)
e-learning	- Implemented an e-learning program on harassment prevention for the Group's officers and employees (a total of 6,456 participants completed the program) - Implemented an e-learning program on business and human rights for the Group's officers and employees (a total of 6,043 participants completed the program)
Study sessions and lectures	- Implemented training on prevention of compliance violations for the Group's employees (held twice, a total of 1,098 participants) - Conducted diversity lectures jointly with Group companies (60 participants)

▶ Material issues



Respect for
people

Grievance and Remediation Mechanisms

Grievance mechanisms (consultation channels)

The J-POWER Group has established a grievance mechanism regarding human rights issues for identifying and rectifying any negative impacts on human rights caused by its business activities and to provide remedy to the affected individuals and local communities.

- Scope of reporting: Forced and child labor, discrimination, harassment and other human rights violations in the workplace and wide-ranging compliance violations including corruption and bribery.
- Users: The system accepts consultation requests from not only all J-POWER Group's officers and employees (both full time and part time) but also employees and officers of cooperating companies, contractors, and other business partners. (It includes those who were an employee or officer within one year from the day of the consultation.)
- Guaranteeing confidentiality and anonymity and preventing retaliation: The system accepts anonymous reports and strictly manages the privacy and confidential information of the person making the report. We also ensure protection of whistleblowers through internal regulations so that the person does not receive any adverse treatment from the Company because of the consultation or whistleblowing.

The number of reports the system received in FY2025 is as follows.

Classification of consultation and whistleblowing	FY2025
Compliance consultation	13 cases
Harassment consultation	35 cases
Total	48 cases

Rectification and remediation

Upon receiving a consultation request or a report, we promptly verify the facts, understand the issues, and take steps to correct the situation.

If the business activities of the J-POWER Group are found to have inflicted or contributed to a negative impact on human rights, we will take appropriate measures to remedy the situation.

[P.96 Compliance](#)

Occurrence Status of Human Rights Violations

In FY2025, there were no serious human rights violations (forced labor, child labor, human trafficking, violation of indigenous people's rights, etc.) requiring legal action related to the business activities of the J-POWER Group.

Introduction
The Value We Provide
Strategy and Business
Disclosure Based on TCFD and TNFD Recommendations
Initiatives Supporting Our Value Creation
J-POWER Group and the Environment
Coexistence with Local Environment
Engagement with Local Communities
Initiatives to Respect Human Rights
» Supply Chain Management
Human Resources Strategy for Enhancing the Group's Competitiveness
Human Resource Development and Management
Workplace Development for Ensuring Success of Diverse Human Resources
Occupational Health and Safety/Health and Productivity Management
Corporate Governance
Special Feature: Activities of the Nomination and Compensation Committee
Special Feature: Dialogue Between Outside Directors and Investors
Risk Management
Compliance/Anti-Corruption
Emergency Management
Directors, Audit & Supervisory Committee Members, and Executive Officers

Supply Chain Management

Basic Policies for Product Procurement and Declaration of Partnership Building

J-POWER is committed to contributing to a sustainable society throughout its supply chain, including its business partners and suppliers. To this end, the Company has established the Basic Policies for Product Procurement and adheres to six guidelines: openness, fairness, economic rationality, long and reliable partnership, law-abiding practices, and respect for human rights and assurance of occupational health and safety. These guidelines are also available on the Company's website. In addition, in March 2022, we announced the Declaration of Partnership Building, aiming to foster cooperation and shared prosperity with our supply chain partners and value-creating businesses.

Basic Policies for Product Procurement

https://www.jpowers.co.jp/english/company_info/material_info/s01_.html

Declaration of Partnership Building

https://www.jpowers.co.jp/company_info/procurement/partnership.html (available only in Japanese)

Basic Policies for Product Procurement

- 1 | Openness
- J-POWER is committed to procuring high-quality, fair-priced products and is open to collaborating with businesses from overseas as well as in Japan. J-Power always welcomes the participation of motivated new business partners and suppliers.
- 2 | Fairness
- J-POWER always endeavors to be fair. Careful and fair selection of suppliers is made based on quality, price, reliability, delivery punctuality and compatibility of products, and technical capabilities, financial position, after-sale service, and environmental protection of the companies.
- 3 | Economic rationality
- J-POWER procures products following the economic rationality underlying J-POWER's principle: "better products, better price."
- 4 | Long and reliable partnership
- J-POWER considers after-sales service an essential component of the transaction once a sales contract is concluded and is willing to develop long and reliable partnerships with suppliers.
- 5 | Law-abiding practices
- J-POWER believes that all business dealings conducted by its suppliers and by itself should comply not only with relevant laws and regulations but also with their spirit.
- 6 | Respect for human rights and assurance of occupational health and safety
- J-POWER is committed to taking responsibility for respecting the human rights of all stakeholders, including those within the supply chain, in accordance with the J-POWER Group Basic Policy on Human Rights.
- J-POWER ensures that it and its suppliers fulfill their responsibilities and obligations, with a priority on the safety of the public and relevant parties. Collaboratively, J-POWER works to enhance health and safety awareness, thereby preventing industrial accidents and fostering a comfortable working environment.

The J-POWER Group communicates the Basic Policies for Product Procurement internally and provides training programs for procurement personnel to ensure proper procurement operations. Procurement information and procedures are available on the Group's website for interested parties, promoting fair and transparent transactions. Additionally, the Group has established the consultation channels to assist with procurement-related inquiries.

Product procurement information https://www.jpowers.co.jp/english/company_info/material_info/

Respect for Human Rights throughout the Supply Chain

In line with the J-POWER Group Basic Policy on Human Rights, we are advancing initiatives to respect human rights across all stakeholders. In April 2025, we started to send a letter of request for initiatives related to respect for human rights to key business partners and suppliers, thereby further encouraging all stakeholders to support this policy. In addition, we have established Compliance Consultation Points, ensuring confidentiality and anonymity, which are also available for use by the employees of the business partners of the J-POWER Group.

[P.74 Initiatives to Respect Human Rights](#)

Topics

Engagement with biomass fuel suppliers in Japan and abroad

The Group is working to reduce CO₂ emissions through the mixed combustion of biomass fuels at coal-fired power plants. In pursuit of the sustainable and stable procurement of biomass fuels, the Group is also engaged in the business of producing sustainable biomass fuels such as woody fuels employing forest offcuts, which are underutilized resources in Japan.

As part of the initiative, the Group established Miyazaki Wood Pellet Co., Ltd. (J-POWER's equity stake: 98.3%), which manufactures wood pellets from underutilized forest offcuts as raw materials, in Kobayashi City, Miyazaki Prefecture in 2011, realizing an integrated system from manufacturing to mixed combustion in J-POWER's coal-fired thermal power plants.

For overseas procurement, we also use third-party certification to ensure sustainability by confirming certification documents for each transaction.

Further, we visit the suppliers in Japan and overseas every year and regularly conduct interviews and exchange opinions regarding health and safety at the plants and of employees, maintenance status of forests, and communication with local communities.



Inspection of tree thinning (Miyazaki Prefecture)



Visit to a wood pellet plant (Vietnam)

Human Resources Strategy for Enhancing the Group's Competitiveness

▶ Material issues



Basic Policy

The J-POWER Group aims to achieve a sustainable society by evolving its business portfolio and models to balance a stable energy supply with response to climate change.

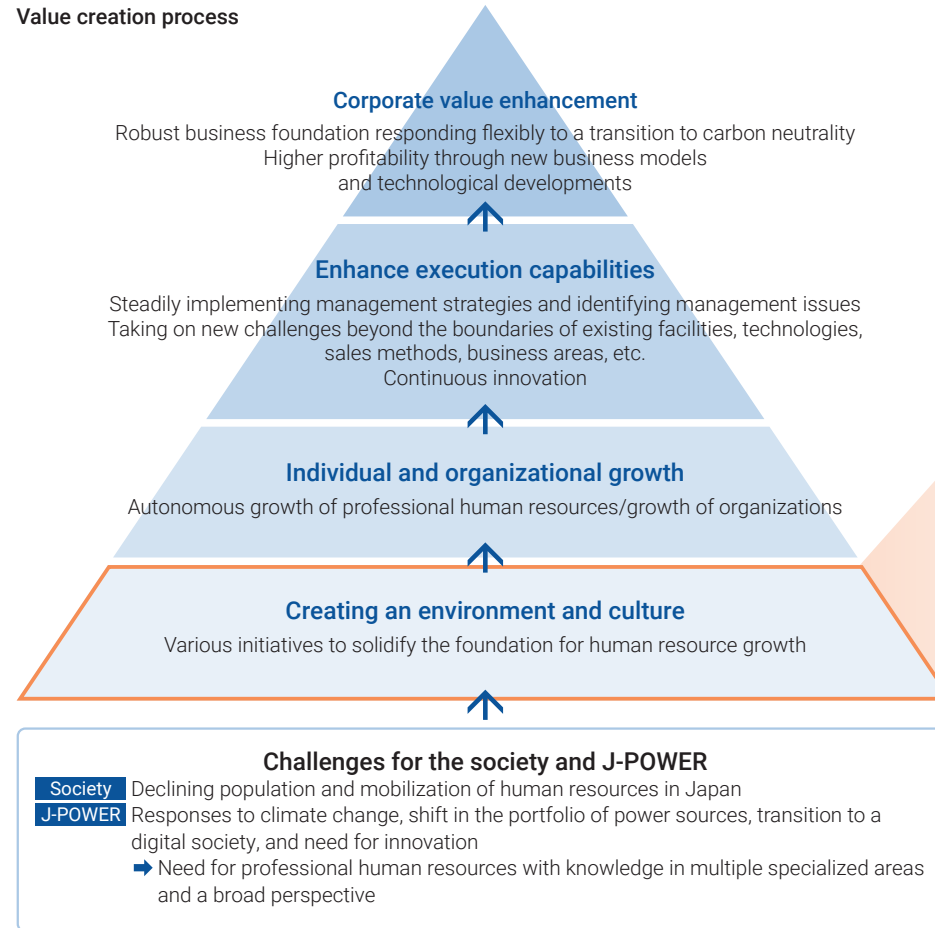
In the Medium-Term Management Plan 2024–2026, the J-POWER Group positions the enhancement of Group competitiveness through “human resources” as one of its priority items, and is working to secure and develop a wide range of human resources with multi-faceted personalities and a spirit of challenge.

For example, by leveraging our extensive range of business fields, we provide employees with diverse work experience opportunities, and by enhancing human resources systems to support their independent efforts in taking on challenges, we aim to develop professional human resources who will drive the promotion of the management plan. Moreover, we will promote the creation of workplaces where human resources with diverse personalities can play active roles, and foster innovation. With the dynamic participation of the Group's human resources, we will contribute to addressing various social issues facing Japan and the world, thereby delivering value at local and global levels.

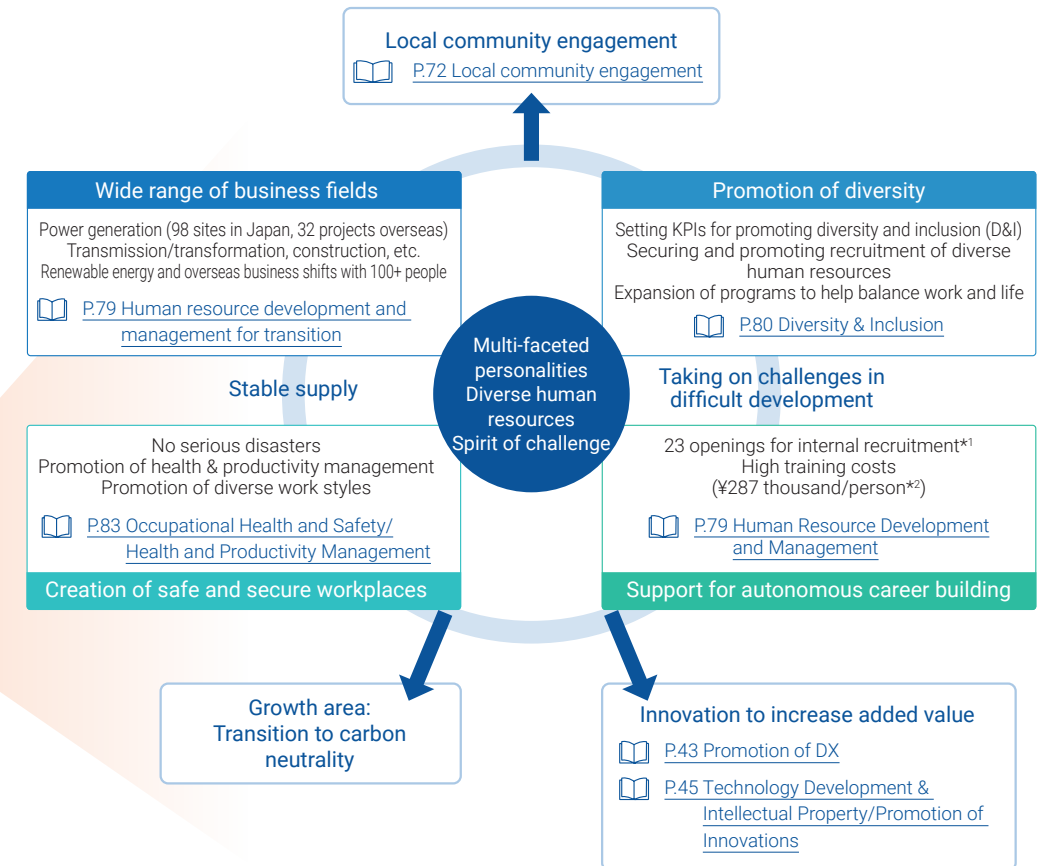
[P.26 Value Relevance Analysis \(Visualization of Non-Financial Value\)](#)

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

Value creation process



Framework for human resources strategy



*1 Cumulative results through FY2025 *2 FY2025 results



Human Resource Development and Management

The J-POWER Group aims to develop professional human resources with knowledge in specialized areas and a broad perspective who can take on the challenges of management issues while managing projects and human resources. We have formulated a diverse Career Development Program (CDP) to enhance the human resource value of our employees and the corporate value of the Company through job rotation that considers personnel requirements and a framework that supports employees' autonomous career building.

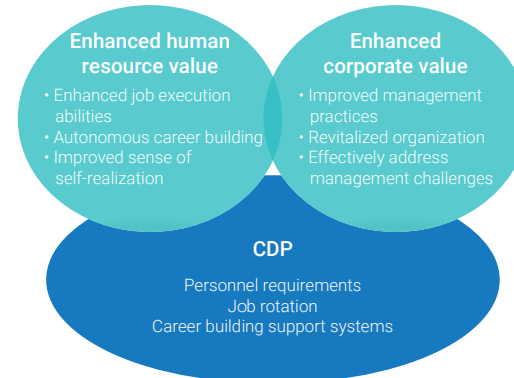


Formulating the Career Development Program (CDP)

The CDP is based on personnel requirements, job rotation, and career building support systems, supporting and promoting employees' autonomous career building and skill development. Through human resource development measures implemented from a medium- to long-term and comprehensive perspective via CDPs, we aim to develop human resources that increase the value of both the Company and its employees.

For details of the CDP, please refer to [Supplementary Material <Social>](#).

Overview of the CDP



Topics

Human resource development and management for transition

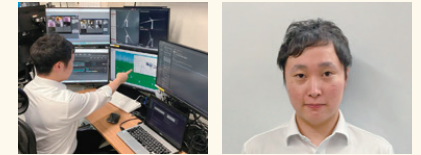
The J-POWER Group is promoting measures for human resources to ensure their success across a wide range of business fields and to support the transition of its business portfolio and business model. We aim to enhance the Group's competitiveness by flexibly allocating human resources in response to business development, creating opportunities for Group employees to gain wide-ranging experience, and promoting reskilling in new areas of expertise such as DX.

Cross-Group CDP

We have implemented the Cross-Group CDP, a program for sharing human resources among Group companies, in order to adapt to changes in the business environment surrounding the J-POWER Group and foster business growth. To date, 45 technical employees from thermal Group companies have been seconded to J-POWER headquarters and to hydroelectric/wind, telecommunications, and IT areas of Group companies.

Comments from a program participant

I joined J-POWER Generation Service Co., Ltd. as a mechanical engineer, where I operated key equipment and maintained fuel transportation facilities at thermal power plants. Under this program, from January 2022, I belong to Wind Power Central Control Station, Onshore Wind Power Business Dept. of J-POWER. We have been striving to mitigate troubles by monitoring wind power plants with cameras and sharing the results of data analysis with wind power plant personnel. My experience and knowledge gained through thermal power operations have proven useful in many situations. From now on, I would like to promote the digitalization of the wind department. I truly feel that I can learn a lot by stepping into a new field.



An employee, Wind Power Central Control Station, Onshore Wind Power Business Department

Implementation of training for human resource development corresponding to priority areas

We conduct the Project Management Basics Course, where participants can learn basic and practical knowledge for the renewable energy and overseas business development fields. In FY2025, 32 participants from various departments and job types, who applied for this training to pursue their own career building, attended sessions on subjects such as management strategy and marketing over a six-month period.

Comments from a program participant

I have been involved in the operation of thermal power plants and technical development at front-line organizations, but I participated in this training with my future career building in mind. The training provided a systematic learning experience across a wide range of themes, including marketing, business legal affairs, cash flow calculation, and logical thinking, through lectures and group discussions, and it was highly stimulating. In my new department, where I was assigned in April, I have already had opportunities to apply what I learned in the training to my actual work, such as analyzing cash flow models and conducting negotiations with other companies that have differing opinions. I intend to continue applying the knowledge gained from this training to my tasks going forward.



An employee, EMEA Office, EMEA Business & Planning Department

Human Resource Development and Management

Autonomous Career Building

Declaration system

Every year, employees make a declaration to the companies about their future career outlook, based in part on an examination of their execution of work duties and abilities. The employee's manager discusses the declarations with the employee, offers advice as appropriate from a medium- to long-term human resource development perspective, and plans and implements employee rotations as needed.

One-on-one meetings

The Company has introduced one-on-one meetings using an external system to provide opportunities to communicate between managers and subordinates. Besides formal interviews as part of the declaration system, these meetings are positioned as opportunities for managers and subordinates to discuss informal topics outside of work and career development, thereby contributing to the creation of a workplace built on trust through close communication between them and the assurance of psychological safety.

Training system and support for taking on challenges

In addition to new employee training, the Company implements training programs that align with the career and life stages of its employees. In purpose-specific training, we provide tailored programs that address changes in the business environment, including DX and carbon neutrality, as well as the enhancement of business skills. Moreover, to develop next-generation management candidates, the Company conducts training programs that focus on identifying management issues, formulating solutions, and engaging in discussions with executives. Furthermore, the Company implements a full range of initiatives to support employees' efforts toward autonomous career building and skill development, including open internal recruitment for in-house internships and projects and overseas exchange programs for study and work.

For details of the training system and training records, please refer to Supplementary Material <Social>.

Training System

- Level-Specific Training, Department-Specific Training
- Purpose-Specific Training, Management Training
- Encouragement of self-improvement

Support for Challenges & Open Internal Recruitment

- Project-Specific Open Internal Recruitment
- In-house Internship
- Exchange Program (Graduate schools in Japan or abroad)
- Work Exchange Program (Gain work experience in developing countries)

P.44 DX Human Resource Development

Evaluation Management

We have adopted a system to evaluate performance based on both achievements measured using a goal management system and abilities demonstrated in the execution of duties. We centrally keep track of these evaluations, status of job performance, and information self-reported by employees, such as their future outlook and goals, and take these into account in our various policies, including those for the development and strategic allocation of human resources. We work to accomplish both organizational and individual goals by assigning human resources appropriately and by assisting employees in advancing their careers and keeping them motivated, which enables us to accomplish our management goals.

For the outline of the evaluation management, please refer to Supplementary Material <Social>.

Workplace Development for Ensuring Success of Diverse Human Resources



Respect for people

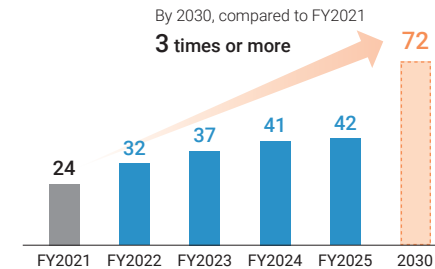
To achieve the J-POWER Group's sustainable growth, we are promoting the active participation of human resources with diverse personalities. We are working to create a system and working environment in which a wide range of human resources fully demonstrate their abilities and play an active role regardless of factors such as gender, nationality, race, work history, experience, age, or disability, in order to generate greater added value.

Diversity & Inclusion

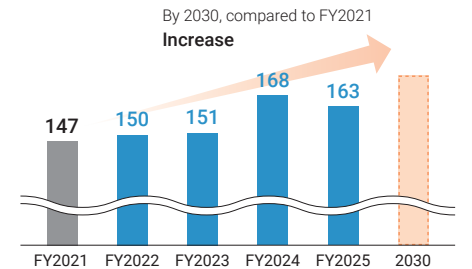
KPIs

J-POWER has positioned senior employees as core human resources among employees in a career-track position. Based on the principles of the Corporate Governance Code, we will promote diversity by establishing targets for the promotion of women, foreign nationals, and mid-career hires to senior roles by 2030, as well as a three-year average target for the percentage of women among new graduate hires.

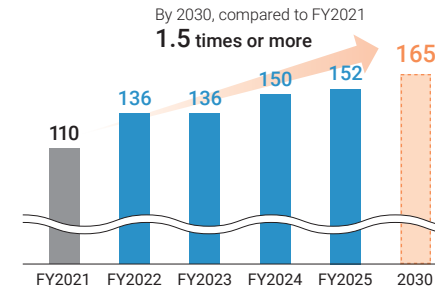
Appointment of women to senior roles



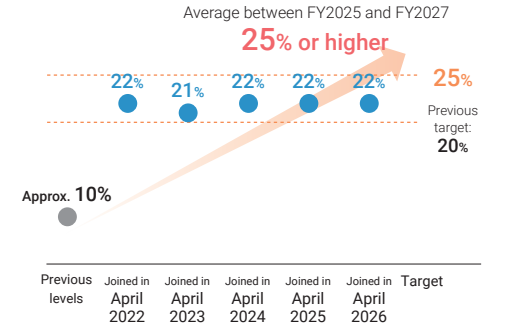
Appointment of foreign nationals to senior roles



Appointment of mid-career hires to senior roles



Percentage of women among new graduate hires



For data on gender wage differences, etc., please refer to Supplementary Material <Social>.

Workplace Development for Ensuring Success of Diverse Human Resources

▶ Material issues



Respect for
people

Foreign national, mid-career, alumni (former employees), and referral hires

As the Overseas Business is one of the core businesses for the Company, we aim to further develop our overseas operations by promoting professionals with expertise in their respective countries and regions through hiring at local subsidiaries, thereby increasing the number of foreign national senior employees on a Group-wide basis.

In accordance with the increase in the number of projects, including the development of renewable energy both in Japan and abroad, we are strengthening our efforts to hire personnel who can have an immediate impact from a variety of fields and industries, such as project management, finance, legal, international business, DX, and fuel and material procurement.

Employees who play active roles by leveraging their knowledge and experience include former employees who, after leaving the Company and gaining expertise in various fields, have rejoined us as alumni hires, and referral hires who joined the Company on referral from its employees and others. We will continue to create an environment where human resources with diverse backgrounds can leverage their respective experiences and play active roles within the J-POWER Group.

Improving working conditions for employees

The J-POWER Group determines salaries and other compensation based on the principle of appropriately evaluating each individual's abilities and achievements, regardless of generation, and realizing compensation levels that should be fair and reasonable in accordance with the Company's business performance. Moreover, in light of recent price increases, we are continuing efforts to secure and retain human resources by such measures as implementing base pay increases for four consecutive years since 2023 through discussions with labor unions.

Regarding older employees, in addition to gradually extending the mandatory retirement age to 65, we are promoting the active participation of human resources with extensive experience within the Group, even after their mandatory retirement, through the continuous employment system and the personnel registration system*, with 410 individuals (as of March 31, 2026) continuing to work within the J-POWER Group.

*A system that provides job placement opportunities for human resources up to the age of 70 who wish to work, by matching them with the Company's needs.

Employment of people with disabilities

As of June 1, 2026, J-POWER's employment rate of people with disabilities is 2.43%. We are enhancing working environments and promoting understanding among other employees through such initiatives as establishing the consultation channels where employees with disabilities can discuss employment assistance and working environments, as well as making office buildings barrier-free. We will continue making efforts to improve our employment rate of persons with disabilities.

Early appointments for developing next-generation middle management

Our middle management tends to consist of older employees, largely due to the Company curtailing its hiring of new graduates before and after its privatization in 2004. We are currently focused on appointing younger employees to the middle management tier earlier, while also implementing human resource development measures, including training for potential management-level employees.

[P.80 Training System](#)

Topics

Diversity promotion initiatives

We have established the Diversity Promotion Task, a dedicated organization to promote diversity, which unifies all functions, including training and development as well as personnel and labor system studies, and works to establish integrated and consistent policies, systems, and work environments. In addition to holding lectures on diversity and inclusion (D&I) and regularly sharing updates through the Group newsletter, the Task organizes the Dialogue Session with Female Executive Officers to support the career development of female employees, and provides opportunities for interaction and opinion exchange by job type, mainly for technical employees. Through these endeavors, it supports network formation and the fostering of career awareness to ensure long-term success.

As part of creating an environment where diverse human resources can work in a safe and secure manner, we are improving safety by ensuring safety harnesses (safety belts) fit closer to the body. We are also refining uniforms to meet diverse needs—such as by selecting fabrics and designs based on challenges identified by female employees—and plan to roll these updates out sequentially starting from FY2027.

Programs to help balance work and life

The J-Power Group offers unique work-life balance support programs that exceed statutory requirements and is working to create an environment where employees can easily utilize various support programs by widely posting information on a dedicated internal portal, among other measures. In FY2025, we updated and posted the “Maternity and Childcare Leave + Infertility Treatment Handbook,” which summarizes public and company programs in an easy-to-understand manner, thereby creating an accessible environment that helps employees make use of new support programs as well. In addition, the Company has maintained the “Platinum Kurumin” certification for 10 consecutive years since FY2016 as a company that supports childcare and implements high-standard initiatives. Furthermore, in FY2025, we newly received the “Platinum Kurumin Plus” certification, which is granted to companies that meet higher standards as businesses supporting the balance between work and infertility treatment. By continuing to provide an environment in which a diverse range of our employees can focus on their work with a sense of security, we aim to enhance corporate value by recruit-ing and retaining outstanding human resources.

- Childcare leave uptake (%)
Male: 100% (Average days of leave taken: 70.8) Female: 100% Total: 100%

*Maintained at 100% for both men and women since FY2023.

[For details of the programs to help balance work and life, please refer to Supplementary Material <Social>.](#)



Consultation channels

Consultation channels regarding working hours, work environment, support for employees with disabilities, harassment, working environment influenced by gender diversity, and childcare, family member care, and infertility treatment are available. The consultation channels observe confidentiality obligations, and the privacy of employees using the consultation channels is assured. By upholding internal policies and procedures, as well as by offering level-specific training and displaying awareness-raising posters, we are working toward harassment prevention. A system is in place to ensure effective responses, and the managers of each department also receive training on how to handle difficulties should they arise. We also offer customized system explanations and conduct interviews as appropriate in response to questions from employees when they themselves or their spouses become pregnant or give birth.

Workplace Development for Ensuring Success of Diverse Human Resources

▶ Material issues



The Realization of Work-Life Balance

The J-POWER Group is promoting the creation of a workplace environment and culture where each and every employee can autonomously enrich both their work and personal life, and focus on highly creative work.

Flexible work styles and DX promotion

Through work style reform initiatives since 2017, we have achieved certain results in curbing excessive long working hours. Even now, we implement campaigns to encourage employees to leave office on time at each operating unit, such as No Overtime Day, continually working to reduce working hours. With the use of online tools, a "swing time" system*¹ with a maximum of two hours, and a remote work system (although some workplaces are not subject to it), we have implemented steps to increase work productivity and suit various workstyles. Alongside these initiatives, we aim to create the 3Ps "Yoryoku"*² by reducing operation and maintenance tasks and enabling location-independent operations through DX.

*¹ Self-determined flexible working hours for starting earlier or later *² Powers of potentiality, productivity and predictivity

[P.43 Promotion of DX](#) [For details of initiatives related to workstyle and their results, please refer to Supplementary Material <Social>.](#)

Benefits

We have put in place a range of benefit programs for our employees and their families to enrich their lives. For instance, our headquarters and business sites provide dormitories and company residences for our employees who have been transferred to different locations nationwide and their families.

Major examples of benefit program

- Providing dormitories and company residences at each site
- Employees Shareholding Association
- Cafeteria Plan Program
- Holding community events for health improvement and promotion



J-POWER Group Sports Festival in TOKYO ARIAKE ARENA, a community event, was held in the headquarters area. A total of 350 employees and their family members participated in the event.

Scope of target employees

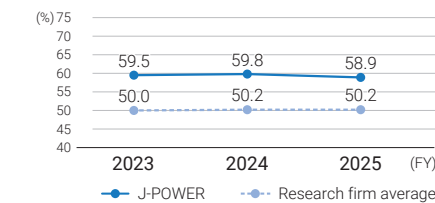
- Dormitories/company residences: All interested employees as specified by internal rules
- Employees Shareholding Association/Cafeteria Plan Program: All employees (excluding some)
- Community events: All employees. Some events are also available for employees' families.

Engagement survey

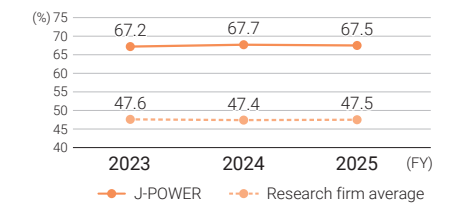
We conduct an engagement survey every year to quantitatively evaluate employee status in two key areas: work engagement, which reflects employees' enthusiasm and attitude toward their work; and employee engagement, which denotes their sense of belonging and attachment to the Company. In the FY2025 survey, 96.8% of employees participated. Of those who responded, 58.9% provided positive feedback on work engagement questions, while 67.5% responded positively to employee engagement questions, both of which are higher than general standards across all questions and items.

However, since we recognized that we have issues with middle-tier employees (middle management generation) based on the results of a statutory stress check, we have provided a self-care training session for them in order to reduce their stress and improve their engagement. We will continue conducting this survey to identify issues that need to be prioritized and reflect these issues in our human resources and labor policies, while providing more effective training programs, among other measures.

Work engagement



Employee engagement



Conducting management discussion meetings

The J-POWER Group holds J-POWER Group management discussion meetings, providing a platform for direct exchanges of opinions between management and employees. In FY2025, executives from the Company visited 20 locations across Japan, including the head offices of the five main Group companies, to exchange opinions with employees (including those at Group companies) working on the front lines of ensuring a stable energy supply. To improve business operations, workplaces, and daily lives, opinions and comments from each operating unit are discussed among officers, with improvement initiatives implemented and feedback provided to the entire Group. Below are some comments and opinions received during the recent management discussion meetings:

Category	Main opinions
Group's business policy	• About Ohma Nuclear Power Plant Project • About further enhancement of public relations • About the promotion of new businesses and innovation
Human resources and labor policies	• About securing human resources across the Group • About approaches to human resource development
Internal communication	• Employee communication across the Group
Other	• About further raising safety awareness • About initiatives for local community engagement • DX promotion

Moreover, as examples of initiatives driven by these comments and opinions, we are enhancing public relations by strengthening TV commercial broadcasting and digital advertising, and expanding owned media, as well as revitalizing employee communication across the Group through the use of internal social media and organizing various events.

Occupational Health and Safety/Health and Productivity Management

▶ Material issues



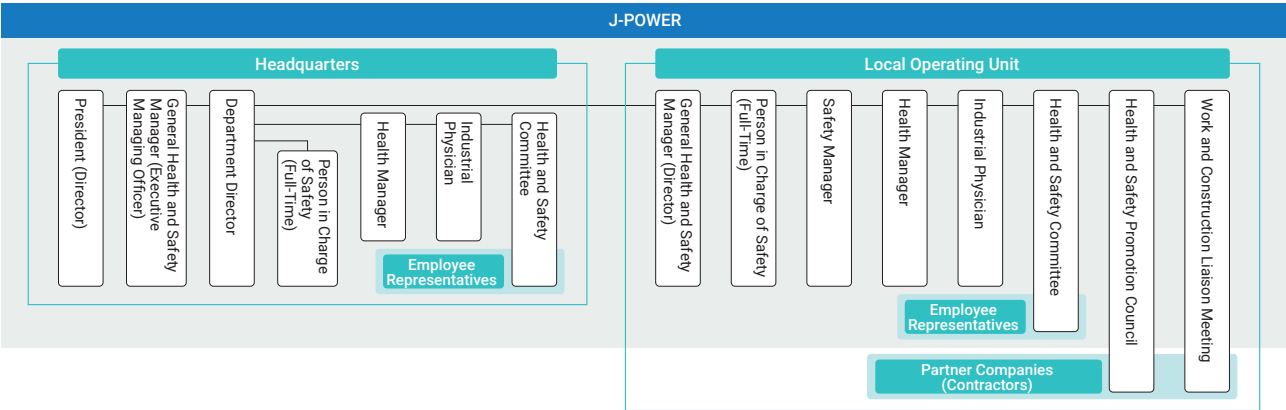
- The J-POWER Group has established a Basic Policy on Occupational Health and Safety, aiming to create safe, healthy, and rewarding workplaces as the foundation of its business activities, with the utmost priority given to ensuring safety.
- In the area of respect for people, which is one of our material issues, we are also promoting initiatives to ensure occupational health and safety.
- J-POWER Group companies each have roles and responsibilities and collaborate on implementing health and safety management to prevent occupational accidents, including those of partner companies, and to maintain and improve the health of employees.

For details of the Basic Policy on Occupational Health and Safety, please refer to Supplementary Material <Social>.

Health and Safety Management Systems

Under its health and safety management system led by the President, the J-POWER Group ensures that the President sets forth the Basic Policy on Occupational Health and Safety, and the Board of Directors supervises the occurrence of occupational accidents and measures taken to prevent their recurrence. Based on laws and regulations, the Group engages in initiatives to prevent dangers and health hazards to employees primarily through health and safety committees at headquarters and local operating units such as power plants. Health and safety committees are composed of a general health and safety manager, a safety manager, a health manager, an industrial physician, and representatives of labor unions. Health and safety committees engage in preemptive risk assessment regarding matters such as the work employees perform, consider safety measures, etc., and hold periodical meetings between labor and management to discuss matters such as the measures to prevent the recurrence of occupational accidents and health hazards that have occurred. In addition, health and safety promotion councils have worked on safety and health management of overall operations including the operations and construction work at facilities such as power plants in collaboration with each of the J-POWER Group companies and partner companies. J-POWER has established Labor & Plant Safety Management Department to enhance coordination between occupational safety and facilities security operations, foster the development of specialized human resources in both areas, and raise the safety awareness and level across the Group.

Health and safety management system



Group Operational Health and Safety Plan

Each fiscal year, the J-POWER Group establishes a Group Operational Health and Safety Plan with individual Group companies formulating their own operational health and safety plans based on this framework. The whole Group is working together in promoting initiatives to achieve goals.

Occupational Accident Prevention Initiatives

Most of the occupational accidents in the J-POWER Group have occurred among contractors engaged in construction and other work. To prevent accidents before they occur, we ensure that we conduct risk assessments from the planning stage and, together with inherent safety measures, promote an approach integrating facilities, management, and people to ensure that work can be performed in a safe environment.

Facilities: • Identify hazardous areas, implement reliable countermeasures customized to specific conditions at each site (environment, diverse human resources, work frequency, etc.), and share this information with relevant parties

Management: • Ensure organizational safety management instead of relying solely on individual efforts, and perform continuous inspections and improvements
• Pay particular attention to the tasks to be handled by *Hitori* [one person] (1H), while also adhering to the paradigm of *Hajimete* [first time], *Henko* [difference from the previous time], and *Hisashiburi* [first time in a while] (3Hs)

People: • To instill safety awareness, work to revitalize communication through enhanced events and educational activities, as well as prompt information dissemination and notification, etc.
• To elevate safety standards, develop professionals in safety through enhanced on-the-job training, education, and other training programs

In addition to the above initiatives, the President delivers safety messages at events such as National Safety Week and the J-POWER Group Safety and Health Conference to raise awareness and instill a culture of safety-first behavior. In the event of an occupational accident, we promptly provide aid, investigate the circumstances and causes of the accident, establish measures to prevent recurrence, and implement these measures horizontally, while we also report such an accident each time it occurs and periodically to the Executive Committee and the Board of Directors.

FY2026 Group Operational Health and Safety Plan

Major Targets	Operational Safety	No serious disasters
	Operational Health	Preventing lifestyle-related and infectious diseases and enhancing mental health care

Occupational Health and Safety/Health and Productivity Management

▶ Material issues



Health and Safety Training

J-POWER implements health and safety training for the J-POWER Group at J-POWER headquarters and local operating units for the purpose of improving the health and safety of the entire Group. In addition, local operating units implement safety training suitable for their business operations, such as legally mandated training for new hires and employees newly transferred in, special training for work involving electricity, and training about relevant laws and regulations. These units also implement mental health-related training on line-of-command care and self-care. Management-level employees, including superintendents, and dedicated safety staff, are required to participate in seminars, etc. held by external organizations in order to improve their health and safety knowledge and management levels and to raise safety awareness. In FY2025, about 1,100 employees participated in training programs held by J-POWER headquarters. In addition to regular safety training, the Group works to provide workers with appropriate personal protective equipment and formulate optimal work schedules. Moreover, in consideration of partner companies, we are enhancing safety education (including training and videos) for all personnel involved in operations, including foreign workers, and providing safety management support tools.

 [For details of our initiatives to address occupational accident risks, please refer to Supplementary Material <Social>.](#)



Risk simulation training



Safety management training

Health and Safety Management with Regard to Radiation

J-POWER is proceeding with the construction of the Ohma Nuclear Power Plant in Oma Town, Shimokita District, Aomori Prefecture. Currently, there is no danger of employees and workers being affected by radiation. However, we plan to establish a health and safety management system related to radiation by the time that it becomes necessary.

Maintaining the Physical and Mental Health of Employees and Their Families

We promote health checkups and detailed health maintenance guidance based on the results of the checkups and take infectious disease prevention measures to maintain and improve the health of employees and their families. With an emphasis on prevention against lifestyle-related diseases and mental health problems, we aim to maintain and improve the high consultation rate (90% or more) with regard to comprehensive medical checkups. As a result, in FY2025, the target was met with a 92.7% success rate. By implementing various follow-up activities, such as mental health training based on the results of stress tests, and health maintenance and promotion activities, we also boost both physical and mental health.

Promoting health and productivity management

Under the slogan “from treatment to prevention,” the J-POWER Group promotes health and productivity management to support the mental and physical well-being of Group employees and their families, while being cognizant of the PDCA cycle. In FY2025, the Group held a health assessment event aimed at creating opportunities for enhancing health, including physical strength and the prevention of lifestyle-related diseases. We provided financial support for and encouraged participation in a smoking cessation program, and hosted a health seminar with a physician for all employees, including management, with the goal of promoting preventive medicine (frailty prevention) for healthy longevity. In FY2025, we also administered influenza vaccinations at the Company's expense to support our efforts in ensuring a stable supply of electric power. Starting in FY2026, the Group will set new targets for reducing the smoking rate and maintaining a healthy weight to further promote health and productivity management.

In recognition of these efforts, J-POWER was certified as 2026 Outstanding Organization of KENKO Investment for Health by the recognition program jointly implemented by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council) (for the eighth consecutive year). J-POWER Business Service Corporation (for the fifth consecutive year) and J-POWER Design Co., Ltd. (for the fourth consecutive year) were also certified by the same program. Going forward, we will continue accelerating the pace of our health and productivity management initiatives and aim to further enhance corporate value through the improved health and satisfaction of our employees.

 [For details of our initiatives to address global health issues, please refer to Supplementary Material <Social>.](#)

Initiatives by the Wellbeing Support Center

In order to support the physical and mental conditioning of each and every employee, the Group has established the Wellbeing Support Center as a dedicated organization. The Group will encourage centralized management of data on the findings of health exams and stress tests and ongoing monitoring of the physical and mental health conditions. Additionally, we will take measures to enhance employees' health across the entire Group to foster an environment in which the human resources that underpin the Group's operations can play an active role.

Corporate Governance

Basic Policy

In accordance with its Corporate Philosophy, the J-POWER Group endeavors to enhance corporate governance on an ongoing basis in order to realize sustainable growth and improve corporate value over the medium- to long-term. The Group believes these outcomes can only be achieved in cooperation with a wide range of important stakeholders, including shareholders. The Company respects shareholder rights in order to allow for proper collaboration with shareholders. The Group also strives to engage in dialogue with stakeholders in order to build relationships of trust with all of them.

J-POWER has established the Basic Policy on Corporate Governance, establishing its basic policy and stance with regards to corporate governance. For more information about the Company's Basic Policy on Corporate Governance, please refer to our website.

<https://www.jpower.co.jp/english/sustainability/governance/governance.html>

Changes to strengthen corporate governance

- FY2004** Fully privatized by listing on the then First Section of the Tokyo Stock Exchange
- FY2006** Strengthened the Audit & Supervisory Committee Member system (Transitioned to a system of **three** outside Audit & Supervisory Board Members)
- FY2009** Invited **one** Outside Director (Ratio of Outside Directors **1/14**)
- FY2014** Transitioned to a **two-person** Outside Director system (Ratio of Outside Directors **2/13**)
- FY2015** Established the Basic Policy on Corporate Governance
Started evaluation of the effectiveness of the Board of Directors
- FY2016** Transitioned to a **three-person** Outside Director system (Ratio of Outside Directors **3/14**)
- FY2019** Expanded the executive officer system (clarification of business execution functions)
Established the Nomination and Compensation Committee
- FY2022** Transitioned to a company with an Audit & Supervisory Committee (Ratio of Outside Directors **6/16**)
Introduced performance-linked remuneration and stock compensation
- FY2023** Raised the percentage of performance-linked remuneration from 10% to around 20%.
Incorporated non-financial indicators as evaluation indicators for performance-linked remuneration
- FY2025** Reduced the total number of Directors (Ratio of Outside Directors **6/15**)

Strategic shareholdings

J-POWER does not maintain strategic shareholdings unless such shareholdings are deemed to serve a purpose. For details, such as the purpose of any shareholdings, please see our website.

Number of specified investment shares and carrying amount stated on balance sheet

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of stocks	16*	16*	15*	15*	14*
Carrying amount stated on balance sheet (million yen)	28,699	28,298	41,613	46,218	68,674

*Excludes one listed startup company

<https://www.jpower.co.jp/english/sustainability/governance/governance.html>

General meeting of shareholders

J-POWER provides shareholders with information that it believes to be useful for appropriate decision making at general meetings of shareholders. To this end, the Company is constantly striving to improve the content of its annual general meeting of shareholders notice, reference materials, and business reports. It also provides information via financial results, timely disclosure materials, and disclosure via its website, as needed.

The Company distributes a notice of its annual general meeting of shareholders around four weeks prior to the meeting date in Japanese and three weeks prior in English to ensure that shareholders have sufficient time to consider the proposals to be put before the meetings and enable them to appropriately exercise their voting rights. Moreover, the Group strives to avoid scheduling the general meeting of shareholders for the dates most crowded with other companies' shareholder meetings.

Ensuring shareholder rights and equality

The Company's policy regarding shareholder rights, such as voting rights at the general meeting of shareholders, is to respect such rights and ensure the substantial equality of shareholders. In addition, the Company gives consideration to ensuring that the special rights that are granted to minority shareholders are upheld with regard to confronting listed companies and their officers (including the right to seek an injunction against illegal activities and the right to file a shareholder lawsuit).

Corporate Governance

Investor Relations

Relationship with shareholders and investors

We disseminate information primarily through our website, integrated reports, shareholder newsletters, and J-POWER Shares (an organization exclusively for shareholders), along with such disclosures as Annual Securities Reports and financial statements. Based on the disclosed information, J-POWER not only interacts with shareholders at general meetings of shareholders, but also at financial results briefings, facility tours, company presentations for individual investors, and one-on-one meetings with institutional investors. Through these dialogues, we seek to gain an understanding of the social value we provide to our shareholders and investors, as well as the financial benefits of our business strategies. We report the opinions we receive through these dialogues to the Board of Directors on a quarterly basis, and reflect them in our business strategies and enhance our disclosure materials.

Status of dialogue with shareholders

Main correspondents	President and Chief Executive Officer, Executive Managing Officer (in charge of Corporate Planning & Administration), Director of Corporate Planning & Administration Dept. (in charge of matters related to IR/ESG)
Shareholder overview	Analysts involved in active management in Japan and abroad, portfolio managers, ESG analysts involved in passive management, persons in charge of exercising voting rights, and individual investors
Main themes	Status of financial results and financial projections (including shareholder returns), future business policies including those concerning domestic and international investment, medium- to long-term responses toward the enhancement of capital efficiency and the improvement of corporate value, management that is conscious of cost of capital and stock price, responses to the problem of climate change, effectiveness of the Company's corporate governance
Insights gained	Discussions were conducted based on the J-POWER Group Medium-Term Management Plan 2024-2026 disclosed in May 2024 and the update materials for the Medium-Term Management Plan disclosed in May 2025. We provided explanations of the Company's current initiatives and policies regarding the business portfolio and business model we should aim for in the future, taking into account changes in the business environment such as GX-ETS, and exchanged views with investors on their perceptions. At this stage, it is difficult to indicate a clear direction for what the future business portfolio should be as such matters significantly depend on external circumstances, such as the future outlook of power supply and demand in Japan and the change of the U.S. administration. On the other hand, we were able to not only ease the concern over the future prospects of our business but also get valuable feedback on what our business should be by disclosing our current policies and views and holding thorough discussions with our shareholders and other stakeholders.

▶ Material issues



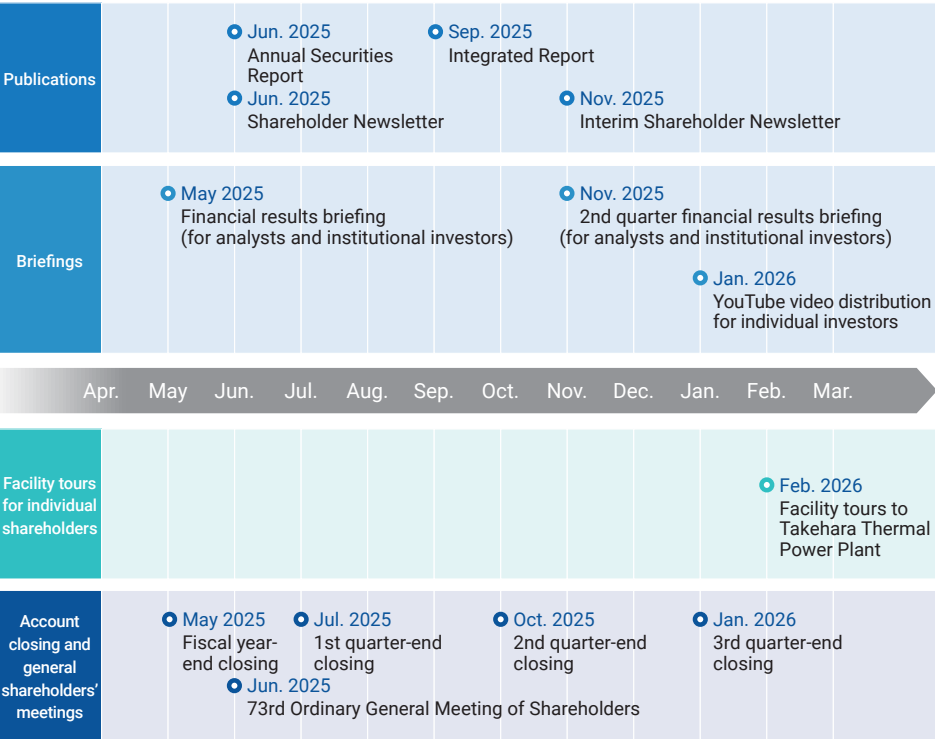
Enhancement of
our business
foundation

Dialogue with shareholders (FY2025)

Financial results briefings Various small meetings	Held a total of 5 times, online and in person Of which, a small meeting held once between Outside Directors and investors/analysts
Individual meetings with institutional investors	Approx. 150 meetings held online, in person, and via other formats
Facility tours	Facility tours to Takehara Thermal Power Plant held on three dates, with 77 participants
Company presentation for individual investors	YouTube video distribution (96,000 views)
Conducting shareholder surveys	23,331 respondents
Operation of the shareholder membership organization	J-POWER Shares (over 10,000 members) IR email distribution, video content distribution, and more

IR calendar (FY2025)

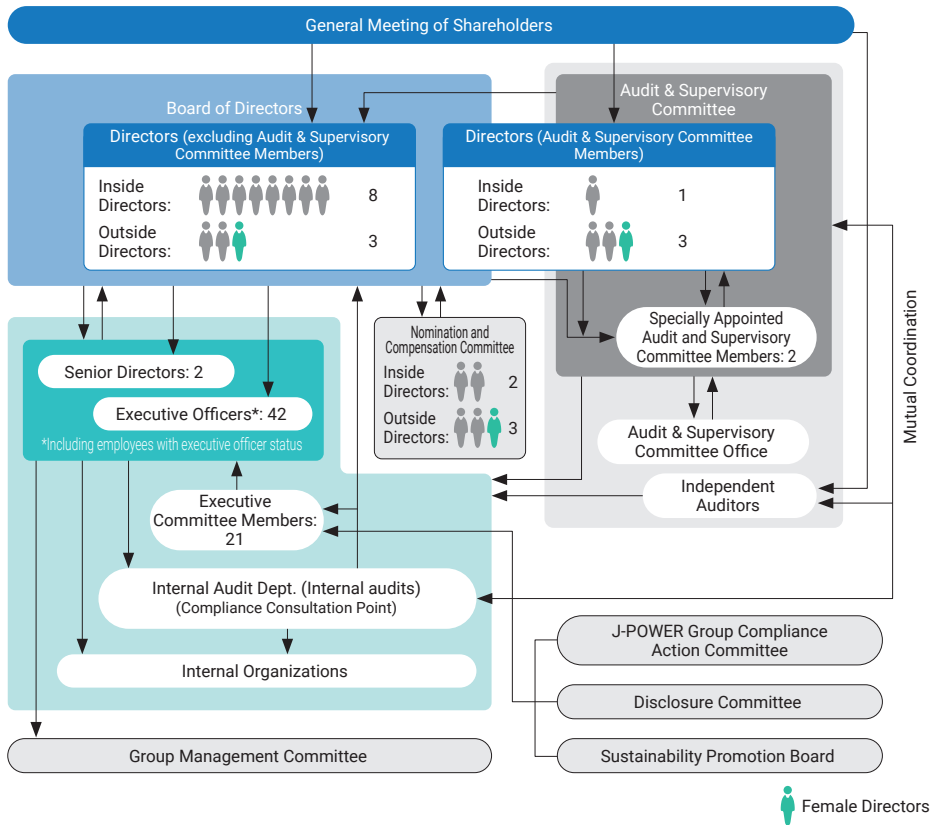
In addition to conducting briefings throughout the year, we publish various IR materials.



Corporate Governance

Composition of the Board of Directors and Committees

Corporate governance structure (As of June 25, 2026)



Attendance at meetings of the Board of Directors, Nomination and Compensation Committee, and Audit & Supervisory Committee

*Attendance = Number of meetings actually attended ÷ Total number of meetings that each director or committee member must attend

	Number of members	Number of meetings held	Attendance
Board of Directors	15	13	99.5%
Nomination and Compensation Committee	5	5	100%

Composition of Board of Directors

The Board of Directors is composed of Directors with abundant experience, deep insight and highly specialized knowledge to maintain balance and diversity in the knowledge, experience, and abilities of the Board of Directors as a whole. The Board is composed of no more than 12 Directors (excluding those serving as Audit & Supervisory Committee Members) and no more than four Directors serving as Audit & Supervisory Committee Members.

To ensure the effectiveness of the independent and objective management supervision by the Board of Directors, the Company endeavors to have at least one-third of its Directors be Independent Outside Directors who are selected for their experience, knowledge, specialization, and other attributes.

Percentage of
Outside Directors:
40%

Composition of the Audit & Supervisory Committee

The Audit & Supervisory Committee is composed of no more than four Directors serving as Audit & Supervisory Committee Members, the majority of whom are Independent Outside Directors with two full-time Audit & Supervisory Committee Members selected. At least one person with appropriate knowledge of finance and accounting is appointed as an Audit & Supervisory Committee Member. The effectiveness of audits is enhanced by combining the strong independence derived from the committee's composition with the full-time Audit & Supervisory Committee Members' strong capability to gather information.

Percentage of
Outside Directors:
75%

Composition of the Nomination and Compensation Committee

The Company established a Nomination and Compensation Committee as an advisory body to the Board of Directors. More than half of its members serve as Independent Outside Directors to enhance the independence, objectivity, and accountability of the Board of Directors with regard to the nomination and compensation of Directors and senior management. In addition, the regulations stipulate that Committee members who have a special interest in agenda items cannot participate in any related vote or resolution.

Percentage of
Outside Directors:
60%



Enhancement of
our business
foundation

▶ Material issues

Corporate Governance

System for the Execution of Directors' Duties

Ensuring effectiveness of business execution

The Board of Directors meets monthly in principle* and on an as-needed basis, with attendance of all of the Directors, including Outside Directors. The Executive Committee meets weekly in principle, with attendance by all Senior Directors, all Senior Executive Officers, Specially Appointed Audit and Supervisory Committee Members, and full-time Audit & Supervisory Committee Members. The Executive Committee discusses matters subject to deliberation by the Board of Directors, significant company-wide matters related to business execution by the President and Executive Vice Presidents based on policies decided by the Board of Directors, and important matters related to individual business execution.

In addition to the Board of Directors' delegation of certain decision-making responsibilities for the execution of important business to Senior Directors in accordance with the Articles of Incorporation (excluding respective items in paragraph 5 of Article 399-13 of the Companies Act), as well as allocating functions by the Board of Directors and the Executive Committee, the Company clarifies responsibility and authority thereby ensuring accurate and prompt decision-making and efficient corporate management by establishing a system in which Executive Officers, to whom authority is delegated by Senior Directors, share responsibility for business execution.

*The Board of Directors met 13 times during FY2025.

Ensuring appropriateness in business execution

The Company has established an Internal Audit Department to ensure proper business execution and conduct internal audits from a position independent from the other operating units. The Internal Audit Department reports the audit results to Senior Directors and Audit & Supervisory Committee Members, notifies the audited department in writing to request improvements, and reports to relevant parties including the Audit & Supervisory Committee, the Board of Directors, and the Executive Committee at the end of the period.

Each operating unit also conducts periodic self-audits of the execution of business in its unit to enhance the quality of its business operations.

Preventing conflicts of interest

The Directors of the Company, in accordance with its Corporate Philosophy, Corporate Conduct Rules, and Compliance Action Guidelines, exemplify honest and fair conduct based on a steadfast spirit of compliance and business ethics. In addition, the Company works to prevent conflicts of interest in the event

that the Company engages in a transaction with a Director or a major shareholder* by obtaining the approval of the Board of Directors before executing the transaction and reporting the results of the transaction to the Board of Directors.

*Shareholders with shares representing 10% or more of the voting rights in the Company

Audit System

Audit & Supervisory Committee

The Audit & Supervisory Committee was established in accordance with the Companies Act to audit the legality and appropriateness of the execution of duties by directors. Audit & Supervisory Committee Members conduct audits at J-POWER's headquarters by attending and speaking at important meetings of the Board of Directors and by interviewing the Directors (excluding those serving as Audit & Supervisory Committee Members) and Executive Officers on the status of the execution of duties. The Audit & Supervisory Committee also carries out site visits to local operating units and subsidiaries in Japan and overseas.

During the accounting audits, the Audit & Supervisory Committee liaises with the Independent Auditors to regularly receive reports and exchange opinions regarding auditing schedules and the audit results. This enables the Audit & Supervisory Committee to judge the validity of the auditing method of the Independent Auditors and the results of the audits.

Specially Appointed Audit and Supervisory Committee Members

As a system to assist the Audit & Supervisory Committee Members in their audits, etc., the Company has established an Office of Audit & Supervisory Committee Members and appoints Specially Appointed Audit and Supervisory Committee Members. The Specially Appointed Audit and Supervisory Committee Members are well-versed in the Company's business and independent from the chain of command of the Directors who are not Audit & Supervisory Committee Members. The specially appointed members assist the Audit & Supervisory Committee with audits, etc. under the direction of the Audit & Supervisory Committee from the same perspective as the Audit & Supervisory Committee Members. In this way, the Audit & Supervisory Committee and the Internal Audit Department cooperate and audit the executive department more effectively. Full-time specialist staff working in the Office of Audit & Supervisory Committee Members, which is also independent from the Directors' chain of command, assist with audits and other matters conducted by the Audit & Supervisory Committee.

Internal Audit Department

Audit & Supervisory Committee Members coordinate auditing schedules with those of the Internal Audit Department and implement audits while exchanging information on audit results during the fiscal year. Where necessary, the Audit & Supervisory Committee instructs the Internal Audit Department on reporting, investigations, and other matters. As a result, we are strengthening mutual cooperation between the Audit & Supervisory Committee and the Internal Audit Department, working to enhance the use of the internal control system in the Audit & Supervisory Committee.

Group Governance

With regard to the administration of subsidiaries and affiliates, the J-POWER Group's basic policy calls for Group-wide business development in accordance with the Group's management plan. The administration of subsidiaries and affiliates is undertaken in accordance with the Company's internal regulations, and the Group Management Committee works to improve the appropriateness of operations for the entire corporate Group. In addition, the Audit & Supervisory Committee Members and the Internal Audit Department implement audits of subsidiaries and affiliates with the objective of ensuring proper operations at all Group companies.

Basic policy on tax transparency

The J-POWER Group upholds honest and fair business practices with a steadfast spirit of compliance and business ethics as part of its conduct rules. On April 1, 2026, it established the J-POWER Group Tax Policy. To maintain and enhance tax compliance, we will, with the proactive involvement and guidance of the Finance Officer, strive to conduct training and awareness-raising activities on proper accounting practices and tax filing.

Additionally, in compliance with tax-related laws and regulations applicable in all the countries where we operate, we will fulfill our corporate social responsibility by ensuring proper filing and timely tax payments. We are also committed to maintaining positive relationships with tax authorities. We will address requests from tax authorities in good faith and, in the event of any disagreements, actively seek to resolve them through constructive dialogue.

Tax Policy

 https://www.jpowers.co.jp/english/sustainability/governance/tax_policy.html

Corporate Governance

Initiatives to Stimulate Board of Directors' Discussions

With the aim of enhancing corporate governance, J-POWER reviews as necessary how its Board of Directors operates. The Company strives to conduct Board of Directors meetings efficiently and improve dialogue through advance briefings and a well-established operational structure, while also providing opportunities to freely and frankly share opinions in informal settings outside of Board meetings.

Board of Directors deliberation flow

At each meeting of the
Executive Committee

Providing Outside Directors with materials
for Executive Committee meeting

One week prior to Board
of Directors meetings

Sending proposals for the Board of
Directors meetings in advance

From two days prior to
the day of the Board of
Directors meeting

Advance briefings to Outside Directors

Board of Directors

Advance preparation for efficient board meetings

• Tentative materials sent prior to agenda distribution

• Advance briefings from the department in charge
and the Executive Officers to the Outside Directors
• Pre-briefing on discussions at the Executive
Committee
• Immediate feedback of questions and answers
during the pre-briefing to the executive directors

Operational structure for high quality discussions
• Explanations of proposals and reports by the director
in charge in response to Q&A at the pre-briefing
• Preparation of agenda materials that focus on the
significance, purpose, and expected results of the
project to be discussed
• Recording and keeping track of progress of
opinions expressed at Board of Directors meetings

Examples of items discussed/reported

Climate change-related	Management plan/Research and development (Osaki CoolGen)/TCFD disclosures/Status of ESG initiatives/Report on IEA WEO2025
Finance & accounts-related	Quarterly and year-end financial results/dividends/budgetary results and annual forecast
Governance and compliance	Evaluation of effectiveness of the Board of Directors/Report on internal audit results/Report on compliance promotion activities
Projects	GENESIS Matsushima Project/NEXUS Sakuma Project Overseas projects/Domestic onshore and offshore wind power projects/ Ohma Nuclear Power Plant
Other	Confirmation of strategic shareholdings/IR and SR reporting Interim evaluation of loan and investment projects, etc./Review of impairment cases and future outlook Decommissioning of the Takasago Thermal Power Plant

Providing Outside Directors with information and informal discussion opportunities

In addition to the Board of Directors meetings, informal efforts are being made to enhance the monitoring function of the Board of Directors, improve the information provided to Outside Directors, and create opportunities for a frank exchange of opinions by holding meetings where all members can express their thoughts.

We have received a lot of comments and counsel from the perspectives of the Outside Directors during these discussions, not just on medium- and long-term management issues but also on our corporate culture and organizational structure.

Additional initiatives include discussions between directors and onsite workers and executive visits to power plants and other facilities. We will continue to seek to improve corporate governance and increase corporate value based on the insights we have received from these discussions.

Results of initiatives in FY2025

- Exchange of opinions at an intensive meeting on the Company's future vision and important management issues (once)
- Exchange of opinions at meetings attended by all members of the Board of Directors (3 times)
- Exchange of opinions (at small meetings) between Outside Directors, executive officers, and relevant departments (3 times)
- Exchange of opinions among non-executive directors (twice)
- Exchange of opinions between Outside Directors (excluding Directors serving as Audit & Supervisory Committee Members) and the Audit & Supervisory Committee (once)
- Lectures, etc. conducted for management-level employees by Outside Directors (5 times)
- Lunch meetings between the Chairman, President, Outside Directors, etc.
- Visits to power plants by Outside Directors (3 times)
- Lectures by external experts on the digital infrastructure business and "watt-bit collaboration"



Facility visit by Outside Directors

Corporate Governance

Evaluation of Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors on an annual basis.

FY2025 initiatives



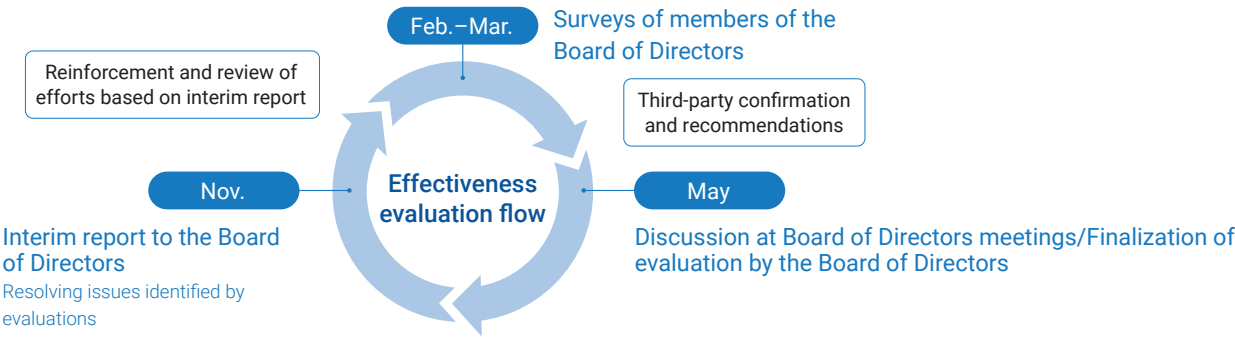
During FY2025, we confirmed that it is effective to proceed with further enhancing opportunities for free-spirited discussions and further enhancing the operation of the Board of Directors, and intensively engaged in the following initiatives.

Further enhance opportunities for free-spirited discussions

- Held an intensive meeting to exchange opinions on the future vision and important management issues of the Company (once)
- Conducted exchanges of opinions among all members of the Board of Directors (3 times) and small-discussion group meetings (small meetings) between Outside Directors, executive officers, and relevant departments (3 times)
- Conducted exchanges of opinions among non-executive directors (twice)
- Conducted exchanges of opinions between Outside Directors (excluding Directors serving as Audit & Supervisory Committee Members) and the Audit & Supervisory Committee (once)

Further enhance the operation of the Board of Directors

- Confirmed the improvements and progress made in connection with the list of points raised by the Board of Directors
- Explanations given in meetings of the Board of Directors by Executive Managing Officers who are not Directors, etc.
- Held small meetings and provided early pre-briefings to foster understanding



Evaluation method and process

- 1 In February 2026, we conducted a questionnaire of all Directors, including Outside Directors.
- 2 Discussions were held based on the results of the aforementioned questionnaire at the Board of Directors meeting held on May 12, 2026.
- 3 Evaluation results were confirmed at the Board of Directors meeting held on May 22, 2026.

Questionnaire items

- I Composition of the Board of Directors
- II Operation of the Board of Directors
- III Management strategies and plans
- IV Internal control and risk management
- V Support system for Directors
- VI Dialogue with shareholders (investors)
- VII Individual efforts of each Director
- VIII Summary

Evaluation results

Through the evaluation method and process on the left, we determined that the Board of Directors' effectiveness is secured. It was confirmed that the ongoing initiatives were regarded as important in ensuring the effectiveness of the Board of Directors and that, accordingly, they were to be implemented consistently into the future.

Main opinions in this year's evaluation

- There were some opinions that, in light of changes in the business environment in which we find ourselves, it is essential for the Board of Directors to continue discussions on management direction from a medium- to long-term perspective, including the Group-wide business portfolio.
- There were some opinions that the continuation and enhancement of initiatives taken to FY2025 are important, including accurate support tailored for each Director and the sharing of the status of addressing issues raised at meetings of the Board of Directors.
- With respect to the composition of the Board of Directors, while some opinions suggested that the current composition was appropriate, others suggested that discussions should be continued on a composition that responds to the business environment.

For FY2026, we have confirmed that it is effective to utilize the ongoing initiatives and measures introduced to date, and to continue implementing specific initiatives from the previous year, with the following matters being treated as priorities:

- 1 further enhancing opportunities for free-spirited discussions; and
- 2 further enhancing the operation of the Board of Directors.

The Company will continue to strive to improve the effectiveness of the Board of Directors through the continuation of such initiatives and enhancement of discussions.

Corporate Governance

Appointment and Dismissal of Officers

The Board of Directors appoints as members of top management and nominates as candidates for Director and Audit & Supervisory Committee Member individuals who have the abundant experience, distinguished knowledge, and advanced specialization necessary for those positions, based on discussion by the Board following the President's presentation of recommendations. The President's recommendations for members of top management and Director candidates are themselves based on the deliberations of the Nomination and Compensation Committee.

When a member of top management or a Director is found to have acted inappropriately or unreasonably, or there is some other marked impediment to the continued execution of the individual's duties, the Board of Directors may decide, after deliberation by the Nomination and Compensation Committee, to dismiss or otherwise take action to deal with the member of top management or Director in question. Furthermore, from the perspective of sustainable growth and corporate value enhancement over the medium to long term, the Company recognizes the securing and development of management talent as an important management issue and is addressing it on an ongoing basis.

 [P.87 Nomination and Compensation Committee](#)

Officers' Compensation

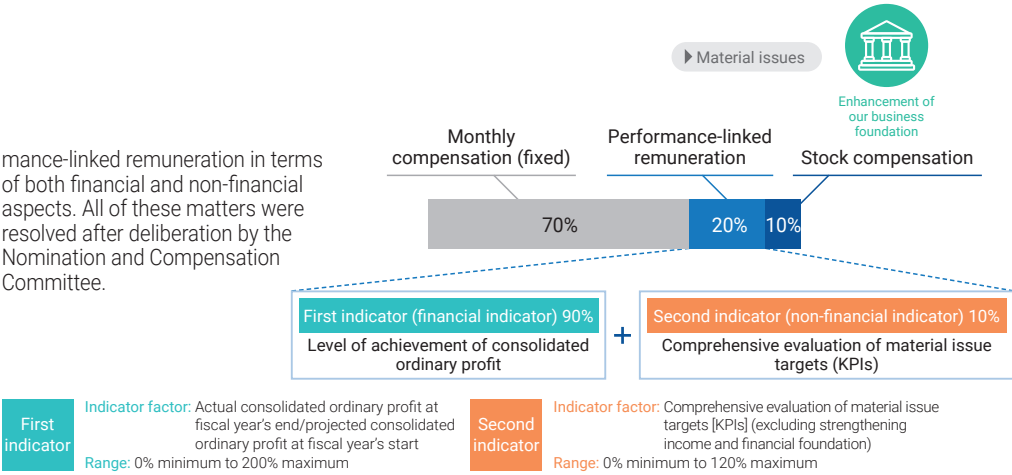
Composition of officers' compensation

- The Company has implemented a performance-linked remuneration and stock compensation system for the remuneration of its Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors, in order to better link their compensation with business performance and corporate value and to provide incentives for sustained improvement of business performance and increase in corporate value. As a result, the remuneration structure for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors will consist of three parts: monthly compensation paid in cash, performance-linked remuneration, and stock compensation.
- It was resolved at the 70th Ordinary General Meeting of Shareholders on June 28, 2022 that the monetary compensation, which is monthly compensation and performance-linked remuneration, for Directors (excluding those serving as Audit & Supervisory Committee Members) shall be within ¥570 million per year (of which, ¥60 million is for Outside Directors. Employee salaries for Directors who serve in dual capacity as employees are excluded). Within the scope of this resolution, the method of determining the amount of remuneration for directors is determined by the Board of Directors. The remuneration structure for Outside Directors consists solely of monthly remuneration, excluding performance-linked remuneration and stock compensation, to ensure their independence from business execution. For executive officers, the method of determining the amount of compensation is resolved by the Board of Directors.
- The amount of remuneration for Directors serving as Audit & Supervisory Committee Members was resolved at the above General Meeting of Shareholders to be no more than ¥120 million per year (fixed monthly compensation calculated based on position, etc.). Within the above amount, the amount of remuneration for each Director who is an Audit & Supervisory Committee Member is determined through discussion among Directors serving as Audit & Supervisory Committee Members.

Performance-linked remuneration

At the Board of Directors meeting held on February 28, 2023, the Board of Directors resolved to incorporate the material issues—supply of energy, response to climate change, respect for people, engagement with local communities, and the enhancement of our business foundation—which are initiatives aimed at improving corporate value over the medium to long term, in addition to consolidated ordinary profit, as evaluation indicators for performance-linked remuneration. The system is designed to determine perfor-

mance-linked remuneration in terms of both financial and non-financial aspects. All of these matters were resolved after deliberation by the Nomination and Compensation Committee.



- The payment percentage for performance-linked remuneration in FY2025 was as follows:

Indicator	Evaluation rate	Achievement rate	Payment percentage
First indicator (financial indicator) Level of achievement of consolidated ordinary profit	90%	Achievement rate = 97.9% Results*1: ¥116.5 billion / initial target for the period: ¥119.0 billion	96.1%
Second indicator (non-financial indicator) Comprehensive evaluation of material issues	10%	Achievement rate = 80% Five material issues [supply of energy, response to climate change, respect for people, engagement with local communities, and enhancement of our business foundation: each with a 20% weight] evaluated by the Nomination and Compensation Committee	

*1 Figures used represent actual results for consolidated ordinary profit, taking into account business operations recognized as significant.
*2 Please see P.24 for details on the material issue targets (KPIs) and their progress.

Stock compensation

Under the stock compensation system, a trust, established by the Company and to which money is contributed, acquires J-POWER shares. The number of shares equivalent to the number of points granted by the Company to each Director is then distributed to each Director.

Resolved at the 70th Ordinary General Meeting of Shareholders on June 28, 2022

(1) Persons eligible for the System	Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors
(2) Target period*	Three fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ended March 31, 2025
(3) Maximum amount of money that the Company will contribute as funds for the acquisition of shares of the Company necessary for distribution to (1) persons eligible for the System during the (2) target period.	Total of ¥165 million
(4) Method of acquiring shares of the Company	Through the undertaking of the disposal of the Company's treasury shares or through the exchange market (including off-floor trading)
(5) Maximum number of points granted to (1) persons eligible for the System	40,600 points per fiscal year *1 point = 1 share of the Company
(6) Criteria for gaining points	Points are granted based on position, etc.
(7) Time of distribution of shares of the Company to (1) persons eligible for the System	In principle, when Directors retire

*In the aforementioned resolution of the Ordinary General Meeting of Shareholders, it was resolved that the Company may continue the System by periodically extending the target period for a duration of up to three fiscal years as determined by the Board of Directors, and by contributing additional money up to an amount calculated by multiplying ¥55 million by the number of fiscal years in the extended target period. Accordingly, at the Board of Directors meeting held on June 26, 2025, the Company resolved to extend the target period of the System for three fiscal years. For details, please see our website.

 https://www.jpowers.co.jp/english/news_release/pdf/news250626_1e.pdf



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Special Feature: Activities of the Nomination and Compensation Committee



The Nomination and Compensation Committee continues to fulfill its role as an entity that enhances the independence and transparency of the functions of the Board of Directors.

Takashi Yokomizo
Director

Since my appointment as an Outside Director in June 2023, I have served as Chair of the Nomination and Compensation Committee.

As an advisory body to the Board of Directors, the Nomination and Compensation Committee is composed of a majority of Independent Outside Directors and deliberates on the nomination and compensation of Directors and senior management. Through these deliberations, it contributes to enhancing the independence and transparency of decision-making.

Nomination

For the appointment of Directors and senior management at the Company, candidates are interviewed and deliberated by the Nomination and Compensation Committee, then recommended by the President, and finally decided by the Board of Directors. The Nomination and Compensation Committee evaluates each candidate as part of this process.

In the Committee, we evaluate candidates from a comprehensive perspective, considering not only their extensive business experience and achievements, but also their broad insight for management decision-making, advanced expertise including in the electric power business, and leadership to guide the organization.

For the top management appointments in FY2025, we also conducted thorough deliberations as a committee based on this process.

We continue to examine the composition and diversity of the Board of Directors, taking into account the opinions of shareholders and investors. At the General Meeting of Shareholders in FY2026, we received approval for the appointment of female directors and directors with extensive international experience, thereby strengthening our management structure. We will continue to work on building the optimal structure in line with the roles required of the Board of Directors.

Compensation

Currently, officer compensation at the Company consists of three components: monthly compensation, performance-linked remuneration, and stock compensation.

The Nomination and Compensation Committee constantly reviews the overall compensation system, and in particular, discusses performance-linked remuneration each year and determines evaluations. On assessing the achievement of material issue targets, which serve as one of the evaluation criteria for performance-linked remuneration, we carefully consider not only quantitative targets but also make

qualitative assessments. While there are times when opinions differ, we make decisions after a thorough discussion.

We also receive opinions from shareholders and investors regarding the proportion of stock compensation and other matters, and we recognize this as one of the issues to be evaluated going forward in order to align our perspectives more closely with shareholders.

Since the establishment of the Nomination and Compensation Committee in 2019, we have worked to improve the nomination process and compensation framework, and I feel that these efforts are gradually producing tangible results. We will continue our work on enhancing the appointment of management and the compensation system to contribute to the enhancement of the Company's corporate value.

Main matters deliberated regarding nominations

- Appointment of Executive Officers and determination of their responsibilities effective April 1 of the following fiscal year
- Selection of candidates for Director (excluding those who are Audit & Supervisory Committee Members)
- Appointment of Specially Appointed Audit and Supervisory Committee Member
- Nomination of Representative Directors and Senior Directors

Main matters deliberated regarding compensation

- FY2021 and FY2022: Revised the content of the officer compensation system* and the compensation levels.
*Officer compensation was changed to a three-component structure: monthly compensation, performance-linked remuneration, and stock compensation.
- FY2023: Introduced evaluation of material issue targets (KPIs) as a performance criteria for performance-linked remuneration.
- FY2024: Deliberated and reflected the evaluation plan for performance on material issues.

Meetings held in FY2025

Main topics	
First	Performance evaluation for performance-linked remuneration
Second	Appointment of Nomination and Compensation Committee Chairperson
Third	Deliberation regarding nominations
Fourth	Deliberation regarding nominations
Fifth	Nomination of officer candidates for the next fiscal year

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.

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.

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.

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 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.



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.

Risk Management

Basic Approach

Based on its internal regulations, the J-POWER Group has established a risk management system that covers not only financial risks with significant impacts on management, but also sustainability-related risks, including climate change and human rights. Under this framework, the Group seeks to maintain and enhance corporate value and contribute to a sustainable society by combining swift decision-making under the oversight of the Board of Directors with autonomous risk management carried out by operational units and specialized committees.

Risk Management Systems

At the J-POWER Group, each department autonomously manages numerous risks related to corporate activities in order to uphold and enhance its financial soundness and corporate value. Meanwhile, the Group examines and takes countermeasures against material risks that should be managed across the Group after each specialized subcommittee identifies, analyzes, and assesses such risks. It is provided that each business site detects and assesses risks and examines countermeasures against such risks in advance as part of emergency management practices during peacetime, and the Group gathers such risk information. After that, the Board of Directors regularly receives reports on the status of business execution, making it possible for the Board to keep up to date on risks at an early stage and manage the risks in an integrated manner. This supports appropriate management discussions and decision making. Through these efforts, internal rules and systems are appropriately reviewed and developed, realizing appropriate risk management in the execution of corporate activities and minimizing the impact when a risk occurs.

Response to Each Risk

● Compliance risks

 [P.95 Compliance](#)

● Risks associated with sustainability

 [P.21 J-POWER Group's Sustainability Initiatives and Management](#)  [P.74 Human rights](#)

[Risk Management Framework Covering ESG Risks](#)

 https://www.jpower.co.jp/english/sustainability/governance/risk_management.html

● Emergency management risks

 [P.98 Emergency Management](#)

● Occupational accident risks

 [P.83 Occupational health and safety](#)

● Cybersecurity risks

 [P.99 Cybersecurity](#)

● Business risks

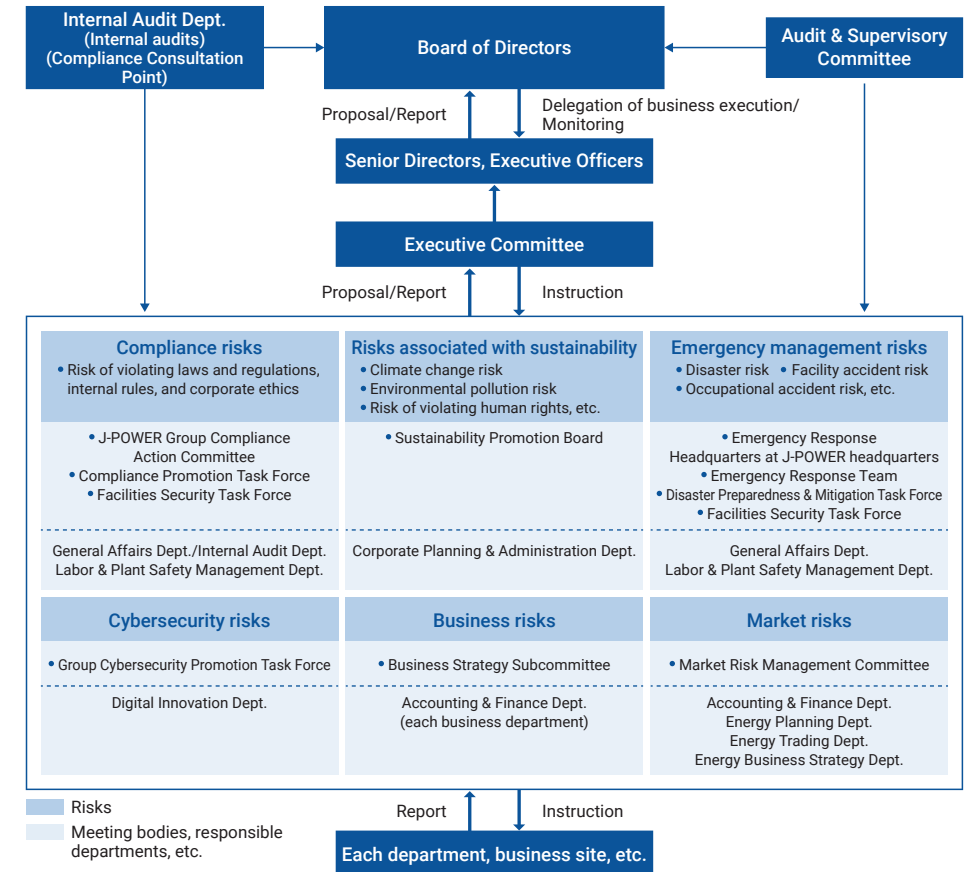
 [P.59 Risk Management Related to Investment Projects \(TCFD Report\)](#)

▶ Material issues



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Risk management system



● Management of market risks

The Market Risk Management Committee, consisting of Executive Officers in charge of accounting and finance, planning, and sales departments and Department Directors of these departments, deliberates on the management of risks of market price fluctuations in electricity trading and others, and examines and takes necessary risk management measures, such as risk hedging. Furthermore, for risks associated with fuel procurement and price fluctuations, we diversify these risks by decentralizing and diversifying procurement locations and export terminals in Australia, Indonesia, North America, and other regions as well as by holding stakes in some coal mines, in addition to procuring fuel by combining long-term agreements with one-off agreements.

Compliance/Anti-Corruption

- The J-POWER Group, in accordance with its Corporate Philosophy, has established the Corporate Conduct Rules as outlining basic rules for behavior in line with a spirit of compliance and business ethics to be observed in the course of business operations.
- In addition, the Group has established its Compliance Action Guidelines as criteria for determining specific actions by individual employees, including members of management, when conducting business activities.

For details about the J-POWER Group's Corporate Conduct Rules and Compliance Action Guidelines, please refer to our website.

**Corporate
Conduct Rules**  https://www.jpowers.co.jp/english/company_info/philosophy/

**Compliance Action
Guidelines**  https://www.jpowers.co.jp/english/sustainability/governance/action_guidelines.html

► Material issues



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Compliance Promotion Structure

The Chairman serves as the top compliance officer to promote compliance, with the President serving as the Chairman's assistant and the Compliance Officer serving as the Chairman's and President's assistant. The J-POWER Group Compliance Action Committee chaired by the Chairman, in which Group companies are invited to participate, was established as a committee to promote compliance within the Group. The committee's duties include deliberating on compliance promotion measures, assessing the status of implementation, and addressing anti-compliance issues. In order to allow quick and accurate work connected to compliance promotion, two subcommittees have also been established under the Compliance Action Committee to promote compliance promotion activities and autonomous safety activities based on the safety standards. An experienced executive officer chairs each subcommittee and monitors the progress of compliance promotion initiatives during implementation.

Additionally, each of our domestic key corporate locations, power plants, and Group companies has developed its own Compliance Committee to create compliance initiatives catered to its unique features.

Compliance Promotion Activities

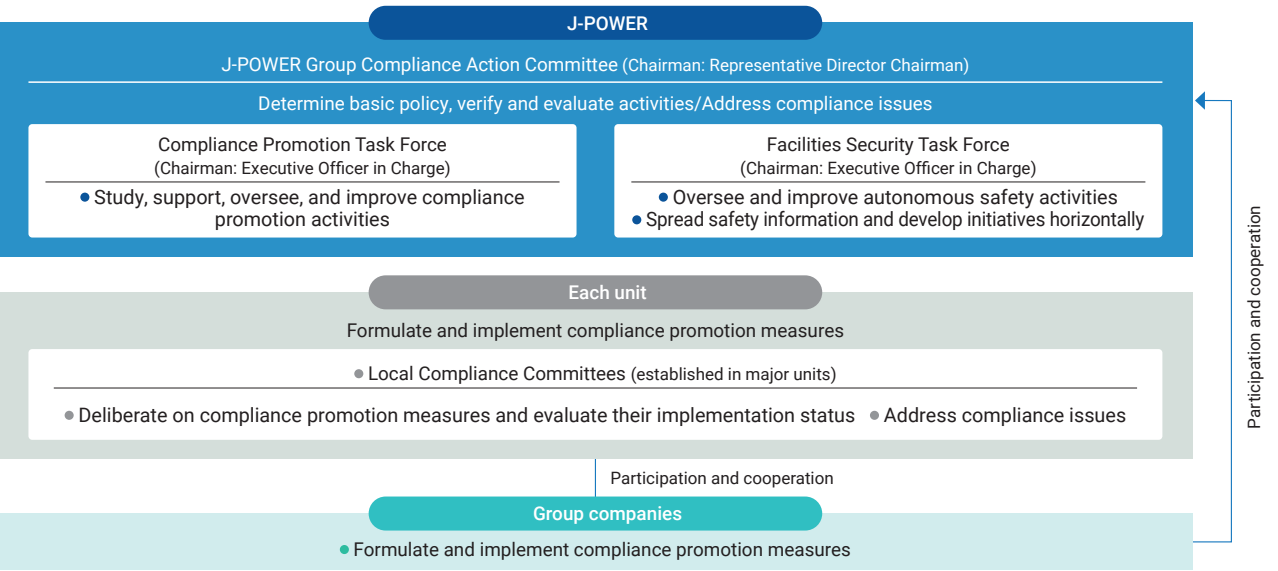
The Compliance Action Committee utilizes a PDCA (plan-do-check-act) method for compliance promotion, formulating a plan for each fiscal year, evaluating results at the end of that fiscal year, and formulating the next year's plan based on the results. The compliance promotion plan and evaluation are reported to the Board of Directors.

To raise compliance awareness among employees, the Company issues notifications of changes in laws and

regulations, presents compliance-related case studies, and conducts training sessions on laws and regulations related to its business and on compliance issues.

When alleged compliance violations occur, the Compliance Action Committee investigates the facts and causes surrounding the issues and takes appropriate action as necessary, including issuing directives for improvement or measures to prevent their recurrence.

J-POWER Group's compliance promotion system



Compliance

Compliance Survey

The J-POWER Group conducts an annual survey of all employees in an effort to understand compliance-related risks. Compliance Consultation Points contact respondents whose responses indicate problems to gather additional information. The survey also seeks out employee opinions on workplace conditions, communication, and work volume on an ongoing basis. These results are used by Group's each unit to improve workplace environments.

Compliance Consultation Points (Whistle-Blowing System)

The J-POWER Group has established the Compliance Consultation Points at the Internal Audit Department, at an external law firm, and at major Group companies to serve as consulting hotlines in the event that compliance issues arise. The Group has worked on the identification and improvement of issues. Employees who use these resources are rigorously protected. Through these consultation channels, all employees of the Company and all employees and officers of cooperating companies, contractors, and other business partners of the Company can consult and report anonymously on any kind of anti-compliance issues, including human rights violation, prevention of any form of corruption, and bribery. The privacy of whistleblowers is strictly protected, with confidentiality and anonymity guaranteed, and no one who has consulted or reported is treated unfavorably by the Company.

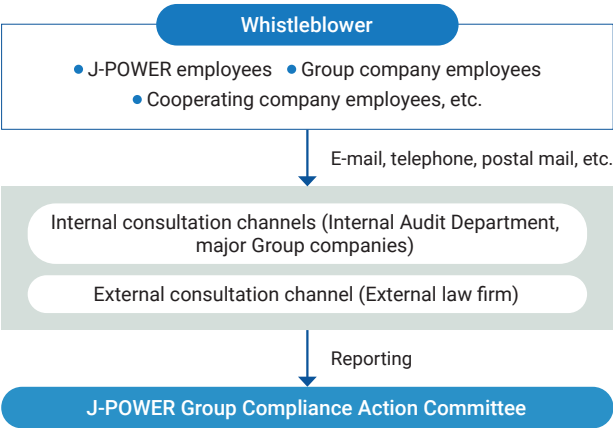
 [P.76 Grievance and Remediation Mechanisms](#)

 [P.81 Consultation Points for Human Resources, Labor Matters, Harassment, etc.](#)



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J-POWER Group Compliance Consultation Points



Barring Relations with Anti-Social Forces

The J-POWER Group's policy is to not maintain relations of any sort with the anti-social forces that threaten the order and safety of civil society. The Company has designated an internal department to act as a point of contact in the event that demands or other contacts are received from anti-social forces and has established a system that ensures quick collection of information and appropriate response in cooperation with specialist external agencies.

Opinion Exchange Meetings with Directors

As part of a program to advance understanding of compliance based on communication, the J-POWER Group arranges annual opinion exchange meetings during which executives visit the headquarters and onsite institutions (including Group companies and overseas subsidiaries) to engage in direct conversations with employees. Although the themes of compliance and communication are the primary emphasis of the meetings, a variety of topics are covered each time, including compliance challenges not originally scheduled for the meeting. The Compliance Action Committee receives a report of these discussions.

Disclosure

The Company has established the Disclosure Committee, chaired by the President, to enhance transparency and accountability in corporate activities. This committee ensures the fair and transparent disclosure of company information in a timely and proactive manner.

Compliance with the Internal Control Reporting System

In response to the internal control reporting system for financial reporting required by Japan's Financial Instruments and Exchange Act, the J-POWER Group established, maintains, and evaluates its internal control system, mainly through the Accounting & Finance Department and Internal Audit Department.

In FY2025, continuing from the previous year, the Company's management evaluated the status of the development and operation of internal controls with respect to company-wide internal controls, operational process-related internal controls, and information technology-based internal controls in accordance with the implementation standards of Japan's Financial Services Agency. The Company determined that its internal control system for financial reporting is effective. This evaluation result was submitted as an Internal Control Report to the Director-General of the Kanto Local Finance Bureau in June 2026 following an audit carried out by the Company's Independent Auditor.

Going forward, the J-POWER Group will continue efforts to ensure the reliability of its financial reporting.

Anti-Corruption and Business Ethics

Anti-Corruption Policy

The J-POWER Group sets forth guidelines for the prevention of corruption (bribery, excessive entertaining/gifts, etc.) in all regions where it conducts business, both in Japan and overseas, in its Corporate Conduct Rules and Compliance Action Guidelines, and communicates these guidelines to all employees.

Prevention of Corruption (Bribery, Excessive Entertaining/Gifts, etc.)

- We will not entertain or give gifts to public officials or equivalent persons in a manner that conflicts with the Criminal Law, National Public Service Ethics Act, or other rules prescribed by government agencies.
- We will not give, promise, or offer financial or other rewards to foreign government officials to improperly gain a business advantage or in return for a business accommodation. Entertaining and the giving of gifts to business partners will be within the scope of social courtesy.
- When we have no choice but to be entertained by or accept gifts from customers or business partners, it must be within the scope of social courtesy.

Moreover, the Group declared its anti-corruption stance when it joined the UN Global Compact in April 2021. The international sector has adopted a zero-tolerance policy, which does not allow any form of corruption. Through these efforts, the Group is ensuring that all persons engaged in duties related to J-POWER, including those outside the Group, strictly abstain from actions that might be interpreted as collusion with politics and governments, and is working to establish trustful and open relationships.

Compliance Action Guidelines

https://www.jpowers.co.jp/english/sustainability/governance/action_guidelines.html

Anti-Corruption Policy and Initiatives

https://www.jpowers.co.jp/english/sustainability/governance/anti_corruption.html



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Oversight of Anti-Corruption

The J-POWER Group Compliance Action Guidelines, which set forth the basic policy for anti-corruption at the Company, are established and revised through approval by the Board of Directors. The Board of Directors is responsible for continuously supervising whether these guidelines are being appropriately implemented.

Communication of Anti-Corruption Policy to All Employees

To embed the established policies throughout the organization, we implement the following initiatives for all employees.

- Distribution of a Compliance Guidebook: We disseminate a "Compliance Guidebook" that includes the Compliance Action Guidelines and other relevant materials, including the anti-corruption policy, and ensure that employees can refer to it at any time.
- Carrying a Compliance Pledge: We provide all employees with a "Compliance Pledge" in which they pledge to comply with the Compliance Action Guidelines, including the prevention of all forms of corruption, and encourage them to sign and carry it. We require each employee to maintain a high level of awareness of, and responsibility for, anti-corruption.

Training for Staff on the Anti-Corruption Policy

In order to ensure the effectiveness of its established Compliance Action Guidelines, the J-POWER Group provides regular annual compliance training for employees, including training on anti-corruption and business ethics. Through this training, the Group reinforces throughout the entire organization the Compliance Action Guidelines' prohibition of all forms of corrupt practices.

[P.76 Training and Education on Human Rights and Compliance Initiatives](#)

Regular Audits on Anti-Corruption and Business Ethics

In internal audits and compliance audits, which are conducted once a year (including those of Group company business sites), we regularly check the status of compliance with business ethics and anti-corruption measures, as well as general compliance status. The results of these audits are reported to the Board of Directors, and we review our regulations and manuals as necessary.

[P.88 Audit System](#)

Topics

Measures in Overseas Business

In light of the specific characteristics of the business environment in our overseas operations and to further clarify our measures against bribery and corruption risks, we established a zero-tolerance policy in 2022, which stipulates the following compliance items:

- Do not tolerate any form of corruption and bribery*, and strive to ensure that all persons engaged in duties related to J-POWER, including those outside the Group, comply with this policy.
- Always bear in mind that J-POWER itself, as well as the individuals and organizations directly involved, may be held criminally liable for corruption and bribery.
- Always maintain high ethical standards as a socially responsible individual and act in accordance with our anti-corruption and anti-bribery commitment. Moreover, do not overlook violations of laws, regulations and rules, and report to the appropriate consultation points if you encounter any suspicious acts.
- Actively participate in training for preventing corruption and bribery, and work to closely monitor the latest trends in anti-corruption and anti-bribery initiatives.
- Comply with all applicable domestic and international laws, regulations, and other rules regarding the prevention of corruption and bribery.

In addition to the above, we conduct training for executives and employees in the international sector, inviting attorneys specializing in international corporate legal affairs and compliance as lecturers.

*"Corruption and bribery" includes, in addition to acts such as the giving and taking of bribes, provision of benefits, facilitation payments, fraud, extortion, collusion, and money laundering, acts that induce fraudulent, illegal, or breach-of-trust acts in corporate business activities, as well as misappropriation, embezzlement, mediation bribery, abuse of authority, illicit enrichment, concealment, and obstruction of justice.



Emergency Management

Emergency Management Systems

As well as having a permanent Emergency Response Team at J-POWER headquarters, when an emergency is anticipated or has occurred and emergency measures are necessary, we will organize Emergency Response Headquarters and Branches.

The Emergency Response Team anticipates emergencies, immediately takes first-response action in the case of any occurrence, and oversees emergency management operations. In the event of an emergency, the team coordinates with the Emergency Response Headquarters and Branches in each local area to accurately predict and prevent accidents such as disasters and facility incidents, and responds/manages promptly and appropriately should such events occur.

Furthermore, the Emergency Response Headquarters and Branches in the J-POWER headquarters and local units annually carry out coordinated comprehensive disaster drills, and periodically conduct safety reporting drills for employees and Group company employees.

Emergency Management Measures

The J-POWER Group has a responsibility as an electric utility company to ensure a stable supply of electricity, which plays an essential role in people's everyday lives. We need to prevent damage to the equipment that produces and transmits electric power and to restore service quickly should a disruption occur. Accordingly, the J-POWER Group implements the following measures.

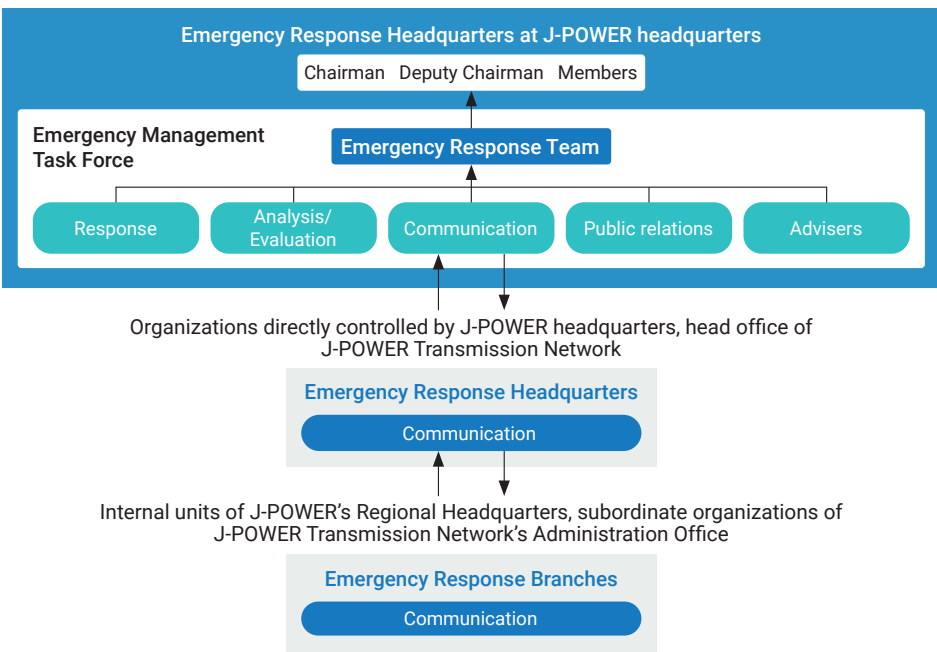
- ① Installation of appropriate facilities and development of disaster recovery systems in preparation for natural disasters, including earthquakes, typhoons, lightning strikes, and tsunamis
- ② Enhancement of security to prevent malicious and violent conduct
- ③ Enhancement of regular facility inspections to prevent major impediments to electric power supply and appropriate repairs and upgrades in response to aging, the decline of function, and breakdowns
- ④ Preparation of action plans for responding to pandemics and other events that could have a major impact on business operations

Disaster Prevention and Business Continuity

As an electric utility company responsible for vital lifelines, the Company is a designated public institution under the Basic Act on Disaster Management. Accordingly, the Company has established physical measures assuming a large-scale natural disaster as well as non-physical measures, such as various rules for when disasters occur and a systematic disaster preparedness structure from the headquarters to local units. By actively implementing these measures, the Company has reinforced its disaster preparedness structure to ensure the continuation of business even in the event of a natural disaster exceeding assumptions.

By conducting fully remote disaster drills, we have also established a disaster prevention system that does not depend on physical employee attendance.

Emergency Response Headquarters communication system



Composition of the Emergency Response Headquarters at J-POWER headquarters

Role	Composition
Chairman	President
Deputy Chairman	Vice President
Members	Officer in charge of the General Affairs Department, Directors in charge and related officers Directors of General Affairs Department, Public Relations & Community Relations Department and related departments
Emergency Management Task Force	Emergency Response Team and related departments

(Composition of the Task Force)	(Division of duties)
Communication	Information communication, gathering, and management
Analysis/Evaluation	Analysis, evaluation, and countermeasure planning
Response	Information on recovery response, liaisons, victim response, consumer relations, and investor relations
Public Relations	Media response
Advisers	Advice regarding analysis, evaluation, and countermeasure planning

Emergency Management

Cybersecurity

Basic policies

In recent years, cyber-attacks have not only increased but have also become more sophisticated and elaborate. We apply technical steps based on the most recent information, such as computer virus countermeasures, unlawful access and information leakage countermeasures, as a critical social infrastructure provider specified in the Basic Act on Cybersecurity. We also comply with the Guidelines for Power Control System Security to ensure the security of power control systems and other systems for the stable supply of electric power.

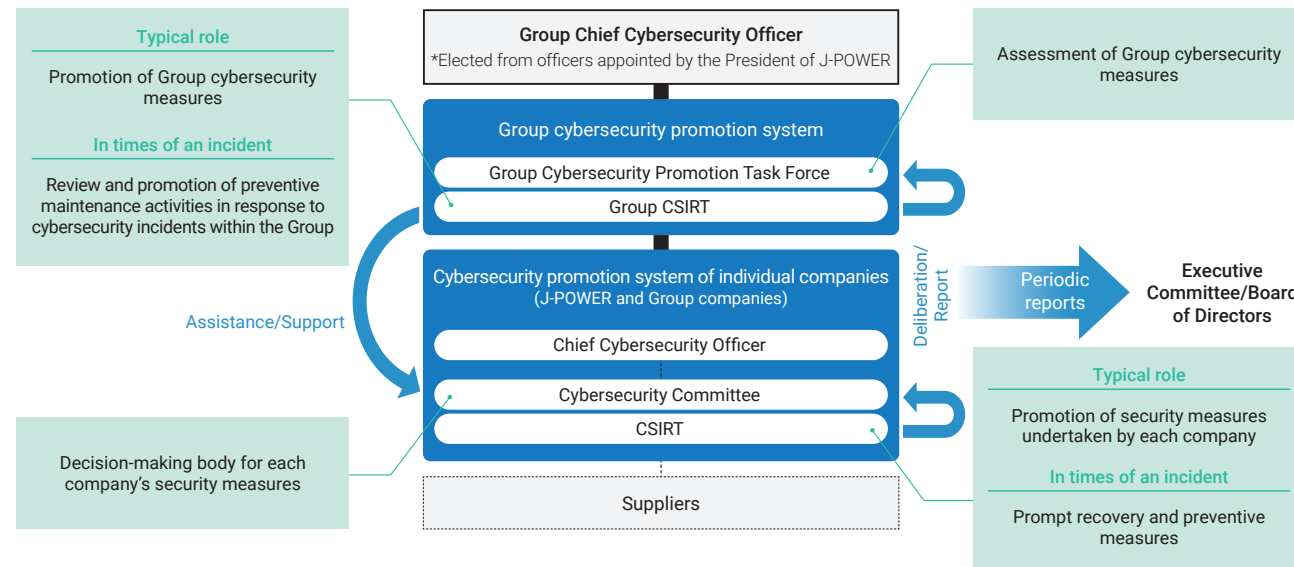
Furthermore, based on the Cybersecurity Policy for Critical Infrastructure Protection announced by the government's Cybersecurity Strategic Headquarters, we have established a system to take all possible measures for cybersecurity as a critical infrastructure provider and are further strengthening our measures.

To strengthen our response capabilities throughout the entire supply chain, we have established the J-POWER Group's

Basic Policies on Cybersecurity and the Cybersecurity Regulations, which span both information and control systems. Regarding the status of major cybersecurity incidents affecting business operations, we provide periodic reports at the Group Cybersecurity Promotion Task Force, while each Group company reports such matters to its Board of Directors, thereby striving to strengthen intra-Group coordination. (No major information security incidents occurred in FY2025)

Structure

An officer appointed by the President of J-POWER serves as the Group Chief Cybersecurity Officer to manage the Group Cybersecurity Promotion Task Force, which conducts periodic cybersecurity assessments and internal and external audits, while periodically reporting the state of cybersecurity to the Board of Directors.



Continuous monitoring and implementation of drills against cyber-attacks

To prepare for cyber-attacks, the J-POWER Group conducts continuous monitoring and drills, analyzes vulnerabilities, and manages risks.

Incident response

In order to respond to cyber-attacks and recover quickly in the event of any breach, we have established the J-POWER CSIRT* as a cybersecurity crisis management system, working to prevent cybersecurity incidents and keep damage to a minimum should any incidents occur. Furthermore, cybersecurity risks are explicitly stated in our internal emergency management and cybersecurity-related regulations, and we have established response flows to ensure prompt reporting and action if an employee discovers the occurrence of a cybersecurity incident or an event suspected to have occurred. In FY2025, we reviewed the basic response measures to ensure business continuity or the early recovery and resumption of operations in the event of a cybersecurity incident.

*Cyber Security Incident Response Team (the letter C originally stood for Computer, but we refer to it as Cyber)

Providing information security educations

Every year, we continuously provide all employees with e-learning on cybersecurity and drills and training to prepare for targeted e-mail attacks.

Results of e-learning for FY2025

Every year, we continuously provide e-learning (three times in total) on how to improve the security of domain password, how to spot and initially respond to targeted attack e-mails, and cautions to take when teleworking (number of trainees was 19,740 in total).

As a corporation with essential infrastructure that has the potential to significantly affect people's lives, the Company has established the fundamental policy for maintaining cybersecurity. For details of the J-POWER Group's Basic Policies on Cybersecurity, please refer to our website.

https://www.jpowers.co.jp/english/privacy/privacy_003_e.html

Directors, Audit & Supervisory Committee Members, and Executive Officers

Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)



Representative Director Chairman
Toshifumi Watanabe
Attendance at Board of Directors meetings 13/13
Number of shares of the Company held 40,285 (10,085)

Current position
Jun. 2023 Representative Director Chairman of the Company
Jul. 2024 External Audit & Supervisory Board Member of Fukoku Mutual Life Insurance Company



Representative Director President
Hideaki Kato
Attendance at Board of Directors meetings 13/13
Number of shares of the Company held 10,398 (5,598)

Current position
Apr. 2026 Representative Director President and Chief Executive Officer of the Company



Representative Director
Yoshikazu Shimada
Attendance at Board of Directors meetings 13/13
Number of shares of the Company held 25,258 (7,138)

Current position
Jun. 2024 Representative Director and Executive Vice President of the Company



Director
Osamu Hagiwara
Attendance at Board of Directors meetings 13/13
Number of shares of the Company held 19,855 (7,555)

Current position
Jun. 2022 Director and Executive Vice President of the Company



Director
Ryoji Sekine
Attendance at Board of Directors meetings 13/13
Number of shares of the Company held 13,943 (6,443)

Current position
Jun. 2024 Director and Executive Vice President of the Company



Director
Shoichi Echigo
Attendance at Board of Directors meetings —
Number of shares of the Company held 14,899 (5,599)

Current position
Jun. 2026 Director and Executive Vice President of the Company



Director
Jun Harada
Attendance at Board of Directors meetings —
Number of shares of the Company held 8,686 (5,486)

Current position
Jun. 2026 Director and Executive Vice President of the Company



Director
Kazuo Kato
Attendance at Board of Directors meetings —
Number of shares of the Company held 10,834 (5,334)

Current position
Jun. 2026 Director and Executive Managing Officer of the Company



Director Outside Independent
Takashi Yokomizo
Attendance at Board of Directors meetings 13/13
Number of shares of the Company held 0

Current position
Apr. 2008 Partner Lawyer at Sunrise Law Office
Jun. 2023 Outside Director of the Company



Director Outside Independent
Akiko Murai
Attendance at Board of Directors meetings —
Number of shares of the Company held 300

Current position
May 2020 Independent Director, Phoenix Co. Ltd.
Apr. 2025 Adjunct Professor, Graduate School of Management, Kyoto University
Jun. 2026 Outside Director of the Company



Director Outside Independent
Keisuke Sadamori
Attendance at Board of Directors meetings —
Number of shares of the Company held 0

Current position
Jun. 2026 Outside Director of the Company

Directors Serving as Audit & Supervisory Committee Members



Director (Audit & Supervisory Committee Member)
Hideo Kimura
Attendance at Board of Directors meetings 13/13
Attendance at Audit & Supervisory Committee meetings 12/12
Number of shares of the Company held 11,400

Current position
Jun. 2024 Director (Audit & Supervisory Committee Member) of the Company



Director (Audit & Supervisory Committee Member) Outside Independent
Takashi Miyahara
Attendance at Board of Directors meetings —
Attendance at Audit & Supervisory Committee meetings —
Number of shares of the Company held 0

Current position
Jun. 2026 Outside Director (Audit & Supervisory Committee Member) of the Company



Director (Audit & Supervisory Committee Member) Outside Independent
Kimiko Oga
Attendance at Board of Directors meetings 13/13
Attendance at Audit & Supervisory Committee meetings 12/12
Number of shares of the Company held 0

Current position
Jun. 2019 Outside Director, SKY Perfect JSAT Corporation
Mar. 2020 Outside Director (Audit & Supervisory Committee Member) of BroadBand Tower, Inc.
Jun. 2022 Outside Director (Audit & Supervisory Committee Member) of the Company



Director (Audit & Supervisory Committee Member) Outside Independent
Shizuo Abe
Attendance at Board of Directors meetings 13/13
Attendance at Audit & Supervisory Committee meetings 12/12
Number of shares of the Company held 0

Current position
Jun. 2024 Outside Director (Audit & Supervisory Committee Member) of the Company

Note: The number of the Company's shares held by Directors includes the number of shares to be delivered to them after their retirement under the stock compensation plan, and the number of such shares is shown in parentheses.

*For details of reasons for nomination, please refer to the Notice of the 74th Ordinary General Meeting of Shareholders.

<https://www.jpowers.co.jp/english/ir/pdf/shareholders74a.pdf>

Directors, Audit & Supervisory Committee Members, and Executive Officers

Skill Matrix

The roles and obligations of the Board of Directors indicated in Article 18 of the Basic Policy on Corporate Governance are as follows:

- i) Setting the broad direction of management plans, etc.
- ii) Establishing an environment that supports risk-taking by the management
- iii) Carrying out effective supervision of the management from an independent and objective standpoint

Skill sets are selected based on these roles and obligations as the skills required to achieve the five material issues. The matrix lists up to three of the main areas of expertise and experience required of each Director, as well as the areas in which they can best demonstrate their strengths. It does not represent all of the expertise and experience required of each individual.

Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

	Name	General management and sustainability	Financial strategy and accounting	Legal affairs, risk management, and governance	Business development and sales	Engineering and innovation	Global perspective	Nomination and Compensation Committee	Remarks
Chairman	Toshifumi Watanabe	○	○	○				Member	
President and Director	Hideaki Kato	○	○	○				Member	
Directors	Yoshikazu Shimada	○			○	○			
	Osamu Hagiwara	○			○	○			Head of Nuclear Energy Division
	Ryoji Sekine	○	○				○		Head of Global Power Business Division
	Shoichi Echigo	○	○	○					
	Jun Harada	○			○		○		Head of Renewable Energy Division
	Kazuo Kato			○	○	○			
	Takashi Yokomizo Outside Independent	○		○				Chairperson	
	Akiko Murai Outside Independent	○		○			○		
	Keisuke Sadamori Outside Independent	○			○		○		

Directors Serving as Audit & Supervisory Committee Members

	Name	General management and sustainability	Financial strategy and accounting	Legal affairs, risk management, and governance	Business development and sales	Engineering and innovation	Global perspective	Nomination and Compensation Committee	Remarks
Audit & Supervisory Committee Members	Hideo Kimura	○	○		○				
	Takashi Miyahara Outside Independent		○	○			○		
	Kimiko Oga Outside Independent	○			○	○		Member	
	Shizuo Abe Outside Independent	○			○	○		Member	

Definition of Skill Items

Skill items	Definition
General management and sustainability	Experience and knowledge as a corporate manager capable of presenting the Group's major direction such as management strategy, contributing to solving social issues such as climate change through energy supply, achieving sustainability through the improvement of sustainable corporate value including enhancement of human capital, and supervision of such efforts
Financial strategy and accounting	Specialized experience and knowledge in finance and accounting for the management and supervision of the formation of a sound financial base and the promotion of growth strategies from a financial perspective
Legal affairs, risk management, and governance	Specialized experience and knowledge in corporate legal affairs, risk management, governance, etc., to conduct fair corporate activities, sound business operations, and the supervision thereof
Business development and sales	Experience and knowledge in business development and sales for the consistent execution of business from development to operation maintenance to sales, the creation of profits through diverse development schemes including collaboration with other companies and new sales and solution-based business model transitions and the supervision thereof
Engineering and innovation	Technical experience and knowledge in maintenance and quality management to achieve the challenge of stable energy supply and climate change response, as well as in improvement of technical capabilities for the transition to carbon neutrality, research and development of next-generation technologies, utilization of innovation, and DX initiatives and the supervision thereof
Global perspective	Experience and knowledge in global companies and overseas operations to expand and strengthen overseas operations and in supervising them with a view to contributing to sustainable development

J-POWER Group and the Environment

Coexistence with Local Environment

Engagement with Local Communities

Initiatives to Respect Human Rights

Supply Chain Management

Human Resources Strategy for Enhancing
the Group's Competitiveness

Human Resource Development and
Management

Workplace Development for Ensuring
Success of Diverse Human Resources

Occupational Health and Safety/
Health and Productivity Management

Corporate Governance

Special Feature: Activities of the
Nomination and Compensation Committee

Special Feature: Dialogue Between Outside
Directors and Investors

Risk Management

Compliance/Anti-Corruption

Emergency Management

» Directors, Audit & Supervisory Committee
Members, and Executive Officers

Directors, Audit & Supervisory Committee Members, and Executive Officers

Executive Officer System (As of June 25, 2026)

Position	Name		
President and Chief Executive Officer	Hideaki Kato	ESG Oversight	
Executive Vice President	Yoshikazu Shimada	General operations and technological management Labor & Plant Safety Management Dept., Procurement Dept.	
	Osamu Hagiwara	General operations Head of Nuclear Energy Division (delegation of administrative works)	
	Ryoji Sekine	General operations Head of Global Power Business Division (delegation of administrative works)	
	Shoichi Echigo	General operations Secretarial Affairs Dept., Accounting & Finance Dept., Personnel & Employee Relations Dept., General Affairs Dept., Labor & Plant Safety Management Dept., Responsible for matters related to ESG	
	Jun Harada	General operations Head of Renewable Energy Division (delegation of administrative works) Hydrogen Business Development (matters under special assignment)	
Executive Managing Officer	Kazuo Kato Atsushi Sudo Kenjiro Hokamura Toshihiro Ikeda	Tetsuaki Mori Tatsuhiro Tanaka Takenori Iwasaki	Koji Shirato Shigeru Morimoto Fumihiko Saito
Executive Officer Status	Kenji Morita Yasushi Ishida	Yukihiro Ikeguchi Hideaki Sagara	Toshiya Kawai

Position	Name		
Executive Officer	Sumie Nakayama Takeshi Misumi Masuo Shibayama Toshio Tochigi Kenji Matsumoto Kyoku Miyoshi Kiyonori Yamagata Akihiro Osajima	Yasushi Akahoshi Masuhide Inoue Tatsuya Ishii Hiroaki Matsumoto Takahiko Nakazawa Michihide Kita Kenji Okada	Shingo Koizumi Akira Yabumoto Shigeyuki Ishikura Soichiro Shimoda Masayoshi Suzuki Yoichiro Kuwata Masayuki Sano
Specially Appointed Audit and Supervisory Committee Member	Hiroyuki Uchinaga	Chie Maeda	

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INTEGRATED REPORT

CHAPTER 5

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8-Year Financial Data

Our website presents data on performance trends and financial information in the form of graphs and charts.

 <https://www.jpower.co.jp/english/ir/financial/>

(million yen)

Consolidated: Operating Revenue/Expenses Comparison	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Operating revenue (net sales)	897,366	913,775	909,144	1,084,621	1,841,922	1,257,998	1,316,674	1,182,260
Operating profit	78,844	83,638	77,775	86,979	183,867	105,704	138,310	100,992
Ordinary profit	68,539	78,085	60,903	72,846	170,792	118,535	140,095	158,532
Profit attributable to owners of parent	46,252	42,277	22,361	69,687	113,689	77,774	92,469	58,537

(million kWh, unless otherwise stated)

(million kWh, unless otherwise stated)

Consolidated: Electric Power Sales Volume	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	Consolidated: Electric Power Sales Volume	2025/3	2026/3
Electric power business	69,356	73,131	74,558	74,792	68,467	60,371	Electric power business	67,876	66,712
Hydroelectric	9,709	9,196	8,905	9,291	8,888	9,015	Renewable energy	10,082	9,824
Thermal	54,946	52,053	52,140	47,994	45,673	38,533	Hydroelectric	8,638	8,332
Wind	815	865	1,211	1,190	1,047	1,149	Wind	1,337	1,341
Other* ¹	3,886	11,016	12,301	16,316	12,857	11,673	Geothermal, solar	105	149
Overseas business* ²	10,927	15,640	11,097	11,061	14,271	19,854	Thermal	41,260	41,887
							Other	16,534	15,001
							Overseas business	17,933	14,432

Domestic hydroelectric: Water supply rate	106%	101%	96%	99%	94%	96%	Domestic hydroelectric: Water supply rate	91%	88%
Domestic thermal: Load factor (non-consolidated)	79%	77%	75%	67%	65%	55%	Domestic thermal: Load factor (non-consolidated)	58%	67%

*1 Electricity sales volume of electricity procured from wholesale electricity market, etc. *2 Electric power sales volume of overseas consolidated subsidiaries (Electric power sales volume of equity method affiliates is not included.)

*The disclosure method for the power generation business segment has changed from the fiscal year ended March 31, 2025.

(million yen)

Consolidated: Balance Sheet Items	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Total assets	2,766,179	2,805,390	2,842,016	3,066,233	3,362,742	3,475,805	3,668,740	3,739,701
Total liabilities	1,920,597	1,948,003	1,988,274	2,102,071	2,169,942	2,142,670	2,205,238	2,205,224
Total net assets	845,582	857,387	853,742	964,162	1,192,800	1,333,135	1,463,502	1,534,476

(million yen)

Consolidated: Cash Flow Items	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Net cash provided by (used in) operating activities	148,423	159,245	167,959	128,380	155,832	254,021	250,335	224,265
Net cash provided by (used in) investing activities	(170,432)	(161,711)	(143,274)	(178,846)	(150,839)	(161,954)	(122,830)	(193,248)
Free cash flows	(22,008)	(2,466)	24,684	(50,466)	4,993	92,066	127,505	31,016

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Introduction
The Value We Provide
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8-Year Financial Data

(million yen)								
Non-Consolidated: Operating Revenue/Expenses	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Operating revenue (net sales)	646,958	571,291	589,915	790,055	1,370,724	843,229	930,592	827,891
Electric power business	633,617	563,813	583,812	781,056	1,353,379	835,924	921,783	819,636
Electric power cost	—	—	—	606	1,168	253	10,549	5,884
Sold power to other suppliers	580,652	510,429	566,068	767,205	1,337,307	821,456	898,007	799,777
Other* ³	52,964	53,383	17,744	13,245	14,904	14,213	13,226	13,974
Incidental business operating expenses	13,340	7,478	6,102	8,998	17,344	7,304	8,809	8,254
Operating expenses	628,279	546,405	512,060	772,155	1,324,162	838,086	875,853	797,093
Electric power business	615,712	539,708	506,536	763,745	1,307,562	831,527	868,055	789,790
Personnel expenses	32,494	35,861	31,875	20,136	20,621	25,019	20,157	23,877
Fuel cost	289,024	233,234	193,776	298,588	762,152	422,879	363,309	304,394
Repair expenses	69,715	66,652	44,133	51,540	41,937	40,971	48,484	51,351
Consignment cost	41,951	42,578	47,182	51,961	51,389	49,901	56,234	59,654
Depreciation and amortization	51,050	52,702	55,277	55,930	58,963	59,541	59,757	55,322
Other	131,475	108,678	134,290	285,588	372,497	233,216	320,114	295,192
Incidental business operating expenses	12,567	6,697	5,524	8,410	16,600	6,558	7,797	7,302
Operating profit	18,678	24,886	77,854	17,899	46,561	5,142	54,739	30,797

*³ Transmission revenue and miscellaneous electric power business revenue; due to the split-off of the power transmission business in April 2020, only miscellaneous electric power business revenue will be recorded from FY2020 onward.

Segment Information

(million yen)		
Sales to External Customers	2019/3	2020/3
Electric power business	693,790	684,155
Electric power-related business	35,518	31,988
Overseas business	141,024	179,094
Other business	27,032	18,537
Consolidated	897,366	913,775

Ordinary Profit

Electric power business	14,995	27,466
Electric power-related business	26,468	18,507
Overseas business	29,284	33,965
Other business	1,388	569
Adjustments	(3,597)	(2,423)
Consolidated	68,539	78,085

Assets

Electric power business	2,006,157	2,040,598
Electric power-related business	275,549	244,503
Overseas business	657,109	680,942
Other business	18,244	15,627
Adjustments	(190,881)	(176,281)
Consolidated	2,766,179	2,805,390

*The classification of reportable segments has been changed from the fiscal year ended March 31, 2025. 8-year financial data has been stated retrospectively to the extent possible using the new reportable segments.

(million yen)						
Sales to External Customers	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Power generation business	685,476	832,789	1,372,398	855,652	945,700	840,445
Transmission and transformation business	50,050	49,167	49,940	48,928	49,851	49,270
Electric power-related business	20,560	39,134	114,767	77,879	59,206	49,638
Overseas business	138,087	145,106	277,555	259,264	244,673	227,896
Other business	14,970	18,424	27,260	16,273	17,241	15,009
Consolidated	909,144	1,084,621	1,841,922	1,257,998	1,316,674	1,182,260

Ordinary Profit

Power generation business	16,013	27,487	54,191	20,374	68,547	45,351
Transmission and transformation business	8,964	6,392	5,643	7,306	2,835	1,776
Electric power-related business	4,437	17,238	86,795	47,174	34,088	16,989
Overseas business	30,883	22,017	22,692	44,305	34,503	94,856
Other business	1,049	1,234	1,805	160	623	417
Adjustments	(445)	(1,524)	(335)	(787)	(502)	(860)
Consolidated	60,903	72,846	170,792	118,535	140,095	158,532

Assets

Power generation business	2,029,311	2,136,463	2,226,636	2,284,578	2,274,509	2,317,419
Transmission and transformation business	267,684	246,618	249,961	259,013	275,954	313,588
Electric power-related business	126,152	133,999	195,306	219,708	233,533	224,808
Overseas business	679,139	773,056	918,222	947,012	1,131,468	1,163,751
Other business	17,640	18,470	16,640	15,006	16,015	13,610
Adjustments	(277,910)	(242,375)	(244,026)	(249,514)	(262,740)	(293,476)
Consolidated	2,842,016	3,066,233	3,362,742	3,475,805	3,668,740	3,739,701

Consolidated Financial Statements

(million yen)

Consolidated Balance Sheet

Assets

	2025/3	2026/3
Non-current assets	2,995,032	3,073,458
Electric utility plant and equipment	1,085,212	1,071,256
Hydroelectric power production facilities	383,092	382,320
Thermal power production facilities	343,141	335,966
Renewable power production and related facilities	132,060	125,184
Transmission facilities	132,446	132,442
Transformation facilities	32,752	34,829
Communication facilities	6,594	6,928
General facilities	55,125	53,584
Overseas business facilities	529,667	515,501
Other non-current assets	89,404	85,718
Construction in progress	693,372	774,903
Construction in progress	693,372	774,903
Nuclear fuel	77,556	78,377
Nuclear fuel in processing	77,556	78,377
Investments and other assets	519,818	547,700
Long-term investments	439,466	449,524
Retirement benefit asset	25,771	43,910
Deferred tax assets	32,939	27,416
Other	21,713	27,023
Allowance for doubtful accounts	(71)	(174)
Current assets	673,708	666,243
Cash and deposits	308,995	396,964
Notes and accounts receivable—trade and contract assets	112,210	110,003
Inventories	72,191	77,338
Other	180,314	81,940
Allowance for doubtful accounts	(3)	(3)
Total assets	3,668,740	3,739,701

(million yen)

Liabilities

Non-current liabilities	1,791,881	1,806,997
Bonds payable	652,987	678,987
Long-term borrowings	998,134	989,700
Lease liabilities	2,035	1,905
Other provisions	126	890
Retirement benefit liability	29,065	25,648
Asset retirement obligations	39,153	42,525
Deferred tax liabilities	28,575	20,526
Other	41,803	46,813
Current liabilities	413,357	398,227
Current portion of non-current liabilities	221,532	204,980
Short-term borrowings	8,133	8,270
Notes and accounts payable—trade	61,997	55,644
Accrued taxes	26,228	16,832
Other provisions	848	934
Asset retirement obligations	599	664
Other	94,017	110,900
Total liabilities	2,205,238	2,205,224

Net Assets

Shareholders' equity	1,111,520	1,131,506
Share capital	180,502	180,502
Capital surplus	128,178	128,178
Retained earnings	803,189	843,600
Treasury shares	(349)	(20,774)
Accumulated other comprehensive income	224,513	273,961
Valuation difference on available-for-sale securities	30,817	48,971
Deferred gains or losses on hedges	16,408	16,948
Foreign currency translation adjustment	165,112	187,449
Remeasurements of defined benefit plans	12,174	20,591
Non-controlling interests	127,467	129,008
Total net assets	1,463,502	1,534,476
Total liabilities and net assets	3,668,740	3,739,701

Consolidated Financial Statements

(million yen)

Consolidated Statement of Income

	2025/3	2026/3
Operating revenue (net sales)	1,316,674	1,182,260
Electric utility operating revenue	988,687	886,056
Overseas business operating revenue	244,673	227,896
Other business operating revenue	83,313	68,307
Operating expenses	1,178,363	1,081,267
Electric utility operating expenses	906,850	826,320
Overseas business operating expenses	206,631	189,390
Other business operating expenses	64,882	65,556
Operating profit	138,310	100,992
Non-operating income	39,976	97,396
Dividend income	2,605	2,350
Interest income	9,424	10,155
Share of profit of entities accounted for using equity method	14,464	63,878
Other	13,482	21,011
Non-operating expenses	38,192	39,857
Interest expenses	33,002	31,929
Other	5,189	7,928
Total ordinary revenue	1,356,651	1,279,657
Total ordinary expenses	1,216,555	1,121,125
Ordinary profit	140,095	158,532
Extraordinary losses	—	51,817
Impairment losses	—	32,988
Loss on retirement of non-current assets	—	18,829
Profit before income taxes	140,095	106,714
Income taxes—current	28,795	46,915
Income taxes—deferred	8,769	(14,033)
Total income taxes	37,564	32,881
Profit	102,530	73,833
Profit attributable to non-controlling interests	10,060	15,296
Profit attributable to owners of parent	92,469	58,537

Note: Under each item, there are cases of fiscal years in which the monetary importance has been minor being included and represented under another item.

(million yen)

Consolidated Statement of Cash Flows

	2025/3	2026/3
Cash Flows from Operating Activities		
Profit before income taxes	140,095	106,714
Depreciation	116,405	116,074
Impairment losses	18	32,988
Loss on retirement of non-current assets	5,818	24,082
Increase (decrease) in retirement benefit liability	(3,248)	(664)
Interest and dividend income	(12,030)	(12,506)
Interest expenses	33,002	31,929
Decrease (increase) in trade receivables	(9,702)	4,346
Decrease (increase) in inventories	9,399	(4,775)
Increase (decrease) in trade payables	11,509	(6,301)
Share of loss (profit) of entities accounted for using equity method	(14,464)	(63,878)
Other, net	(3,150)	(28,947)
Subtotal	273,652	199,063
Interest and dividends received	31,471	108,492
Interest paid	(32,878)	(31,776)
Income taxes paid	(21,910)	(51,512)
Net cash provided by (used in) operating activities	250,335	224,265
Cash Flows from Investing Activities		
Purchase of non-current assets	(123,920)	(177,384)
Investments and loan advances	(12,352)	(12,533)
Proceeds from divestments and collection of loans receivable	5,231	8,521
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(28,762)	—
Net decrease (increase) in time deposits	18,116	(4,536)
Other, net	18,857	(7,315)
Net cash provided by (used in) investing activities	(122,830)	(193,248)
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	17,736	80,705
Redemption of bonds	(90,000)	(93,900)
Proceeds from long-term borrowings	80,637	129,850
Repayments of long-term borrowings	(109,088)	(124,345)
Proceeds from short-term borrowings	34,598	32,399
Repayments of short-term borrowings	(34,522)	(32,265)
Purchase of treasury shares	(0)	(20,459)
Dividends paid	(19,210)	(18,117)
Dividends paid to non-controlling interests	(12,155)	(15,513)
Other, net	(1,693)	(2,574)
Net cash provided by (used in) financing activities	(133,697)	(64,219)
Effect of exchange rate change on cash and cash equivalents	8,614	8,982
Net increase (decrease) in cash and cash equivalents	2,422	(24,220)
Cash and cash equivalents at beginning of period	370,663	373,085
Cash and cash equivalents at end of period	373,085	348,865

Note: Under each item, there are cases of fiscal years in which the monetary importance has been minor being included and represented under another item.

Independent Third-Party Assurance Report

Environmental impact data marked with a ★ have been reviewed by Ernst & Young ShinNihon LLC to enhance reliability, and we have received an Independent Third-Party Assurance Report from them.



Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

Independent practitioner's assurance report

Mr. Hideaki Kato
Representative Director President and Chief Executive Officer
Electric Power Development Co., Ltd

Scope

We have been engaged by Electric Power Development Co., Ltd. (hereafter the "Company") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the Environmental Impact Data (the "Subject Matter") contained in the Company's "ESG Data" on the J-POWER Group Integrated Report 2026 (the "Report") for the period from April 1, 2025 to March 31, 2026. The Subject Matter for which assurance procedures were performed has been marked with a (★) in the relevant sections of the Report.

Other than as described in the preceding paragraph, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by the Company

In preparing the Subject Matter, the Company applied the Criteria, that it determined with consideration of laws and regulations applicable to the Company as presented on the Calculation Standards of Environmental Information as presented in the Integrated Reports.

The Company's responsibilities

The Company's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error. In addition, Greenhouse gas (the "GHG") emissions are estimated using emissions factors, and the scientific knowledge on which such emission factors are based has not been established, thus being subject to inherent uncertainty.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter described in the Report based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)") and with respect to GHG emissions, the *International Standard on Assurance*

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Engagements: Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board, and the terms of reference for this engagement as agreed with the Company on April 3, 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared in all material respects in accordance with the Criteria. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Making enquiries regarding the Company's own criteria that it determined with consideration of laws and regulations applicable to the Company and evaluating the appropriateness thereof.
- Inspecting relevant documents with regard to the design of the Company's internal controls related to the Subject Matter, and enquiring of personnel responsible thereof.

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- Performing analytical procedures concerning the Subject Matter.
- Testing, on a sample basis, underlying source information, matching indicators with the evidence and conducting relevant re-calculations.
- Visiting one major power plant to perform procedures for indicators in the report.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter of the Company for the period from April 1, 2025 to March 31, 2026 is not prepared in all material respects in accordance with the Criteria.

Takefumi Kawasaki
Yasuo Maeda

Engagement Partners
August 31, 2026
Ernst & Young ShinNihon LLC
Tokyo, Japan

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ESG Data

ESG Data

Environment

Environmental impact data marked with a ★ are reviewed by Ernst & Young ShinNihon LLC and we received the Independent Third-Party Assurance Report. For the standards and scope of the calculations, please refer to P.110–111.

Environmental Impact Data for Domestic Operations

	Unit	FY2023	FY2024	FY2025 ★
Power generation volume				
Power generation volume	billion kWh	52.6	54.8	55.3
Electric power sales volume	billion kWh	47.9	50.0	50.7
Energy consumed				
Coal [Dry coal: 28 GJ/t equivalent](usage intensity)	million tons (t/million kWh)	12.76 (3.39)	13.48 (3.37)	13.68 (3.34)
Heavy oil	thousand kl	24	31	29
Light oil	thousand kl	29	30	26
Biomass	thousand tons	129	126	146
Purchased electric power	billion kWh	0.13	0.17	2.46
Water resources				
Industrial water used	million m ³	8.40	8.39	8.18
Volume of water used	million m ³	0.27	0.26	0.34
Volume of water discharged	million m ³	3.47	3.32	2.97
Waste				
Volume generated (effective utilization rate)	million tons (%)	1.53 (95%)	1.56 (93%)	1.76 (94%)
Of which is coal ash (effective utilization rate)	million tons (%)	1.27 (95%)	1.29 (92%)	1.42 (93%)
Of which is gypsum (effective utilization rate)	million tons (%)	0.22 (100%)	0.22 (100%)	0.26 (99.8%)
Amount of industrial waste disposed	thousand tons	79	108	106
Of which is hazardous waste	thousand tons	0.5	1.2	0.3
General waste disposal volume (used paper)	thousand tons	0.03	0.05	0.03
Emissions into the atmosphere				
NOx emissions (emission intensity)	thousand tons (g/kWh)	18.8 (0.47)	20.4 (0.47)	14.8 (0.34)
SOx emissions (emission intensity)	thousand tons (g/kWh)	7.5 (0.19)	8.9 (0.21)	6.8 (0.15)
Soot and dust emissions (emission intensity)	thousand tons (g/kWh)	0.5 (0.01)	0.6 (0.01)	0.4 (0.01)
N ₂ O	t-CO ₂ e	80,000	90,000	90,000
SF ₆	t-CO ₂ e	22,000	11,000	5,000

*Coal intensity is the amount of coal consumed divided by the electric power sales volume of thermal power plants.
*The intensity for NOx, SOx, and soot and dust is calculated based on the amount of electricity generated at thermal power plants, which are the source of emissions.
*For N₂O and SF₆, we have revised the emission coefficient, global warming coefficient, and emission activities covered by the accounting and reporting system from the FY2023 data, in response to the revision to the ministerial ordinance on GHG emission calculation based on the Act on Promotion of Global Warming Countermeasures.
*Purchased electric power increased because, beginning in FY2025, all electricity used for pumping at pumped storage hydropower plants is recorded in line with a change in the treatment of periodic reports under the Act on Rationalizing Energy Use.

Greenhouse Gas Emissions*1, 2

	Unit	FY2023	FY2024	FY2025 ★
Scope 1	million t-CO ₂	44.39	45.94	43.32
Domestic power generation business		33.68	35.84	35.78
Overseas power generation business		10.27	9.78	7.26
Other		0.43	0.32	0.29
Scope 2 (Location criteria)		0.14	0.14	1.07* ³
Scope 2 (Market criteria)		0.14	0.14	1.16* ³
Scope 3		13.31	13.51	13.07
(1) Purchased goods and services		0.26	0.31	0.33
(2) Capital goods		0.40	0.44	0.62
(3) Fuel and energy-related activities not included in Scope 1 and 2		3.76	4.46	4.11
(5) Waste generated in operations		0.09	0.11	0.11
(6) Business travels		0.001	0.001	0.001
(7) Employee commuting		0.002	0.002	0.002
(9) Downstream transportation and distribution		0.16	0.17	0.17
(11) Use of sold products		7.01	7.63	7.73
(15) Investments		1.64	0.40	0.00
Total		57.84	59.59	57.47

CO₂ Emission Intensity per Electric Power Sales Volume

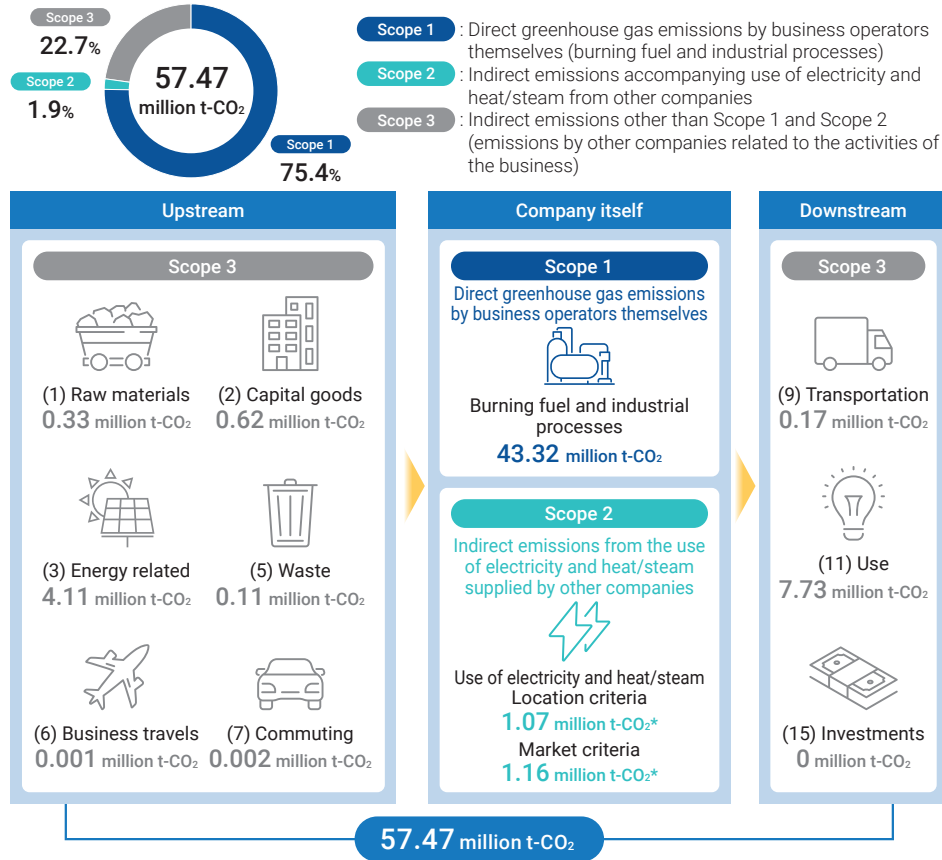
	Unit	FY2023	FY2024	FY2025 ★
Domestic and overseas power generation business	kg-CO ₂ /kWh	0.61	0.62	0.63
Domestic power generation business		0.67	0.68	0.68

*1 The scope of coverage includes J-POWER and its consolidated subsidiaries and equity-method affiliates in the electric power business and overseas business.
Consolidated subsidiaries and equity-method affiliates are aggregated for the portion equivalent to J-POWER's equity stake.
*2 Due to the nature of the products and services sold and the nature of the business, there is no energy consumption in the following categories.
(4) Transportation and distribution (upstream), (8) Leased assets (upstream), (10) Processing of sold products
(12) Disposal of sold products, (13) Leased assets (downstream), (14) Franchise
*3 Beginning in FY2025, in line with a change in the treatment of periodic reports under the Act on Rationalizing Energy Use, all electricity used for pumping at pumped storage hydropower plants is accounted for as purchased electricity under Scope 2. Emissions attributable to pumping amounted to 0.97 million t-CO₂ (location criteria) and 1.05 million t-CO₂ (market criteria), respectively.

ESG Data

ESG Data

FY2025 Greenhouse Gas Emission Results



Calculation Methods in Each Scope 3 Category

- Calculated by multiplying each product or service purchased by respective emission factor
- Calculated by multiplying the capital investment by the emission intensity
- Sum of the following two values:
 - Emissions from production and transportation of fuel used by the company
 - Calculated by multiplying the amount of electricity procured from sources other than the company by the emission intensity
- Calculated by multiplying the amount of waste generated by waste type by the emission intensity of each treatment method
- Calculated by multiplying the number of employees by the emission intensity
- Calculated by multiplying the number of employees and number of business days by work type and by city class, respectively, by the emission intensity
- Calculated by multiplying the ton-kilometers of sold coal transported by the emission intensity
- Calculated by multiplying the volume of coal sold by the emission intensity
- CO₂ emissions from power plants in which J-POWER's equity portion is less than 20%

*Beginning in FY2025, in line with a change in the treatment of periodic reports under the Act on Rationalizing Energy Use, all electricity used for pumping at pumped storage hydropower plants is accounted for as purchased electricity under Scope 2. Emissions attributable to pumping amounted to 0.97 million t-CO₂ (location criteria) and 1.05 million t-CO₂ (market criteria), respectively.

Scope of the Calculations of Environmental Impact Data

Scope of the calculations of GHG emissions Scope of reporting environmental impact data

Domestic Business

Electric power business (transmission)	
J-POWER Transmission Network Co., Ltd.	100 %
Electric power-related business	
J-POWER HYTEC Co., Ltd.	100 %
J-POWER Generation Service Co., Ltd.	100 %
J-POWER Business Service Corporation	100 %
J-POWER Telecommunication Service Co., Ltd.	100 %
J-POWER Design Co., Ltd.	100 %
J-POWER Insurance Service Corporation	(100 %)
J-POWER EnTech Inc.	100 %
JM Activated Coke, Inc.	90 %
J-Wind Service Co., Ltd.	100 %
Miyazaki Wood Pellet Co., Ltd.	98.33 %
Other business	
Kaihatsu Hiryou Co., Ltd.	100 %
Biocoal Osaka-Hirano Co., Ltd.	60 %
Green Coal Saikai, Co., Ltd.	60 %
Biocoal Yokohama-South Co., Ltd.	60 %
Electric power business (power generation)	
Electric Power Development Co., Ltd.	—
J-Wind Co., Ltd.	100 %
J-Wind KUZUMAKI Co., Ltd.	100 %
J-Wind SETANA Co., Ltd.	100 %
Esashi Green Energy Co., Ltd.	70 %
Ishikari Green Energy Co., Ltd.	70 %
J-Wind Kaminokuni, Ltd.	100 %
J-Solar Co., Ltd.	100 %

Kashima Power Co., Ltd.	50 %
Yuzawa Geothermal Power Generation Corporation	50 %
Appi Geothermal Energy Corporation	15 %
Hibiki Wind Energy Co., Ltd.*1	40 %

*1 Hibiki Wind Energy Co., Ltd. started operation in March 2026.

*2 Tenaska Frontier Partners, Ltd. and Green Country Energy, LLC were sold in April and June 2025, respectively.

Overseas Business

Thailand	
Gulf JP UT Co., Ltd.	(60 %)
Gulf JP NS Co., Ltd.	(60 %)
Gulf JP NNK Co., Ltd.	(60 %)
Gulf JP CRN Co., Ltd.	(60 %)
Gulf JP NK2 Co., Ltd.	(60 %)
Gulf JP TLC Co., Ltd.	(60 %)
Gulf JP KP1 Co., Ltd.	(60 %)
Gulf JP KP2 Co., Ltd.	(60 %)
Gulf JP NLL Co., Ltd.	(44.99 %)
EGCO Cogeneration Co., Ltd.	(20 %)
Yala Green Power Generation Co., Ltd.	(49 %)
Gulf JP1 Co., Ltd.	(60 %)
Kaeng Khoi Power Generation Co., Ltd.	(49 %)
Indonesia	
PT. BHIMASENA POWER INDONESIA	(34 %)
PT. Mulya Energi Lestari	(27.23 %)
Philippines	
CBK Power Co., Ltd.	(50 %)
Lake Mainit Hydro Holdings Corporation	(40 %)
United States	
Jackson Generation, LLC	(51 %)
Tenaska Frontier Partners, Ltd.*2	(31 %)
Elwood Energy, LLC	(50 %)
Green Country Energy, LLC*2	(50 %)
Orange Grove Energy, L.P.	(50 %)
Tenaska Pennsylvania Partners, LLC	(25 %)
United Kingdom	
Triton Knoll Offshore Wind Farm Ltd.	(25 %)
Australia	
Genex Power Limited	(100 %)
Clermont Coal Joint Venture	(22.2 %)
Narrabri Joint Venture	(7.5 %)
Maules Creek Joint Venture	(10 %)
China	
Shaanxi Hanjiang Investment & Development Co., Ltd.	(27 %)

*Figures in % indicate the share of equity held by J-POWER, while those in parentheses () indicate the share of equity held by subsidiaries and affiliates.

ESG Data

ESG Data

Environmental Index Calculation Standards

Greenhouse gas emissions	
Scope 1 emissions N ₂ O emissions	Calculated by multiplying the amount of each fuel used by the relevant emission factor based on the method specified in the Act on Promotion of Global Warming Countermeasures.
SF ₆ emissions	Calculated by multiplying the amount of leakage (annual amount of SF ₆ filled into relevant equipment) by the relevant emission factor according to the method specified by the Act on Promotion of Global Warming Countermeasures.
Scope 2 emissions (Location criteria)	Calculated by multiplying the amount of electricity purchased by the emission factor for the area.
Scope 2 emissions (Market criteria)	Calculated by multiplying the amount of electricity purchased by the emission factor of each purchasing power company.
Scope 3 emissions	Calculated based on the method defined in the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain."
Category 1 Purchased goods and services	Calculated by multiplying the quantity data of chemicals (limestone and ammonia) purchased and acquired by the company, as well as repair and outsourcing costs, by the relevant emission intensity.
Category 2 Capital goods	Calculated by multiplying the total capital investment by the emission intensity.
Category 3 Fuel and energy-related activities not included in Scope 1 and 2	Total emissions from production of fuel for power generation, procurement of electricity for resale, and transportation of coal - Calculated by multiplying the quantity data of fuel purchased by the company by the emission intensity. - Calculated by multiplying the electricity input data to the company by the average emission intensity of all power sources. - Calculated by multiplying the ton-kilometers of transports by rail, ship, and air by the emission intensity of each transportation agency based on the ton-kilometer method.
Category 5 Waste generated in operations	Calculated by multiplying the amount of industrial waste consigned for treatment (including the amount of effective utilization) by the emission intensity.
Category 6 Business travels	Calculated by multiplying the number of employees by the emission intensity.
Category 7 Employee commuting	Calculated by multiplying the number of employees of each work type and city class by the number of business days and emission intensity.
Category 9 Downstream transportation and distribution	Emissions from coal transport from coal mines Calculated by multiplying the ton-kilometers of transports by rail, ship, and air by the emission intensity of each transportation agency based on the ton-kilometer method.
Category 11 Use of sold products	Emissions from the sale of coal produced in coal mines Calculated by multiplying the total sales volume of fuel, etc. by the emission intensity.
Category 15 Investments	Calculated by multiplying each investment's emissions by its equity.

Power generation and energy use

Electric power generated and sold	The data is automatically collected by the measuring instruments. The measuring instruments are calibrated in accordance with regulations.
Various fuels and purchased electricity	Calculated in accordance with the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy.

Emissions into the atmosphere

Soot and smoke emissions (NO _x , SO _x , soot and dust)	Calculated using data automatically collected by the measuring instruments based on the Air Pollution Control Act. The measuring instruments are calibrated in accordance with regulations.
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Use of water resources

Industrial water used	The billing data from public water bureau or the data automatically measured by the instrument is aggregated. The measuring instruments are verified in accordance with Article 72 of the Measurement Act.
Volume of water used	The volume used on billing data from public water bureau or as measured by the instrument is aggregated.
Volume of water discharged	The volume of water discharged as measured by the instrument is aggregated.

Generation and effective utilization of industrial waste

Industrial waste generated	The quantities listed on the manifest* as stipulated by the Act on Waste Management and Public Cleansing are aggregated. Driftwood was counted by volume of material collected from the dam lakes.
Effective utilization rate of industrial waste	Ratio of the amount of waste recycled or reused and the amount of valuable materials sold to outside vendors, to the amount generated.

*Manifest: A control slip that must be issued when outsourcing the collection, transportation, and disposal of waste materials to an outside contractor. The weight and disposal method of the waste are described.

ESG Data

ESG Data

Society

Category	Accounting metric		Unit	Result		
				FY2023	FY2024	FY2025
Human resources*1	Number of employees (consolidated)*2	Male	persons	6,115	6,094	6,127
		Female	persons	968	1,033	1,075
		Total	persons	7,083	7,127	7,202
	Managers	Male	persons	1,485	1,495	1,564
		Female	persons	26	30	35
		Percentage of women	%	1.7	2.0	2.2
	Number of new graduates hired	Male	persons	79	87	77
		Female	persons	21	24	22
		Total	persons	100	111	99
	Number of mid-career hires	Male	persons	16	23	16
		Female	persons	2	4	3
		Total	persons	18	27	19
	Percentage of mid-career hires		%	16	20	17
	Percentage of people with disabilities employed*3		%	2.34	2.39	2.43
	Average length of continuous service	Male	years	19.8	19.4	19.4
		Female	years	9.8	9.8	9.2
		Total	years	19.1	18.6	18.5
	Average annual salary*4	Total	yen	10,459,535	11,170,431	11,883,541
	Ratio of women's to men's wages*5, 6	20s and younger	%	97.8	97.1	97.8
		30s	%	100.8	98.2	97.4
		40s and over	%	102.3	103.4	96.6
	Turnover rate for the three years after joining		%	2.0	8.7	5.2
	Total actual working hours per person		hours	1,968	1,969	1,978
	Overtime hours worked per person		hours/month	21.2	21.2	22.6
	Days of paid vacation taken per person		days	16.8	16.3	15.5
	Percentage of employees taking childcare leave*7	Male	%	100	100	100
		Female	%	100	100	100
		Total	%	100	100	100
	Average age		age	41.7	41.4	41.6
	Average hours of training per employee		hours	36.4	37.7	36.7
	Training cost per employee		thousand yen/person	236	273	287

*1 Unless specified otherwise, data on human resource is based on the non-consolidated data of J-POWER.

*2 J-POWER Group employees (excluding temporary employees)

*3 As of June 1 of each fiscal year

*4 Average annual salary includes non-standard wages and bonuses.

*5 Comparison of base salaries of employees in a career-track position. Ratio of female to male wages.

*6 (Reference) Difference in wages between male and female workers calculated based on the Act on the Promotion of Women's Active Engagement in Professional Life, all employees (61.1%), regular employees (60.5%), non-regular employees (75.6%)

*7 The Company manages the utilization rate of childcare leave for each fiscal year of the birth of an employee's child, and such rate of employees whose children become two years old in the relevant fiscal year is shown.

Category	Accounting metric		Unit	Result		
				FY2023	FY2024	FY2025
Occupational health and safety	Number of occupational accidents*8					
	Fatalities	J-POWER (non-consolidated)	persons	0	0	0
		Five major Group companies*9 + partner companies	persons	0	0	1
		Total	persons	0	0	1
	Serious injuries	J-POWER (non-consolidated)	persons	0	0	0
		Five major Group companies*9 + partner companies	persons	7	9	18
		Total	persons	7	9	18
	Minor injuries	J-POWER (non-consolidated)	persons	1	1	1
		Five major Group companies*9 + partner companies	persons	15	12	27
		Total	persons	16	13	28
	Frequency*10	J-POWER + J-POWER Transmission Network + five major Group companies*9 + partner companies		1.39	1.31	2.69
		Industry-wide*12		2.14	2.10	2.01
	Severity*11	J-POWER + J-POWER Transmission Network + five major Group companies*9 + partner companies		0.04	0.04	0.49
		Industry-wide*12		0.09	0.09	0.09

*8 The number of fatalities and serious and minor injuries among occupational accidents involving J-POWER and J-POWER Transmission Network employees and occupational accidents involving their contractors occurred in construction and other operations

*9 J-POWER Business Service Corporation, J-POWER HYTEC Co., Ltd., J-POWER Generation Service Co., Ltd., J-POWER Telecommunication Service Co., Ltd., J-POWER Design Co., Ltd.

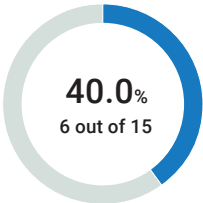
*10 Frequency = number of fatalities and injuries due to occupational accidents / total number of actual hours worked × 1,000,000. Contract workers are outside the reporting scope of "Industry-wide" data (directly hired workers are only included in the data) while the data of "J-POWER + five major Group companies + partner companies" includes contract workers.

*11 Severity = total number of days of labor loss / total number of actual hours worked × 1,000. Contract workers are outside the reporting scope of "Industry-wide" data (directly hired workers are only included in the data) while the data of "J-POWER + five major Group companies + partner companies" includes contract workers.

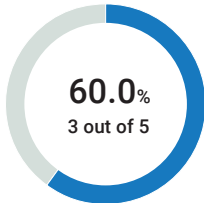
*12 Source: Ministry of Health, Labour and Welfare, *Overview of Survey on Industrial Accidents in 2025 (survey on establishments with 100 or more regular employees and survey on general construction)*, June 16, 2026 <https://www.mhlw.go.jp/toukei/itiran/roudou/saigai/25/> (available only in Japanese)

Governance (As of June 25, 2026)

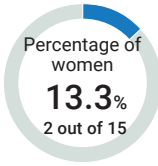
Percentage of Independent
Outside Directors on the Board
of Directors



Percentage of Independent
Outside Directors on the
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Composition of Directors



*Percentage of women
in the executive officer
system:

4.4% (2 out of 45)

*Percentage of women
in the Audit &
Supervisory
Committee:

25% (1 out of 4)

ESG Data

SASB Index

Relevant performance is organized in accordance with the Electric Utilities & Power Generators industry standards set by the US-based Sustainability Accounting Standards Board (SASB). SASB Standards were created primarily with companies and markets in North America in mind and incorporate some items that do not apply to our business. However, we have attempted to disclose as much information as possible.

Topic	Accounting metric	Code	Unit	Result
Greenhouse gas emissions & energy resource planning*1	(1) Gross global Scope 1 emissions	IF-EU-110a.1.	t-CO ₂	43,320,000
	(2) Percentage of Scope 1 emissions under emissions-limiting regulations		%	Not applicable
	(3) Percentage of Scope 1 under emissions-reporting regulations		%	100%
	Greenhouse gas (GHG) emissions associated with power deliveries	IF-EU-110a.2.	t-CO ₂	43,120,000
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions	IF-EU-110a.3.	Aim for net-zero emissions (carbon neutrality) by 2050. Toward 2030, along with reducing the use of thermal power and pushing forward biomass mixed combustion, we will consider and prepare for mixed combustion of ammonia, upcycling of existing facilities, and CCS in Japan, while steadily pursuing initiatives to reach our CO ₂ reduction target.	
	Emissions reduction targets		2050 Net-zero emissions 2030 Reduce CO ₂ emissions from the J-POWER Group's domestic power generation business: 46% (22.5 million t-CO ₂)*3 *The FY2025 target (reduction of 9.2 million t-CO ₂ *3 CO ₂ emissions from the J-POWER Group's domestic power generation business) has been achieved.	
	Analysis of performance against the above targets		Actual CO ₂ emissions for FY2025 were 35.78 million t-CO ₂ (a decrease of 12.99 million t-CO ₂ compared to FY2013), achieving CO ₂ reductions exceeding the interim target. In order to cut CO ₂ emissions from the J-POWER Group's domestic power generation business by 46% (a decrease of 22.5 million t-CO ₂) compared to FY2013 by FY2030, we are moving forward with plans to implement the above reductions.	
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS)	IF-EU-110a.4.	customers	Not applicable
	(2) Percentage fulfillment of RPS target by market		%	*The RPS law which established RPS regulations in Japan was abolished in 2012 and has shifted to a feed-in tariff system.
	(1) NOx	IF-EU-120a.1.	tons, %	16,400t, 100% The percentage value indicates emission rate in densely populated areas.
Air quality*2	(2) SOx		tons, %	6,800t, 100% The percentage value indicates emission rate in densely populated areas.
	(3) Particulate matter (PM10)		tons, %	Not disclosed, as we have not adopted measurement methods recommended by the SASB Standards.
	(4) Lead (Pb)		tons, %	Not disclosed, as we have not adopted measurement methods recommended by the SASB Standards.
	(5) Mercury (Hg)		tons, %	Not disclosed, as we have not adopted measurement methods recommended by the SASB Standards.
Water management*2	(1) Total water withdrawn	IF-EU-140a.1.	thousand m ³ , %	55,947,700 thousand m ³ , [0%] The percentage value indicates the proportion of areas with high/extremely high water stress.
	(2) Total water consumed		thousand m ³ , %	15,300 thousand m ³ , [43%] The percentage value indicates the proportion of areas with high/extremely high water stress.
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	IF-EU-140a.2.	cases	0
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-EU-140a.3.	The Company manages the following risks related to the use of water resources, which are essential to its power generation business. In the hydroelectric power generation business, the amount of water withdrawal permitted by law is observed, and the river environment is maintained by discharging water from rivers exceeding certain sizes*4. In the thermal power generation business, we are working to reduce water withdrawal by recovering and reusing water for power generation. In addition, seawater is used as indirect cooling water for power generation facilities, and we comply with the levels stipulated in environmental conservation agreements, thereby mitigating the impact on aquatic environments. WRI Aqueduct (3.0) is used to locate water risks for the hydroelectric and thermal power plants of consolidated subsidiaries that use large amounts of water resources. As a result, while no power plants operate in places with high water stress in Japan, there are thermal power plants located in regions with high water stress overseas. In such overseas areas, we are striving to reduce water withdrawal/consumption and operational risk by reusing water discharges after treatment and constructing reservoirs by taking each site's environment into account.	
	Amount of coal combustion residuals (CCR) generated and percentage recycled	IF-EU-150a.1.	tons, %	1,421,000 tons [93.2%]
Coal ash management*2	Number of CCR impoundments	IF-EU-150a.2.	cases	3

*1 The figure is calculated for J-POWER and its domestic and overseas consolidated subsidiaries and equity method affiliates (electric power business, overseas business, electric power related business, etc.).
*2 The figure is calculated for J-POWER and its domestic and overseas consolidated subsidiaries (electric power business, overseas business, electric power related business, etc.), without taking into account the ratio of capital contribution.
*3 All of these reductions are compared to FY2013.
*4 The length of the section of the river where water withdrawal for hydroelectric power generation reduces water flow is 10 km or more and the catchment area is 200 km2 or more, etc.

ESG Data

SASB Index

Topic	Accounting metric	Code	Unit	Result
Energy affordability	(1) Retail electric rate for residential customers	IF-EU-240a.1.		
	(2) Retail electric rate for commercial customers			
	(3) Average retail electric rate for industrial customers			
	Typical monthly electric bill for residential customers for (1) 500 kWh of electricity delivered per month	IF-EU-240a.2.		Not disclosed for competitive reasons due to deregulation of the electric power industry
	Typical monthly electric bill for residential customers for (2) 1,000 kWh of electricity delivered per month			
	(1) Number of residential customer electric disconnections for non-payment	IF-EU-240a.3.		
	(2) Percentage reconnected within 30 days			
Workforce health and safety	(1) Total recordable incident rate (statistic count x 200,000/hours worked)	IF-EU-320a.1.		0.54 (Employees: 0.05; Outsourcing & other contractors: 0.70) Note: Calculations are for J-POWER, J-POWER Transmission Network Co., Ltd., five major Group companies*, and partner companies.
	(2) Fatality rate (number of cases)		cases	1
	(3) Near miss frequency rate (statistic count x 200,000/hours worked)			Not disclosed, as we have not adopted measurement methods recommended by the SASB Standards.
End-use efficiency & demand	(1) Decoupled percentage	IF-EU-420a.1.	%	Not applicable
	(2) Lost revenue adjustment mechanism (LRAM) percentage		%	*Not applicable as no customers in Japan have adopted the decoupling and LRAM
	Percentage of electric load (MWh) served by smart grid technology	IF-EU-420a.2.		Not disclosed for competitive reasons due to deregulation of the electric power industry
	Customer electricity savings from efficiency measures, by market	IF-EU-420a.3.	MWh	Not applicable
Nuclear safety & emergency management	Total number of nuclear power units	IF-EU-540a.1.	Number of units	1 (Ohma Nuclear Power Plant) *Ohma Nuclear Power Plant is currently under construction and reviewed by the Nuclear Regulation Authority of its compliance with the New Safety Standards for Nuclear Power Stations. Timing of operational start is unscheduled.
	Description of efforts to manage nuclear safety and emergency preparedness	IF-EU-540a.2.		We are working to improve safety by aptly implementing safety activities based on the quality management system for nuclear safety led by our president, and by steadily undertaking continuous improvement through the Corrective Action Program (CAP). Furthermore, with "safety first" as our organizational culture and with awareness among all of us of the roles and the importance of our work duties, we engage in activities to foster and maintain a culture of nuclear safety by which we continuously improve ourselves.
Grid resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	IF-EU-550a.1.		Not disclosed due to risks associated with disclosure
	(1) System Average Interruption Duration Index (SAIDI)	IF-EU-550a.2.		Not applicable *J-POWER Transmission Network Co., Ltd., a consolidated subsidiary of the Company, owns electric power transmission and transformation facilities and engages in electricity transmission as stipulated in the Electricity Business Act, but does not own distribution facilities and does not engage in the business of supplying electricity to end users. This is currently placed under the roles of individual transmission system operators (TSOs) that engage in grid operations in specific areas.
	(2) System Average Interruption Frequency Index (SAIFI)			
	(3) Customer Average Interruption Duration Index (CAIDI)			

*J-POWER Business Service Corporation, J-POWER HYTEC Co., Ltd., J-POWER Generation Service Co., Ltd., J-POWER Telecommunication Service Co., Ltd., J-POWER Design Co., Ltd.

Activity Metrics

Business metrics	Unit	Result
Number of: (1) residential, (2) commercial, and (3) industrial customers served	customers	Not disclosed for competitive reasons due to deregulation of the electric power industry
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	MWh	Not disclosed for competitive reasons due to deregulation of the electric power industry
Length of transmission and distribution lines	km	2,410.3 km
Total electricity generated, percentage by major energy source, percentage in regulated markets	MWh, %	(1) 66,712,726 MWh (2) Hydroelectric: 12.5% Thermal: 85.3% Wind: 2.0% Geothermal: 0.1% Solar: 0.1% (3) Not applicable (Marked "Not applicable" as there are no "regulated markets" in Japan)
Total wholesale electricity purchased	MWh	Not disclosed for competitive reasons due to deregulation of the electric power industry

*Total electricity generated and percentage by major energy source are based on the results of consolidated subsidiaries in the domestic electric power business.

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Major Group Companies

Consolidated Subsidiaries (As of March 31, 2026)

Company name	Main businesses	Voting rights holding (held) (%)
Power generation business		
J-POWER HYTEC Co., Ltd.	Construction, technical development, design, consulting, maintenance, and research for hydroelectric power plants and transmission and transformation facilities; surveying of and compensation for construction sites; civil engineering, construction management, and construction services	100.0
J-POWER Generation Service Co., Ltd.*2	Operation of thermal power plants; sale of fly ash; ocean transportation of coal for thermal power plants; research, planning, and analysis of environmental conservation	100.0
J-Wind Kaminokuni, Ltd.	Wind power business	100.0
J-POWER EnTech Inc.	Engineering services for atmospheric and water pollutant removal equipment	100.0
J-Wind Co., Ltd.	Wind power business	100.0
J-Wind KUZUMAKI Co., Ltd.	Wind power business	100.0
J-Wind SETANA Co., Ltd.	Wind power business	100.0
J-Solar Co., Ltd.	Solar power business	100.0
Miyazaki Wood Pellet Co., Ltd.	Operation of manufacturing facilities of wood pellets and procurement of forest offcut	98.3
JM Activated Coke, Inc.	Manufacturing, sales, and marketing of activated coke	90.0
and 8 other companies		
Transmission and transformation business		
J-POWER Transmission Network Co., Ltd.	Transmission business	100.0
Electric power-related business		
J-POWER AUSTRALIA PTY. LTD.*2	Investment in coal mines in Australia	100.0
J-POWER Business Service Corporation	Operation of welfare facilities; facility maintenance; business process outsourcing; development of computer software; import and sale of fuel for power generation	100.0
J-POWER Telecommunication Service Co., Ltd.	Construction and maintenance of electronic and communications facilities, telecommunications, etc.	100.0
J-POWER Design Co., Ltd.	Design, management, and maintenance of buildings and structures and construction consulting	100.0
and 2 other companies		

Notes: 1. The percentages in parentheses represent indirect holding ratios and are included in the percentages above.
2. Specified subsidiaries

Company name	Main businesses	Voting rights holding (held) (%)
Overseas business		
JP Generation Australia Pty. Ltd.*2	Management of investments, research and development of projects	100.0
JP Renewable Europe Co., Ltd.*2	Management of investments	100.0
J-Power Investment Netherlands B.V.	Management of investments	100.0
J-Power Generation Philippines Inc.	Management of investments, research and development of projects	100.0
J-POWER Consulting (China) Co., Ltd.	Management of investments, research and development of projects	100.0
PT JPOWER GENERATION INDONESIA	Research and development of projects	100.0
J-POWER VIETNAM Co., Ltd.	Research and development of projects	100.0
J-POWER North America Holdings Co., Ltd.	Management of investments	100.0
Air Indonesia Co., Ltd.	Management of investments	95.97
J-POWER Holdings (Thailand) Co., Ltd.*2	Management of investments	100.0 (100.0)
JPGA Partners Pty. Ltd.	Management of investments	100.0 (100.0)
GENEX POWER PTY LTD*2	Management of investments, research and development of projects	100.0 (100.0)
GENEX (KIDSTON HYDRO) PTY LTD	Management of investments	100.0 (100.0)
GENEX (KIDSTON) PTY LIMITED	Management of investments	100.0 (100.0)
J-POWER Generation (Thailand) Co., Ltd.	Management of investments, research and development of projects	100.0 (100.0)
J-POWER Jackson Capital, LLC*2	Management of investments	100.0 (100.0)
J-POWER Jackson Partners, LLC*2	Management of investments	100.0 (100.0)
J-POWER Charger Capital, LLC*2	Management of investments	100.0 (100.0)
J-POWER Charger Partners, LLC*2	Management of investments	100.0 (100.0)
AP Solar 4, LLC*2	Project development	100.0 (100.0)
Gulf JP Co., Ltd.*2	Management of investments	60.0 (60.0)
Gulf JP UT Co., Ltd.*2	Thermal power business	60.0 (60.0)
Gulf JP NS Co., Ltd.*2	Thermal power business	60.0 (60.0)
Jackson Generation, LLC*2	Thermal power business	51.0 (51.0)
and 55 other companies		
Other business		
Kaihatsu Hiryou Co., Ltd.	Production and sales of fertilizer using ash	100.0
J-POWER Latrobe Valley Pty. Ltd.	Participating in Australian Brown Coal Hydrogen Pilot Test Project	100.0
Green Coal Saikai, Co., Ltd.	Operation of an ordinary waste-based fuel manufacturing facility	60.0
Biocoal Osaka-Hirano Co., Ltd.	Construction and operation of a sewage sludge-based fuel manufacturing facility	60.0
and 1 other company		

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Equity-Method Affiliates (As of March 31, 2026)

Company name	Main businesses	Voting rights holding (held) (%)
Power generation business		
Kashima Power Co., Ltd.	Thermal power business	50.0
Yuzawa Geothermal Power Generation Corporation	Geothermal power business	50.0
Osaki CoolGen Corporation	Large-scale demonstration trials of oxygen-blown IGCC and CCS technologies, etc.	50.0
Suzuyo Power Co., Ltd.	Electricity sale	49.9
Shiramizugoe Geothermal Co., Ltd.	Geothermal power business	49.0
ENERES Co., Ltd.	Energy-related consulting business, power generation business, etc.	41.0
Hibiki Wind Energy Co., Ltd.	Wind power business	40.0
Oga Katagami Akita Offshore Green Energy LLC.	Wind power business	37.0
Appi Geothermal Energy Corporation	Geothermal power business	15.0
and 3 other companies		

Company name	Main businesses	Voting rights holding (held) (%)
Overseas business		
PT. BHIMASENA POWER INDONESIA	Thermal power business	34.0
Shaanxi Hanjiang Investment & Development Co., Ltd.	Hydroelectric power business	27.0
CBK Netherlands Holdings B.V.	Management of investments	50.0 (50.0)
J-POWER USA Generation, L.P.	Management of investments	50.0 (50.0)
Birchwood Power Partners, L.P.	Asset management/guarantee of performance	50.0 (50.0)
Birchwood O&M, LLC	Asset management	50.0 (50.0)
Generating Electric Public Co., Ltd.	Management of investments	49.0 (49.0)
Kaeng Khoi Power Generation Co., Ltd.	Thermal power business	49.0 (49.0)
Yala Green Power Generation Co., Ltd.	Thermal power business	49.0 (49.0)
Nong Khae Cogeneration Co.,Ltd.	Thermal power business	49.0 (49.0)
and 48 other companies		

Note: The percentages in parentheses represent indirect holding ratios and are included in the percentages above.

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Power Generation Facilities in Operation*

(As of March 31, 2026)

*Power generation facilities of the electric power business segment and overseas business segment

Domestic, overseas total			
Output capacity	40,387 MW	Owned capacity	23,555 MW

Domestic Total (98 bases)			
Output capacity	18,229 MW	Owned capacity	17,643 MW

Type	Power plants	Location (Prefecture)	River system	Start of operation (year)	Authorized output (MW)
Hydroelectric	Horoka	Hokkaido	Tokachigawa	1965	10
	Nukabira	Hokkaido	Tokachigawa	1956	44
	Meto No. 1	Hokkaido	Tokachigawa	1958	27
	Meto No. 2	Hokkaido	Tokachigawa	1958	28
	Ashoro	Hokkaido	Tokachigawa	1955	42
	Honbetsu	Hokkaido	Tokachigawa	1962	25
	Kumaushi	Hokkaido	Tokachigawa	1987	15
	Satsunaigawa	Hokkaido	Tokachigawa	1997	8
	Kuttari	Hokkaido	Tokachigawa	2015	0.5
	Shinkatsurazawa	Hokkaido	Ishikarigawa	2022	16
	Kumaoi	Hokkaido	Ishikarigawa	1957	5
	Towa	Iwate	Kitakamigawa	1954	27
	Isawa No. 1	Iwate	Kitakamigawa	2014	14
	Shimogo (Pumped storage plant)	Fukushima	Aganogawa	1988	1,000
	Otsumata	Fukushima	Aganogawa	1968	38
	Okutadami	Fukushima	Aganogawa	1960	566
	Okutadami (Ecological flow)	Fukushima	Aganogawa	2003	3
	Otori	Fukushima	Aganogawa	1963	182
	Tagokura	Fukushima	Aganogawa	1959	400
	Tadami	Fukushima	Aganogawa	1989	65
	Taki	Fukushima	Aganogawa	1961	92
	Kurotani	Fukushima	Aganogawa	1994	20
	Kuromatagawa No. 1	Niigata	Shinanogawa	1958	62
	Kuromatagawa No. 2	Niigata	Shinanogawa	1964	17
	Suezawa	Niigata	Shinanogawa	1958	2
	Aburumagawa	Niigata	Shinanogawa	1985	5
	Okukiyotsu (Pumped storage plant)	Niigata	Shinanogawa	1978	1,000
	Okukiyotsu No. 2 (Pumped storage plant)	Niigata	Shinanogawa	1996	600
	Numappara (Pumped storage plant)	Tochigi	Nakagawa	1973	675
	Hayakido	Nagano	Tenryugawa	1985	11
	Misakubo	Shizuoka	Tenryugawa	1969	50

Type	Power plants	Location (Prefecture)	River system	Start of operation (year)	Authorized output (MW)
	Shintoyone (Pumped storage plant)	Aichi	Tenryugawa	1972	1,125
	Sakuma	Shizuoka	Tenryugawa	1956	350
	Sakuma No. 2	Shizuoka	Tenryugawa	1982	32
	Akiha No. 1	Shizuoka	Tenryugawa	1958	47
	Akiha No. 2	Shizuoka	Tenryugawa	1958	35
	Akiha No. 3	Shizuoka	Tenryugawa	1991	47
	Funagira	Shizuoka	Tenryugawa	1977	32
	Miboro	Gifu	Shougawa	1961	215
	Miboro No. 2	Gifu	Shougawa	1963	59
	Ogamigo	Gifu	Shougawa	1971	21
	Nagano	Fukui	Kuzuryugawa	1968	220
	Yugami	Fukui	Kuzuryugawa	1968	54
	Konokidani	Fukui	Kuzuryugawa	2016	0.2
	Tedorigawa No. 1	Ishikawa	Tedorigawa	1979	250
	Nishiyoshino No. 1	Nara	Shingugawa	1956	33
	Nishiyoshino No. 2	Nara	Kinokawa	1955	13
	Totsukawa No. 1	Nara	Shingugawa	1960	75
	Totsukawa No. 2	Wakayama	Shingugawa	1962	58
	Owase No. 1	Mie	Shingugawa/Choushigawa	1962	40
	Owase No. 2	Mie	Choushigawa	1961	25
	Ikehara	Nara	Shingugawa	1964	350
	Nanairo	Wakayama	Shingugawa	1965	82
	Komori	Mie	Shingugawa	1965	30
	Yanase	Kochi	Naharigawa	1965	36
	Futamata	Kochi	Naharigawa	1963	72
	Nagayama	Kochi	Naharigawa	1960	39
	Sameura	Kochi	Yoshinogawa	1972	43
	Setoishi	Kumamoto	Kumagawa	1958	20
	Sendaigawa No. 1	Kagoshima	Sendaigawa	1965	120
	Sendaigawa No. 2	Kagoshima	Sendaigawa	1964	15
Total (Domestic hydroelectric, 61 plants)					8,590

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Power Generation Facilities in Operation (As of March 31, 2026)

Type	Power plants	Location (Prefecture)	Start of operation (year)	Output capacity (MW)	Ownership (%)	Owned capacity (MW)
Wind	Setana Seaside	Hokkaido	2005	12	100	12
	Setana-Osato Wind Farm	Hokkaido	2020	50	100	50
	Kaminokuni Wind Farm	Hokkaido	2014	28	100	28
	Esashi	Hokkaido	2023	21	70	15
	New Shimamaki Wind Farm	Hokkaido	2023	4	100	4
	New Sarakitomanai Wind Farm	Hokkaido	2023	15	100	15
	New Tomamae Winvilla	Hokkaido	2023	31	100	31
	Ishikari Hachinosawa Wind Farm	Hokkaido	2024	21	70	15
	Kaminokuni No. 2	Hokkaido	2024	42	100	42
	Ohma	Aomori	2016	20	100	20
	Green Power Kuzumaki	Iwate	2003	21	100	21
	Kuzumaki No. 2	Iwate	2020	45	100	45
	Nikaho No. 2	Akita	2020	41	100	41
	Yurihonjo Bayside	Akita	2017	16	100	16
	New Nikaho Kogen	Akita	2024	25	100	25
	Koriyama-Nunobiki Kogen	Fukushima	2007	66	100	66
	Hiyama Kogen	Fukushima	2011	28	100	28
	Irozaki	Shizuoka	2010	34	100	34
	Tahara Bayside	Aichi	2005	12	100	12
	Awara-Kitagata	Fukui	2011	20	100	20
	Minami Ehime	Ehime	2015	29	100	29
	Aso-Oguni Wind Farm	Kumamoto	2007	9	100	9
Total (Domestic onshore wind, 22 farms)				590		575
Wind	Kitakyushu Hibikinada Offshore Wind Farm	Fukuoka	2026	220	40	88
Total (Domestic offshore wind, 1 farm)				220		88
Geothermal	Appi	Iwate	2024	15	15	2
	Onikobe	Miyagi	2023	15	100	15
	Wasabizawa	Akita	2019	46	50	23
Total (Domestic geothermal, 3 plants)				76		40
Solar	Himeji Oshio	Hyogo	2024	2	100	2
	Kitakyushu Hibikinada	Fukuoka	2025	30	100	30
Total (Domestic solar, 2 plants)				32		32

Type	Power plants	Location (Prefecture)		Start of operation (year)	Output capacity (MW)	Ownership (%)	Owned capacity (MW)
Coal-fired	Isogo	Kanagawa	New No. 1	2002	600	100	600
			New No. 2	2009	600	100	600
	Takasago	Hyogo	No. 1	1968	250	100	250
			No. 2	1969	250	100	250
	Takehara	Hiroshima	New No. 1	2020	600	100	600
			No. 3	1983	700	100	700
	Tachibanawan	Tokushima	No. 1	2000	1,050	100	1,050
			No. 2	2000	1,050	100	1,050
	Matsushima*	Nagasaki	No. 2	1981	500	100	500
	Matsuura	Nagasaki	No. 1	1990	1,000	100	1,000
			No. 2	1997	1,000	100	1,000
	Ishikawa Coal	Okinawa	No. 1	1986	156	100	156
No. 2			1987	156	100	156	
Thermal (J-POWER): 7 power plants					7,912		7,912
Coal-fired	Kashima	Ibaraki			645	50	323
Demonstration tests facility	Osaki CoolGen	Hiroshima			166	50	83
Thermal (Subsidiaries, etc.): 2 power plants					811		406
Total (Domestic thermal): 8 power plants, 1 test facility					8,723		8,318

*The operation of Matsushima Thermal Power Plant was suspended at the end of FY2024. Unit No. 1 (500 MW) was decommissioned, while operation of Unit No. 2 (500 MW) was suspended in preparation for the GENESIS Matsushima Plan.

J-POWER Group Facilities

Power Generation Facilities in Operation

(As of March 31, 2026)

Overseas total (29 projects)

Output capacity 22,158 MW | Owned capacity 5,911 MW

Countries	Type	Projects	Output capacity (MW)	Ownership (%)	Owned capacity (MW)	Power purchasers	Validity of purchase agreement
Thailand	Gas-fired (CCGT)	7SPP*1	790	–	456	EGAT/Companies in the industrial park	Valid to 2038
		KP1	110	60	66		
		KP2	110	60	66		
		TLC	110	60	66		
		NNK	110	60	66		
		NLL	120	45	54		
		CRN	110	60	66		
		NK2	120	60	72		
	Gas-fired (CCGT)	Nong Seang	1,600	60	960	EGAT	Valid to 2039
	Gas-fired (CCGT)	U-Thai	1,600	60	960	EGAT	Valid to 2040
	Solar	Rooftop Solar	10	60	6	Companies in the industrial park	–
Total (Consolidated)			4,000		2,382		
	Gas-fired (CCGT)	EGCO Cogeneration	74	20	15	EGAT/Companies in the industrial park	Vary among the companies
	Biomass (Rubber-wood waste)	Yala	20	49	10	EGAT	Valid to 2031
	Gas-fired (CCGT)	Kaeng Khoi 2	1,468	49	719	EGAT	Valid to 2033
Total (Non-consolidated)			1,562		744		
Thailand (Total, 13 projects)			5,562		3,126		

*1 7 SPPs project, which commenced operation in 2013.

Countries	Type	Projects	Output capacity (MW)	Ownership (%)	Owned capacity (MW)	Power purchasers	Validity of purchase agreement
United States	Gas-fired (CCGT)	Jackson	1,200	51	612	PJM market	–
		Total (Consolidated)	1,200		612		
	Gas-fired (SCGT)*2	Orange Grove	96	50	48	San Diego Gas & Electric	Valid to 2035
	Gas-fired (CCGT)	Westmoreland	940	25	235	PJM market	–
Total (Non-consolidated)			1,036		283		
United States (Total, 3 projects)			2,236		895		
Australia	Solar	Kidston Stage1	50	100	50	NEM market	–
	Solar	Jemalong Solar	50	100	50	NEM market	–
	Storage	Bouldercombe	50	100	50	NEM market	–
Australia (Total, 3 projects)			150		150		
China	Hydroelectric	Hanjiang (Xihe, Shuhe)	450	27	122	Shaanxi Electric Power Company	Renewed every year*4
	Coal-fired, wind, solar, pumped storage	Gemeng*3	10,069	7	705	Shanxi Province Power Corporation	–
China (Total, 3 projects)			10,519		826		
Philippines	Hydroelectric	CBK (3 projects)	797	1	8	WESM, others	–
	Hydroelectric	Lake Mainit	25	40	10	ANECO	Valid to 2048
United Kingdom	Offshore	Triton Knoll	857	25	214	Orsted	Valid to 2037
Indonesia	Coal-fired	Batang	2,000	34	680	PLN	Valid to 2047
	Hydroelectric	Sion	12	14	2	PLN	Valid to 2045
Other countries/regions (7 projects)			3,691		914		

*2 SCGT (simple cycle gas turbine): A generating system using only a gas turbine

*3 Gemeng International Energy Co., Ltd., is an electric power company that owns 16 power generation companies.

*4 Although power purchase agreements are renewed every year, J-POWER concludes memoranda of understanding regarding power grid connection and management with province-level transmission and distribution companies to, in principle, continuously purchase power for the duration of a given facility's operation.

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Coal Mine Projects (As of December 31, 2025)

Coal mine	Location	Outport	2025 sales volume (million tons)	Vested interest (%)	Coal production start
Clermont	Queensland, Australia	Dalrymple Bay	11.17	22.2	2010
Narrabri	New South Wales, Australia	Newcastle Port	3.76	7.5	2012
Maules Creek	New South Wales, Australia	Newcastle Port	8.82	10	2014

Main Transmission and Transformation Facilities* (As of March 31, 2026)

*Transmission and transformation facilities are held by J-POWER Transmission Network Co., Ltd., a wholly owned subsidiary of J-POWER.

Transmission facilities

Major transmission lines	Beginning of operation (year)	Location (Prefecture)	Distance (km)	Voltage (kV)
Tokachi Trunk Line	1956	Hokkaido	214.4	187
Hokkaido–Honshu HVDC Interconnection Line	1979	Hokkaido–Aomori	167.4	DC±250
Tadami Trunk Line	1959	Fukushima–Tokyo metropolitan area	216.3	275-500
Sakuma East Trunk Line	1956	Shizuoka–Tokyo metropolitan area	197.3	275
Sakuma West Trunk Line	1956	Shizuoka–Aichi	107.7	275
Miboro Trunk Line	1960	Gifu–Aichi	108.6	275
Honshu–Shikoku Interconnection Line	1994	Kagawa–Okayama	127.0	500
Kii Channel HVDC Interconnection Line	2000	Tokushima–Wakayama	99.8	DC±250
Nahari Trunk Line	1960	Kochi–Ehime	120.0	187
Kanmon Interconnection Line	1980	Fukuoka–Yamaguchi	64.2	500

Substations

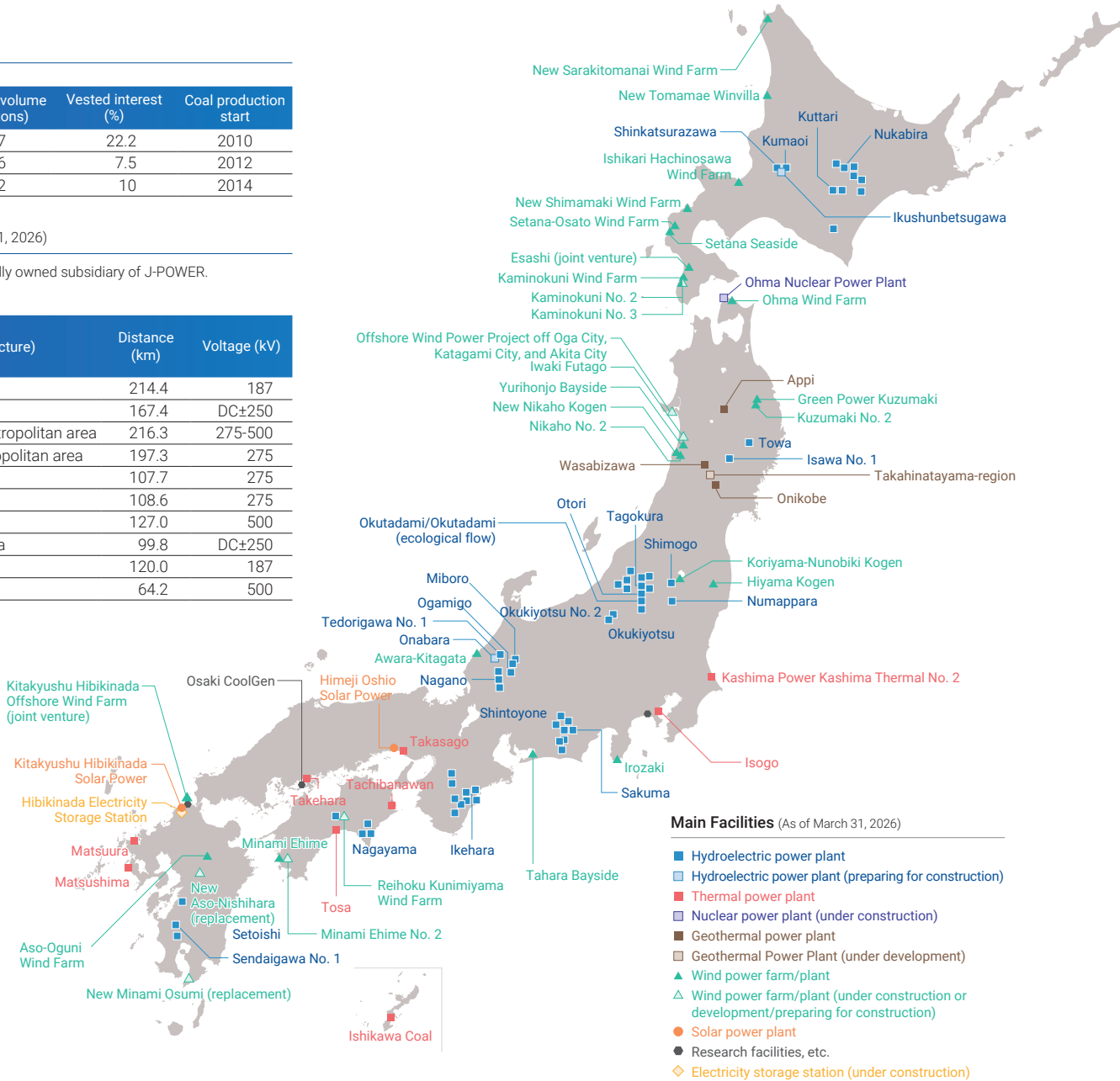
Substations	Beginning of operation (year)	Location	Output (kVA)
Isawa	2012	Oshu City, Iwate	9,000
Minami Kawagoe	1959	Kawagoe City, Saitama	1,500,000
Nishi Tokyo	1956	Machida City, Tokyo	1,350,000
Nagoya	1956	Kasugai City, Aichi	500,000
Sameura	2025	Motoyama Town, Nagaoka, Kochi	25,000

Frequency converter station

Frequency converter station	Beginning of operation (year)	Location	Output (MW)
Sakuma	1965	Tenryu, Hamamatsu City, Shizuoka	300

AC/DC converter stations

AC/DC converter stations	Beginning of operation (year)	Location	Output (MW)
Hakodate	1979	Nanae Town, Kameda, Hokkaido	600
Kamikita	1979	Tohoku Town, Kamikita, Aomori	600
Kihoku	2000	Katsuragi Town, Ito, Wakayama	1,400
Anan	2000	Anan City, Tokushima	1,400



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Major Projects under Construction or Development (As of March 31, 2026)

Domestic

Type	Projects	Location (Prefecture)	Status	Output capacity (MW)	Ownership (%)	Owned capacity (MW)	Start of operation
Nuclear	Ohma	Aomori	Under construction	1,383	100	1,383	To be determined
Hydroelectric	Onabara	Ishikawa	Under construction	1	100	1	FY2026
	Ikushunbetsugawa	Hokkaido	Under construction	1	100	1	FY2026
	NEXUS Sakuma	Shizuoka	Under development	350 ▶ 400	100	350 ▶ 400	FY2035
Wind Onshore	Minami Ehime No. 2	Ehime	Under construction	41	100	41	FY2027
	Kaminokuni No. 3	Hokkaido	Preparing for construction	52	100	52	FY2028
	New Minami Osumi (replacement)	Kagoshima	Preparing for construction	20	100	20	FY2027
	New Aso-Nishihara (replacement)	Kumamoto	Preparing for construction	17	100	17	FY2027
	Reihoku Kunimiyama Wind Farm	Kochi	Preparing for construction	50	100	50	FY2029
	Iwaki Futago	Akita	Preparing for construction	10	100	10	FY2028
	Off Oga, Katagami, and Akita	Akita	Under development	Max 315	37	117	FY2028
	Offshore	Takahinatayama-region	Under development	15	100	15	
				15	49	7	
Geothermal	Shiramizugoe area	Kagoshima	Under development	15	49	7	

Under environmental impact assessment

Type	Projects	Location (Prefecture)	Output capacity (MW)
Wind Onshore	Setana-Futuro	Hokkaido	*1
	Naka-Noto	Ishikawa	
	Fukui Ono Ikeda	Fukui	
	Watarai	Mie	
	Kichu	Wakayama	
	Hiroshima-Nishi	Hiroshima	
	Seiyo Yusuhabara	Ehime/Kochi	
	Youra	Oita	
	Hisatsu	Kumamoto/Kagoshima	
	Kita-Kagoshima	Kagoshima	
	Yokihinatosato Wind Park (replacement)	Yamaguchi	

*1 The maximum output is approximately 800 MW in total at the planned sites undergoing environmental impact assessment procedures.

Overseas

Type	Projects	Location	Status	Output capacity (MW)	Ownership (%)	Owned capacity (MW)	Start of operation
Pumped storage	K2-Hydro	Australia	Under construction	250	100	250	2027
Solar	Charger	United States	Under construction	394	100	394	2026
	Rooftop Solar (GJP1) (6)	Thailand	Under construction/development	4	60	2	After 2026
Solar, battery	Bulli Creek	Australia	Under development	725	100	725	In or after 2028
Battery	Kidston Stage-3	Australia	Under development	200	100	200	To be determined
Hydroelectric	Pungga	Indonesia	Under construction	3	26	0.9	2026
	Tomuan	Indonesia	Under construction	15	25	4	2027
	Kombih	Indonesia	Under development	15	27	4	2029
	Mulana	Indonesia	Under development	15	19	3	2029
	Simolap	Indonesia	Under development	8	18	1	2030
	Bulanog Batang	Philippines	Under development	34	40	14	2030

Major Transmission/Transformation Development Plans*2

Project	Status	Capacity	Start of operation
Construction of the New Sakuma Frequency Converter Station and replacement and expansion of related transmission lines	Under construction	New Sakuma Frequency Converter Station: 300 MW Sakuma East Trunk Line, etc.: Approx. 141 km	From March 2030 onward
Expansion of cross-regional interconnection facilities connecting the Chugoku region and Kyushu (Kanmon Interconnection Line)	Preparing for construction	Honshu-side AC/DC Converter Station (tentative name): 1,000 MW Honshu-side Overhead Transmission Line (tentative name): 4 km	FY2038

*2 Initiatives of J-POWER Transmission Network Co., Ltd.

External Evaluation/Attestation of Validity

External Evaluation

Inclusion in ESG indexes

Our sustainability efforts have been highly acknowledged by outside parties. As of August 2026, J-POWER has been selected as a constituent of "FTSE Blossom Japan Index" and "FTSE Blossom Japan Sector Relative Index" of FTSE Russell, "Morningstar Japan ex-REIT Gender Diversity Tilt Index," and "S&P/JPX Carbon Efficient Index." As such, J-POWER has become a constituent of four ESG indexes adopted by the Government Pension Investment Fund (GPIF).

FTSE Blossom Japan Index Series

<https://www.ftserussell.com/products/indices/blossom-japan>

Morningstar Japan ex-REIT Gender Diversity Tilt Index

<https://indexes.morningstar.com/gender-diversity-indexes>

S&P/JPX Carbon Efficient Index

<https://www.spglobal.com/spdji/en/indices/sustainability/sp-jpx-carbon-efficient-index/#overview>



FTSE Blossom
Japan Sector
Relative Index



FTSE Blossom
Japan

Sustainability Evaluation

IR evaluation

The J-POWER Group is making every effort to improve its information disclosure through its integrated report and website. In FY2025, J-POWER was selected as Sector Ranking AAA Website in the "All Japanese Listed Companies' Website Ranking" provided by Nikko Investor Relations Co., Ltd.

Environment, climate change

The Group discloses climate-related information in accordance with TCFD recommendations and nature-related information aligned with the TNFD framework in its Integrated Report. Further, surveys on climate change and water security provided by the CDP were undertaken. The evaluation results for FY2025 are as shown on the right.

Note: CDP scoring criteria have changed in FY2024. We could not obtain a score of A- or higher as we failed to meet the requirement for the percentage of low-carbon power sources to total power generation volume of 25% or more due to the nature of our power source portfolio.

Response year	FY2023	FY2024	FY2025
Climate change	A-	B	B
Water security	B	B	B

Society

J-POWER was selected under the large enterprise category of the 2026 Outstanding Organizations of KENKO Investment for Health Program conducted by Nippon Kenko Kaigi and the Ministry of Economy, Trade and Industry. In FY2025, we received the "Platinum Kurumin Plus" certification, granted by the Minister of Health, Labour and Welfare to companies that support childcare and infertility treatment.



Attestation of Validity

The J-POWER Group began issuing an Integrated Report in 2019 and has engaged in dialogues with stakeholders.

This year's Integrated Report introduces our commitment for enhancing corporate value, with the aim of achieving the J-POWER Group's mission of providing a stable supply of energy and addressing climate change through transition of our business portfolio and business models, and deepening of sustainability management. In addition, the report also shows our updated financial initiatives under the Medium-Term Management Plan 2024-2026. We also worked to enhance the disclosure of information on promotion of digital transformation, corporate governance, and human capital among other topics as well as disclosure based on TCFD and TNFD Recommendations.

This report was created in partnership with related departments and the Corporate Planning & Administration Department, which primarily handles its editing. As the person in charge of ESG oversight, I attest that the process for creating the report is appropriate and that the content is accurate. I hope that stakeholders find this report helpful in gaining a deeper understanding of the Group. We will continue to work to further expand the content of the report and make it useful for dialogue with stakeholders.



Hideaki Kato
Representative
Director
President and
Chief Executive
Officer (ESG
Oversight)

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Corporate Profile/Stock Information

Corporate Name	Electric Power Development Co., Ltd.	Number of Shares Issued	183,051,100
Communication Name	J-POWER	Number of Shareholders	142,122
Date of Establishment	Sept. 16, 1952	Stock Exchange Listing	Tokyo Stock Exchange
Headquarters	6-15-1 Ginza, Chuo-ku, Tokyo, Japan	Independent Public Accountants	Ernst & Young ShinNihon LLC
Paid-in Capital	¥180,502,169,192	Transfer Agent	Sumitomo Mitsui Trust Bank, Limited
Number of Shares Authorized	660,000,000		

Major Offices

- Headquarters: 6-15-1 Ginza, Chuo-ku, Tokyo
- East Regional Headquarters: Kawagoe City, Saitama
- Chubu Regional Headquarters: Kasugai City, Aichi
- West Regional Headquarters: Osaka City, Osaka

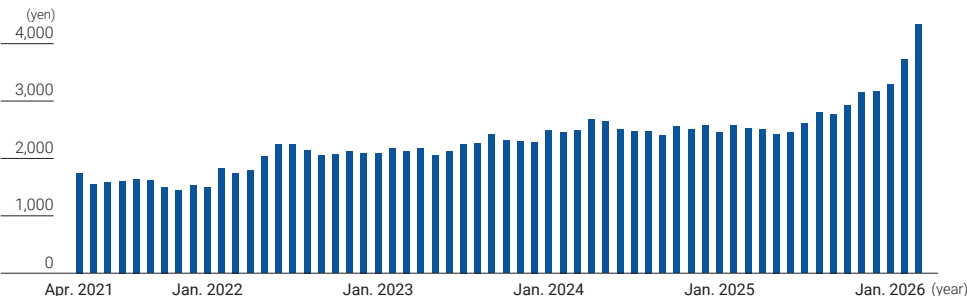
Major Overseas Subsidiaries

- J-POWER USA Development Co., Ltd.
- J-POWER Generation (Thailand) Co., Ltd.
- JP Generation Australia Pty. Ltd.

Major Shareholders (Top 10; as of March 31, 2026)

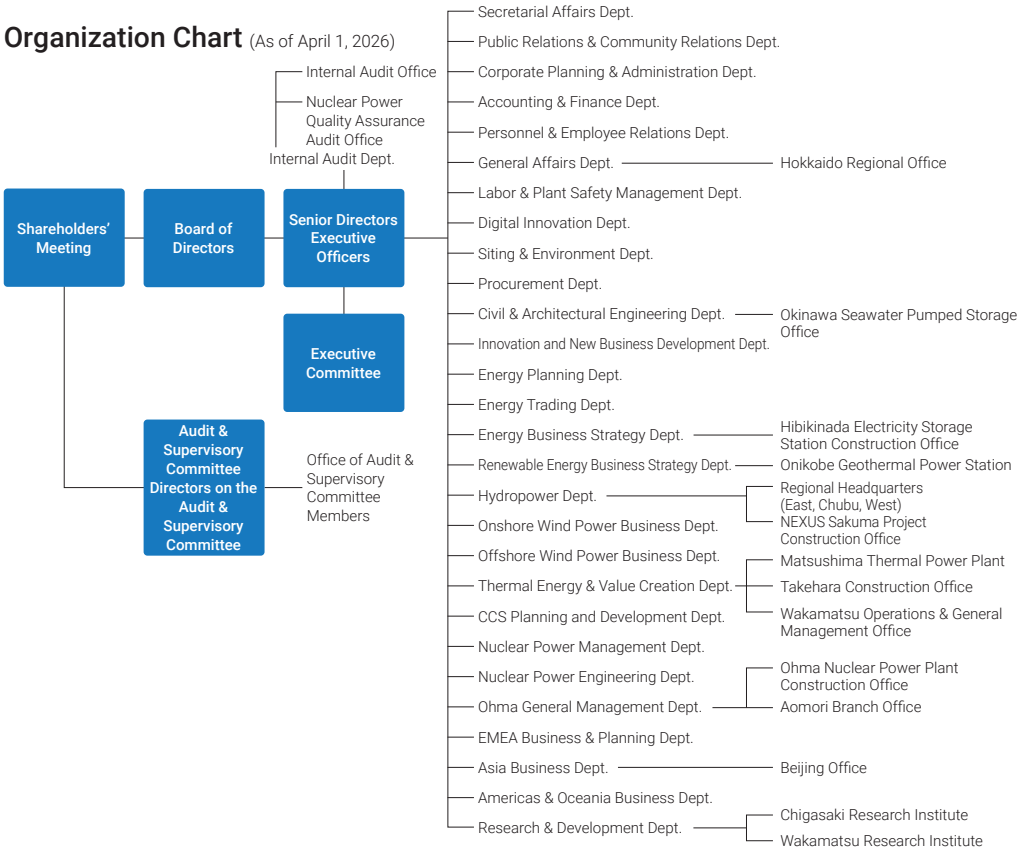
Name or designation	Number of shares held (thousands of shares)	Percentage to total shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	20,429	11.59
Nippon Life Insurance Company	9,152	5.19
Custody Bank of Japan, Ltd. (Trust Account)	7,379	4.18
J-POWER Employees Shareholding Association	5,105	2.90
JPMorgan Securities Japan Co., Ltd.	4,305	2.44
Mizuho Bank, Ltd.	3,608	2.05
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	3,328	1.89
STATE STREET BANK AND TRUST COMPANY 505001	3,248	1.84
Fukoku Mutual Life Insurance Company	3,027	1.72
Sumitomo Mitsui Banking Corporation	3,007	1.71

Stock Chart

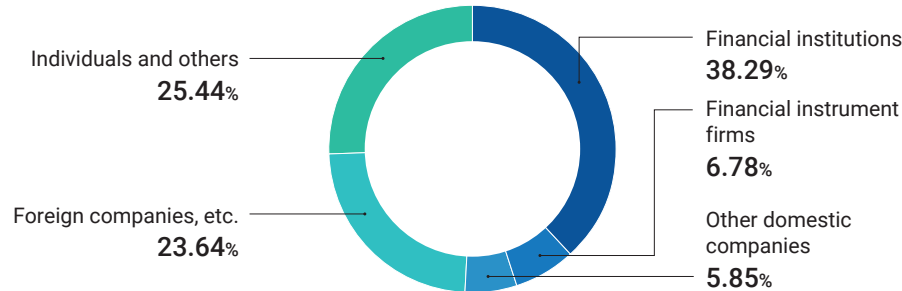


(As of March 31, 2026)

Organization Chart (As of April 1, 2026)



Composition of Shareholders (As of March 31, 2026)



Note: "Individuals and others" includes 6,717,305 treasury shares.

Corporate Planning Office (IR), Corporate Planning & Administration Department, Electric Power Development Co., Ltd.

6-15-1, Ginza, Chuo-ku, Tokyo 104-8165, Japan <https://www.jpowers.co.jp/english/>
For inquiries, please contact us via our website. https://www.jpowers.co.jp/english/contact/ir_e/form_ir_e.html