

*TRANSLATION: This is an English translation of the Japanese original, prepared only for the convenience of shareholders residing outside Japan. Please note that the notes to the financial statements are abbreviated in this translation. The original Japanese version will prevail should there be any difference in the meaning between the English version and the Japanese version. ELECTRIC POWER DEVELOPMENT CO., LTD. does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein. Names of laws of Japan herein are based on those designated in the "Japanese Law Translation Database System," a website managed by the Ministry of Justice of Japan.*



June 7, 2022

Dear Shareholder:

Toshifumi Watanabe  
Representative Director President and Chief Executive Officer  
Electric Power Development Co., Ltd. (J-POWER)  
15-1, Ginza 6-chome, Chuo-ku, Tokyo  
(Securities code: 9513)

## Notice of the 70th Ordinary General Meeting of Shareholders

**1. Date & Time:** 10:00 a.m., Tuesday, June 28, 2022 (Reception desk will open at 9 a.m.)

**2. Place:** Ho-Oh-No-Ma, 2F, Tokyo Prince Hotel  
3-1, Shiba-koen 3-chome, Minato-ku, Tokyo

### 3. Agenda:

#### Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 70th fiscal year (from April 1, 2021 to March 31, 2022), in addition to reports on the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 70th fiscal year (from April 1, 2021 to March 31, 2022)

#### Matters to be resolved:

##### Company Proposals

- Proposal 1.** Appropriation of Surplus
- Proposal 2.** Partial Amendments to the Articles of Incorporation
- Proposal 3.** Election of Twelve (12) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal 4.** Election of Four (4) Directors Serving as Audit & Supervisory Committee Members
- Proposal 5.** Setting of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal 6.** Introduction of Stock Remuneration System for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal 7.** Setting of the Amount of Remuneration for Directors Serving as Audit & Supervisory Committee Members

### **Shareholder Proposals**

**Proposal 8.** Partial Amendments to the Articles of Incorporation

**Proposal 9.** Partial Amendments to the Articles of Incorporation

**Proposal 10.** Partial Amendments to the Articles of Incorporation

Instructions for Voting:

Please refer to the “Measures in Place on the Day of the General Meeting of Shareholders” and “Guide to Exercising Voting Rights by Mail or via the Internet” on pages 3 to 6.

- Should any amendments to the appended Reference Materials for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements arise under any unavoidable circumstances, we will inform you of such amended matters by posting them on the Company website.
- Of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board in preparation of audit report, the following items are not provided in this document. The following items are posted on the Company’s website in accordance with laws and regulations and Article 14 of the Company’s Articles of Incorporation.
  - Corporate Structure and Policies
  - Consolidated Statement of Changes in Equity
  - Notes to Consolidated Financial Statements
  - Statement of Changes in Equity
  - Notes to Non-consolidated Financial Statements

The Company website: <https://www.jpowers.co.jp/english>

## Measures in Place on the Day of the General Meeting of Shareholders

In order to prevent the spread of the coronavirus disease (COVID-19), we request you utilize the video presentation and submit questions in advance, and exercise voting rights in writing by mail or via the Internet in advance. Please consider watching the live stream on the Internet instead of attending the General Meeting of Shareholders.

### ○ Measures in Place on the Day of the Meeting

- The number of seats will be limited in order to increase the space between seats for the purpose of social distancing. Therefore, even if you visit the venue on the day, you may be refused entrance. Moreover, if you are attending in person, you are kindly requested to cooperate with infection prevention measures, including the wearing of face masks at all times, disinfecting your hands, and having your temperature taken.
- Admission may be denied to anyone who is considered to be in poor health or who is unable to cooperate with the infection prevention measures.
- Please note that no gifts or drinks will be provided to attending shareholders.

### ○ Other Information

- If you are attending in person, please present the enclosed Voting Form to the reception desk upon your arrival. Please bring this booklet with you as a meeting document. If you wish to attend by proxy, you may vote by appointing a proxy who is a shareholder of the Company entitled to vote (or if the shareholder is a corporation, an employee of the corporation). Please have your proxy submit a written document (a proxy statement, etc.) certifying the authority of proxy to the reception desk.
- As a reference for exercising voting rights, we plan to upload a video presentation by the President to the Internet in advance for shareholders.
- You may submit questions regarding the Agenda of the General Meeting of Shareholders via the Internet in advance. Questions of high interest to shareholders will be answered on the day and will also be posted on the website at a later date.
- We plan to live stream the General Meeting of Shareholders via the Internet. Please note that the live stream is for viewing purposes only, therefore you cannot exercise voting rights or ask questions on the day.
- For details on the video presentation, our acceptance of questions in advance via the Internet and the live stream of the General Meeting of Shareholders, please refer to the enclosed “Information on the 70th Ordinary General Meeting of Shareholders.” These services may not be available depending on the device used by shareholders and the network environment. Shareholders are responsible for communication charges when using these services.

The above measures may be updated depending on the status of the outbreak and government policy, etc. taken up to the day of the meeting.

Please confirm the latest information on the Company website as appropriate.

The Company website “Investor Relations Shareholders Meeting” page:

<https://www.jpowers.co.jp/english/ir/ir80000.html>

Taking the environment into account and in order to promote resource conservation including the reduction of paper usage, we will stop mailing the notification of the resolutions of the General Meeting of Shareholders starting from this General Meeting of Shareholders. Please check the Company website for the results of the resolutions.

## “Guide to Exercising Voting Rights by Mail or via the Internet”

### 1. Voting in Writing (by mail)

Voting deadline: Voting Form must reach the Company by 5:30 p.m. on Monday, June 27, 2022

Please indicate your vote for or against each of the proposals on the enclosed Voting Form and return the Form to us without putting a stamp.

#### How to indicate your vote

Please indicate your vote for or against each of the proposals according to below.

Proposals 1 to 7 (Company proposals)

Proposals 1 and 2 and Proposals 5 to 7

▶Vote for: Circle “贊” mark

▶Vote against: Circle “否” mark

Proposals 3 and 4

▶Vote for all candidates: Circle “贊” mark

▶Vote against all candidates: Circle “否” mark

▶Vote against only some of the candidates: Circle “贊” mark and enter the candidate No. to vote against

Proposals 8 to 10 (proposals from some shareholders)

▶Vote for shareholder proposal: Circle “贊” mark

▶Vote against shareholder proposal: Circle “否” mark

The Company’s Board of Directors opposes all of the shareholder proposals.

#### Please note:

- If you cast multiple votes both by mail and via the Internet, the vote submitted via the Internet shall be deemed valid.
- If you vote more than once via the Internet, the vote submitted last shall be deemed valid.
- Depending on the Internet environment of your devices such as computer, smartphone or mobile phone, the voting website may be unavailable for access.

### 2. Voting via the Internet

Voting deadline: Vote must be casted by 5:30 p.m. on Monday, June 27, 2022

#### (1) Voting via Smart Vote (by scanning the QR Code)

You can log into the voting website without entering your voting code or password.

1) Please scan the QR Code printed on the lower right of the Voting Form.

\* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

2) Please cast your vote by following the instructions on the screen.

**<You can vote via Smart Vote only once.>**

If you wish to change your vote, please scan again the QR Code, enter your “voting code” and “password” and vote again.

## **(2) Voting by entering voting code and password**

Voting website: <https://www.web54.net>

1) Please access the voting website.

Click “Next.”

2) Enter the “voting code” printed on the Voting Form.

Click “Login” after entering the “voting code.”

(3) Enter the “password” printed on the Voting Form.

Click “Next” after entering the “password.”

(4) Please indicate your vote for or against each of the proposals by following the instructions on the screen.

## **Handling of your voting code and password**

(1) The voting code printed on the Voting Form is valid only for this General Meeting of Shareholders.

(2) Your password is important information used to verify that the voter is the shareholder himself/herself.

Please handle it with care just as your seal or security code.

(3) If you fail to enter the correct password more than a certain number of times, your password will be rendered unusable. If you would like your password to be re-issued, please follow the guidance on the screen.

## **For institutional investors:**

**Institutional investors may exercise voting rights by electronic means, using the Electric Voting Platform operated by ICJ.**

**For INQUIRIES relating to voting via the Internet, please contact:**

Sumitomo Mitsui Trust Bank, Limited

Dedicated line for stock transfer agency web-support: 0120-652-031

Operating hours: 9:00 a.m. to 9:00 p.m.

## REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and Reference Information

#### <Company Proposals (Proposals 1 to 7)>

#### Proposal 1: Appropriation of Surplus

The most notable feature of the Company's business model is to gain investment returns from the long-term operation of power plants and other infrastructure based on the Company's long-standing operational capability, which includes the construction of power plants and the like.

Taking into account factors such as the level of profit, earnings forecasts, and financial condition, the Company strives to enhance stable and continuous returns to shareholders in line with a consolidated pay-out ratio of around 30%, except for fluctuations due to short-term factors.

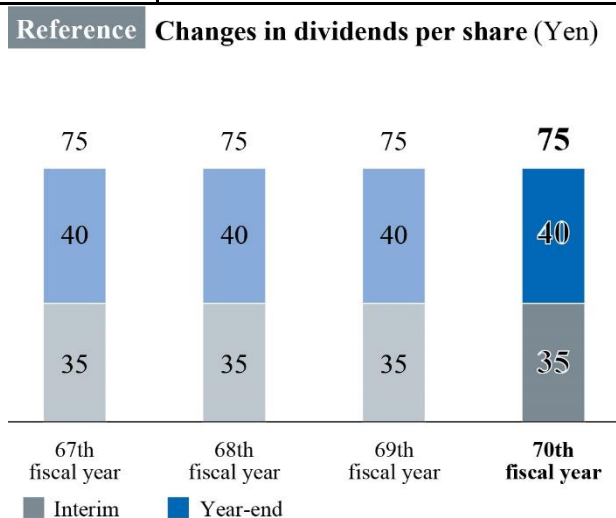
For the fiscal year under review, based on this shareholder return policy, the Company intends to pay the year-end dividend of 40 yen per share. The Company also proposes other items relating to the appropriation of surplus as follows. As the Company has already paid an interim dividend of 35 yen per share in November last year, the Company proposes an annual dividend of 75 yen per share for the 70th fiscal year.

#### 1. Items relating to the year-end dividend:

Type of dividend assets	Cash
Distribution of dividends	40 yen per share of common stock of the Company Total amount: 7,321,925,160 yen
Effective date of the distribution	Wednesday, June 29, 2022

#### 2. Other items relating to the appropriation of surplus:

Increased surplus	General reserve	50,000,000,000 yen
Decreased surplus	Retained earnings brought forward	50,000,000,000 yen



## **Proposal 2: Partial Amendments to the Articles of Incorporation**

### 1. Reasons for amendments

- (1) The Company has been striving to enhance and strengthen corporate governance in order to continuously improve corporate value. On the other hand, the business environment surrounding the Company has changed significantly due to the progress of the Reforms to the Electric Power Business Regulations that began in April 2016, as well as the acceleration of the global decarbonization trend, the decentralization of the energy supply and demand structure, and the progress of digitization. Therefore, it is necessary for the Company to build a system that responds flexibly and rapidly to these changes.

For this reason, the Company plans to transition into a company with an Audit & Supervisory Committee so that it can ensure speedy execution through the delegation of important business to Directors by the Board of Directors. At the same time, the Company intends to increase the number of Outside Directors who have voting rights on the Board of Directors and have an Audit & Supervisory Committee possessing the right to express opinions on the nomination and remuneration of Directors. Through these measures, the Company will further improve the transparency and fairness of management and strengthen supervisory functions.

- (a) We will establish new regulations pertaining to Audit & Supervisory Committee Members and the Audit & Supervisory Committee, and delete regulations pertaining to the Audit & Supervisory Board (Board of Corporate Auditors) and its members, as required for the transition to a company with an Audit & Supervisory Committee.
  - (b) In the midst of major changes in the business environment, we will establish new regulations regarding the delegation of authority to Directors and make changes to the regulations regarding Directors in order to ensure speedy execution.
  - (c) By making it possible to conclude limitation of liability contracts with Directors serving as Audit & Supervisory Committee Members and other Directors who do not execute business, we will make changes in order to expand the scope of those with whom limitation of liability contracts can be concluded so that Directors can effectively fulfill their expected roles. Each Audit & Supervisory Board Member has given consent to this change.
  - (d) In addition, we will make other necessary changes such as changing the number of articles due to the addition and deletion of articles.
- (2) On June 16, 2021, the “Act for Partially Amending Industrial Competitiveness Enhancement Act and other related acts” (Act No. 70 of 2021) was put into effect, and it became possible for listed companies to hold General Meetings of Shareholders with no fixed location (so-called virtual-only shareholders’ meetings) under certain conditions, in accordance with the provisions of each company’s Articles of Incorporation. In principle, the Company will continue to hold General Meetings of Shareholders with a fixed location, but Article 11 of the Articles of Incorporation will be amended so that a General Meeting of Shareholders with no fixed location can be held only in the case where the Board of Directors determines that it is not feasible to hold a General Meeting of Shareholders with a fixed location due to such reasons as the spread of infection or the occurrence of a natural disaster.



Regarding the amendment of Article 11 of the Articles of Incorporation, the Company has, in accordance with the Ordinance of the Ministry of Economy, Trade and Industry and the Ordinance of the Ministry of Justice, received confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the said amendment meets the requirements to be deemed necessary to contribute to strengthening industrial competitiveness while giving consideration to securing the interests of shareholders, as specified by the same ordinances.

- (3) Of the matters to be resolved at the General Meeting of Shareholders, such as the dividends of surplus, concerning matters that can be decided by the Board of Directors in accordance with the Articles of Incorporation, the Company will continue to make decisions at the General Meeting of Shareholders in principle. However, necessary changes, such as the establishment of Article 28 of the Articles of Incorporation, will be made so that the Board of Directors can make decisions only in the case where the Board of Directors determines that it is not feasible to hold a General Meeting of Shareholders due to the spread of infection or the occurrence of a natural disaster, among other reasons.
- (4) The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of reference materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.
  - (a) The proposed Article 14, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
  - (b) The purpose of the proposed Article 14, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
  - (c) The provisions related to the internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 14 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
  - (d) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

These proposals will come into effect at the conclusion of this General Meeting of Shareholders.

2. Details of amendments

The details of the amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter I GENERAL PROVISIONS</p> <p>Articles 1 to 3 (Omitted) (Governing bodies) Article 4. In addition to the General Meeting of Shareholders and the Directors, the Company shall appoint the following governing bodies:.</p> <p>(1) Board of Directors (2) <u>Corporate Auditors</u> (3) <u>Board of Corporate Auditors</u> (4) <u>Accounting Auditor(s)</u></p> <p>Articles 5 to 8 (Omitted)</p> <p style="text-align: center;">Chapter II SHARES</p> <p>(Share Handling Regulations) Article 9. The handling and fees pertaining to shares of the Company, other than as provided by law or regulation or the Articles of Incorporation, shall be governed by the Share Handling Regulations <u>set forth by the Board of Directors.</u></p> <p>Article 10 (Omitted)</p> <p style="text-align: center;">Chapter III GENERAL MEETING OF SHAREHOLDERS</p> <p>(Convocation of General Meeting of Shareholders) Article 11 1 to 2 (Omitted) 3. The General Meeting of Shareholders shall be convened in any of the Wards of Tokyo.</p> <p style="text-align: center;">(Newly established)</p> <p>Articles 12 to 13 (Omitted) <u>(Disclosure of reference materials, etc. for General Meeting of Shareholders via the Internet and deemed as provided.)</u></p>	<p style="text-align: center;">CHAPTER I GENERAL PROVISIONS</p> <p>Articles 1 to 3 (No change) (Governing Bodies) Article 4. In addition to the General Meeting of Shareholders and the Directors, the Company shall appoint the following governing bodies:</p> <p>(1) Board of Directors (2) <u>Audit &amp; Supervisory Committee</u> (deleted) (3) <u>Accounting Auditor(s)</u></p> <p>Articles 5 to 8 (No change)</p> <p style="text-align: center;">Chapter II SHARES</p> <p>(Share Handling Regulations) Article 9. The handling and fees pertaining to the shares of the Company, other than as provided by law or regulation or the Articles of Incorporation, shall be governed by the Share Handling Regulations.</p> <p>Article 10 (No change)</p> <p style="text-align: center;">Chapter III GENERAL MEETING OF SHAREHOLDERS</p> <p>(Convocation of General Meeting of Shareholders) Article 11 1 to 2 (No change) 3. The General Meeting of Shareholders shall be convened in any of the Wards of Tokyo. <u>However, this does not apply if the Company holds a General Meeting of Shareholders with no fixed location in accordance with the following paragraph.</u></p> <p>4. <u>The Company may hold a General Meeting of Shareholders with no fixed location only in the case where the Board of Directors determines that it is not feasible to hold a General Meeting of Shareholders with a fixed location due to such reasons as the spread of infection or the occurrence of a natural disaster.</u></p> <p>Articles 12 to 13 (No change) (Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 14. At the time of convocation of the General Meeting of Shareholders, the Company may be deemed to have provided shareholders with necessary information that should be contained or presented in statutory documents including reference materials for the General Meeting of Shareholders, business reports, and non-consolidated and consolidated financial statements when it is disclosed via the Internet in accordance with the Ministry of Justice Ordinance.</u></p> <p>(Newly established)</p> <p>Articles 15 to 16 (Omitted)</p> <p>Chapter IV DIRECTORS, BOARD OF DIRECTORS (Number of Directors) Article 17. The Company shall have no more than <u>fourteen (14) Directors.</u></p> <p>(Newly established)</p> <p>(Resolutions for election of Directors) Article 18. Directors shall be elected at a General Meeting of Shareholders.</p> <p>2 to 3 (Omitted)</p> <p>(Term of office of Directors) Article 19. The term of office of a Director shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year after such Director elected to office.</p>	<p><u>(Measures for Electronic Provision, etc. of Reference Materials for the General Meeting of Shareholders, etc.)</u></p> <p><u>Article 14. The Company shall, when convening a General Meeting of Shareholders, provide information contained in the reference materials for the General Meeting of Shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p>Articles 15 to 16 (No change)</p> <p>Chapter IV DIRECTORS, BOARD OF DIRECTORS (Number of Directors) Article 17. The Company shall have no more than <u>twelve (12) Directors (excluding Directors serving as Audit &amp; Supervisory Committee Members).</u></p> <p><u>2. The Company shall have no more than four (4) Directors serving as Audit &amp; Supervisory Committee Members (hereinafter, "Audit &amp; Supervisory Committee Members").</u></p> <p>(Resolutions for Election of Directors) Article 18. Directors shall be elected at a General Meeting of Shareholders, <u>distinguishing between Audit &amp; Supervisory Committee Members and other Directors.</u></p> <p>2 to 3 (No change)</p> <p>(Term of Office of Directors) Article 19. The term of office of a Director <u>(excluding Directors serving as Audit &amp; Supervisory Committee Members)</u> shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year after such Director was elected to office.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Representative Directors and Senior Directors) Article 20. The Company shall have one (1) President, as needed, one (1) Chairman <u>and one or more Vice Presidents and Managing Directors</u>, who shall be selected from among the Directors by resolution of the Board of Directors.</p> <p>2 (Omitted)</p> <p>3. In addition to the President, one or more Directors representing the Company may be selected by resolution of the Board of Directors.</p> <p>4 (Omitted)</p> <p>5. In the event the President is unable to act or the office of the President is vacant, one of the other Directors shall act as the President's proxy or in his stead in the order predetermined by the Board of Directors.</p> <p>6 (Omitted)</p> <p>(Meeting of the Board of Directors) Article 21. A meeting of the Board of Directors shall be convened by the President who shall act as Chairman.</p> <p>2 (Omitted)</p> <p>3. A meeting of the Board of Directors shall be convened by dispatching notice thereof to the respective Directors <u>and Corporate Auditors</u> not later than two (2) days prior to the date on which such meeting is to be held; provided, however, that the above term may be shortened in the event of an emergency.</p> <p>(Newly established)</p> <p>4 (Omitted)</p>	<p><u>2. The term of office of an Audit &amp; Supervisory Committee Member shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within two (2) years after such Audit &amp; Supervisory Committee Member was elected to office.</u></p> <p><u>3. The term of office of an Audit &amp; Supervisory Committee Member elected as a substitute for an Audit &amp; Supervisory Committee Member who retired before the expiration of his or her term of office shall be the remaining term of office of the retired Audit &amp; Supervisory Committee Member.</u></p> <p>(Representative Directors and Senior Directors) Article 20. The Company shall have one (1) President and, as needed, one (1) Chairman, who shall be selected from among the Directors <u>(excluding Directors serving as Audit &amp; Supervisory Committee Members)</u> by resolution of the Board of Directors.</p> <p>2 (No change)</p> <p>3. In addition to the President, one or more Directors <u>(excluding Directors serving as Audit &amp; Supervisory Committee Members)</u> representing the Company may be selected by resolution of the Board of Directors.</p> <p>4 (No change)</p> <p>5. In the event the President is unable to act or the office of the President is vacant, one of the other Directors <u>(excluding Directors serving as Audit &amp; Supervisory Committee Members)</u> shall act as the President's proxy or in his or her stead in the order predetermined by the Board of Directors.</p> <p>6 (No change)</p> <p>(Meeting of the Board of Directors) Article 21. A meeting of the Board of Directors shall be convened by the President who shall act as Chairman, <u>unless otherwise stipulated by laws and regulations.</u></p> <p>2 (No change)</p> <p>3. A meeting of the Board of Directors shall be convened by dispatching notice thereof to the respective Directors not later than two (2) days prior to the date on which such meeting is to be held; provided, however, that the above term may be shortened in the event of an emergency.</p> <p><u>4. The Company deems that a resolution of the Board of Directors has been passed when the requirements of Article 370 of the Companies Act are met.</u></p> <p><u>5 (No change)</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(Newly established)</p> <p>(Remuneration, etc., of Directors)  Article 22. Remuneration, bonuses of Directors and other proprietary benefits received by the Company as compensation for services rendered (<u>hereinafter, "remuneration, etc."</u>) shall be determined by resolution of the General Meeting of Shareholders.</p> <p>(Exemption from liability of Directors)  Article 23 (Omitted)  2. The Company may enter into agreements with <u>Outside</u> Directors, which limit the amount of liability for damages of such Directors arising from failure to perform duties pursuant to the provisions of Article 427, Paragraph 1 of the Corporation Law; provided, however, that the maximum amount of liability for damages under such agreement shall be the amount provided by law or regulation.</p> <p style="text-align: center;">Chapter V  <u>CORPORATE AUDITORS AND THE BOARD OF CORPORATE AUDITOR</u></p> <p>(Number of Corporate Auditors)  Article 24. <u>The Company shall have no more than five (5) Corporate Auditors.</u></p> <p>(Resolution for election of Corporate Auditors)  Article 25. <u>Corporate Auditors shall be elected at a General Meeting of Shareholders.</u>  2. <u>Resolutions for election of Corporate Auditors shall require the attendance at the relevant General Meeting of Shareholders of shareholders representing not less than one-third (1/3) of the voting rights of all shareholders entitled to exercise voting rights and shall be adopted by a majority of the voting rights represented thereat.</u></p>	<p>(Delegation to Directors)  <u>Article 22. Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate decisions on important business execution (excluding the matters listed in each item of Paragraph 5 of the same article) to Directors through a resolution of the Board of Directors.</u></p> <p>(Remuneration, etc., of Directors)  Article 23. Remuneration, bonuses of Directors and other proprietary benefits to be received from the Company as compensation for services rendered shall be determined by resolution of the General Meeting of Shareholders, <u>distinguishing between Audit &amp; Supervisory Committee Members and other Directors.</u></p> <p>(Exemption from liability of Directors)  Article 24 (No change)  2. The Company may enter into agreements with Directors (<u>excluding Directors with executive authority over operations, etc.</u>), which limit the amount of liability for damages of such Directors arising from failure to perform duties pursuant to the provisions of Article 427, Paragraph 1 of the Corporation Law; provided, however, that the maximum amount of liability for damages under such agreement shall be the amount provided by law or regulation.</p> <p style="text-align: center;">Chapter V  <u>AUDIT &amp; SUPERVISORY COMMITTEE</u></p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Term of office of Corporate Auditors)</u>  <u>Article 26. The term of office of a Corporate Auditor shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within four (4) years after such Corporate Auditor elected to office.</u>  <u>2. The term of office of any Corporate Auditor elected to fill a vacancy shall expire when the term of office of the predecessor of such Corporate Auditor would have otherwise expired.</u></p>	(Deleted)
<p><u>(Full-Time Corporate Auditors and Senior Corporate Auditors)</u>  <u>Article 27. Full-time Corporate Auditors shall be selected by resolution of the Board of Corporate Auditors.</u>  <u>2. Senior Corporate Auditors may be appointed from among the Full-time Corporate Auditors by resolution of the Board of Corporate Auditors.</u></p>	(Deleted)
<p><u>(Meeting of the Board of Corporate Auditors)</u>  <u>Article 28. A meeting of the Board of Corporate Auditors shall be convened by dispatching notice thereof to the respective Corporate Auditors not later than two (2) days prior to the date on which such meeting is to be held; provided, however, that the above term may be shortened in the event of an emergency.</u>  <u>2. Other matters pertaining to the meeting of the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors as established by the Board of Corporate Auditors.</u></p>	(Deleted)
<p><u>(Remuneration, etc., of Corporate Auditors)</u>  <u>Article 29. The remuneration, etc. of Corporate Auditors shall be determined by resolution of the General Meeting of Shareholders.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="204 239 687 300"><u>(Exemption from liability for Corporate Auditors)</u></p> <p data-bbox="204 304 783 555"><u>Article 30. The Company may exempt Corporate Auditors (including former Corporate Auditors) from liability for damages arising from failure to perform duties to the extent permitted by law or regulation by resolution of the Board of Directors pursuant to the provisions of Article 426, Paragraph 1 of the Corporation Law.</u></p> <p data-bbox="204 560 783 875"><u>2. The Company may enter into agreements with Outside Corporate Auditors, which limit the amount of liability for damages of such Corporate Auditors arising from failure to perform duties pursuant to the provisions of Article 427, Paragraph 1 of the Corporation Law; provided, however, that the maximum amount of liability for damages under such agreement shall be the amount provided by law or regulation.</u></p> <p data-bbox="373 880 612 909">(Newly established)</p> <p data-bbox="373 1077 612 1106">(Newly established)</p> <p data-bbox="395 1547 592 1608">Chapter VI ACCOUNTING</p> <p data-bbox="204 1624 612 1697">Article <u>31</u> (Omitted) (Newly established)</p>	<p data-bbox="1043 239 1158 268">(Deleted)</p> <p data-bbox="810 880 1342 940"><u>(Full-Time Audit &amp; Supervisory Committee Members)</u></p> <p data-bbox="810 945 1326 1066"><u>Article 25. Full-time Audit &amp; Supervisory Committee Members may be selected by resolution of the Audit &amp; Supervisory Committee.</u></p> <p data-bbox="810 1077 1219 1106"><u>(Audit &amp; Supervisory Committee)</u></p> <p data-bbox="810 1111 1390 1361"><u>Article 26. A meeting of the Audit &amp; Supervisory Committee shall be convened by dispatching notice thereof to the respective Audit &amp; Supervisory Committee Members not later than two (2) days prior to the date on which such meeting is to be held; provided, however, that the above term may be shortened in the event of an emergency.</u></p> <p data-bbox="810 1366 1369 1525"><u>2. Other matters pertaining to the Audit &amp; Supervisory Committee shall be governed by the Regulations of the Audit &amp; Supervisory Committee as established by the Audit &amp; Supervisory Committee.</u></p> <p data-bbox="1002 1547 1198 1608">Chapter VI ACCOUNTING</p> <p data-bbox="810 1624 1086 1653">Article <u>27</u> (No change)</p> <p data-bbox="810 1664 1310 1724"><u>(Organization to Determine Dividends of Surplus, etc.)</u></p> <p data-bbox="810 1729 1385 2047"><u>Article 28. In the case where the Board of Directors determines that it is not feasible to hold a General Meeting of Shareholders due to such reasons as the spread of infection or the occurrence of a natural disaster, the Company may determine, by resolution of the Board of Directors, the matters set forth in items 2 to 4 of Article 459, Paragraph 1 of the Companies Act, including the dividends of surplus, unless otherwise stipulated by laws and regulations.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Distribution of retained earnings)  <u>Article 32. With March 31 of each year as the record date, year-end dividends may be paid by resolution of the General Meeting of Shareholders.</u>  <u>2. With September 30 of each year as the record date, interim dividends may be paid by resolution of the Board of Directors.</u></p> <p>Article <u>33</u> (Omitted)</p> <p>(Newly Established)</p> <p>(Newly Established)</p>	<p><u>(Interim Dividend)</u>  <u>Article 29. The Company may pay an interim dividend by resolution of the Board of Directors.</u></p> <p><u>(Record Dates of Distribution of Retained Earnings)</u>  <u>Article 30. The record date for payment of the Company’s year-end dividend shall be March 31 of each year.</u>  <u>2. The record date for payment of the Company’s interim dividend shall be September 30 of each year.</u></p> <p>Article <u>31</u> (No change)</p> <p><u>SUPPLEMENTARY PROVISIONS</u></p> <p><u>(Transitional Measures Concerning the Exemption from Liability of Corporate Auditors)</u>  <u>Article 1. Regarding the acts of Corporate Auditors (including former Corporate Auditors) before the conclusion of the 70th Ordinary General Meeting of Shareholders, the Company may, in accordance with the provisions of Article 426, Paragraph 1 of the Companies Act and by resolution of the Board of Directors, exempt the Audit &amp; Supervisory Board Member from liability set forth in Article 423, Paragraph 1 of the same act to the extent stipulated by laws and regulations.</u>  <u>2. Regarding contracts that limit liability in accordance with Article 423, Paragraph 1 of the Companies Act that relate to the acts of Outside Corporate Auditors (including former Outside Corporate Auditors) before the conclusion of the 70th Ordinary General Meeting of Shareholders, the provisions of Article 30, Paragraph 2 of the Articles of Incorporation before the amendments by the resolution of the said General Meeting of Shareholders (hereinafter, “Current Articles of Incorporation”) apply.</u></p>



Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="810 241 1385 365"><u>(Transitional Measures Concerning the Measures for Electronic Provision, etc., of Reference Materials for the General Meeting of Shareholders, etc.)</u></p> <p data-bbox="810 369 1385 651"><u>Article 2. The deletion of Article 14 of the Current Articles of Incorporation and the proposed Article 14 shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter, the “Effective Date”).</u></p> <p data-bbox="810 656 1385 842"><u>2. Notwithstanding the provisions of the preceding paragraph, Article 14 of the Current Articles of Incorporation shall remain in force with respect to a General Meeting of Shareholders to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="810 846 1385 1037"><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

### Concerning Proposals 3 and 4


Proposals 3 and 4 request, in the case that Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed and the Company transitions into a company with an Audit & Supervisory Committee, the appointment of Directors (excluding Directors serving as Audit & Supervisory Committee Members) and Directors serving as Audit & Supervisory Committee Members. If Proposals 3 and 4 are approved as originally proposed, the percentage of Independent Outside Directors on the Board of Directors will be 37.5% (6 out of 16).


#### Proposal 3: Election of Twelve (12) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition into a company with an Audit & Supervisory Committee and the term of office for all thirteen (13) Directors will expire at the end of this meeting. Accordingly, the Company proposes to elect twelve (12) Directors (excluding Directors serving as Audit & Supervisory Committee Members. The same shall apply hereinafter in this this proposal). This proposal was deliberated by the Nomination and Compensation Committee.

This proposal shall come into effect on the condition that the amendments to the Articles of Incorporation proposed in Proposal 2 come into effect. The details of the candidates for Directors are given on pages 19 through 27.

Candidate Number	Name	Current Positions at the Company
1	<input type="checkbox"/> Reappointment Hitoshi Murayama	Chairman and Representative Director
2	<input type="checkbox"/> Reappointment Toshifumi Watanabe	Representative Director President and Chief Executive Officer
3	<input type="checkbox"/> Reappointment Yoshiki Onoi	Director and Executive Vice President
4	<input type="checkbox"/> Reappointment Hiroyasu Sugiyama	Director and Executive Vice President
5	<input type="checkbox"/> Reappointment Hitoshi Kanno	Director and Executive Vice President
6	<input type="checkbox"/> New Appointment Osamu Hagiwara	Executive Managing Officer
7	<input type="checkbox"/> Reappointment Yoshikazu Shimada	Director and Executive Managing Officer
8	<input type="checkbox"/> Reappointment Hiroshi Sasatsu	Director and Executive Managing Officer
9	<input type="checkbox"/> New Appointment Takaya Nomura	Executive Managing Officer
10	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director Go Kajitani	Outside Director
11	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director Tomonori Ito	Outside Director
12	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director John Buchanan	Outside Director

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
1 Reappointment	 Hitoshi Murayama (February 2, 1954)	April 1980      Joined the Company June 2008      Department Director of Thermal Power Dept. June 2009      Executive Officer, Department Director of Thermal Power Dept. June 2010      Executive Officer, Department Director of Thermal Power Engineering Dept. December 2011 Executive Officer, Department Director of Thermal Power Engineering Dept. (Japanese name changed; English name unchanged) June 2012      Director and Executive Managing Officer June 2015      Executive Vice President and Representative Director April 2019      Representative Director and Executive Vice President June 2020 <b>Chairman and Representative Director</b> <b>(current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	28,300 shares
<b>Reasons for Nomination as Candidate for Director</b> Mr. Hitoshi Murayama is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of thermal power maintenance, thermal power engineering, research & development, renewable energy business, procurement, and digital innovation since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director and Executive Managing Officer, Executive Vice President and Director, Director and Executive Vice President, and Chairman and Representative Director. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
2 Reappointment	 Toshifumi Watanabe (March 10, 1955)	April 1977      Joined the Company April 2002      Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept. October 2002    Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept. (Japanese name changed; English name unchanged) June 2004      Department Director of Corporate Planning & Administration Dept. June 2006      Director June 2009      Executive Managing Director June 2012      Director and Executive Managing Officer June 2013      Executive Vice President and Representative Director June 2016      President and Representative Director April 2019 <b>Representative Director President and Chief Executive Officer (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	27,100 shares

**Reasons for Nomination as Candidate for Director**



Mr. Toshifumi Watanabe is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in planning, secretarial affairs & public relations, accounting & finance, personnel & employee relations, general affairs, siting & environment, and other departments since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director, Executive Managing Director, Executive Vice President and Director, President and Director, and Director President and Chief Executive Officer. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.



3 Reappointment	 Yoshiki Onoi (July 14, 1955)	April 1979      Joined the Company July 2006      Department Director of Business Planning Dept. June 2009      Executive Officer, Department Director of Business Planning Dept. January 2011    Executive Officer June 2013      Executive Managing Officer June 2015      Director and Executive Managing Officer June 2018      Executive Vice President and Director April 2019 <b>Director and Executive Vice President (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	16,900 shares
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**Reasons for Nomination as Candidate for Director**

Mr. Yoshiki Onoi is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of civil engineering, planning, and international business since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director and Executive Managing Officer, Executive Vice President and Director, and Director and Executive Vice President, while also serving as Department Director of International Business. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
4 Reappointment	 Hiroyasu Sugiyama (April 11, 1956)	April 1981    Joined the Company July 2012    Department Director of International Business Development Dept. June 2013    Executive Officer, Department Director International Business Development Dept. June 2015    Executive Managing Officer June 2016    Director and Executive Managing Officer June 2020 <b>Director and Executive Vice President (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	22,220 shares
<b>Reasons for Nomination as Candidate for Director</b> Mr. Hiroyasu Sugiyama is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of civil engineering, international business, thermal power engineering, renewable energy business and digital innovation since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Director and Executive Managing Officer, and Director and Executive Vice President while also serving as Department Deputy Director of Nuclear Power Business and Department Director of Renewable Energy. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			
5 Reappointment	 Hitoshi Kanno (April 19, 1961)	April 1984    Joined the Company January 2011    Department Director of Business Planning Dept. June 2015    Executive Officer, Department Director of Business Planning Dept. October 2015    Executive Officer, Department Director of Power Business Planning & Development Dept. June 2016    Executive Officer, Department Director of Corporate Planning & Administration Dept. June 2017    Executive Managing Officer June 2019    Director and Executive Managing Officer April 2022 <b>Director and Executive Vice President (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	15,700 shares
<b>Reasons for Nomination as Candidate for Director</b> Mr. Hitoshi Kanno is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of planning, general affairs, siting & environment, sales, and accounting & finance since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Executive Officer, Executive Managing Officer, Director and Executive Managing Officer, and Director and Executive Vice President while also serving as Department Director of Energy Business. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			


Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
6 New Appointment	 Osamu Hagiwara (December 11, 1960)	April 1984      Joined the Company June 2016      Office Director of Ohma Nuclear Power Station Construction Office, Ohma General Management Dept. June 2018      Executive Officer, Office Director of Ohma Nuclear Power Station Construction Office, Ohma General Management Dept. April 2019      Executive Officer April 2020 <b>Executive Managing Officer (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	8,200 shares
<b>Reasons for Nomination as Candidate for Director</b> Mr. Osamu Hagiwara is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of planning and nuclear power since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Executive Officer and Executive Managing Officer while also serving as Department Deputy Director of Nuclear Power Business. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			
7 Reappointment	 Yoshikazu Shimada (May 16, 1957)	April 1982      Joined the Company June 2012      Department Director of Civil & Architectural Engineering Dept. June 2015      Executive Officer, Department Director of Civil & Architectural Engineering Dept. June 2017      Executive Managing Officer June 2020 <b>Director and Executive Managing Officer</b> <b>(current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	15,020 shares
<b>Reasons for Nomination as Candidate for Director</b> Mr. Yoshikazu Shimada is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of civil engineering, wind power business, international business, hydroelectric power engineering, and digital innovation since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Executive Officer, Executive Managing Officer, and Director and Executive Managing Officer, while also serving as Department Deputy Director of Renewable Energy. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company		Number of Shares of the Company Held
8 Reappointment	 Hiroshi Sasatsu (March 15, 1962)	April 1986 June 2015 June 2016 June 2018 April 2019 June 2020	Joined the Company Department Director of Research & Development Dept. Executive Officer, Department Director of Research & Development Dept. Executive Officer Executive Managing Officer <b>Director and Executive Managing Officer (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	8,700 shares
<b>Reasons for Nomination as Candidate for Director</b> Mr. Hiroshi Sasatsu is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of thermal power maintenance, research & development, and thermal power engineering since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Executive Officer, Executive Managing Officer, and Director and Executive Managing Officer. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.				
9 New Appointment	 Takaya Nomura (January 3, 1962)	April 1984 June 2017 January 2018 June 2018 April 2020	Joined the Company Department Director of Hydropower Dept. Department Director of Hydropower Dept. and Senior Advisor of Corporate Planning & Administration Dept. Executive Officer, Department Director of Hydropower Dept. <b>Executive Managing Officer (current position)</b> <b>&lt;Major Concurrent Positions&gt; None</b>	6,500 shares
<b>Reasons for Nomination as Candidate for Director</b> Mr. Takaya Nomura is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of international business, hydroelectric power maintenance and procurement since joining the Company, and has highly specialized expertise. In addition, he is highly experienced in business execution through his service as Executive Officer and Executive Managing Officer, while also serving as Department Deputy Director of Renewable Energy. For this career, he possesses distinguished knowledge and capability of addressing various management issues sought in a Director, and the Company has therefore nominated him as a candidate to serve as Director.				

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
<p>10</p> <p>Reappointment</p> <p>Outside Director</p> <p>Independent Director</p>	 <p>Go Kajitani (November 22, 1936)</p>	<p>April 1967 Registered as an attorney at law (Dai-ichi Tokyo Bar Association) Joined KAJITANI LAW OFFICES</p> <p>April 1998 President of Dai-ichi Tokyo Bar Association, Vice President of Japan Federation of Bar Associations</p> <p>April 1999 Senior Partner of KAJITANI LAW OFFICES</p> <p>June 2003 Outside Audit &amp; Supervisory Board Member of NICHIAS Corporation</p> <p>April 2004 President of Japan Federation of Bar Associations</p> <p>June 2007 Chairman of the Central Third-Party Committee to Check Pension Records, the Ministry of Internal Affairs and Communications</p> <p>June 2009 <b>Outside Director of the Company (current position)</b></p> <p>April 2011 President of Japan Legal Support Center</p> <p>June 2011 Outside Audit &amp; Supervisory Board Member of The Yokohama Rubber Co., Ltd.</p> <p>&lt;Major Concurrent Positions&gt;</p> <ul style="list-style-type: none"> <li>• Attorney at law (KAJITANI LAW OFFICES)</li> </ul>	<p>0 shares</p>
<p><b>Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles</b></p> <p>Mr. Go Kajitani has abundant experience in the legal profession, distinguished knowledge and capability of addressing various management issues as an attorney at law, and has also played appropriate roles to date as Outside Director of the Company. For this reason, the Company has nominated him as a candidate to serve as Outside Director in the expectation that he will contribute to strengthening supervisory functions over business execution and will offer advice from a wide range of perspectives. Although he has no experience in the management of a company other than as an Outside Director/Outside Audit &amp; Supervisory Board Member, for the aforementioned reasons, the Company has judged that he would be able to appropriately execute the duties of Outside Director.</p>			
<p><b>Independence of Outside Director</b></p> <p>The Company maintains special transactional relationships with neither Mr. Kajitani nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.</p>			



Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
11 Reappointment Outside Director Independent Director	 Tomonori Ito (January 9, 1957)	<p>April 1979      Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)</p> <p>March 1990      Vice President of Investment Banking Group, Bank of Tokyo Trust Company, New York Branch</p> <p>April 1994      Vice President of Emerging Market Group, The Bank of Tokyo, Ltd., New York Branch</p> <p>March 1995      Manager of Business Development Daini, Union Bank of Switzerland, Tokyo Branch (currently UBS)</p> <p>August 1997      General Manager of Tokyo Branch and Head of Investment Banking, Union Bank of Switzerland</p> <p>June 1998      Head of Investment Banking and Managing Director, UBS Securities Japan Co., Ltd.</p> <p>April 2011      Visiting Professor of Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>May 2012      External Director of PARCO CO., LTD.</p> <p>October 2012      Professor of Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>June 2014      Outside Director of Aozora Bank, Ltd. (current position)</p> <p>June 2016      <b>Outside Director of the Company (current position)</b></p> <p>April 2018      Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University</p> <p>April 2020      Adjunct Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University</p> <p>September 2021      Professor at Institute for Business and Finance, Waseda Business School (Graduate School of Business and Finance) (current position)</p> <p>April 2022      Lecturer at Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science (current position)</p> <p>&lt;Major Concurrent Positions&gt;</p> <ul style="list-style-type: none"> <li>• Outside Director of Aozora Bank, Ltd.</li> <li>• Professor at Institute for Business and Finance, Waseda Business School (Graduate School of Business and Finance)</li> <li>• Lecturer at Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science</li> </ul>	2,100 shares
<b>Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles</b>			
<p>Mr. Tomonori Ito has abundant experience in investment banking business both inside and outside Japan, distinguished knowledge and capability of addressing various management issues acquired through researches in financial theory at graduate schools and has also played appropriate roles to date as Outside Director of the Company. For this reason, the Company has nominated him as a candidate to serve as Outside Director in the expectation that he will contribute to strengthening supervisory functions over business execution and will offer advice from a wide range of perspectives.</p>			
<b>Independence of Outside Director</b>			
<p>The Company maintains special transactional relationships with neither Mr. Ito nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.</p> <p>Moreover, although MUFG Bank, Ltd. (formerly The Bank of Tokyo, Ltd.), at which he served in the past as an executive officer, is currently one of the Company’s major lenders and shareholders, he resigned from the bank in February 1995, since which time roughly 27 years have elapsed. In addition, although UBS Securities Japan Co., Ltd. (formerly Union Bank of Switzerland / UBS Securities Japan Co., Ltd.), at which he served in the past as an executive officer, was the lead managing underwriter when the Company was listed on the stock exchange, he resigned from the company in March 2011, since which time roughly 11 years have elapsed.</p>			

Candidate Number	Name (Date of Birth)	Brief Personal History, and Duties and Responsibilities at the Company	Number of Shares of the Company Held
12 Reappointment Outside Director Independent Director	 John Buchanan (October 31, 1951)	<p>October 1974    Joined Lloyds Bank Group (Bank of London and South America, Lloyds Bank International, Lloyds Merchant Bank)</p> <p>January 1981    Representative, subsequently Branch Manager, Lloyds Bank International, Osaka</p> <p>August 1983    Branch Manager, Bank of London and South America, Barcelona</p> <p>October 1987    Joined S.G. Warburg &amp; Co. Ltd.</p> <p>October 1992    Director of S.G. Warburg &amp; Co. Ltd.</p> <p>October 1995    Joined The Sumitomo Bank, Limited, London Branch</p> <p>May 2000        Joined Daiwa Securities SB Capital Markets Europe Limited</p> <p>August 2006    Research Associate of Centre for Business Research, University of Cambridge (current position)</p> <p>June 2016        <b>Outside Director of the Company (current position)</b></p> <p>&lt;Major Concurrent Positions&gt;</p> <ul style="list-style-type: none"> <li>• Research Associate of Centre for Business Research, University of Cambridge</li> </ul>	0 shares

#### Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles

Mr. John Buchanan has abundant experience in investment advisory business both inside and outside Japan, distinguished knowledge and capability of addressing various management issues acquired through researches concerning corporate governance at University of Cambridge, and has also played appropriate roles to date as Outside Director of the Company. For this reason, the Company has nominated him as a candidate to serve as Outside Director in the expectation that he will contribute to strengthening supervisory functions over business execution and will offer advice from a wide range of perspectives.

#### Independence of Outside Director

The Company maintains special transactional relationships with neither Mr. Buchanan nor the entities where he concurrently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.

Moreover, although Sumitomo Mitsui Banking Corporation (formerly The Sumitomo Bank, Limited), at which he served in the past as a person who executes business, is currently one of the Company’s major lenders and shareholders, he resigned from the bank in April 2000, since which time roughly 22 years have elapsed.

- Notes:
1. There is no conflict of interest between any of the Director candidates and the Company.
  2. Roles and responsibilities of the Director candidates are as described in Attachments (pages 69 through 72).
  3. Mr. Go Kajitani currently serves as an Outside Director of the Company, and his term of office will be 13 years as of the end of this General Meeting of Shareholders.
  4. Mr. Tomonori Ito currently serves as an Outside Director of the Company, and his term of office will be 6 years as of the end of this General Meeting of Shareholders.
  5. Mr. John Buchanan currently serves as an Outside Director of the Company, and his term of office will be 6 years as of the end of this General Meeting of Shareholders.
  6. Mr. Tomonori Ito retired from the post of Adjunct Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University on August 31, 2021 and assumed office as Professor at the Institute for Business and Finance, Waseda Business School (Graduate School of Business and Finance) on September 1, 2021.
  7. Mr. Tomonori Ito assumed office as Lecturer at the Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science on April 1, 2022.
  8. Mr. Tomonori Ito is scheduled to be appointed as Outside Director of Mitsui Sumitomo Insurance Company, Limited at the said company’s Annual Shareholders Meeting scheduled to be held on June 24, 2022.
  9. The Company has entered into a contract with Messrs. Go Kajitani, Tomonori Ito and John Buchanan that limits their liability for damages arising from failure to perform duties in accordance with Article 427, Paragraph 1 of the Companies Act. The limit under that contract will be the amount prescribed by the applicable laws and regulations. If they are elected, the Company plans to

renew such contracts.

10. The Company has entered into a Directors' and officers' liability insurance contract in accordance with Article 430-3, Paragraph 1 of the Companies Act. The insurance contract will cover legal damages and litigation expenses to be borne by the insured due to a claim for damages being made against the insured during the insurance period arising from the execution of business by the insured. If the candidates are elected, they will be included in the insured under the insurance contract.

**Proposal 4: Election of Four (4) Directors Serving as Audit & Supervisory Committee Members**


If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition into a company with an Audit & Supervisory Committee at the end of this General Meeting of Shareholders. Accordingly, the Company proposes to elect four (4) Directors serving as Audit & Supervisory Committee Members.


The Audit & Supervisory Board has approved this proposal after deliberation by the Nomination and Compensation Committee.


This proposal shall come into effect on the condition that the amendments to the Articles of Incorporation proposed in Proposal 2 come into effect.


The details of the candidates for Directors serving as Audit & Supervisory Committee Members are given on pages 29 through 33.

Candidate Number	Name	Current Positions at the Company	Years in office as Audit & Supervisory Board Member
1	<input type="checkbox"/> New Appointment Naori Fukuda	Senior Audit & Supervisory Board Member	6
2	<input type="checkbox"/> New Appointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director Hiroshi Fujioka	Senior Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	8
3	<input type="checkbox"/> New Appointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director Kiyoshi Nakanishi	Outside Audit & Supervisory Board Member	11
4	<input type="checkbox"/> New Appointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director Kimiko Oga	Outside Audit & Supervisory Board Member	1

Candidate Number	Name (Date of Birth)	Brief Personal History	Number of Shares of the Company Held
<p style="text-align: center;">1</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">New appointment</div>	 <p style="text-align: center;">Naori Fukuda (March 25, 1956)</p>	<p>April 1979    Joined the Company</p> <p>June 2008    Department Director of Civil and Electrical Engineering Dept.</p> <p>June 2010    Executive Officer, Department Director of Civil and Electrical Engineering Dept.</p> <p>December 2011    Executive Officer, Department Director of Civil &amp; Architectural Engineering Dept.</p> <p>June 2012    Executive Managing Officer</p> <p>June 2013    Director and Executive Managing Officer</p> <p>June 2016    <b>Senior Audit &amp; Supervisory Board Member (current position)</b></p> <p>&lt;Major Concurrent Positions&gt; None</p>	<p style="text-align: center;">21,800 shares</p>
<p><b>Reasons for Nomination as Candidate for Director Serving as Audit &amp; Supervisory Committee Member</b></p> <p>Mr. Naori Fukuda is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of planning, civil engineering, nuclear power, and international business since joining the Company, and has highly specialized expertise. In addition, he has served as Director and Executive Managing Officer, Department Deputy Director of Nuclear Power Business and Senior Audit &amp; Supervisory Board Member. For this reason, the Company has nominated him as a candidate to serve as Director serving as Audit &amp; Supervisory Committee Member in the expectation that he will utilize his distinguished knowledge and observe the Company's management thoroughly, which are sought in a Director serving as Audit &amp; Supervisory Committee Member.</p>			

Candidate Number	Name (Date of Birth)	Brief Personal History	Number of Shares of the Company Held
<p>2</p> <p>New appointment</p> <p>Outside Director</p> <p>Independent Officer</p>	 <p>Hiroshi Fujioka (June 2, 1954)</p>	<p>April 1977    Joined the Ministry of Finance</p> <p>July 2008    Director-General of Customs and Tariff Bureau, the Ministry of Finance</p> <p>July 2009    Director-General for Policy Planning, the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>January 2012    Senior Executive Vice President, Incorporated Administrative Agency Japan Housing Finance Agency</p> <p>January 2014    Councilor of the Minister’s Secretariat, Ministry of Finance</p> <p>June 2014    Outside Audit &amp; Supervisory Board Member, the Company</p> <p>June 2015    <b>Senior Audit &amp; Supervisory Board Member (Outside Audit &amp; Supervisory Board Member) (current position)</b></p> <p>June 2016    Outside Corporate Auditor, The Nishi-Nippon City Bank, Ltd.</p> <p>October 2016    Outside Director (Audit and Supervisory Committee Member), The Nishi-Nippon City Bank, Ltd. (current position)</p> <p><b>&lt;Major Concurrent Positions&gt;</b></p> <ul style="list-style-type: none"> <li>• Outside Director (Audit &amp; Supervisory Committee Member), The Nishi-Nippon City Bank, Ltd.</li> </ul>	0 shares
<p><b>Reasons for Nomination as Candidate for Outside Director Serving as Audit &amp; Supervisory Committee Member and Outline of Expected Roles</b></p> <p>Mr. Hiroshi Fujioka has long had abundant experience, highly specialized expertise and distinguished knowledge in administrative practices, including at the Ministry of Finance, and has fulfilled his appropriate role as Outside Audit &amp; Supervisory Board Member of the Company. The Company has nominated him as a candidate to serve as Outside Director serving as Audit &amp; Supervisory Committee Member in the expectation that he will observe the Company’s management thoroughly. Although he has no experience in the management of a company other than as an Outside Director/Outside Audit &amp; Supervisory Board Member, for the aforementioned reasons, the Company has judged that he would be able to appropriately execute the duties of Outside Director serving as Audit &amp; Supervisory Committee Member.</p>			
<p><b>Independence of Outside Director</b></p> <p>The Company maintains special transactional relationships with neither Mr. Fujioka nor the entities where he currently serves, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the “Criteria to Determine the Independence of Outside Officers” established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.</p>			

Candidate Number	Name (Date of Birth)	Brief Personal History	Number of Shares of the Company Held
<p style="text-align: center;">3</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">New appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">Independent Officer</div>	 <p style="text-align: center;">Kiyoshi Nakanishi (April 2, 1945)</p>	<p>April 1970    Joined Toyota Motor Co., Ltd.</p> <p>January 1997    General Manager of No. 3 Engine Technical Department of No. 4 Development Center, TOYOTA MOTOR CORPORATION</p> <p>June 2000    Director, TOYOTA MOTOR CORPORATION</p> <p>June 2003    Managing Officer, TOYOTA MOTOR CORPORATION</p> <p>June 2004    Adviser, TOYOTA MOTOR CORPORATION</p> <p>June 2004    Representative Director, GENESIS RESEARCH INSTITUTE, INC.</p> <p>June 2010    Adviser, GENESIS RESEARCH INSTITUTE, INC.</p> <p>June 2010    Adviser, Toyota Central R&amp;D Labs., Inc.</p> <p>June 2010    Audit &amp; Supervisory Board Member, TOYOTA TECHNOCRAFT Co., LTD. (currently TOYOTA CUSTOMIZING &amp; DEVELOPMENT)</p> <p>June 2011    <b>Outside Audit &amp; Supervisory Board Member, the Company (current position)</b></p> <p>&lt;Major Concurrent Positions&gt; None</p>	0 shares
<p><b>Reasons for Nomination as Candidate for Outside Director Serving as Audit &amp; Supervisory Committee Member and Outline of Expected Roles</b></p> <p>Mr. Kiyoshi Nakanishi has abundant experience and highly specialized expertise in the automobile industry, as well as distinguished knowledge as a corporate manager, and he has fulfilled his appropriate role as Outside Audit &amp; Supervisory Board Member of the Company. The Company has nominated him as a candidate to serve as Outside Director serving as Audit &amp; Supervisory Committee Member in the expectation that he will observe the Company's management thoroughly.</p>			
<p><b>Independence of Outside Director</b></p> <p>The Company maintains no special transactional relationships with Mr. Nakanishi, and he fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the "Criteria to Determine the Independence of Outside Officers" established by the Company. Accordingly, the Company has appointed him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.</p>			

Candidate Number	Name (Date of Birth)	Brief Personal History	Number of Shares of the Company Held
4 New appointment Outside Director Independent Officer	 Kimiko Oga (October 1, 1953)	<p>April 1977 Joined Nippon Telegraph and Telephone Public Corporation</p> <p>April 1991 Senior Manager, Marketing Division, Service Development Department, Nippon Telegraph and Telephone Corporation</p> <p>July 2004 Executive Manager, Customer Equipment Department, Nippon Telegraph and Telephone East Corporation</p> <p>July 2005 Deputy General Manager, Tokyo Branch, Nippon Telegraph and Telephone East Corporation and President &amp; Representative Director, NTT East – Tokyo Chuo Corporation</p> <p>July 2007 Representative Director and Managing Director, NTT Learning Systems Corporation</p> <p>June 2013 Audit &amp; Supervisory Board Member, Nippon Telegraph and Telephone West Corporation</p> <p>June 2019 Outside Director, SKY Perfect JSAT Holdings Inc. (current position)</p> <p>March 2020 Outside Director (Audit &amp; Supervisory Committee Member), BroadBand Tower, Inc. (current position)</p> <p>April 2020 Outside Director (Audit &amp; Supervisory Committee Member), Tokyo Water Co., Ltd.</p> <p>June 2020 Outside Audit &amp; Supervisory Board Member, ALCONIX CORPORATION (current position)</p> <p>June 2021 <b>Outside Audit &amp; Supervisory Board Member, the Company (current position)</b></p> <p><b>&lt;Major Concurrent Positions&gt;</b></p> <ul style="list-style-type: none"> <li>• Outside Director, SKY Perfect JSAT Holdings Inc.</li> <li>• Outside Director (Audit &amp; Supervisory Committee Member), BroadBand Tower, Inc.</li> <li>• Outside Audit &amp; Supervisory Board Member, ALCONIX CORPORATION</li> </ul>	0 shares
<p><b>Reasons for Nomination as Candidate for Outside Director Serving as Audit &amp; Supervisory Committee Member and Outline of Expected Roles</b></p> <p>Ms. Kimiko Oga has abundant experience and highly specialized expertise in the information and communications industry, as well as distinguished knowledge as a corporate manager, and she has fulfilled her appropriate role as Outside Audit &amp; Supervisory Board Member of the Company. The Company has nominated her as a candidate to serve as Outside Director serving as Audit &amp; Supervisory Committee Member in the expectation that she will observe the Company's management thoroughly.</p>			
<p><b>Independence of Outside Director</b></p> <p>The Company maintains special transactional relationships with neither Ms. Oga nor the entities where she concurrently serves, and she fulfils both the requirements for independent directors/auditors stipulated by the Tokyo Stock Exchange and the "Criteria to Determine the Independence of Outside Officers" established by the Company. Accordingly, the Company intends to appoint her as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.</p> <p>Although the Company commissioned Ms. Oga in FY2020 and FY2021 to provide management-related advice and other services aimed at obtaining multifaceted and objective advice and recommendations that will contribute to the enhancement of the corporate value of the Company, the compensation for these services is less than four million yen and the Company deems that there are no concerns regarding her independence.</p>			

- Notes: 1. There is no conflict of interest between the Director serving as Audit & Supervisory Board Member candidates and the Company.
2. Ms. Kimiko Oga was Outside Director (Audit & Supervisory Committee Member) of Tokyo Water Co., Ltd., but she retired on June 30, 2021.
3. The Company has entered into a contract with Mr. Hiroshi Fujioka, Mr. Kiyoshi Nakanishi and Ms. Kimiko Oga that limits their liability for damages arising from failure to perform duties in accordance with Article 427, Paragraph 1 of the Companies Act. The limit under that contract will be the amount prescribed by the applicable laws and regulations. If they are elected, the Company plans to enter into contracts with the above contents. In addition, if Proposal 2 is approved as



originally proposed and Mr. Naori Fukuda is elected, the Company intends to newly enter into the same contract with him.

4. The Company has entered into a Directors' and officers' liability insurance contract in accordance with Article 430-3, Paragraph 1 of the Companies Act. The insurance contract will cover legal damages and litigation expenses to be borne by the insured due to a claim for damages being made against the insured during the insurance period arising from the execution of business by the insured. If the candidates are elected, they will be included in the insured under the insurance contract.

## **(Reference) Criteria to Determine the Independence of Outside Officers**

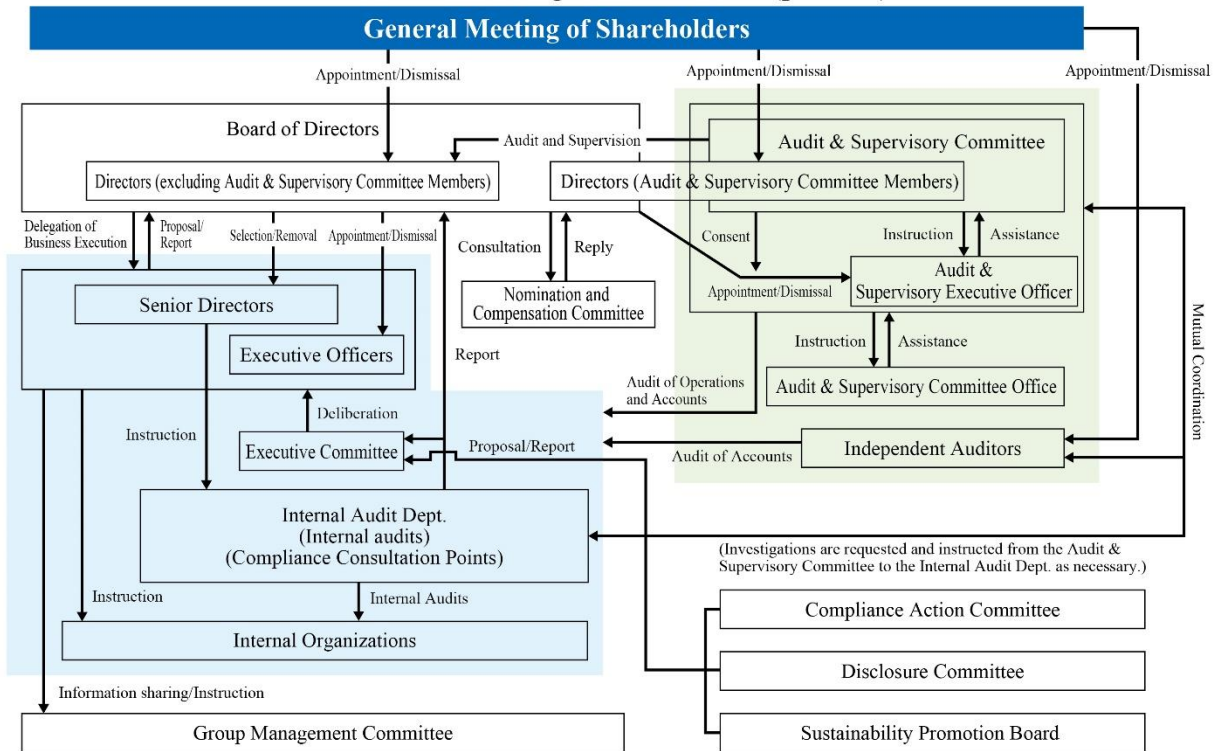
The Company determines that an outside officer is independent when the candidate does not fall under any of the following criteria.

1. Persons who executed the business of the Company or the Company's subsidiaries in the past.
2. Persons whose major business partner<sup>\*1</sup> is the Company or the Company's subsidiaries, or persons executing business for such persons.
3. Persons who are major business partners<sup>\*1</sup> of the Company or the Company's subsidiaries, or persons executing business for such persons.
4. Consultants, accounting professionals, and legal professionals who have received large amounts of money<sup>\*2</sup> and/or other properties other than officers' remuneration from the Company or the Company's subsidiaries. (If the persons that have received such properties are corporations, general partnerships, or other organizations, this means persons that belong to such organizations.)
5. Persons who fall under any of 2 to 4 above during the past ten years.
6. Persons who are close relatives of any of the persons listed in (1) to (4) below (excluding immaterial persons):
  - (1) Persons listed in paragraphs 2 to 5 above;
  - (2) Persons who executes business, or Directors who do not execute business of the Company or the Company's subsidiaries;
  - (3) Audit & Supervisory Board Members of the Company or the Company's subsidiaries; or
  - (4) Persons who fall under (2) or (3) above during the past ten years.

\*1 "Major business partners" refer to business partners whose annual amount of transactions with the Company or the Company's subsidiaries during the past 3 fiscal years accounted for more than 2% of the total consolidated sales of the Company or that of the other party.

\*2 "Large amounts of money" refers to ten million yen or more a year, on average during the past 3 fiscal years.

**(Reference) Corporate Governance Structure and Internal Control System Chart After the Conclusion of this General Meeting of Shareholders (planned)**



**(Reference) Attributes, Expertise and Experience of Candidates for Director (Skill Matrix)**

If Proposals 2 to 4 are approved as originally proposed, the attributes, expertise and experience of each Director will be as follows.

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

Name		Corporate management and management strategy	Financial strategy and accounting	Legal affairs, risk management and governance	Human resources strategy	DX innovation	Sales	Engineering and R&D	Business and project development	Production technology and quality control	International business and global	Nomination and Compensation Committee (current position)
Hitoshi Murayama	Male	○		○	○	○		○	○	○		Member
Toshifumi Watanabe	Male	○	○	○	○		○					Member
Yoshiki Onoi	Male							○	○	○	○	
Hiroyasu Sugiyama	Male					○		○	○	○	○	
Hitoshi Kanno	Male	○	○	○	○		○		○			
Osamu Hagiwara	Male							○	○	○		
Yoshikazu Shimada	Male					○		○	○	○		
Hiroshi Sasatsu	Male							○	○	○		
Takaya Nomura	Male					○		○	○	○	○	
Go Kajitani	Outside Director Independent Director Male			○	○							Chairperson
Tomonori Ito	Outside Director Independent Director Male	○	○	○							○	
John Buchanan	Outside Director Independent Director Male Foreign nationality	○	○	○							○	

■ Directors Serving as Audit & Supervisory Committee Members

Naori Fukuda	Male				○			○	○	○	○	
Hiroshi Fujioka	Outside Director Independent Director Male		○	○								Member
Kiyoshi Nakanishi	Outside Director Independent Director Male	○						○		○		Member
Kimiko Oga	Outside Director Independent Director Female	○				○	○					

### **Concerning Proposals 5 to 7**

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition into a company with an Audit & Supervisory Committee at the end of this General Meeting of Shareholders.

Proposals 5 and 6 relate to the remuneration of Directors (excluding Directors serving as Audit & Supervisory Committee Members). The basic policy (hereinafter, “Basic Remuneration Policy”) aims to enhance the link between remuneration and business performance and corporate value, as well as provide an incentive for the sustainable improvement of long-term business performance and an increase in corporate value. In addition to a fixed monthly remuneration, performance-linked remuneration and stock compensation will be introduced as remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors. Outside Directors (excluding Directors serving as Audit & Supervisory Committee Members) will only receive a fixed monthly remuneration. After the conclusion of this General Meeting of Shareholders, the “Policy for Determining Remuneration for Directors” (see pages 73 through 74) is scheduled to be revised, and the outline is as described in ““Policy for Determining Remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members)” after the Conclusion of this General Meeting of Shareholders” on pages 74 through 75.

Proposal 7 relates to the remuneration of Directors serving as Audit & Supervisory Committee Members, and they will only receive a fixed monthly remuneration.

### **Proposal 5: Setting of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)**

Total remuneration for Directors of the Company, by resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, was capped at 625 million yen annually (a fixed monthly salary calculated according to position and a performance-linked bonus paid once a year. Employee salaries for Directors who serve in dual capacity as employees are excluded), but if Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition into a company with an Audit & Supervisory Committee.

Therefore, the Company will abolish the abovementioned provisions regarding remuneration for Directors and request the approval of the new annual remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members). The remuneration structure for Directors (excluding Directors serving as Audit & Supervisory Committee Members) will be based on the Basic Remuneration Policy, and the amount will be within 570 million yen per year (of which, only a fixed monthly remuneration within 60 million yen is given to Outside Directors), which is the total sum of the fixed monthly remuneration calculated based on position and the performance-linked remuneration provided as an incentive to achieve management goals, taking into consideration the duties and responsibilities of Directors (excluding Directors serving as Audit & Supervisory Committee Members), the number of Directors (excluding Directors serving as Audit & Supervisory Committee Members), etc. Moreover, this amount of remuneration has been deliberated by the Nomination and Compensation Committee, and therefore we believe this amount is appropriate. As in the past, this remuneration amount does not include employee salaries for Directors who serve in dual capacity as employees.

Currently, there are 13 Directors (including 3 Outside Directors), but if Proposal 2 and Proposal 3 “Election of Twelve (12) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)” are approved as originally proposed, then the number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) related to this proposal will be 12 (including 3 Outside Directors).

This proposal shall come into effect on the condition that the amendments to the Articles of Incorporation proposed in Proposal 2 come into effect.

**Proposal 6: Introduction of Stock Compensation System for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)**

1. Reasons for the proposal and reasons for deeming this compensation system appropriate  
This proposal requests the approval of the introduction of a new stock compensation system (hereinafter, the “System” in this proposal) that utilizes a trust for the Company’s Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors. Specifically, in accordance with the Basic Remuneration Policy and for the purpose of sharing corporate value with shareholders, the Company would like to pay a new stock compensation to Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors and who are in office during the three fiscal years from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025 (hereinafter, the “Target Period”). This is separate from the maximum amount of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) proposed in Proposal 5 “Setting of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members).” The details will be entrusted to the Board of Directors within the framework described in 2. below. This proposal is necessary and reasonable in order to provide remuneration, etc. in line with the ““Policy for Determining Remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members)” after the Conclusion of this General Meeting of Shareholders” on pages 74 through 75, and the Company believes it to be appropriate as it has been deliberated by the Nomination and Compensation Committee.

The number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) subject to the System will be 9 if Proposal 3 “Election of Twelve (12) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)” is approved as originally proposed.

\*If this proposal is approved as originally proposed, the Company plans to introduce a similar stock compensation system for Executive Officers (excluding those who serve concurrently as Directors). This proposal shall come into effect on the condition that the amendments to the Articles of Incorporation proposed in Proposal 2 “Partial Amendments to the Articles of Incorporation” come into effect.

2. Amount, details, etc. of remuneration under the System

(1) Overview of the System

The System is a stock compensation system in which a trust (hereinafter, the “Trust”) set up by the Company through cash contributions acquires shares of the Company, and the number of shares of the Company corresponding to the number of points granted to each Director, etc. by the Company will be distributed to each Director, etc. through the Trust.

In principle, the time when shares of the Company will be distributed to Directors, etc. is when they retire.

1. Persons eligible for the System	The Company's Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors
2. Target Period	The three fiscal years from the fiscal year ending March 31, 2023 to the fiscal year ending 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 persons eligible for the System in 1. during the Target Period in 2.	Total of 165 million yen
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 persons eligible for the System in 1.	40,600 points per fiscal year *1 point = 1 share of the Company
6. Criteria for granting points	Points are granted based on position, etc.
7. Time of distribution of shares of the Company to persons eligible for the System in 1.	In principle, when Directors retire

(2) Maximum Amount of Money to be Contributed by the Company

The initial trust period will be approximately three years, and during the Target Period, as funds to acquire the shares of the Company required for distribution of shares of the Company to Directors under the System, the Company will contribute up to a total of 165 million yen as compensation for Directors who are in office during the Target Period, and set up the Trust with Directors that meet certain requirements as its beneficiaries. The Trust will use the money entrusted to the Trust by the Company as a source of funds to acquire shares through the undertaking of the disposal of the Company's treasury shares or through the exchange market (including off-floor trading).

Note: In addition to the abovementioned funds for the acquisition of shares of the Company, the Company will also entrust necessary expenses such as trust fees and fees for the Trust Administrator. As described in 1. above, if a stock compensation system similar to the System is introduced for the Company's Executive Officers, the Company will entrust the necessary funds to acquire shares of the Company for distribution to the relevant Executive Officers based on the System.

Moreover, by the decision of the Board of Directors of the Company, the Target Period may be extended for a period of three fiscal years each, along with the Trust period (this includes an effective extension of the Trust period by means of transferring the assets of the Trust to a trust set up by the Company for the same purpose. The same shall apply hereinafter), so as to continue the System. In this case, the Company will make additional fund contributions to the Trust, during the extended period of the Target Period, up to a limit of the amount obtained by multiplying the number of fiscal years of the target period for the extension by 55 million yen, as additional funds to acquire shares of the Company required for distribution to Directors under the System, and continue to distribute shares of the Company and grant points as described in (3) below.

In addition, even in the case that the Target Period is not extended and the System is not continued as described above, if, at the time of expiration of the Trust period, there are Directors who have



been granted points but have not yet retired, the Trust period may be extended until the relevant Director retires and the distribution of shares of the Company is completed.

(3) Calculation Method and Maximum for Shares of the Company to be Distributed to Directors

(a) Method for Granting Points to Directors

Based on the Share Distribution Regulations established by the Board of Directors of the Company, the Company will grant points to Directors, etc. according to their position, etc. on the point-granting day during the Trust period as specified in the Share Distribution Regulations. However, the total number of points that the Company can grant to Directors is limited to 40,600 points per fiscal year.

(b) Distribution of Shares of the Company in Accordance with the Number of Points Granted

Directors will receive shares of the Company in accordance with the number of points granted in (a) above and according to procedure described in (c) below. One point is one share of the Company. However, if a share split, reverse share split or any other event for which it would be reasonable to adjust the number of shares occurs with respect to the shares of the Company, then the number of shares of the Company per point will be adjusted according to the ratio of such a share split, reverse share split, etc.

(c) Distribution of Shares of the Company to Directors

In principle, each Director will acquire beneficiary rights of the Trust by following the prescribed procedures when they retire, and receive shares of the Company from the Trust as beneficiaries of the Trust, as described in (b) above.

However, a certain percentage of the shares of the Company may be sold for cash in the Trust for the purpose of withholding the fund for payment of taxes such as withholding income tax, and then distributed in cash in place of shares of the Company. In addition, if the shares of the Company in the Trust have been liquidated for cash, for instance if the shares of the Company in the Trust have been applied for a tender offer and settled, they may be distributed in cash in place of shares of the Company.

(4) Exercise of Voting Rights

Pursuant to the instructions of the Trust Administrator who is independent of the Company and its officers, none of the voting rights associated with the shares of the Company in the Trust will be exercised. This method will ensure the neutrality to the Company's management with respect to exercise of the voting rights associated with shares of the Company in the Trust.

(5) Handling of Dividends

Dividends related to the shares of the Company in the Trust will be received by the Trust and used to acquire shares of the Company and pay trust fees for the Trustee associated with the Trust, etc.

**Proposal 7: Setting of the Amount of Remuneration for Directors Serving as Audit & Supervisory Committee Members**

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition into a company with an Audit & Supervisory Committee at the end of this General Meeting of Shareholders.

Accordingly, we would like to request for the approval that the amount of remuneration for Directors serving as Audit & Supervisory Committee Members will be set within 120 million yen per year based on the fixed monthly remuneration calculated based on position, taking into consideration the duties and responsibilities of Directors serving as Audit & Supervisory Committee Members, the number of Directors serving as Audit & Supervisory Committee Members, etc. The Company believes that this amount of remuneration is appropriate because it comprehensively takes into consideration the scale of the Company’s business, the remuneration system for officers and their payment levels, the current number of officers, and future trends.

If Proposal 2 and Proposal 4 “Election of Four (4) Directors Serving as Audit & Supervisory Committee Members” are approved as originally proposed, the number of Directors serving as Audit & Supervisory Committee Members affected by this proposal will be 4.

This proposal shall come into effect on the condition that the amendments to the Articles of Incorporation proposed in Proposal 2 come into effect.

Shareholder proposals (Proposals 8 to 10)

Proposals 8 to 10 have been submitted jointly by four shareholders. All of these proposals request for adding clauses regarding response to climate change issues to the Articles of Incorporation of the Company.

The Board of Directors of the Company opposes all these proposals. The opinion of the Board of Directors common to these proposals are as follows, and the opinion regarding each specific proposal is given following each proposal.

Posted texts of the details of the proposals and the reasons for the proposals are the original texts which were submitted by proposing shareholders.

Note: English translation of the details of the proposals and the reasons for the proposals was prepared by the Company based on the original Japanese text.

The opinion of the Board of Directors of the Company common to Proposals 8 to 10

[J-POWER's policy of and approach to climate change]

Based on J-POWER's philosophy—"We will meet people's needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world"—we aim to realize an affluent society and enhance corporate value through our business activities in Japan and overseas on the basis of trust we have built with our stakeholders.

To this end, we have identified stable supply of energy and response to climate change as material issues which are key issues for management and are striving to achieve both of them simultaneously.

In February 2021, we formulated and announced J-POWER "BLUE MISSION 2050" as a concrete approach to these key issues. It consists of three pillars—expanding CO<sub>2</sub>-free power sources, push for zero-emission power sources, and power network—aiming to achieve carbon neutrality by 2050 while reducing CO<sub>2</sub> emissions in stages.

Specifically, we are focusing on the development of renewable energies such as wind, hydro, geothermal, and solar power as well as the development of nuclear power, which is CO<sub>2</sub>-free and produces substantial amounts of electricity on a stable basis. On the other hand, from the aspect of compatibility with stable supply of energy, it is necessary to utilize a combination of various power sources that contribute to achieving carbon neutrality, and thus we will make efforts to replace thermal power generation utilizing coal which is inexpensive and capable of stable supply, with power generation using CO<sub>2</sub>-free hydrogen. We are also working to contribute to the stabilization and enhancement of Japan's power networks in order to maximize the effective use of renewable energy.

Through these efforts to achieve a balance between stable supply of energy and response to climate change, we aim to realize our goals in the short-, medium-, and long-term time frames, which are reducing CO<sub>2</sub> emissions from our domestic power generation business by seven million tons by FY2025 and by 19 million tons by FY2030, a 40% reduction, compared to the FY2017–FY2019 three-year average, and then achieving net-zero emissions, or carbon neutrality, by 2050.

Japan is a signatory to the Paris Agreement on climate change. Under this international framework, Japan has set an ambitious goal of a 46% reduction in greenhouse gas emissions by FY2030 compared to FY2013, in line with the 2050 carbon neutrality goal. Meanwhile, resource-poor Japan has no energy source that is advantageous in all aspects. Therefore, Japan's energy policy is based on simultaneously achieving S+3E, which stands for safety as a major premise followed by energy security, economic efficiency, and environment, in order to ensure that the strengths of each energy source are maximized and that the weaknesses of various energy sources complement each other.

We believe that our action plan J-POWER "BLUE MISSION 2050" is consistent with Japan's energy policy and greenhouse gas reduction targets and will contribute to achieving them. We will update the plan as appropriate in the event of significant changes in policy, economic conditions, or other assumptions. Through the implementation of this action plan, we will appropriately manage risks related to climate change, prevent damage to corporate value, and strive for sustainable growth and expansion of corporate value by viewing change as an opportunity and will thus continue to meet the expectations of our shareholders.

We have disclosed the progress of these initiatives in J-POWER Group Integrated Report (hereinafter referred to as the "Integrated Report") and other documents to date and will continue to enhance such disclosure.

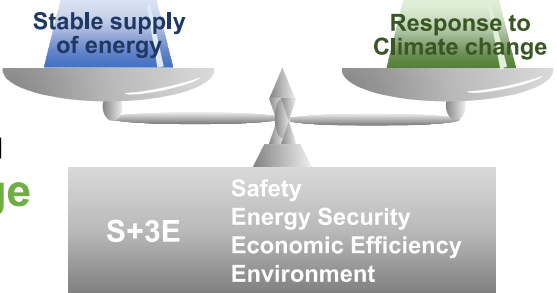
[Regarding the incorporation of provisions concerning response to climate change into the Articles of Incorporation of the Company]

The Articles of Incorporation set forth the basic matters concerning the company organization and other matters. We believe that it is not appropriate to stipulate in the Articles of Incorporation specific details of policies and plans concerning specific management issues, such as response to climate change, and other specific details of business execution, as it may prevent the company from flexibly changing policies, etc., and promptly implementing them as necessary.

**Our approach to response to climate change**  
**J-POWER “BLUE MISSION 2050”**

**Corporate Philosophy** Our Mission  
**We will meet people’s needs for energy without fail, and play our part for the sustainable development of Japan and the rest of the world.**

To realize the corporate philosophy, it is essential to achieve a **balance** between **stable supply of energy** and **response to climate change** under the **S+3E** concept.



Specific efforts to realize this goal are as follows:

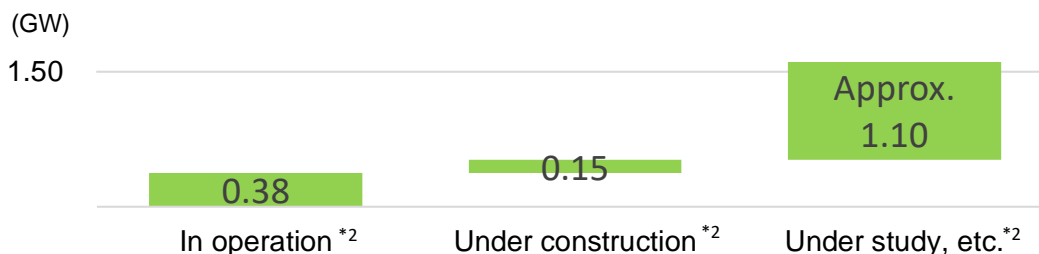
J-POWER “BLUE MISSION 2050”		
Expanding CO <sub>2</sub> -free power sources	Push for zero-emission power sources	Power network
Renewable energy Nuclear power	Hydrogen power generation CO <sub>2</sub> -free hydrogen production	Power network stabilization Power network enhancement

In J-POWER “BLUE MISSION 2050,” we focus on the development of renewable energy. At the same time, from the aspect of compatibility with stable supply of energy, we aim to achieve carbon neutrality by working on various power sources that contribute to achieving carbon neutrality in addition to renewable energy sources.

## Renewable energy

1.5 GW-scale new development by FY2025\*<sup>1</sup>

300-billion-yen investment for development in FY2022–2025



\*<sup>1</sup> Compared to FY2017

\*<sup>2</sup> Owned capacity as of the end of April 2022, or assumed maximum owned capacity if capacity is yet to be determined

## Nuclear power

Construction of Ohma Nuclear Power Plant (1,383 MW)

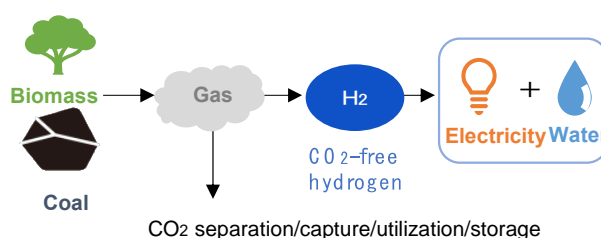
## Power network

New Sakuma Frequency Converter Station (300 MW) and other reinforcements

## CO<sub>2</sub>-free hydrogen power generation

J-POWER GENESIS Vision

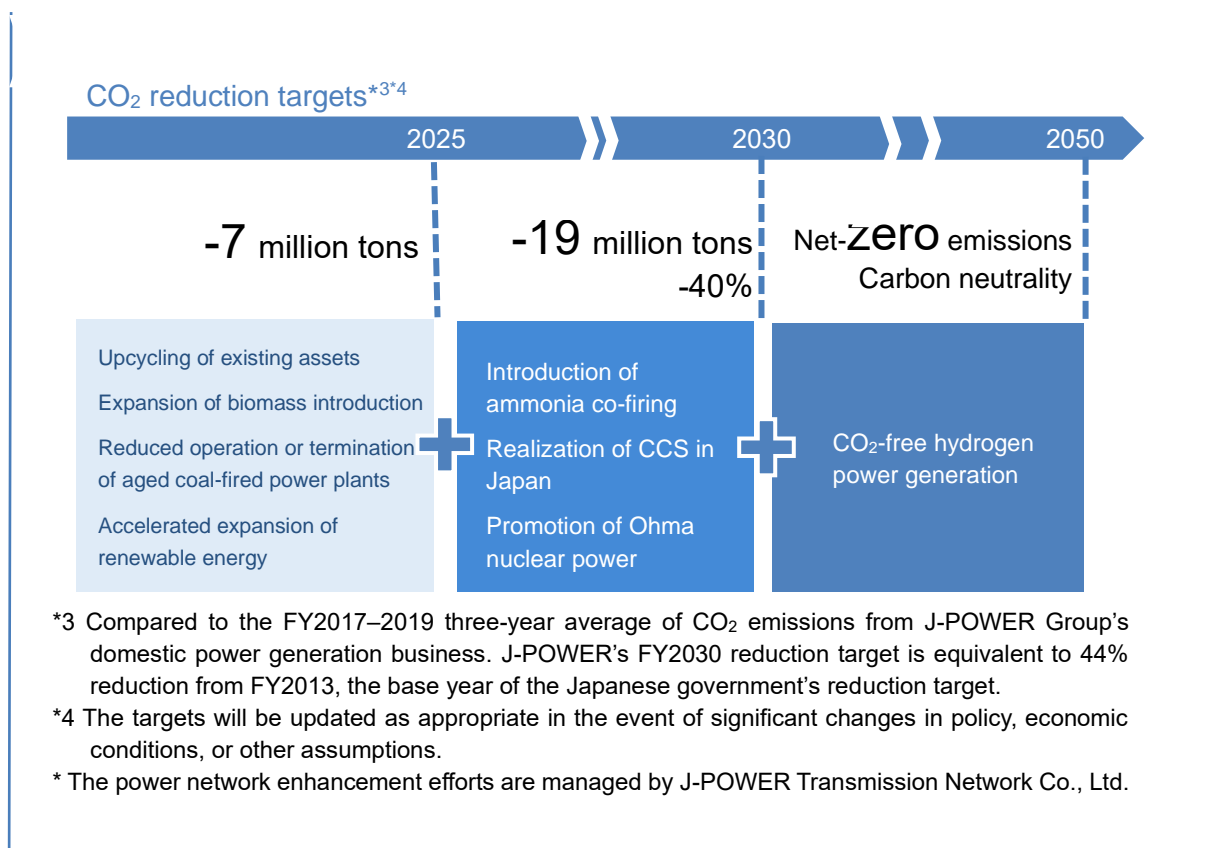
- Power generation using CO<sub>2</sub>-free hydrogen produced by separating and capturing CO<sub>2</sub> from gasified coal
- Challenge to start CO<sub>2</sub> storage from 2030
- Coal gasification and CO<sub>2</sub> separation/capture technologies have already been proven, and CO<sub>2</sub> utilization and storage technologies have already been commercialized overseas.



Through these efforts, we aim to reduce CO<sub>2</sub> emissions while maintaining stable supply of energy.

The J-POWER Group has formulated short-, medium-, and long-term CO<sub>2</sub> reduction targets.

These targets and progress are disclosed in the Integrated Report and other documents.



## Proposal 8: Partial amendment to the Articles of Incorporation

### (1) Details of the proposal

The following clause shall be added to the Articles of Incorporation of the Company:

#### Article X

1. To promote the long-term corporate value of the Company, given the risks and opportunities associated with climate change, and in accordance with the Company's commitment to achieve carbon neutrality by 2050, the Company shall formulate and disclose a business plan with science-based short- and mid-term greenhouse gas emissions reduction targets aligned with Articles 2.1(a) and 4.1 of the Paris Agreement.
2. The Company shall report, in its annual report, on its progress against the business plan specified in the preceding paragraph on an annual basis.

### (2) Reason for the proposal

Long-term institutional investors in the Company see its corporate value depending upon a credible decarbonization strategy and science-based short-, medium- and long-term greenhouse gas emissions reduction targets aligned with the goals of the Paris Agreement and investor expectations.

While we welcome the Company's intention to achieve carbon neutrality by 2050, the Company's targets are not yet aligned with the goals of the Paris Agreement. This presents a range of material financial risks to shareholders. We consider that formulating science-based targets, and disclosing a business plan to achieve them, would best manage these risks and protect corporate value.

The opinion of the Board of Directors of the Company

**We oppose this proposal**

As mentioned above, we have already formulated and disclosed specific plans, including short-, medium-, and long-term goals, for addressing climate change and are implementing measures to achieve these goals. We have been disclosing our progress in the management plans and the Integrated Report and will continue to enhance such disclosure.

Moreover, it is not appropriate to stipulate in the Articles of Incorporation specific details of business execution because the Articles of Incorporation intend to stipulate the basic matters of the company.

We therefore oppose this proposal.

Proposal 9: Partial amendment to the Articles of Incorporation

(1) Details of the proposal

The following clause shall be added to the Articles of Incorporation of the Company:

Article Y

The Company shall disclose, in its annual report, details of how it assesses the alignment of the Company's capital expenditure with its greenhouse gas emissions reduction targets.

(2) Reason for the proposal

Long-term institutional investors in the Company see its corporate value depending upon a credible decarbonization strategy and science-based short-, medium- and long-term greenhouse gas emissions reduction targets aligned with the goals of the Paris Agreement and investor expectations.

Capital expenditure aligned with such targets is of particular significance for the Company's corporate value given the high greenhouse gas emissions from its coal-fired power generation business, and the low level of economic rationality and feasibility certainty attaching to the decarbonization technologies of thermal power detailed in the Company's "BLUE MISSION 2020."

We consider that corporate value would be protected with greater disclosure of how the Company assesses the alignment of its capital expenditure with greenhouse gas emissions reduction targets.

The opinion of the Board of Directors of the Company

**We oppose this proposal**

As mentioned above, we are prioritizing capital expenditure for the execution of J-POWER "BLUE MISSION 2050." We have been disclosing the use of capital expenditure in our Medium-Term Management Plan and earnings results presentations and will continue to enhance such disclosure.

Moreover, it is not appropriate to stipulate in the Articles of Incorporation specific details of business execution because the Articles of Incorporation intend to stipulate the basic matters of the company.

We therefore oppose this proposal.

Proposal 10: Partial amendment to the Articles of Incorporation

(1) Details of the proposal

The following clause shall be added to the Articles of Incorporation of the Company:

Article Z

The Company shall disclose, in its annual report, details of how the Company's remuneration



policies facilitate the achievement of the Company's greenhouse gas emissions reduction targets.

(2) Reason for the proposal

Long-term institutional investors in the Company see its corporate value depending upon a credible decarbonization strategy and science-based short-, medium- and long-term greenhouse gas emissions reduction targets aligned with the goals of the Paris Agreement and investor expectations.

We consider that a direct linkage between remuneration and the achievement of greenhouse gas emissions reduction targets to be in the Company's interests as an important mechanism to facilitate executive performance against decarbonization goals, which would result in protecting corporate value.

The opinion of the Board of Directors of the Company

**We oppose this proposal**

As mentioned above, to enhance our corporate value, it is necessary to pursue carbon neutrality by 2050 while achieving a balance between stable supply of energy and response to climate change, and this cannot be realized solely by achieving CO<sub>2</sub> emission reduction targets. We therefore believe that it is not appropriate to set a remuneration policy based on individual indicator of the degree of achievement of CO<sub>2</sub> emission reduction targets.

Moreover, it is not appropriate to stipulate in the Articles of Incorporation specific details of business execution because the Articles of Incorporation intend to stipulate the basic matters of the company.

We therefore oppose this proposal.

(Attachments)

**BUSINESS REPORT** (from April 1, 2021 to March 31, 2022)

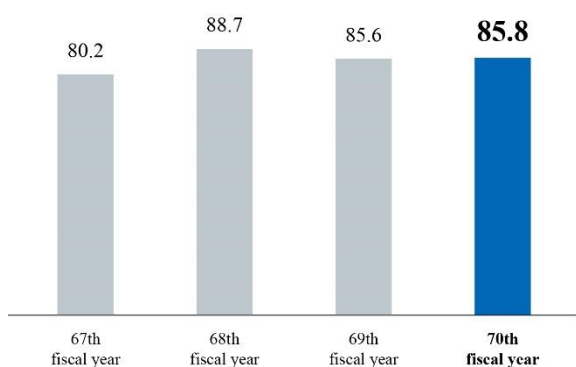
**I Items Regarding the Status of J-POWER Group Operations**

**1. Trend in Assets and Profit/Loss**

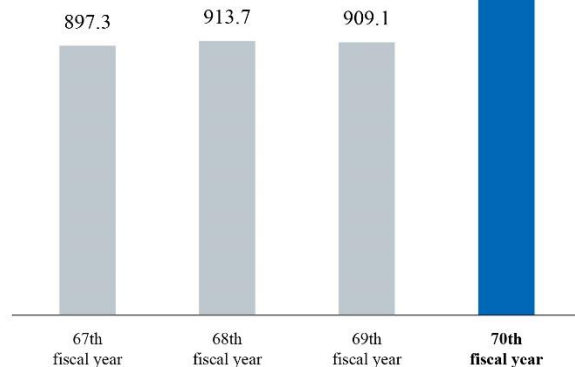
(millions of yen)

	67th Fiscal Year (FY2018)	68th Fiscal Year (FY2019)	69th Fiscal Year (FY2020)	70th Fiscal Year (FY2021)
Electricity sales volumes (TWh)	80.2	88.7	85.6	858
Operating revenue	897,366	913,775	909,144	1,084,621
Operating income	78,844	83,638	77,775	86,979
Ordinary income	68,539	78,085	60,903	72,846
Profit attributable to owners of parent	46,252	42,277	22,304	69,687
Earnings per share (yen)	252.68	230.96	121.85	380.70
Total assets	2,766,179	2,805,390	2,841,960	3,066,176
Net assets	845,582	857,387	853,685	964,105
ROE (%)	5.8	5.3	2.8	8.1
Capital adequacy ratio (%)	28.8	28.8	28.5	29.9

■ Electricity sales Volumes (TWh)



■ Operating revenue (billions of yen)



## 2. Overview of Operations

In the fiscal year under review that ended March 31, 2022, although the global economy continued to recover as the effects of COVID-19 lessened, signs of uncertainty remained due primarily to the situation in Ukraine. While Japan's economy also showed signs of continuing to recover, backed mainly by the gradual easing of restrictions on activities related to COVID-19, there were also unstable factors, such as supply constraints and soaring raw material prices, including resource prices.

In the electric power business, electricity sales volume from hydroelectric power plants for the 70th fiscal year showed a 4.3% increase from the previous fiscal year to 9.2TWh, due mainly to the increase in water supply rate from 96% to 99%. The sale of electricity procured from the electricity wholesale market increased by 32.6% from the previous fiscal year to 16.3TWh. In thermal power, sales volume decreased by 8.0% from the previous fiscal year to 47.9TWh due to such reasons as the decrease in the load factor of thermal power plants of the J-POWER (non-consolidated) from 75%→67% caused by facility troubles, etc. The electric power business as a whole ended with 74.7TWh, the same level as the previous year.

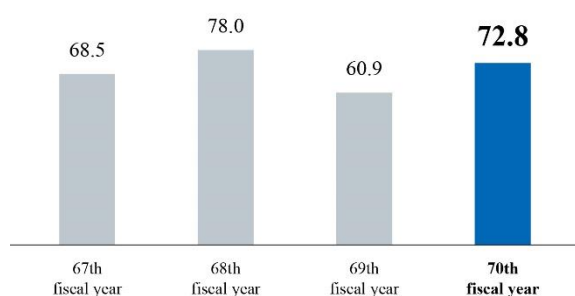
Electricity sales volume in the overseas business remained at the same level as the previous fiscal year, 11.0TWh.

Although the sales volume of electricity from thermal power generation fell due to lower load factor of thermal power plants for the electric power business, sales (operating revenues) increased by 19.3% from the previous fiscal year to 1,084.6 billion yen due to the electricity sale price rise and the growth of sales of electricity procured from the electricity wholesale market. Non-operating revenue increased 100.7% from the previous fiscal year to 22.5 billion yen mainly due to an increase in share of profit of entities accounted for using the equity method. Total ordinary revenue increased 20.3% from the previous fiscal year to 1,107.1 billion yen.

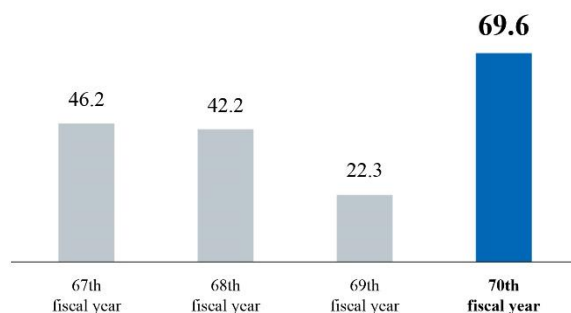
Operating expenses increased 20.0% from the previous fiscal year to 997.6 billion yen mainly due to increases in purchased power from other suppliers, thermal power fuel costs, and repair expenses including periodic inspection costs in the electric power business, despite a decrease in retirement benefit costs. Non-operating expenses increased by 30.5% from the previous fiscal year to 36.6 billion yen mainly due to foreign exchange loss. Accordingly, ordinary expenses rose by 20.3% year on year to 1,034.2 billion yen.

As a result, ordinary income increased 19.6% from the previous fiscal year to 72.8 billion yen. Profit attributable to owners of parent increased 212.4% from the previous fiscal year to 69.6 billion yen mainly due to a decrease in tax costs such as income taxes.

■ Ordinary income (billions of yen)

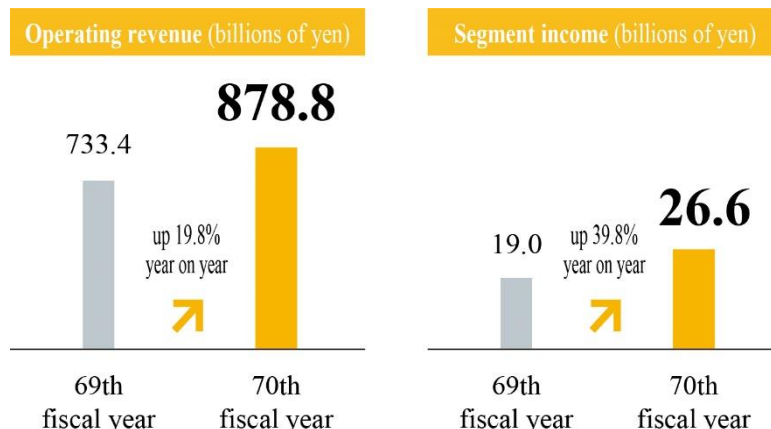


■ Profit attributable to owners of parent (billions of yen)



### 3. Major Areas of Operation

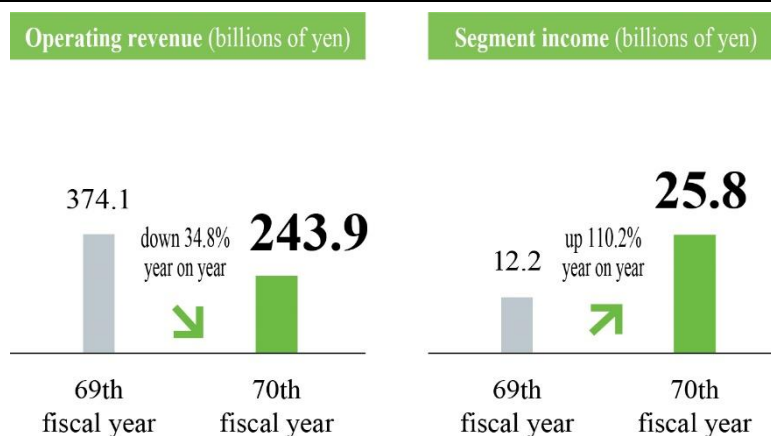
Electric Power Business	Power generation business, business of sales of electricity procured from JEPX and others, transmission businesses
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Sales (electric utility operating revenue) increased 19.8% from the previous fiscal year to 878.8 billion yen mainly due to higher electricity sales prices and increased sales of electricity procured from JEPX and others.

Segment income increased 39.8% from the previous fiscal year to 26.6 billion yen mainly due to the decrease in retirement benefit costs and a reactionary decline of losses at an affiliated company accounted for using the equity method in the previous fiscal year, despite the increases in purchased power from other suppliers (owing to a decrease in the usage rates of thermal power plants and an increase in electric power transaction costs) and in repair expenses including periodic inspection costs for thermal power.

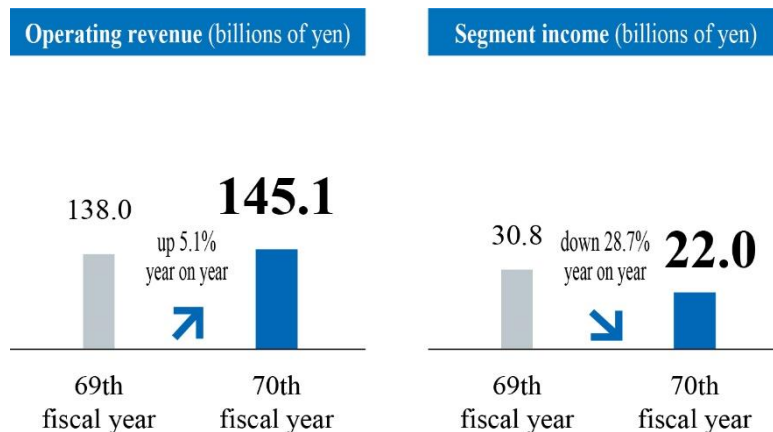
Electric Power-Related Business	Consigned operation of power generation facilities; design, construction, inspection, maintenance, and repair of transmission and transformation facilities; operation of port facilities to handle fuel and coal ash; coal mine development; import and transportation of coal; biomass fuel procurement and production; management of welfare facilities; and computer services, etc.
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Sales (other business operating revenue) decreased 34.8% from the previous fiscal year to 243.9 billion yen mainly due to a 302.4 billion yen decrease in the importing and sales of overseas coal by a consolidated subsidiary, accompanying the application of revenue recognition accounting standards and the like.

Segment income increased 110.2% from the previous fiscal year to 25.8 billion yen mainly due to an increase in unit sales prices in sales of coal by an Australian consolidated subsidiary.

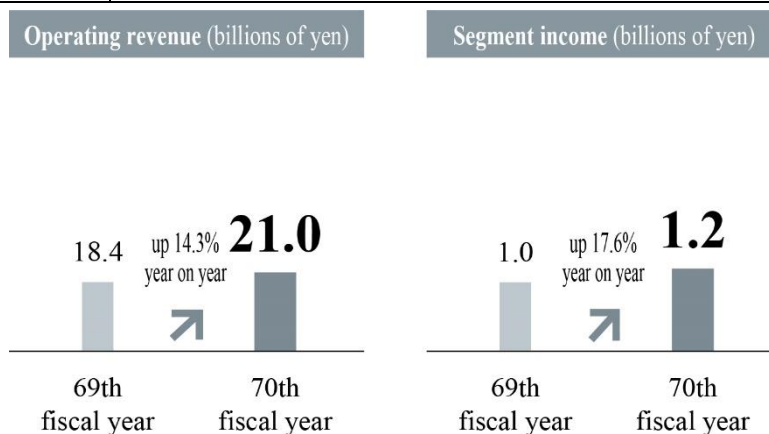
Overseas Business	Overseas power generation and its related businesses; overseas engineering and consulting business, etc.
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Sales (overseas business operating revenue) increased 5.1% from the previous fiscal year to 145.1 billion yen mainly due to an increase in fuel prices.

Segment income decreased 28.7% from the previous fiscal year to 22.0 billion yen mainly due to the impact from foreign exchange, despite the increase in share of profit of entities accounted for using the equity method.

Other Business	Waste power generation; cogeneration system business; environment-related businesses; IT communications; domestic engineering and consulting business; and coal sales business, etc.
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Sales (other business operating revenue) increased 14.3% from the previous fiscal year to 21.0 billion yen.

Segment income increased 17.6% from the previous fiscal year to 1.2 billion yen.

## 4. Current Challenges

The business environment for electric power business in Japan is changing on a large scale due to the progress of the Reforms to the Electric Power Business Regulations. These changes include, in addition to the Japanese government's 2050 carbon neutrality declaration, presenting new CO<sub>2</sub> reduction targets for 2030 to the international society and responding to climate change issues such as the fade-out of inefficient coal-fired power, the full-scale liberalization of retail business and abolishment of wholesale regulations that came into force in April 2016, the unbundling of power generation and transmission from April 2020, and the creation of new markets (the capacity market started in 2020, the supply and demand adjustment market in 2021, etc.). In addition, the energy industry is reaching a turning point with the acceleration of the global trend of decarbonization, decentralization of the energy demand and supply structure, the advancement of digitalization, and the soaring and significant fluctuation of resource prices due to global energy resource supply instability.

Amid these conditions, based on the J-POWER "BLUE MISSION 2050" announced in February 2021, the Group will take on the challenge of realizing a carbon-neutral domestic power generation business by 2050 and reducing CO<sub>2</sub> emissions by 40%<sup>\*1</sup> in the domestic power generation business by 2030, and in April 2021 announced a new Medium-term Management Plan (FY2021 - FY2023) as the first step in these initiatives.

In the new Medium-term Management Plan, the Group will strive to increase its corporate value through working on the realization of carbon neutrality by combining three approaches: accelerating the development of CO<sub>2</sub>-free power sources<sup>\*2</sup> in Japan and abroad, the creation of new value from existing assets (upcycling), and taking on the challenge of new business areas.

In the "Progress of J-POWER Medium-Term Management Plan" announced in May 2022, the Group set a CO<sub>2</sub> emissions reduction target (7 million tons) for the domestic power generation business by FY2025, a halfway mark, to achieve the target for 2030 of reducing CO<sub>2</sub> emissions by 40% in the domestic power generation business. The Group will specify the route to achieve the target for 2030 by formulating a concrete plan to curb and abolish the operation of aged coal-fired power plants.

The Group will build a solid business foundation that supports advancing these approaches while responding to society's requests for a stable power supply and strengthening resilience. While focusing on improved profitability and higher efficiency in asset management, the Group will realize sustainable growth by promoting ESG<sup>\*3</sup> management, share the results with all stakeholders, and contribute to sustainable social development.

<sup>\*1</sup> CO<sub>2</sub> emissions from the Group's domestic power generation business compared to the 3-year average of actual emissions in FY2017 – FY2019.

<sup>\*2</sup> Refers to renewable energy power sources, including hydroelectric power, wind power, and solar power, as well as nuclear power, which do not emit CO<sub>2</sub> during power generation.

<sup>\*3</sup> An acronym consisting of the first letters of Environment, Social, and Governance

### (1) Accelerated development of CO<sub>2</sub>-free power sources

#### (a) Accelerated development of global renewable energy

The Group is a leader in renewable energy with the largest domestic output capacity, centering on hydroelectric power generation and wind power generation, and has also been working on the development of renewable energy overseas, with a focus on wind power generation and solar power generation, etc. Going forward, we will further accelerate the development of renewable energy in Japan and overseas by prioritizing investment allocation and increasing human resources.

Renewable energy projects that began operation after FY2017 amounted to 376 MW, with

the addition to the Triton Knoll offshore wind project in the U.K., the Kumaoui power plant and the rooftop solar power generation (rooftop solar) project in Thailand.

In Japan, in addition to the steady progress we are making with onshore wind power generation projects (Kaminokuni No. 2, Minami Ehime No. 2, Esashi), hydroelectric power generation projects (Shinkatsurazawa, Onabara), and geothermal power generation projects (Onikobe, Appi), all of which are in the construction stage, we will also expand the output capacity of renewable energy by cultivating sites at the development and research stage and by finding new sites. For offshore wind power generation, which is attracting attention as an initiative to make renewable energy the main energy source, we aim to participate in offshore wind power development projects in general sea areas to follow the project in the port area of the Kitakyushu-shi (Hibikinada offshore wind project), which is undergoing a feasibility study.

Overseas, we will accelerate initiatives aimed at participating in new large-scale renewable energy development projects while steadily promoting the K2 Hydro pumped storage power generation project in Australia.

**(b) Steady promotion of the Ohma Nuclear Power Project, with safety as the major prerequisite**

The Group is constructing the Ohma Nuclear Power Plant (output capacity of 1,383 MW, start of operation to be determined) which uses uranium-plutonium mixed oxide (MOX) fuel in Ohma-machi, Shimokita-gun, Aomori Prefecture.

The power plant is a baseload power source to support stable energy supply, and in addition to its role as a CO<sub>2</sub>-free power source to meet social needs to address climate change issues, it plays a central role in the nuclear fuel cycle through the full use of MOX. In particular, as the Japanese Government presents the “Basic Concept of Plutonium Utilization” (determined by the Japan Atomic Energy Commission in July 2018) and requests a reduction in plutonium holdings, Ohma Nuclear Power Plant, which is capable of consuming a large volume of plutonium, will become increasingly important. The Group will continuously pursue further enhancement of safety, and will continue to improve information disclosure and mutual communication to gain the understanding and trust from the local community.

In December 2014, the Company submitted to Nuclear Regulation Authority (NRA) an application for permission for alteration of reactor installment license and an application for construction plan approval in order to undergo review of compliance with the new safety standards for nuclear power plants. Currently the Group is sincerely and appropriately responding to compliance reviews by NRA and will aim to restart full-scale construction work at an early stage by continuously and steadily taking the necessary safety measures, etc.

**(c) Contributing to the expanded introduction of renewable energy**

The mass introduction of renewable energy in the future will require the expansion of the power network in order to deliver the electricity generated at renewable energy areas (Hokkaido, Tohoku, Kyushu, etc.) to consumption areas. The Group is steadily promoting the ongoing augmentation work on the New Sakuma Frequency Converter Station and related transmission lines, and is conducting research on the construction and operation of high-voltage DC transmission systems, which are indispensable for the spread of offshore wind power generation. We are pursuing further business opportunities utilizing the wide-ranging technologies and knowledge of DC transmission lines and undersea cables, etc. that it has accumulated so far.

In addition, we will continue to contribute to the stable supply of electric power by working to strengthen our resilience to aging power network facilities and intensifying natural

disasters.

## **(2) Creating new value with existing assets (upcycling)**

By not only introducing new facilities, but also by creating new value through the restructuring of existing assets into high value-added assets (upcycling), we will reduce environmental impacts as early as possible by applying new technologies in an economically viable way while maintaining a stable power supply.

### **(a) Upcycling renewable energy assets**

Utilizing the knowledge accumulated over the Group's 70 years of renewable energy development, we will work to maximize the value of renewable energy assets, centering on hydroelectric power and wind power generation.

The Group has decided to upcycle the Sakuma power plant, which was built to solve the power shortage after WWII and has contributed to the stable supply of electricity for over 60 years, to a next-generation hydropower plant (NEXUS Sakuma Project). In order to pass on valuable domestic renewable energy to the next generation, the Group will proceed with preparations aiming to start construction in the latter half of the 2020s by updating major electrical facilities such as water turbines and generators including buildings with the latest technology, while utilizing existing dams and waterways.

In hydroelectric power generation, through the application of the latest water turbines and generators (Ashoro, Ogamigo, Nagayama) and the development of small hydroelectric power plants (Onabara), we will work to maximize the use of abundant water resources and increase the associated output capacity and power generation volume. We will also endeavor to strengthen our resilience against intensifying natural disasters.

In wind power generation, by repowering wind turbines approaching the end of their equipment life to the latest large wind turbines (Tomamae, Shimamaki, Sarakitomanai, Nikaho), we will simultaneously achieve the maximum utilization of areas with favorable wind conditions, reduce the environmental impact through a reduction in the number of wind turbines, and increase the volume of power generation.

### **(b) Upcycling existing thermal power assets**

The Group has to date been working on technological development and demonstration tests with the aim of realizing CO<sub>2</sub>-free hydrogen power generation by combining coal gasification technology (technology that converts gas generated from coal into H<sub>2</sub> and CO<sub>2</sub>) with CO<sub>2</sub> separation and capture technology.

The Matsushima Plant is Japan's first thermal power plant that uses imported coal as fuel in response to the demand for diversification of energy sources following the oil crisis. By adding coal gasification facilities, a new technology, to this power plant that has been in operation for 40 years, we will take the first step toward the realization of CO<sub>2</sub>-free hydrogen power generation (GENESIS Matsushima Plan). Preparations for an environmental impact assessment started in September 2021, and by utilizing existing power generation facilities, we aim to put new technologies into practical use as early as possible in an economically viable way while maintaining a stable power supply.

In addition, in order to reduce CO<sub>2</sub> emission from coal-fired power generation, we will expand our initiatives to introduce biomass and aim to establish a system that enables fuel procurement, transportation, storage, acceptance and co-firing to realize the introduction of



ammonia co-firing at an appropriate timing and scale.

### **(3) Taking on challenges in new areas**

The shift to carbon neutrality and the progress in innovation, including digital technology, are expected to bring about major changes in social and economic structures. The Group aims to expand into new business domains with the keywords of decentralization of energy use, decarbonization, and digital transformation.

The realization of a hydrogen-based society requires a large and stable supply of hydrogen and, in addition to renewable energy, requires CO<sub>2</sub>-free hydrogen production from fossil fuels. The Group established a hydrogen/CCS task force in September 2021 in order to promptly and efficiently promote the production and supply of CO<sub>2</sub>-free hydrogen and the use of it in power generation in Japan and overseas. Regarding the production of CO<sub>2</sub>-free hydrogen from fossil fuels, in addition to endeavoring to put coal gasification technology to practical use in Japan, the Group also completed a Japan-Australia joint demonstration test, and efforts for commercialization are being made. Moreover, in the production of CO<sub>2</sub>-free hydrogen from renewable energy, the Group is aiming to compose and participate in multiple projects in Japan and overseas, and is pursuing the possibility of CO<sub>2</sub>-free hydrogen production.

In addition, in order to expand the introduction of renewable energy, whose output fluctuates rapidly depending on the weather, it is important to secure balancing capability to compensate for such fluctuations. As well as providing environmental value to consumers through electricity retailing by utilizing the abundant renewable energy we possess, the Group is working to create new added value, including by securing and utilizing balancing capability by bundling resources such as private power generation and production equipment and air conditioning equipment owned by consumers, and controlling them remotely in an integrated manner.

Furthermore, we will explore the possibility of providing a variety of decentralized services in the creation of new businesses through the expansion of networks with startup companies that we have been working on so far.

### **(4) Strengthening business foundations**

In the midst of an uncertain economic situation due to the effects of COVID-19 and the international situation in Ukraine, the Group will build solid business foundations that will support our endeavors to achieve carbon neutrality while responding to requests for a continued stable power supply and strengthened resilience.

#### **(a) Promoting ESG management**

The Group has contributed to the resolution of various energy-related social issues throughout each era through its business. Based on “harmonizing energy supply and the environment,” we are aiming for sustainable growth with a view to the future, including through a prompt response to climate change issues from the early 2000s.

In April 2021, J-POWER appointed the director in charge and established the management department for ESG, and in August 2021, we identified significant social issues (material issues) for the Group in order to improve corporate value. The Group will further strengthen the initiatives we have undertaken so far, including our response to climate change and other environmental issues, and the strengthening of business activities and

governance as a good member of society.

**(b) Developing human resources**

The Group will develop human resources that can take on the challenge of various management issues, by fostering a culture in which employees can contribute to learn regardless of their generation and supporting the self-sustaining growth of diverse human resources. The Group will meet the diverse needs of individual employees through the realization of flexible working styles. At the same time, The Group will develop human resources and workplaces by ensuring workplace safety and employee health at sufficiently high levels so that diverse human resources can work enthusiastically and promote continuous innovations.

**(c) Improving profitability and asset management efficiency**

The Group will accelerate the ongoing efforts to reduce power generation costs and management/indirect department costs, including business process transformation and sophisticated equipment maintenance with the help of digitalization, in an aim to further improve profitability.

For existing assets, The Group will reduce investment in renewal while balancing it with facility reliability. At the same time, The Group will try to improve the efficiency of assets by reviewing and replacing owned assets as needed and allocating management resources to new investments based on the efficiency of assets.

**(d) Expanding overseas business foundation**

For more than half a century, the Group has been engaged in the development of power sources and the consulting business related to power transmission and transformation facilities throughout the world. By utilizing the experience, credibility, and networks that we have cultivated in our domestic business and overseas consulting business, we have participated in the overseas power generation business overseas in full scale since 2000, and expanded its scale and revenue mainly through the new development of thermal power projects since 2010. As a result, our overseas business has grown to become one of the Group's main businesses both in terms of output capacity and profit contribution.

The large-scale projects that the Group has been working on in the U.K. and U.S. (Triton Knoll offshore wind power project, Jackson gas-fired thermal power plant) began operation in April 2022 and May 2022, respectively. We will steadily proceed with construction work on the remaining large-scale project, the Central Java coal-fired thermal power plant in Indonesia, in order to further strengthen our profit base. In addition, we aim to participate in renewable energy and other new development projects in response to the need for diversified development of power production facilities, with the U.S., Australia and Asia as priority regions.

## 5. Capital Investment

**Total Capital Investment during the 70th Fiscal Year:** 132,116 million yen

### Major Facilities under Construction

Segment	Type	Name	Capacity
Electric Power Business	Power Generation (Nuclear Power)	Ohma Nuclear Power Plant	1,383MW
Overseas Business	Power generation (Thermal Power)	Jackson Gas-fired Thermal Power Plant	1,200MW

(Note) The Jackson Gas-fired Power Plant began operation in May 2022.

## 6. Research and Development Activities

The Group's research and development activities focus on the two items of "creating new value" in order to promote the realization of J-POWER "BLUE MISSION 2050" and "strengthening existing businesses" in order to respond to changes in the business environment and continuously strengthen competitiveness while utilizing knowledge cultivated in the electric power business.

Total amount of research and development expenses in the fiscal year under review was 8.5 billion yen.

Principal areas of the research and development activities are as follows.

Creating new value	Oxygen-blown Integrated Coal Gasification Combined Cycle (IGCC), hydrogen production, CO <sub>2</sub> capture, utilization and storage, green oil, biomass fuel, etc.
Strengthening existing businesses	Environmental protection technology for reservoirs, remote monitoring using satellite image data, optimization and digitalization of maintenance and operation of power plants, monitoring of geothermal areas, system simulation technology, etc.

## 7. Financing Activities

The following issuance of bonds, and long-term loans has been made in order to fund capital investment and pay down interest-bearing debt.

<b>Category</b>	<b>Amount</b>	<b>Remarks</b>
Bonds	71,490 million yen	Domestic straight bonds, etc.
Long-term Loans	49,155 million yen	
Total	120,645 million yen	

## 8. Major Lenders (as of March 31, 2022)

<b>Lender</b>	<b>Loan Balance at End of this Fiscal Year</b>
Mizuho Bank, Ltd.	103,090 million yen
Sumitomo Mitsui Banking Corporation	92,880 million yen
MUFG Bank, Ltd.	72,879 million yen
The Norinchukin Bank	55,500 million yen
Nippon Life Insurance Company	51,900 million yen

Note: In addition to those listed above, there are 3 other major loans for overseas business projects under loan syndication arrangements (222,339 million yen in total).

## 9. Major Subsidiaries (as of March 31, 2022)

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
<b>Electric Power Business</b>				
J-POWER Transmission Network Co, Ltd.	Chuo-ku, Tokyo	16,000	100	Transmission business
J-Wind Kaminokuni Co., Ltd.	Hiyama-gun, Hokkaido	217	100	Wind power business
Mihama Seaside Power Co., Ltd.	Chiba-shi, Chiba Pref.	100	100	Thermal power business
J-Wind Co., Ltd.	Chuo-ku, Tokyo	100	100	Wind power business
J-Wind KUZUMAKI Co., Ltd.	Chuo-ku, Tokyo	5	100	Wind power business
J-Wind SETANA Co., Ltd.	Kudo-gun, Hokkaido	5	100	Wind power business
Nagasaki-Shikamachi Wind Power Co., Ltd.	Sasebo-shi, Nagasaki Pref.	490	70	Wind power business
ITOIGAWA POWER Inc.	Itoigawa-shi, Niigata Pref.	1,006	64	Thermal power business
Ishikari Green Energy Co., Ltd.	Ishikari-shi, Hokkaido	400	70 (70)	Wind power business
Esashi Green Energy Co., Ltd	Hiyama-gun, Hokkaido	400	70 (70)	Wind power business
<b>Electric Power-Related Businesses</b>				
J-POWER AUSTRALIA PTY. LTD.	Australia	548 (million AUD)	100	Investment in coal mines in Australia
J-POWER Generation Service Co., Ltd.	Chuo-ku, Tokyo	500	100	Operation of thermal power plants; sales of fly ash; shipping of coal for thermal power plants; research, planning and analysis of environmental conservation
J-POWER HYTEC Co., Ltd.	Chiyoda-ku, Tokyo	500	100	Construction, technical development, design, consulting, maintenance, and research for hydroelectric power plants, substations, and transmission lines; surveying of and compensation for construction sites; civil engineering, construction management, and construction services
J-POWER Business Service Corporation	Chuo-ku, Tokyo	450	100	Operation of welfare facilities; facility maintenance; business process outsourcing; development of computer software; imports and sales of fuel for power generation
J-POWER EnTech Inc.	Minato-ku, Tokyo	177	100	Engineering services for atmospheric and water pollutant removal equipment
J-POWER Telecommunication Service Co., Ltd.	Bunkyo-ku, Tokyo	110	100	Construction and maintenance of electronic and communications facilities
J-POWER Design Co., Ltd.	Chiyoda-ku, Tokyo	20	100	Design, management, and research for electric power facilities and other facilities and construction consulting

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
Miyazaki Wood Pellet Co., Ltd.	Kobayashi-shi, Miyazaki Pref.	300	98	Operation of manufacturing facilities of wood pellets and procurement of forest offcut
JM Activated Coke, Inc.	Kitakyushu-shi, Fukuoka Pref.	490	90	Manufacturing, sales, and marketing of activated coke
J-Wind Service Co., Ltd.	Chiyoda-ku, Tokyo	50	100 (100)	Maintenance and operation of wind power plants
EPDC CoalTech and Marine Co., Ltd.	Chuo-ku, Tokyo	20	100 (100)	Marine transportation of ash and fly ash
<b>Overseas Business</b>				
JP Renewable Europe Co., Ltd.	U.K.	318 (million GBP)	100	Management of investments
J-Power Investment Netherlands B.V.	The Netherlands	56 (million USD)	100	Management of investments
JP Generation Australia Pty. Ltd.	Australia	26 (million AUD)	100	Management of investments, research and development of projects
J-POWER Consulting (China) Co., Ltd.	China	6 (million RMB)	100	Management of investments, research and development of projects
J-POWER North America Holdings Co., Ltd.	U.S.A.	1 (USD)	100	Management of investments
J-POWER Holdings (Thailand) Co., Ltd.	Thailand	25,257 (million bahts)	100 (100)	Management of investments
JPGA Partners Pty. Ltd.	Australia	26 (million AUD)	100 (100)	Management of investments
J-POWER Generation (Thailand) Co., Ltd.	Thailand	39 (million bahts)	100 (100)	Management of investments, research and development of projects
J-POWER USA Investment Co., Ltd.	U.S.A.	32 (USD)	100 (100)	Management of investments
J-POWER USA Development Co., Ltd.	U.S.A.	1 (USD)	100 (100)	Management of investments, research and development of projects
J-POWER Renewables Capital, LLC	U.S.A.	-	100 (100)	Development business
J-POWER Jackson Capital, LLC	U.S.A.	-	100 (100)	Management of investments
J-POWER Jackson Partners, LLC	U.S.A.	-	100 (100)	Management of investments
Jackson Generation, LLC	U.S.A.	-	100 (100)	Thermal power business
Gulf JP Co., Ltd.	Thailand	32,890 (million bahts)	60 (60)	Management of investments

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
Gulf JP UT Co., Ltd.	Thailand	11,933 (million bahts)	60 (60)	Thermal power business
Gulf JP NS Co., Ltd.	Thailand	11,104 (million bahts)	60 (60)	Thermal power business
Gulf JP NNK Co., Ltd.	Thailand	1,490 (million bahts)	60 (60)	Thermal power business
Gulf JP CRN Co., Ltd.	Thailand	1,440 (million bahts)	60 (60)	Thermal power business
Gulf JP NK2 Co., Ltd.	Thailand	1,370 (million bahts)	60 (60)	Thermal power business
Gulf JP TLC Co., Ltd.	Thailand	1,365 (million bahts)	60 (60)	Thermal power business
Gulf JP KP1 Co., Ltd.	Thailand	1,360 (million bahts)	60 (60)	Thermal power business
Gulf JP KP2 Co., Ltd.	Thailand	1,275 (million bahts)	60 (60)	Thermal power business
Gulf JP1 Co., Ltd.	Thailand	24 (million bahts)	60 (60)	Solar power business
Gulf JP NLL Co., Ltd.	Thailand	1,384 (million bahts)	45 (45)	Thermal power business
<b>Other businesses</b>				
Kaihatsu Hiryou Co., Ltd.	Takehara-shi, Hiroshima Pref.	450	100	Production and sales fertilizer using ash
Japan Network Engineering Co., Ltd.	Chuo-ku, Tokyo	50	100	Telecommunications; operation and maintenance of telecommunications facilities
Omuta Plant Service Co., Ltd.	Omuta-shi, Fukuoka Pref.	50	100	Operation and maintenance of a waste-fueled power generation plant
J-Power Latrobe Valley Pty. Ltd	Australia	100 (AUD)	100	Implementation of demonstration tests in Australian brown coal hydrogen pilot test project
Greencoal Saikai Co., Ltd.	Saikai-shi, Nagasaki Pref.	100	60	Operation of an ordinary waste-based fuel manufacturing facility
Biocoal Osaka-Hirano Co., Ltd.	Osaka-shi, Osaka Pref.	50	60	Construction and operation of a sewage sludge-based fuel manufacturing facility

- Notes: 1. The percentages in parentheses present indirect holding ratios.  
2. The Company has 72 consolidated subsidiaries, including the major subsidiaries as listed above, and 90 affiliates accounted for by the equity method.

3. On December 1, 2021, the Company absorbed and merged with J-POWER Supply and Trading Co., Ltd., a consolidated subsidiary, and succeeded the rights and obligations of said company.
4. For a Limited Liability Company (LLC) under U.S. law, the amount of capital is not stated as there is not an exact match for the concept of capital.
5. Regarding the consolidated subsidiaries of the Company J-POWER Business Service Corporation and J-POWER RESOURCES Co., Ltd., J-POWER Business Service Corporation became the surviving company, while J-POWER RESOURCES Co., Ltd. became the absorbed company through an absorption-type merger that took place on October 1, 2021.



## 10. Major Business Locations (as of March 31, 2022)

### The Company's Major Offices and Power Plants

#### (a) Head Office and Offices

Name		Location
Head Office		Chuo-ku, Tokyo
Regional Headquarters	East Regional Headquarter	Kawagoe-shi, Saitama Pref.
	Chubu Regional Headquarter	Kasugai-shi, Aichi Pref.
	West Regional Headquarter	Osaka-shi, Osaka Pref.

#### (b) Power Plants

Sector	Power Plant Name (Location)
Hydroelectric Power (Output of 100MW or more)	Okutadami, Tagokura, Otori, Shimogo (all in Fukushima Pref.), Okukiyotsu, Okukiyotsu #2 (both in Niigata Pref.), Numappara (Tochigi Pref.), Shintoyone (Aichi Pref.), Sakuma (Shizuoka Pref.), Miboro (Gifu Pref.), Nagano (Fukui Pref.), Tedorigawa #1 (Ishikawa Pref.), Ikehara (Nara Pref.), Sendaigawa #1 (Kagoshima Pref.) (46 other power plants with output below 100MW)
Thermal Power	Isogo (Kanagawa Pref.), Takasago (Hyogo Pref.), Takehara (Hiroshima Pref.), Tachibanawan (Tokushima Pref.), Matsuura, Matsushima (both in Nagasaki Pref.), Ishikawa Coal Thermal (Okinawa Pref.), Ichihara (Chiba Pref.)

Note: The Ichihara Power Station was transferred from J-POWER Supply and Trading Co., Ltd. to the Company on December 1, 2021.

#### Location of Major Subsidiaries

Head office locations of major subsidiaries are provided in "9. Major Subsidiaries" on pages 62 to 65.

## 11. Employees (as of March 31, 2022)

### Employees of the J-POWER Group

Segment	Number of Employees
Electric Power Business	1,941
Electric Power-Related Businesses	4,376
Overseas Business	668
Other Businesses	161
Total	7,146

Notes: 1. The number of employees represents the number of employees at work.

2. The number of temporary employees is omitted as it is less than 10% of the total.

### Employees of the Company

Number of Employees	Change Since Previous FY	Average Age	Average Years of Service
1,785	+63	42.0	19.7

Notes: 1. The number of employees represents the number of employees at work, and does not include 1,241 employees on loan, etc.

2. The number of temporary employees is omitted as it is less than 10% of the total.

## II Items Regarding Stock of the Company

### Stock Status (as of March 31, 2022)

1. **Number of authorized shares** 660,000,000
2. **Number of shares issued** 183,051,100  
(including 2,971 shares of treasury stock)
3. **Number of shareholders** 82,812
4. **Major shareholders (top 10 shareholders)**

<b>Name of Shareholders</b>	<b>Number of shares held (thousands)</b>	<b>Shareholding ratio (%)</b>
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,404	14.42
Nippon Life Insurance Company	9,152	5.00
Custody Bank of Japan, Ltd. (Trust Account)	8,471	4.63
Mizuho Bank, Ltd.	5,155	2.82
J-POWER Employees Shareholding Association	4,771	2.61
JP MORGAN CHASE BANK 385635	3,680	2.01
Sumitomo Mitsui Banking Corporation, Ltd.	3,436	1.88
Goldman Sachs International	3,151	1.72
Fukoku Mutual Life Insurance Company	3,029	1.65
MUFG Bank, Ltd.	2,923	1.60

Notes: 1. The above shareholding ratios are calculated excluding treasury stock.

2. The number of shares held by Fukoku Mutual Life Insurance Company includes its contribution of 600 thousand shares to the employees' retirement benefit trust and 3.4 thousand shares in special accounts.

### III Items Regarding Directors/Audit & Supervisory Board Members of the Company

#### 1. Directors and Audit & Supervisory Board Members (as of March 31, 2022)

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Chairman and Representative Director	Hitoshi Murayama	<ul style="list-style-type: none"> <li>• Company-wide compliance</li> <li>• Technology oversight</li> </ul>
Representative Director President and Chief Executive Officer	Toshifumi Watanabe	
Representative Director and Executive Vice President	Akihito Urashima	<ul style="list-style-type: none"> <li>• General operations</li> <li>• Department Director of Nuclear Power Business (delegation of administrative works)</li> </ul>
Director and Executive Vice President	Yoshiki Onoi	<ul style="list-style-type: none"> <li>• General operations</li> <li>• Department Director of International Business (delegation of administrative works)</li> </ul>
Director and Executive Vice President	Hiromi Minaminosono	<ul style="list-style-type: none"> <li>• General operations</li> <li>• Department Deputy Director of Nuclear Power Business (delegation of administrative works)</li> <li>• Secretarial Affairs Dept.</li> <li>• Public Relation Dept.</li> <li>• Personnel &amp; Employee Relations Dept.</li> <li>• General Affairs Dept.</li> <li>• Siting &amp; Environment Dept.</li> </ul>
Director and Executive Vice President	Makoto Honda	<ul style="list-style-type: none"> <li>• General operations</li> <li>• ESG oversight</li> <li>• Department Deputy Director of International Business (delegation of administrative works)</li> <li>• Corporate Planning &amp; Administration Dept.</li> <li>• Accounting &amp; Finance Dept.</li> <li>• Procurement Dept.</li> </ul>
Director and Executive Vice President	Hiroyasu Sugiyama	<ul style="list-style-type: none"> <li>• General operations</li> <li>• Department Director of Renewable Energy (delegation of administrative works)</li> <li>• Department Deputy Director of Nuclear Power Business (delegation of administrative works)</li> <li>• Digital Innovation Dept.</li> <li>• Civil &amp; Architectural Engineering Dept.</li> <li>• Thermal Energy &amp; Value Creation Dept.</li> <li>• Research &amp; Development Dept.</li> <li>• Hydrogen/CCS Business Development (matters under special assignment)</li> </ul>
Director and Executive Managing Officer	Hitoshi Kanno	<ul style="list-style-type: none"> <li>• Department Director of Energy Business (delegation of administrative works)</li> <li>• Corporate Planning &amp; Administration Dept.</li> <li>• Accounting &amp; Finance Dept.</li> <li>• Siting &amp; Environment Dept.</li> <li>• Energy Planning Dept.</li> <li>• Energy Trading Dept.</li> <li>• Energy Business Strategy Dept.</li> <li>• Planning &amp; Development and Hydrogen/CCS Business Development (matters under special assignment)</li> </ul>

<b>Title</b>	<b>Name</b>	<b>Roles and responsibilities of the current position and other major concurrent positions</b>
Director and Executive Managing Officer	Yoshikazu Shimada	<ul style="list-style-type: none"> <li>• Department Deputy Director of Renewable Energy (delegation of administrative works)</li> <li>• Digital Innovation Dept.</li> <li>• Wind Power Business Dept.</li> <li>• International Business (matters under special assignment)</li> </ul>
Director and Executive Managing Officer	Hiroshi Sasatsu	<ul style="list-style-type: none"> <li>• Thermal Energy &amp; Value Creation Dept.</li> <li>• Research &amp; Development Dept.</li> <li>• Corporate Planning &amp; Administration, International Business and Hydrogen/CCS Business Development (matters under special assignment)</li> </ul>
Outside Director	Go Kajitani	<ul style="list-style-type: none"> <li>• Attorney at law (KAJITANI LAW OFFICES)</li> </ul>
Outside Director	Tomonori Ito	<ul style="list-style-type: none"> <li>• Outside Director of Aozora Bank, Ltd.</li> <li>• Professor at Institute for Business and Finance, Waseda Business School (Graduate School of Business and Finance)</li> </ul>
Outside Director	John Buchanan	<ul style="list-style-type: none"> <li>• Research Associate of Centre for Business Research, University of Cambridge</li> </ul>
Senior Audit & Supervisory Board Member (Full-time)	Naori Fukuda	
Outside Senior Audit & Supervisory Board Member (Full-time)	Hiroshi Fujioka	<ul style="list-style-type: none"> <li>• Audit and Supervisory Committee Member (Outside Director) of The Nishi-Nippon City Bank, Ltd.</li> </ul>
Senior Audit & Supervisory Board Member (Full-time)	Shinichi Kawatani	
Outside Audit & Supervisory Board Member	Kiyoshi Nakanishi	
Outside Audit & Supervisory Board Member	Kimiko Oga	<ul style="list-style-type: none"> <li>• Outside Director, SKY Perfect JSAT Holdings Inc.</li> <li>• Outside Director (Audit &amp; Supervisory Committee Member), BroadBand Tower, Inc.</li> <li>• Outside Audit &amp; Supervisory Board Member, ALCONIX CORPORATION</li> </ul>

- Notes: 1. Messrs. Go Kajitani, Tomonori Ito and John Buchanan who serve as Outside Directors of the Company, were appointed by the Company as independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
2. KAJITANI LAW OFFICES has no special relationship with the Company.
3. Mr. Tomonori Ito, who serves as a Director, retired from the post of Adjunct Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University on August 31, 2021.
4. Mr. Tomonori Ito, who serves as a Director, assumed office as Professor at the Institute for Business and Finance, Waseda Business School (Graduate School of Business and Finance) on September 1, 2021.
5. Mr. Tomonori Ito, who serves as a Director, assumed office as Lecturer at the Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science on April 1, 2022.
6. Mr. Tomonori Ito, who serves as a Director, is scheduled to be appointed as Outside Director of Mitsui Sumitomo Insurance Company, Limited at the said company's Annual Shareholders Meeting scheduled to be held on June 24, 2022.
7. The Graduate School of Business Administration, Hitotsubashi University, Aozora Bank, Ltd., Waseda Business School (Graduate School of Business and Finance), and the Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science have no special relationship with the Company.
8. Centre for Business Research, University of Cambridge has no special relationship with the Company.

9. Mr. Hiroshi Fujioka, Mr. Kiyoshi Nakanishi and Ms. Kimiko Oga, who serve as Outside Audit & Supervisory Board Members of the Company, were appointed by the Company as independent director/auditor specified in the regulations of the Tokyo Stock Exchange.
10. Mr. Hiroshi Fujioka, who serves as an Outside Senior Audit & Supervisory Board Member of the Company, has a high level of knowledge in the area of finance and accounting as he has had long experience in the administration of fiscal and financial issues, etc.
11. The Nishi-Nippon City Bank, Ltd. has no special relationship with the Company.
12. Mr. Shinichi Kawatani, who serves as a Senior Audit & Supervisory Board Member of the Company, has a high level of knowledge in the area of finance and accounting as he has had long experience in the departments of accounting & finance in the Company.
13. Ms. Kimiko Oga was Outside Director (Audit & Supervisory Committee Member) of Tokyo Water Co., Ltd., but she retired on June 30, 2021.
14. Tokyo Water Co., Ltd., SKY Perfect JSAT Holdings Inc., BroadBand Tower, Inc. and ALCONIX CORPORATION have no special relationship with the Company.
15. Mr. Mutsutake Otsuka, who served as an Audit & Supervisory Board Member, resigned at the conclusion of the 69th Ordinary General Meeting of Shareholders held on June 25, 2021.
16. The positions and responsibilities of internal Directors as of April 1, 2022 are as follows.

<b>Title</b>	<b>Name</b>	<b>Roles and responsibilities of the current position and other major concurrent positions</b>
Chairman and Representative Director	Hitoshi Murayama	<ul style="list-style-type: none"> <li>• Company-wide compliance</li> <li>• Technology oversight</li> </ul>
Representative Director President and Chief Executive Officer	Toshifumi Watanabe	
Representative Director and Executive Vice President	Akihito Urashima	<ul style="list-style-type: none"> <li>• General operations</li> <li>• Department Director of Nuclear Power Business (delegation of administrative works)</li> </ul>
Director and Executive Vice President	Yoshiki Onoi	<ul style="list-style-type: none"> <li>• General operations</li> <li>• Department Director of International Business (delegation of administrative works)</li> </ul>
Director and Executive Vice President	Makoto Honda	<ul style="list-style-type: none"> <li>• General operations</li> <li>• ESG oversight</li> <li>• Department Deputy Director of International Business (delegation of administrative works)</li> <li>• Corporate Planning &amp; Administration (matters under special assignment)</li> </ul>
Director and Executive Vice President	Hiroyasu Sugiyama	<ul style="list-style-type: none"> <li>• General operations</li> <li>• Department Director of Renewable Energy (delegation of administrative works)</li> <li>• Department Deputy Director of Nuclear Power Business (delegation of administrative works)</li> <li>• Digital Innovation Dept.</li> <li>• Civil &amp; Architectural Engineering Dept.</li> <li>• Thermal Energy &amp; Value Creation Dept.</li> <li>• Research &amp; Development Dept.</li> <li>• Hydrogen/CCS Business Development (matters under special assignment)</li> </ul>

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Director and Executive Vice President	Hitoshi Kanno	<ul style="list-style-type: none"> <li>• General operations</li> <li>• Corporate oversight</li> <li>• Department Director of Energy Business (delegation of administrative works)</li> <li>• Department Deputy Director of Nuclear Power Business (delegation of administrative works)</li> <li>• Planning &amp; Development and Hydrogen/CCS Business Development (matters under special assignment)</li> </ul>
Director and Executive Managing Officer	Yoshikazu Shimada	<ul style="list-style-type: none"> <li>• Department Deputy Director of Renewable Energy (delegation of administrative works)</li> <li>• Digital Innovation Dept.</li> <li>• Onshore Wind Power Business Dept.</li> <li>• Offshore Wind Power Business Dept.</li> <li>• International Business (matters under special assignment)</li> </ul>
Director and Executive Managing Officer	Hiroshi Sasatsu	<ul style="list-style-type: none"> <li>• Thermal Energy &amp; Value Creation Dept.</li> <li>• Research &amp; Development Dept.</li> <li>• Corporate Planning &amp; Administration, International Business and Hydrogen/CCS Business Development (matters under special assignment)</li> </ul>
Director	Hiromi Minaminosono	

## 2. Policy for the Determination of Remuneration for Directors and Audit & Supervisory Board Members

By resolution of the Board of Directors, the Company has established a policy for determining details of individual remuneration, etc. for Directors as stipulated in Article 361, Paragraph 7 of the Companies Act, as follows. In accordance with this policy and based on delegation by the Board of Directors, Mr. Toshifumi Watanabe, who serves as Representative Director President of the Company, will determine the specific details of individual monthly salaries and performance-linked bonuses for Directors of the Company. The reason for delegating the authority for these decisions to the Representative Director President is that the Company has deemed that the Representative Director President is the most appropriate person to conduct evaluations while maintaining an overview of the performance of the Company as a whole. In addition, in light of the fact that the Nomination and Compensation Committee, whose chairperson and majority of members are independent officers, appropriately deliberate on the propriety of the performance evaluation and amount of remuneration proposed by the Representative Director President, and the fact that the results of those deliberations are reported to the Board of Directors by the Representative Director President, the Board of Directors has deemed that the details of individual remuneration for Directors are in accordance with this decision-making policy.

[Policy for Determining Remuneration for Directors]

Total remuneration for Directors, by resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, was capped at 625 million yen annually (a fixed monthly salary calculated according to position and a performance-linked bonus paid once a year. Employee salaries for Directors who serve in dual capacity as employees are excluded), and the method for determining Directors' remuneration is determined by means of discussion at meetings of the Board of Directors within this maximum amount.

Based on this maximum amount, the basic policy is to set an appropriate level taking into account each responsibility, while considering the characteristics of the Company's business, that is, to recover investment through the long-term operation of power plants, etc. Accordingly, the policy for determining individual remuneration for Directors shall be as follows:

- Payment details
  - Remuneration for Directors shall be fixed monetary remuneration, and shall consist of a monthly salary paid to all Directors and a performance-linked bonus paid to Directors excluding Outside Directors
  - The monthly salary shall be calculated based on position, and the performance-linked bonus shall be calculated based on the comprehensive consideration of the Company's business performance and dividend status, etc.
- Method of determination
  - Details of individual remuneration for Directors shall be delegated by the Board of Directors to the Representative Director President after deliberations by the Nomination and Compensation Committee, the majority of whose members are independent officers, and the report of deliberation results to the Board of Directors.
  - The authority delegated to the Representative Director President shall consist of the evaluation of the proportion of performance-linked bonus calculated based on the comprehensive consideration of the monthly salary of each Director and the Company's business performance and dividend status, etc., and the Representative Director President shall make a determination in accordance with the results of deliberation by the Nomination and Compensation Committee.



- Payment timing
  - With regard to the timing of payment of remuneration, etc., 1. the monthly salary shall be paid monthly on a regular basis and 2. the performance-linked bonus shall apply to the fiscal year under review and be paid promptly in a lump sum at the conclusion of the Ordinary General Meeting of Shareholders held in the following fiscal year.

In addition, by resolution at the 54th Ordinary General Meeting of Shareholders held on June 28, 2006, total remuneration for the Audit & Supervisory Board Members was capped at 120 million yen annually (a fixed monthly salary calculated according to position, etc.), and remuneration for each Audit & Supervisory Board Member is determined by means of consultation among Audit & Supervisory Board Members within the cap prescribed above.

The number of Directors as at the conclusion of the abovementioned Ordinary General Meeting of Shareholders was 13 and the number of Audit and Supervisory Board Members was 5.

**(Reference) “Policy for Determining Remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members)” after the Conclusion of this General Meeting of Shareholders**

The “Policy for Determining Remuneration for Directors” will be revised after the conclusion of this General Meeting of Shareholders, and the outline is as follows.

- (1) The policy for determining the individual monetary remuneration and stock compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors is as follows.

- (a) Remuneration payment rate

The remuneration payment rate for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors is set based on the following targets: monthly remuneration (annual amount) 80%; performance-linked remuneration 10%; stock compensation 10%.

- (b) Monthly remuneration

Monthly remuneration is a fixed amount of monetary remuneration calculated based on position that is paid on a regular basis every month.

- (c) Performance-linked compensation (bonus paid once a year)

Introduced as an incentive to achieve management goals.

Performance-linked remuneration is calculated by multiplying the standard amount for each position calculated based on position by a numerical value based on the indicator, and will promptly be paid in cash in a lump sum after the conclusion of the Ordinary General Meeting of Shareholders to be held in June 2023.

<Calculation method>

Indicator: consolidated ordinary income

Calculation: remuneration by position x (consolidated ordinary income actual results/forecasted consolidated ordinary income at the beginning of the period)

(However, the fluctuation range is 0% minimum to 200% maximum)

- (d) Stock compensation (trust-type)

Introduced as an incentive for the Company’s long-term growth based on the characteristics of the Company’s business content and business development.

Stock compensation sets long-term exercise restrictions with the aim of promoting initiatives to raise stock prices over the long term. The Company will establish a Trust and contribute the funds necessary for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors to acquire, in advance, shares of the Company over a certain period of time. The Trust period will be three years from August 2022 (planned) to August 2025. Trust contributions, etc. will be distributed in accordance with the Share Distribution Regulations for Officers established separately. In principle, the payment period will be at the time of retirement, and shares of the Company and market value converted money according to the number of points distributed during an officer's time in office will be paid through the Trust.

(2) The policy for determining the remuneration for Outside Directors (excluding Directors serving as Audit & Supervisory Committee Members) is as follows.

(a) Remuneration structure

From the standpoint of ensuring independence in business execution, the remuneration structure only has monthly remuneration, and does not have a performance-linked remuneration category.

(b) Monthly remuneration

Monthly remuneration is a fixed amount of monetary remuneration that is paid on a regular basis every month.

(3) Method of determination

Details of individual remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) shall be delegated by the Board of Directors to the Representative Director President after deliberations by the Nomination and Compensation Committee, the majority of whose members are independent officers, concerning the remuneration structure and remuneration amount, and the results of those deliberation are approved by the Board of Directors. The authority delegated to the Representative Director President shall consist of the determination individual monthly remuneration, performance-linked remuneration and stock compensation for each Director (excluding Directors serving as Audit & Supervisory Committee Members) after deliberation by the Nomination and Compensation Committee.

### 3. Directors' and Audit & Supervisory Board Members' Remuneration

	Category	Number of Persons	Total Amount
Directors	Directors (excluding Outside Directors)	10	389 million yen
	Outside Directors	3	28 million yen
	Total	13	418 million yen
Audit & Supervisory Board Members	Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	2	68 million yen
	Outside Audit & Supervisory Board Members	4	51 million yen
	Total	6	119 million yen
Total		19	538 million yen

- Notes: 1. The Directors' remuneration includes a performance-linked bonus of 46 million yen for this fiscal year. The Company's performance-linked bonus is not based solely on indicators showing the status of profits, indicators showing the status of the market price of shares, or indicators showing the business performance of other companies; and thus does not fall under performance-linked remuneration as stipulated in Article 98-5, Item 2 of the Ordinance for Enforcement of the Companies Act.
2. The "Number of Persons" in Audit & Supervisory Board Members above includes 1 Audit & Supervisory Board Member who retired at the conclusion of the 69th Ordinary General Meeting of Shareholders held on June 25, 2021.

#### 4. Items Regarding Outside Directors/Audit & Supervisory Board Members

##### Major Concurrent Positions of Outside Officers and Their Relationships with the Company

Details of major concurrent positions of Outside Directors/Audit & Supervisory Board Members and their relationships with the Company are described under “1. Directors and Audit & Supervisory Board Members” on pages 69 to 72.

##### Outline of Duties Performed by Outside Directors Regarding their Key Activities and Expected Roles in this Fiscal Year

Name (Title)	Attendance at Board of Directors meetings	Key Activities
Go Kajitani (Outside Director)	100% (12/12)	He has abundant experience in the legal profession, distinguished knowledge and capability of addressing various management issues as an attorney at law, and he is expected to fulfill his supervisory function from these perspectives. In the current fiscal year under review, he has again appropriately fulfilled his role by providing oversight and advice on business execution as an Outside Director of the Company, including by making proactive statements from these perspectives to the Board of Directors of the Company. In addition, he has been involved in deliberations over the nominations and remuneration of the management team as Chairperson of the Nomination and Compensation Committee, and has actively expressed his opinions.
Tomonori Ito (Outside Director)	92% (11/12)	He has abundant experience in investment banking business both inside and outside Japan, distinguished knowledge and capability of addressing various management issues acquired through researches in financial theory at graduate school, and he is expected to fulfill his supervisory function from these perspectives. In the current fiscal year under review, he has again appropriately fulfilled his role by providing oversight and advice on business execution as an Outside Director of the Company, including by making proactive statements from these perspectives to the Board of Directors of the Company.
John Buchanan (Outside Director)	100% (12/12)	He has abundant experience in investment advisory business both inside and outside Japan, distinguished knowledge and capability of addressing various management issues acquired through researches concerning corporate governance at University of Cambridge, and he is expected to fulfill his supervisory function from these perspectives. In the current fiscal year under review, he has again appropriately fulfilled his role by providing oversight and advice on business execution as an Outside Director of the Company, including by making proactive statements from these perspectives to the Board of Directors of the Company.

## Key Activities by Outside Audit & Supervisory Board Members in this Fiscal Year

Name (Title)	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Key Activities
Hiroshi Fujioka (Outside Senior Audit & Supervisory Board Member)	100% (12/12)	100% (12/12)	He made comments primarily based on his abundant experience and distinguished knowledge in the administration of fiscal and financial issues, etc.
Kiyoshi Nakanishi (Outside Audit & Supervisory Board Member)	100% (12/12)	100% (12/12)	He made comments primarily based on his abundant experience and distinguished knowledge in the management of a company.
Kimiko Oga (Outside Audit & Supervisory Board Member)	100% (10/10)	100% (10/10)	She made comments primarily based on her abundant experience and distinguished knowledge in the management of a company.

Note: Regarding Audit & Supervisory Board Member Ms. Kimiko Oga, her attendance at Board of Director meetings and Audit & Supervisory Board meetings held after she took office on June 25, 2021 is presented above.

### 5. Overview of Limitation of Liability Contracts

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with its Outside Directors and Outside Audit & Supervisory Board Members that limit their liability for damages arising from failure to perform duties. The limit under these contracts is the amount prescribed by the applicable laws and regulations.

### 6. Overview of Directors' and Officers' Liability Insurance Contract

The Company has entered into a directors' and officers' liability insurance contract with an insurance company, with all of its Directors, Audit & Supervisory Board Members and Executive Officers as insured persons in accordance with Article 430-3, Paragraph 1 of the Companies Act, and the Company bears all of the insurance premiums for such contract.

This contract covers compensation for legal damages and litigation costs to be borne by the insured persons in the event of claims made against them during the insurance period in relation to their execution of duties.

However, the Company is taking measures to prevent the impairment of the appropriateness of the execution of duties by officers, etc., such as excluding from the insurance coverage the damages that arise from acts taken with the knowledge that such acts are in violation of laws and regulations.

## IV Status of Accounting Auditors

### 1. Name of Accounting Auditors

Ernst & Young ShinNihon LLC

### 2. Amount of Accounting Auditor Compensation

Segment	Amount Paid
Amount of compensation paid in this fiscal year	129 million yen
Total amount owed to Accounting Auditor by the Company and its subsidiaries in the form of cash or other financial benefit	202 million yen

- Notes: 1. According to the Auditing Agreement between the Company and its Accounting Auditor, no separation is made in auditor compensation between auditing under the Companies Act and auditing under the Financial Instruments and Exchange Act, and since the two cannot, in fact, be distinguished, the amount noted above represents total compensation for services under both categories in the current fiscal year.
2. After examining the accounting audit plan for the fiscal year including the number of days for audit and the allocation of personnel, the assessment and evaluation of the audit in the previous fiscal year, the appropriateness of the audit conducted by the Accounting Auditor, and the grounds for calculating the estimate of the compensation, the Audit & Supervisory Board gave its consent to the amount of Accounting Auditor's compensation.
3. Certain consolidated subsidiaries of the Company use the accounting audit services of other audit firms.

### 3. Non-audit Services

The Company has entrusted its Accounting Auditor to provide certain services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan (non-audit services), such as the creation of comfort letters related to unsecured bonds.

### 4. Policy Regarding Dismissal or Non-reelection of Accounting Auditors

When it is acknowledged that an Accounting Auditor is subject to the Items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will dismiss the Accounting Auditor with the consent of all Audit & Supervisory Board Members. Besides the foregoing, if the Accounting Auditor is deemed unable to adequately perform its duties, or there is another justifiable reason, the Audit & Supervisory Board shall set a proposal for discharge or non-reelection of the Accounting Auditor to be presented to the General Meeting of Shareholders.

(Attachments)

CONSOLIDATED FINANCIAL STATEMENTS

**CONSOLIDATED BALANCE SHEET (as of March 31, 2022)**

(millions of yen)

<b>Assets</b>	
<b>Non-current assets</b>	2,594,819
<b>Electric utility plant and equipment</b>	1,076,948
Hydroelectric power production facilities	360,084
Thermal power production facilities	401,071
Internal combustion engine power production facilities	1,198
Renewable power production facilities	76,556
Transmission facilities	144,458
Transformation facilities	30,236
Communication facilities	6,600
General facilities	56,742
<b>Overseas business facilities</b>	271,356
<b>Other non-current assets</b>	92,297
<b>Construction in progress</b>	676,596
Construction in progress	676,596
<b>Nuclear fuel</b>	75,806
Nuclear fuel in processing	75,806
<b>Investments and other assets</b>	401,813
Long-term investments	323,770
Net defined benefit asset	241
Deferred tax assets	64,277
Other	13,642
Allowance for doubtful accounts	(118)
<b>Current assets</b>	471,357
Cash and deposits	223,072
Notes and accounts receivable - trade, and contract assets	80,439
Inventories	62,173
Other	105,674
Allowance for doubtful accounts	(3)
<b>Total assets</b>	3,066,176

**CONSOLIDATED BALANCE SHEET** (as of March 31, 2022) *(Continued)*

(millions of yen)

<b>Liabilities</b>	
<b>Non-current liabilities</b>	1,686,575
Bonds payable	706,484
Long-term loans payable	839,645
Lease obligations	2,239
Other provision	20
Net defined benefit liability	37,976
Asset retirement obligations	35,240
Deferred tax liabilities	16,808
Other	48,158
<b>Current liabilities</b>	415,496
Current portion of non-current liabilities	145,467
Short-term loans payable	8,149
Commercial papers	90,016
Notes and accounts payable - trade	44,651
Accrued taxes	18,276
Other provision	691
Asset retirement obligations	426
Other	107,817
<b>Total liabilities</b>	2,102,071
<b>Net Assets</b>	
<b>Shareholders' equity</b>	870,826
Capital stock	180,502
Capital surplus	119,881
Retained earnings	570,452
Treasury stock	(9)
<b>Accumulated other comprehensive income</b>	45,203
Valuation difference on available-for-sale securities	14,014
Deferred gains or losses on hedges	(9,359)
Foreign currency translation adjustment	32,136
Remeasurements of defined benefit plans	8,411
<b>Non-controlling interests</b>	48,075
<b>Total net assets</b>	964,105
<b>Total liabilities and net assets</b>	3,066,176



**CONSOLIDATED STATEMENT OF INCOME** (from April 1, 2021 to March 31, 2022)

(millions of yen)

<b>Ordinary revenue</b>	
<b>Operating revenue</b>	1,084,621
Electric utility operating revenue	876,431
Overseas business operating revenue	145,106
Other business operating revenue	63,083
<b>Non-operating income</b>	22,508
Dividend income	1,862
Interest income	1,811
Share of profit of entities accounted for using equity method	14,228
Insurance claim income	2,366
Other	2,240
<b>Total ordinary revenue</b>	1,107,130
<b>Ordinary expenses</b>	
<b>Operating expenses</b>	997,642
Electric utility operating expenses	824,491
Overseas business operating expenses	118,290
Other business operating expenses	54,860
[Operating income	[86,979]
<b>Non-operating expenses</b>	36,641
Interest expenses	22,442
Foreign exchange losses	7,558
Other	6,639
<b>Total ordinary expenses</b>	1,034,283
<b>Ordinary income</b>	72,846
<b>Profit before income taxes</b>	72,846
<b>Income taxes - current</b>	14,581
<b>Income taxes - deferred</b>	(16,519)
<b>Profit</b>	74,784
<b>Profit attributable to non-controlling interests</b>	5,097
<b>Profit attributable to owners of parent</b>	69,687

(Attachments)

NON-CONSOLIDATED FINANCIAL STATEMENTS

**NON-CONSOLIDATED BALANCE SHEET** (as of March 31, 2022)

(millions of yen)	
<b>Assets</b>	
<b>Non-current assets</b>	2,126,004
<b>Electric utility plant and equipment</b>	853,331
Hydroelectric power production facilities	376,083
Thermal power production facilities	413,511
Internal combustion engine power production facilities	726
Communication facilities	7,410
General facilities	55,599
<b>Incidental business facilities</b>	2,391
<b>Non-operating facilities</b>	786
<b>Construction in progress</b>	453,249
Construction in progress	453,249
<b>Nuclear fuel</b>	75,806
Nuclear fuel in processing	75,806
<b>Investments and other assets</b>	740,440
Long-term investments	54,215
Long-term investment for subsidiaries and affiliates	636,379
Long-term prepaid expenses	6,950
Deferred tax assets	42,894
<b>Current assets</b>	294,056
Cash and deposits	126,006
Accounts receivable - trade	28,134
Other accounts receivable	7,763
Supplies	45,737
Prepaid expenses	1,455
Short-term receivables from subsidiaries and affiliates	20,965
Other current assets	63,994
<b>Total assets</b>	2,420,061

**NON-CONSOLIDATED BALANCE SHEET** (as of March 31, 2022) *(Continued)*

(millions of yen)

<b>Liabilities</b>	
<b>Non-current liabilities</b>	1,322,592
Bonds payable	704,994
Long-term loans payable	561,753
Long-term accrued liabilities	5,330
Lease obligations	149
Long-term debt to subsidiaries and affiliates	2,081
Provision for retirement benefits	39,369
Asset retirement obligations	6,695
Other non-current liabilities	2,217
<b>Current liabilities</b>	354,601
Current portion of non-current liabilities	120,793
Short-term loans payable	7,950
Commercial papers	90,016
Accounts payable - trade	11,930
Accounts payable - other	32,383
Accrued expenses	12,035
Accrued taxes	4,742
Deposits received	323
Short-term debt to subsidiaries and affiliates	67,534
Other advances	2,861
Other current liabilities	4,031
<b>Total liabilities</b>	1,677,194

**NON-CONSOLIDATED BALANCE SHEET** (as of March 31, 2022) *(Continued)*

	(millions of yen)
<b>Net Assets</b>	
<b>Shareholders' equity</b>	719,227
<b>Capital stock</b>	180,502
<b>Capital surplus</b>	109,904
Legal capital surplus	109,904
<b>Retained earnings</b>	428,829
Legal retained earnings	6,029
Other retained earnings	422,800
Reserve for special disaster	80
Exchange-fluctuation preparation reserve	1,960
General reserve	342,861
Retained earnings brought forward	77,898
<b>Treasury stock</b>	(9)
<b>Valuation and translation adjustments</b>	23,640
Valuation difference on available-for-sale securities	12,611
Deferred gains or losses on hedges	11,028
<b>Total net assets</b>	742,867
<b>Total liabilities and net assets</b>	2,420,061

**NON-CONSOLIDATED STATEMENT OF INCOME** (from April 1, 2021 to March 31, 2022)

(millions of yen)

<b>Ordinary revenue</b>	
<b>Operating revenue</b>	790,055
<b>Electric utility operating revenue</b>	781,056
Power fees	606
Sold power to other suppliers	767,205
Other electricity revenue	13,245
<b>Incidental business operating revenue</b>	8,998
Operating revenue - consulting business	1,016
Operating revenue - coal sale business	6,916
Operating revenue - other businesses	1,064
<b>Non-operating income</b>	52,894
<b>Financial revenue</b>	49,231
Dividends income	45,645
Interest income	3,586
<b>Non-operating revenue</b>	3,663
Gain on sales of non-current assets	0
Miscellaneous revenue	3,663
<b>Total ordinary revenue</b>	842,950
<b>Ordinary expenses</b>	
<b>Operating expenses</b>	772,155
<b>Electric utility operating expenses</b>	763,745
Hydroelectric power production expenses	62,942
Thermal power production expenses	427,208
Internal combustion engine power production expenses	3,410
Purchased power from other suppliers	203,278
Selling expenses	2,025
Communicating expenses	4,783
General and administrative expenses	49,225
Expenses for third party's power transmission service	3,801
Enterprise tax	7,068

**NON-CONSOLIDATED STATEMENT OF INCOME**

(from April 1, 2021 to March 31, 2022) (Continued)

	(millions of yen)
<b>Incidental business operating expenses</b>	8,410
Operating expenses - consulting business	721
Operating expenses - coal sale business	6,871
Operating expenses - other businesses	817
 [Operating income]	 [17,899]
<b>Non-operating expenses</b>	12,507
<b>Financial expenses</b>	11,239
Interest expenses	10,994
Bond issuance cost	244
<b>Non-operating expenses</b>	1,267
Loss on sales of non-current assets	71
Miscellaneous expenses	1,196
<b>Total ordinary expenses</b>	784,663
<b>Ordinary income</b>	58,287
<b>Profit before income taxes</b>	58,287
<b>Income taxes</b>	(15,409)
Income taxes-current	314
Income taxes-deferred	(15,724)
<b>Profit</b>	73,696

(Attachments)

AUDIT REPORTS

**THE AUDIT REPORT OF INDEPENDENT AUDITORS**  
**CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS**

Report of Independent Auditors

May 17, 2022

The Board of Directors

Electric Power Development Co., Ltd.

Ernst & Young ShinNihon LLC

Tokyo, Japan

Morio Sato

Certified Public Accountant

Designated and Engagement Partner

Katsuhiko Saito

Certified Public Accountant

Designated and Engagement Partner

*Opinion*

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Electric Power Development Co., Ltd. (the “Company”) for the fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the J-POWER Group, which consists of the Company and consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

*Basis for the Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Consolidated Financial Statements.” We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

*Other Information*

Other information comprises the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors in designing and operating the reporting process of the other information.

The other information is not included in the scope of our opinion for the consolidated financial statements, and we do not intend to express our opinion on the other information.

Our responsibility in the audit of the consolidated financial statements is to read the other information and consider whether there is a material inconsistency between the other information and the consolidated financial statements or our knowledge obtained in the audit, and in addition to such a material inconsistency, to remain alert for indications that the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement,

whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

*Auditor's Responsibility for the Audit of the Consolidated Financial Statements*

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

*Interest*

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.



**THE AUDIT REPORT OF INDEPENDENT AUDITORS**  
**CONCERNING THE NON-CONSOLIDATED FINANCIAL STATEMENTS**

Report of Independent Auditors

May 17, 2022

The Board of Directors  
Electric Power Development Co., Ltd.

Ernst & Young ShinNihon LLC  
Tokyo, Japan  
Morio Sato  
Certified Public Accountant  
Designated and Engagement Partner  
Katsuhiro Saito  
Certified Public Accountant  
Designated and Engagement Partner

*Opinion*

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the accompanying supplementary schedules of Electric Power Development Co., Ltd. (the “Company”) for the 70th fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and of the Company as of March 31, 2021, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

*Basis for the Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules.” We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

*Other Information*

Other information comprises the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors in designing and operating the reporting process of the other information.

The other information is not included in the scope of our opinion for the financial statements and the accompanying supplementary schedules, and we do not intend to express our opinion on the other information.

Our responsibility in the audit of the financial statements and the accompanying supplementary schedules is to read the other information and consider whether there is a material inconsistency between the other information and the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, and in addition to such a material inconsistency, to remain alert for indications that the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules*

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management

is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

#### *Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules*

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

#### *Interest*

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

## **REPORT OF THE AUDIT & SUPERVISORY BOARD**

### **Audit Report**

The Audit & Supervisory Board, hereby reports as follows regarding the performance of duties by the Directors of the Electric Power Development Co., Ltd. (the “Company”) during its 70th fiscal year, from April 1, 2021 to March 31, 2022. This Audit Report was prepared as the consensus of opinion of all Audit & Supervisory Board Members, based on reports prepared by each Audit & Supervisory Board Member, and as a result of subsequent deliberations.

1. Method of the audits by the individual Audit & Supervisory Board Members and the Audit & Supervisory Board; content of audits
  - (1) In addition to receiving reports on the progress in and results of audits by the individual Audit & Supervisory Board Members, based on the Audit & Supervisory Board’s policies and audit plans, the Audit & Supervisory Board also received reports from the Directors and the Accounting Auditors regarding the performance of their duties, and requested explanations from them as necessary.
  - (2) In accordance with the auditing standards, policies, and plans set forth by the Audit & Supervisory Board, each of the Audit & Supervisory Board Members worked to communicate with the Directors, the Internal Audit Department, and other employees in collecting information and establishing an appropriate audit environment, and audits were implemented as follows:
    - (i) Audit & Supervisory Board Members participated in meetings of the Board of Directors and other key meetings, received reports from the Directors and other employees regarding the performance of their duties, and when necessary, requested explanations of those reports. Audit & Supervisory Board Members also reviewed key decision documents, and conducted surveys of the operations and assets of both the head office and other local offices. Regarding subsidiaries, Audit & Supervisory Board Members worked to communicate with Directors, Audit & Supervisory Board Members, and other parties at those subsidiaries, and when necessary conducted hearings regarding the status of their performance of duties, including surveys of operations and assets.
    - (ii) Audit & Supervisory Board Members were responsible for monitoring and verifying the status of creation and operation of various corporate structures, including those necessary to ensure that Directors’ duties are executed in compliance with laws and regulations, and the Articles of Incorporation, and those needed for ensuring the fair performance of operations of the J-POWER Group comprising the Company as a stock corporation and its subsidiaries as described in the Business Report, namely decisions by the Board of Directors regarding the establishment of systems as set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act (the internal control system).
    - (iii) Additional consideration was given to the policies set forth in Article 118, Item 3 (a) of the Ordinance for Enforcement of the Companies Act, as noted in the Business Reports, based on the status of deliberations at the meeting of Board of Directors and other key meetings.
    - (iv) While also monitoring and reviewing the audit of the Accounting Auditor to ensure they maintained an independent position and conducted their audits fairly, Audit & Supervisory Board Members received reports from them regarding the performance of their duties, and when necessary, asked for further explanation regarding those reports. Audit & Supervisory Board Members also received notice from the Accounting Auditor in accordance with “the system for ensuring appropriate execution of their duties” (as enumerated in each Item of Article 131 of the Company Accounting Regulation Ordinance) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Deliberations Council in October 28, 2005), and, where necessary, Audit & Supervisory Board Members requested further explanation regarding that notice.

Based on the above methods, Audit & Supervisory Board Members proceeded to review the Business Report and supplemental statements, the non-consolidated financial statements (consist of the

non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in shareholders' equity, and notes on significant accounting policies used in preparation of the non-consolidated financial statements) with supplemental statements, and the consolidated financial statements (consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in shareholders' equity, and notes on significant accounting policies used in preparation of the consolidated financial statements) for the fiscal year under review.

## 2. Audit Results

### (1) Results of Audit of Business Reports, etc.

- (i) The Audit & Supervisory Board confirms that the Business Reports and supplemental statements conformed to the applicable laws and regulations, and the Articles of Incorporation, and that they accurately present the situation of the Company.
- (ii) With respect to the performance of duties by Directors, the Audit & Supervisory Board found no improper acts or important violation of applicable laws and regulations or the Articles of Incorporation.
- (iii) The Audit & Supervisory Board confirms that decisions by the Board of Directors regarding the Company's internal control systems to be fair and adequate, and found no areas that require mention regarding the description of the internal control systems in the Business Report and the performance of duties by Directors.
- (iv) The Audit & Supervisory Board found no items that need to be pointed out regarding the Basic Policy Regarding Control of the Company, noted in the Business Report.

### (2) Results of Audit of Non-consolidated Financial Statements and Supplemental Statements

The Audit & Supervisory Board confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

### (3) Results of Audit of Consolidated Financial Statements

The Audit & Supervisory Board confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

May 23, 2022

Audit & Supervisory Board  
Electric Power Development Co., Ltd.

Naori Fukuda (seal)  
Senior Audit & Supervisory Board Member (Full-time)

Hiroshi Fujioka (seal)  
Senior Audit & Supervisory Board Member (Full-time)

Shinichi Kawatani (seal)  
Senior Audit & Supervisory Board Member (Full-time)

Kiyoshi Nakanishi (seal)  
Audit & Supervisory Board Member

Kimiko Oga (seal)  
Audit & Supervisory Board Member

Note: Senior Audit & Supervisory Board Member Hiroshi Fujioka, Audit & Supervisory Board Members Kiyoshi Nakanishi and Kimiko Oga are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.