

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, 2023

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 71st Ordinary General Meeting of Shareholders

For this General Meeting of Shareholders, the Company provides materials electronically and posts matters subject to the electronic provision measures on the Company’s website below as part of the Notice of the 71st Ordinary General Meeting of Shareholders and the Other Matters Subject to Electronic Provision Measures for the 71st Ordinary General Meeting of Shareholders (Matters Excluded from Paper-Based Documents to be Delivered to Shareholders).

- [The Company website]
<https://www.jpowers.co.jp/english/ir/stock/meeting.html>

In addition to the website shown above, the Company also has posted this information on the following websites:

- [The Tokyo Stock Exchange (TSE) website]
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website above, enter the company name (Electric Power Development) or securities code (9513), and click on “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to find necessary information.

- [Voting website]
<https://s.srdb.jp/9513/>

If you are unable to attend the meeting, you may exercise your voting rights via the Internet or in writing by mail. We request you to exercise your voting rights by 5:30 p.m. on Tuesday, June 27, 2023.

Please refer to the Guide to Exercising Voting Rights via the Internet, etc. or by Mail on pages 4 to 6 for details on how to exercise your voting rights.

1. Date & Time: 10:00 a.m., Wednesday, June 28, 2023 (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 71st fiscal year (from April 1, 2022 to March 31, 2023), in addition to reports on the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
2. Non-consolidated Financial Statements for the 71st fiscal year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

Company Proposals

Proposal 1. Appropriation of Surplus

Proposal 2. Election of Twelve (12) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

Shareholder Proposals

Proposal 3. Partial Amendments to the Articles of Incorporation

Proposal 4. Partial Amendments to the Articles of Incorporation

Matters Excluded from Paper-based Documents Delivered to Shareholders

Among the matters subject to the electronic provision measures, the following matters are excluded, in accordance with the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, from the paper-based documents to be delivered to the shareholders who made a request for delivery of paper-based documents.

Accordingly, the paper-based documents to be delivered to shareholders who made a request for delivery of documents constitutes only part of the documents audited by the Audit & Supervisory Committee and Accounting Auditors in preparation of audit reports.

- (i) “Corporate Structure and Policies” in the Business Report
 - (ii) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
 - (iii) Statement of Changes in Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements
- If any revisions are made to matters subject to the electronic provision measures, a notice to that effect and the matters before and after the revision will be posted on the respective websites where the matters are posted.

Live Streaming and Other Information

- As a reference for your exercising voting rights, we will upload a video presentation by the President to the Internet in advance of the General Meeting of Shareholders. Please watch the video for your reference and consider exercising your voting rights in advance via the Internet, etc., or in writing by mail.
- You may submit questions regarding the Agenda of the General Meeting of Shareholders via the Internet in advance.
- We plan to live stream the General Meeting of Shareholders via the Internet, which can be accessed only by shareholders of the Company. Please note that the live stream is for viewing purposes only, therefore you cannot exercise voting rights or ask questions via the live stream.
- 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 71st 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.
- 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 reference material for the meeting. 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 power of attorney, etc.) certifying the authority of proxy to the reception desk.

Infection prevention measures may be implemented on the day of the General Meeting of Shareholders, 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/stock/meeting.html>

Guide to Exercising Voting Rights via the Internet, etc. or by Mail

1. Voting via the Internet, etc.

Voting deadline: Vote must be casted by 5:30 p.m. on Tuesday, June 27, 2023

2. Voting in Writing (by mail)

Voting deadline: Voting Form must reach the Company by 5:30 p.m. on Tuesday, June 27, 2023

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 and 2 (Company proposals)

Proposal 1

- ▶Vote for: Circle “贊” mark
- ▶Vote against: Circle “否” mark

Proposal 2

- ▶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 Number to vote against

Proposals 3 and 4 (proposals from some shareholders)

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

- ▶Vote against shareholder proposal: Circle “否” mark
- ▶Vote for shareholder proposal: Circle “贊” mark

Please note:

- If you do not indicate your vote for or against each of the proposals on the Voting Form returned to us, we will treat your vote as a vote for the proposal with respect to the company proposals and a vote against the proposal with respect to the shareholder proposals.
- If you cast multiple votes both via the Internet, etc., or in writing by mail, the vote submitted via the Internet, etc., shall be deemed valid.
- If you vote more than once via the Internet, etc., 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.

Exercising Voting Rights via the Internet, etc.

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.

Voting by entering your 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) Change your password by entering the password printed on the Voting Form and a new password you want to set.
- (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 and 2)>

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 30%, except for fluctuations due to short-term factors.

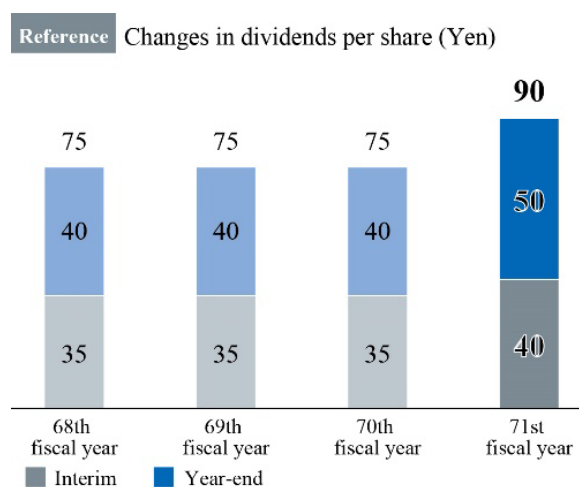
For the fiscal year under review, our efforts to improve profit levels paid off with a decrease in unplanned outages in Japan and the start of operation of large power plants overseas. In addition, we recorded higher-than-expected profit from a consolidated subsidiary that owns coal mining interests in Australia due to the continued rise in coal prices. Accordingly, the Company intends to pay the year-end dividend of 50 yen per share. As the Company has already paid an interim dividend of 40 yen per share in November last year, the Company proposes an annual dividend of 90 yen per share. The Company also proposes other items relating to the appropriation of surplus as follows.

1. Items relating to the year-end dividend:

Type of dividend assets	Cash
Distribution of dividends	50 yen per share of common stock of the Company Total amount: 9,152,388,450 yen
Effective date of the distribution	Thursday, June 29, 2023

2. Other items relating to the appropriation of surplus:

Increased surplus	General reserve	40,000,000,000 yen
Decreased surplus	Retained earnings brought forward	40,000,000,000 yen



Proposal 2: Election of Twelve (12) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)


The term of office for all twelve (12) Directors (excluding Directors serving as Audit & Supervisory Committee Members. The same shall apply hereinafter in this this proposal.) will expire at the end of this meeting. Accordingly, the Company proposes to elect twelve (12) Directors.



This proposal was deliberated by the Nomination and Compensation Committee, whose chairperson and majority of members are independent officers. With regard to this proposal, the Audit & Supervisory Committee has expressed the opinion that there are no particular matters to be pointed out.

The details of the candidates for Directors are given on pages 10 through 17.



Candidate Number	Name	Current Positions at the Company
1	Reappointment Toshifumi Watanabe	Representative Director President and Chief Executive Officer
2	Reappointment Hitoshi Kanno	Representative Director and Executive Vice President General operations, ESG oversight, Corporate oversight, Department Director of Energy Business (delegation of administrative works), Department Deputy Director of Nuclear Power Business (delegation of administrative works), Planning & Development and Hydrogen/CCS Business Development (matters under special assignment)
3	Reappointment Hiroyasu Sugiyama	Director and Executive Vice President General operations, Department Deputy Director of Nuclear Power Business (delegation of administrative works), International Business and Hydrogen/CCS Business Development (matters under special assignment)
4	Reappointment Osamu Hagiwara	Director and Executive Vice President General operations, Department Director of Nuclear Power Business (delegation of administrative works)
5	Reappointment Yoshikazu Shimada	Director and Executive Vice President General operations, Department Director of Renewable Energy (delegation of administrative works), Civil & Architectural Engineering Dept., Digital Innovation and International Business (matters under special assignment)
6	Reappointment Hiroshi Sasatsu	Director and Executive Vice President General operations, Thermal Energy & Value Creation Dept., Research & Development Dept., Corporate Planning & Administration, International Business and Hydrogen/CCS Business Development (matters under special assignment)
7	New Appointment Isshuu Kurata	Executive Managing Officer Department Deputy Director of Nuclear Power Business (delegation of administrative works), Department Director of Ohma General Management Dept. (delegation of administrative works)

Candidate Number	Name	Current Positions at the Company
8	<div data-bbox="277 322 384 349" style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div data-bbox="628 322 786 349" style="margin-left: 100px;">Takaya Nomura</div>	Director and Executive Managing Officer Department Deputy Director of Renewable Energy (delegation of administrative works), Digital Innovation Dept., Hydropower Dept., International Business (matters under special assignment)
9	<div data-bbox="277 488 384 524" style="border: 1px solid black; padding: 2px; display: inline-block;">New Appointment</div> <div data-bbox="628 488 756 524" style="margin-left: 100px;">Ryoji Sekine</div>	Executive Managing Officer Department Director of International Business (delegation of administrative works), International Business Management Dept., International Business Development Dept.
10	<div data-bbox="277 618 384 645" style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div data-bbox="411 611 477 645" style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 10px;">Outside Director</div> <div data-bbox="507 611 600 645" style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 10px;">Independent Director</div> <div data-bbox="628 618 756 645" style="margin-left: 10px;">Tomonori Ito</div>	Outside Director
11	<div data-bbox="277 698 384 725" style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div data-bbox="411 692 477 725" style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 10px;">Outside Director</div> <div data-bbox="507 692 600 725" style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 10px;">Independent Director</div> <div data-bbox="628 698 778 725" style="margin-left: 10px;">John Buchanan</div>	Outside Director
12	<div data-bbox="277 779 384 815" style="border: 1px solid black; padding: 2px; display: inline-block;">New Appointment</div> <div data-bbox="411 772 477 806" style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 10px;">Outside Director</div> <div data-bbox="507 772 600 806" style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 10px;">Independent Director</div> <div data-bbox="628 779 810 806" style="margin-left: 10px;">Takashi Yokomizo</div>	


Candidate Number	Name (Date of Birth)	Brief Personal History and Position at the Company	Number of Shares of the Company Held
<p>1</p> <p>Reappointment</p>	 <p>Toshifumi Watanabe (March 10, 1955)</p> <p>Attendance at Board of Directors meetings: 100% (13/13)</p>	<p>April 1977 Joined the Company</p> <p>April 2002 Department Director of Corporate Planning & Administration Dept. and Office Director of Privatization Office, Corporate Planning & Administration Dept.</p> <p>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)</p> <p>June 2004 Department Director of Corporate Planning & Administration Dept.</p> <p>June 2006 Director</p> <p>June 2009 Executive Managing Director</p> <p>June 2012 Director and Executive Managing Officer</p> <p>June 2013 Executive Vice President and Representative Director</p> <p>June 2016 President and Representative Director</p> <p>April 2019 Representative Director President and Chief Executive Officer (current position)</p> <p><Major Concurrent Positions> None</p>	<p>30,436 shares (1,836 shares)</p>
<p>Reasons for Nomination as Candidate for Director</p> <p>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.</p>			

Candidate Number	Name (Date of Birth)	Brief Personal History and Position at the Company		Number of Shares of the Company Held
2 <u>Reappointment</u>	 Hitoshi Kanno (April 19, 1961) Attendance at Board of Directors meetings: 100% (13/13)	April 1984 January 2011 June 2015 October 2015 June 2016 June 2017 June 2019 April 2022 April 2023	Joined the Company Department Director of Business Planning Dept. Executive Officer, Department Director of Business Planning Dept. Executive Officer, Department Director of Power Business Planning & Development Dept. Executive Officer, Department Director of Corporate Planning & Administration Dept. Executive Managing Officer Director and Executive Managing Officer Director and Executive Vice President Representative Director and Executive Vice President (current position) <Major Concurrent Positions> None	19,609 shares (1,609 shares)
Reasons for Nomination as Candidate for Director 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 Director and Executive Managing Officer and Director and Executive Vice President while also serving as Department Director of Energy Business and 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.				
3 <u>Reappointment</u>	 Hiroyasu Sugiyama (April 11, 1956) Attendance at Board of Directors meetings: 100% (13/13)	April 1981 July 2012 June 2013 June 2015 June 2016 June 2020	Joined the Company Department Director of International Business Development Dept. Executive Officer, Department Director International Business Development Dept. Executive Managing Officer Director and Executive Managing Officer Director and Executive Vice President (current position) <Major Concurrent Positions> None	25,029 shares (1,609 shares)
Reasons for Nomination as Candidate for Director 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.				

Candidate Number	Name (Date of Birth)	Brief Personal History and Position at the Company	Number of Shares of the Company Held
4 <u>Reappointment</u>	 Osamu Hagiwara (December 11, 1960) Attendance at Board of Directors meetings: 100% (10/10)	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 Executive Managing Officer June 2022 Director and Executive Vice President (current position) <Major Concurrent Positions> None	11,509 shares (1,609 shares)
Reasons for Nomination as Candidate for Director 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, Executive Managing Officer, and Director and Executive Vice President 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.			
5 <u>Reappointment</u>	 Yoshikazu Shimada (May 16, 1957) Attendance at Board of Directors meetings: 100% (13/13)	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 Director and Executive Managing Officer April 2023 Director and Executive Vice President (current position) <Major Concurrent Positions> None	17,412 shares (1,192 shares)
Reasons for Nomination as Candidate for Director 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, Director and Executive Managing Officer, and Director and Executive Vice President, while also serving as 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.			

Candidate Number	Name (Date of Birth)	Brief Personal History and Position at the Company		Number of Shares of the Company Held
6 Reappointment	 Hiroshi Sasatsu (March 15, 1962) Attendance at Board of Directors meetings: 100% (13/13)	April 1986 June 2015 June 2016 June 2018 April 2019 June 2020 April 2023	Joined the Company Department Director of Research & Development Dept. Executive Officer, Department Director of Research & Development Dept. Executive Officer Executive Managing Officer Director and Executive Managing Officer Director and Executive Vice President (current position) <Major Concurrent Positions> None	10,892 shares (1,192 shares)
Reasons for Nomination as Candidate for Director 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, Director and Executive Managing Officer, and Director and Executive Vice President. 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 New Appointment	 Isshuu Kurata (November 20, 1961) Attendance at Board of Directors meetings: –	April 1984 June 2014 July 2016 June 2017 April 2020	Joined the Company Department Director of General Affairs Dept. Department Director of Nuclear Power Management Dept. Executive Officer, Department Director of Nuclear Power Management Dept. Executive Managing Officer, Department Director of Ohma General Management Dept. (current position) <Major Concurrent Positions> None	10,692 shares (1,192 shares)
Reasons for Nomination as Candidate for Director Mr. Isshuu Kurata is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in the departments of accounting & finance, new businesses, general affairs, and nuclear power management 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 and Director of Ohma General Management Dept. 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 Position at the Company	Number of Shares of the Company Held
8 Reappointment	 Takaya Nomura (January 3, 1962) Attendance at Board of Directors meetings: 100% (10/10)	April 1984 Joined the Company June 2017 Department Director of Hydropower Dept. January 2018 Department Director of Hydropower Dept. and Senior Advisor of Corporate Planning & Administration Dept. June 2018 Executive Officer, Department Director of Hydropower Dept. April 2020 Executive Managing Officer June 2022 Director and Executive Managing Officer (current position) <Major Concurrent Positions> None	8,692 shares (1,192 shares)
Reasons for Nomination as Candidate for Director 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, 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.			
9 New Appointment	 Ryoji Sekine (October 16, 1962) Attendance at Board of Directors meetings: –	April 2001 Joined the Company October 2015 Department Director of Energy Planning Dept. June 2018 Executive Officer, Department Director of Energy Planning Dept. April 2020 Executive Managing Officer (current position) <Major Concurrent Positions> None	8,592 shares (1,192 shares)
Reasons for Nomination as Candidate for Director Mr. Ryoji Sekine is well-versed in overall business operations of the Company with abundant business experience he acquired through his assignments in new businesses, planning, hydroelectric power maintenance, sales, 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 Executive Officer and Executive Managing Officer, while also serving as Department Deputy Director of Energy Business and 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 Position at the Company	Number of Shares of the Company Held
10 Reappointment Outside Director Independent Director	 Tomonori Ito (January 9, 1957) Attendance at Board of Directors meetings: 100% (13/13)	April 1979 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) March 1990 Vice President of Investment Banking Group, Bank of Tokyo Trust Company, New York Branch April 1994 Vice President of Emerging Market Group, The Bank of Tokyo, Ltd., New York Branch March 1995 Manager of Business Development Daini, Union Bank of Switzerland, Tokyo Branch (currently UBS) August 1997 General Manager of Tokyo Branch and Head of Investment Banking, Union Bank of Switzerland June 1998 Head of Investment Banking and Managing Director, UBS Securities Japan Co., Ltd. April 2011 Visiting Professor of Graduate School of International Corporate Strategy, Hitotsubashi University May 2012 External Director of PARCO CO., LTD. October 2012 Professor of Graduate School of International Corporate Strategy, Hitotsubashi University June 2014 Outside Director of Aozora Bank, Ltd. (current position) June 2016 Outside Director of the Company (current position) April 2018 Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University April 2020 Adjunct Professor of Department of International Corporate Strategy, Graduate School of Business Administration, Hitotsubashi University September 2021 Professor at Institute for Business and Finance, Waseda Business School (Graduate School of Business and Finance) (current position) April 2022 Lecturer at International Academic Research Institute, Kyoto University of Advanced Science (current position) June 2022 Outside Director of Mitsui Sumitomo Insurance Company, Limited (current position) <Major Concurrent Positions> <ul style="list-style-type: none"> • Professor at Institute for Business and Finance, Waseda Business School (Graduate School of Business and Finance) • Lecturer at International Academic Research Institute, Kyoto University of Advanced Science • Outside Director of Mitsui Sumitomo Insurance Company, Limited 	2,100 shares


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

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.

Independence of Outside Director

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.

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 28 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 12 years have elapsed.

Candidate Number	Name (Date of Birth)	Brief Personal History and Position at the Company	Number of Shares of the Company Held
11 Reappointment Outside Director Independent Director	 John Buchanan (October 31, 1951) Attendance at Board of Directors meetings: 100% (13/13)	October 1974 Joined Lloyds Bank Group (Bank of London and South America, Lloyds Bank International, Lloyds Merchant Bank) January 1981 Representative, subsequently Branch Manager, Lloyds Bank International, Osaka August 1983 Branch Manager, Bank of London and South America, Barcelona October 1987 Joined S.G. Warburg & Co. Ltd. October 1992 Director of S.G. Warburg & Co. Ltd. October 1995 Joined The Sumitomo Bank, Limited, London Branch May 2000 Joined Daiwa Securities SB Capital Markets Europe Limited August 2006 Research Associate of Centre for Business Research, University of Cambridge (current position) June 2016 Outside Director of the Company (current position) <Major Concurrent Positions> <ul style="list-style-type: none"> • Research Associate of Centre for Business Research, University of Cambridge 	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 23 years have elapsed.

Candidate Number	Name (Date of Birth)	Brief Personal History and Position at the Company	Number of Shares of the Company Held
12 New Appointment Outside Director Independent Director	 Takashi Yokomizo (November 2, 1950) Attendance at Board of Directors meetings: –	<p>April 1978 Registered as an attorney (Joined Dai-ichi Tokyo Bar Association) Joined Yoshiba Law Office</p> <p>April 1990 Established Yokomizo Law Office</p> <p>April 2005 Vice Chairman, Dai-ichi Tokyo Bar Association</p> <p>April 2008 Partner Lawyer, Sunrise Law Office (current position)</p> <p>January 2013 Chairman, Dai-ichi Tokyo Bar Association</p> <p>April 2013 Vice Chairman, Japan Federation of Bar Associations</p> <p>January 2014 Member of the Fiscal System Council of the Ministry of Finance (national property)</p> <p>May 2014 Director, Chuo University</p> <p>June 2014 Outside Director of Maeda Road Construction Co., Ltd.</p> <p><Major Concurrent Positions></p> <ul style="list-style-type: none"> • Lawyer (Partner Lawyer, Sunrise Law Office) 	0 shares
Reasons for Nomination as Candidate for Outside Director and Outline of Expected Roles			
<p>Mr. Takashi Yokomizo has abundant experience in the legal profession and distinguished knowledge and capability of addressing various management issues as an attorney. 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. He has no experience of being involved in the management of a company other than as Outside Director, but for the reasons stated above, the Company has judged that he will be able to appropriately execute his duties as Outside Director.</p>			
Independence of Outside Director			
<p>The Company maintains special transactional relationships with neither Mr. Yokomizo 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 plans to appoint him as an independent director/auditor in accordance with the specifications of the Tokyo Stock Exchange.</p>			

- Notes:
1. There is no conflict of interest between any of the Director candidates and the Company.
 2. Mr. Tomonori Ito currently serves as Outside Director of the Company, and his term of office will be 7 years as of the end of this General Meeting of Shareholders.
 3. Mr. John Buchanan currently serves as Outside Director of the Company, and his term of office will be 7 years as of the end of this General Meeting of Shareholders.
 4. The number of shares of the Company held by each candidate includes the number of shares to be delivered after their retirement under the stock compensation plan, and the number of such shares is shown in a parenthesis.
 5. The attendance at Board of Directors meetings represents attendance at Board of Directors meetings held in fiscal year 2022. The attendance of Messrs. Osamu Hagiwara and Takaya Nomura at the Board of Directors meetings only covers the Board of Directors meetings held after their appointment on June 28, 2022.
 6. Mr. Tomonori Ito assumed office as Outside Director of Mitsui Sumitomo Insurance Company, Limited on June 24, 2022.
 7. Mr. Tomonori Ito is scheduled to retire from the post of Outside Director of Aozora Bank, Ltd. on June 22, 2023 at the expiration of his term of office.
 8. Mr. Tomonori Ito is scheduled to be appointed as Outside Director of Sumitomo Mitsui Trust Holdings, Inc. in June 2023.
 9. The Company has entered into a contract with Messrs. Tomonori Ito and John Buchanan that limits their liability as Directors 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. If the election of Mr. Takashi Yokomizo is approved, the Company plans to enter into a similar contract with him.
 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.

(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^{*1} is the Company or the Company's subsidiaries, or persons executing business for such persons.
3. Persons who are major business partners^{*1} 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^{*2} 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's subsidiaries; or
 - (4) Persons who have been Audit & Supervisory Board Members of the Company or 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) Attributes, Expertise and Experience of Candidates for Director (Skill Matrix)

If Proposal 2 is approved as originally proposed, the attributes, expertise and experience of each Director after the conclusion of this General Meeting of Shareholders will be as follows.

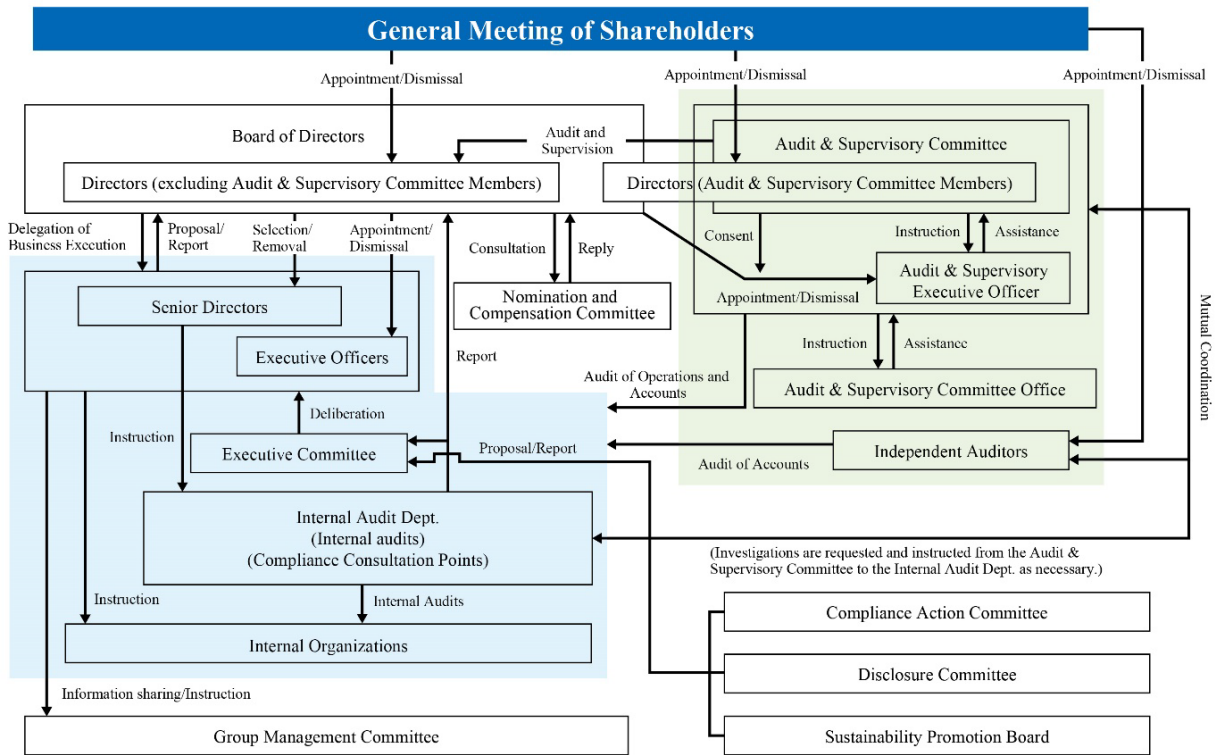
■ Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

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 (planned)
Toshifumi Watanabe	Male	○	○	○	○		○					Member
Hitoshi Kanno	Male	○	○	○	○		○		○			Member
Hiroyasu Sugiyama	Male					○		○	○	○	○	
Osamu Hagiwara	Male							○	○	○		
Yoshikazu Shimada	Male					○		○	○	○		
Hiroshi Sasatsu	Male							○	○	○		
Isshuu Kurata	Male	○	○	○	○				○			
Takaya Nomura	Male					○		○	○	○	○	
Ryoji Sekine	Male	○	○				○		○		○	
Tomonori Ito	Outside Director Independent Director Male	○	○	○							○	
John Buchanan	Outside Director Independent Director Male Foreign nationality	○	○	○							○	
Takashi Yokomizo	Outside Director Independent Director Male			○	○							Chair-person

■ 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	○				○	○					

(Reference) Corporate Governance Structure and Internal Control System Chart



(Reference) Members of the Nomination and Compensation Committee

• Before this General Meeting of Shareholders

Independent Outside Directors: 3
Chairperson: Go Kajitani, Outside Director Hiroshi Fujioka, Outside Director (Audit & Supervisory Committee Member) Kiyoshi Nakanishi, Outside Director (Audit & Supervisory Committee Member)
Internal Directors: 2
Hitoshi Murayama, Chairman and Representative Director Toshifumi Watanabe, Representative Director President

• After this General Meeting of Shareholders (planned)

Independent Outside Directors: 3
Chairperson: Takashi Yokomizo, Outside Director Hiroshi Fujioka, Outside Director (Audit & Supervisory Committee Member) Kiyoshi Nakanishi, Outside Director (Audit & Supervisory Committee Member)
Internal Directors: 2
Toshifumi Watanabe, Chairman and Representative Director Hitoshi Kanno, Representative Director President

<Shareholder proposals (proposals 3 and 4)>

Proposals 3 and 4 have been submitted jointly by three shareholders. Both 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 both of 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 3 and 4
[J-POWER's Policy of and Approach to Climate Change]

Based on J-POWER's Corporate 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 conduct our business with a focus on material issues for management including the provision of a stable supply of energy and response to climate change.

Furthermore, Japan, as a signatory to the Paris Agreement, is promoting efforts to steadily reduce CO₂ emissions while ensuring a stable supply of energy with the aim of achieving carbon neutrality by 2050.

Based on our Corporate Philosophy and Japan's national policies, in February 2021 we formulated J-POWER "BLUE MISSION 2050," a concrete plan for reaching carbon neutrality by 2050. The plan is formulated around three pillars—expanding CO₂-free power sources, push for zero-emission power sources, and power networks—and launched related initiatives. (See the chart below for the latest version of the plan and our progress.)

Since the formulation of the plan, the Company's Board of Directors has been monitoring the progress of initiatives by the responsible departments, as well as adequately accommodating feedback from dialogue with shareholders and other stakeholders and identifying changes in the business environment, including government policies and the international situation, then discussing updates and revisions to the plan on an annual basis.

Most recently, all Directors, including Outside Directors, have held multiple lively discussions on whether the Company's CO₂ reduction target for 2030, which was set in February 2021, is at an appropriate level in light of the nationally determined contribution (NDC) for Japan as a signatory to the Paris Agreement. As a result of these discussions, the Board of Directors decided to increase the reduction target for 2030 by 1.3 million tons, based on factors including the Company's progress in expanding renewable energy, scaling up mixed combustion of biomass and establishing a joint venture

company to implement carbon capture and storage (CCS) in Japan, as well as the Company’s track record in reducing CO₂ emissions from coal-fired power plants. With the increase, our new CO₂ reduction target for 2030 is a 46% reduction compared with FY2013, which is in line with Japan’s NDC.

Furthermore, from the perspective of sustainability management, the Nomination and Compensation Committee, in which the majority of members, including the chairperson, are Outside Directors, has held multiple discussions on methods for evaluating the non-financial value of initiatives for material issues in the officer compensation system. Based on the Committee’s conclusions, the Board of Directors decided to introduce five material issues, including climate change countermeasures such as the achievement of new development targets for renewable energy and CO₂ reduction targets, as non-financial indicators in evaluations for performance-linked remuneration.

Through the realization of J-POWER “BLUE MISSION 2050,” the Board of Directors will appropriately manage climate change-related risks and protect its corporate value from impairment as it works for sustainable growth and improvement in corporate value by viewing change as an opportunity. By doing so, we will continue to meet the expectations of our shareholders.

Moreover, we are working to enhance disclosure of information on our response to climate change and will continue to promote efforts to achieve carbon neutrality by engaging in dialogue with our stakeholders based on the content of our disclosure, acknowledging their feedback, and reflecting it in concrete plans. The status of the Company’s initiatives to address climate change can be found in materials including *Progress of J-POWER Medium-Term Management Plan*, *TCFD Recommendations-based Disclosures*, and *J-POWER Group Integrated Report*.

Our Approach to Response to Climate Change J-POWER “BLUE MISSION 2050”

In promoting climate change countermeasures, compatibility with a stable supply of energy is essential.

J-POWER “BLUE MISSION 2050” is a concrete initiative to achieve this goal.

J-POWER will prioritize development of renewable energy and will augment the power network necessary for the expansion of renewable energy.

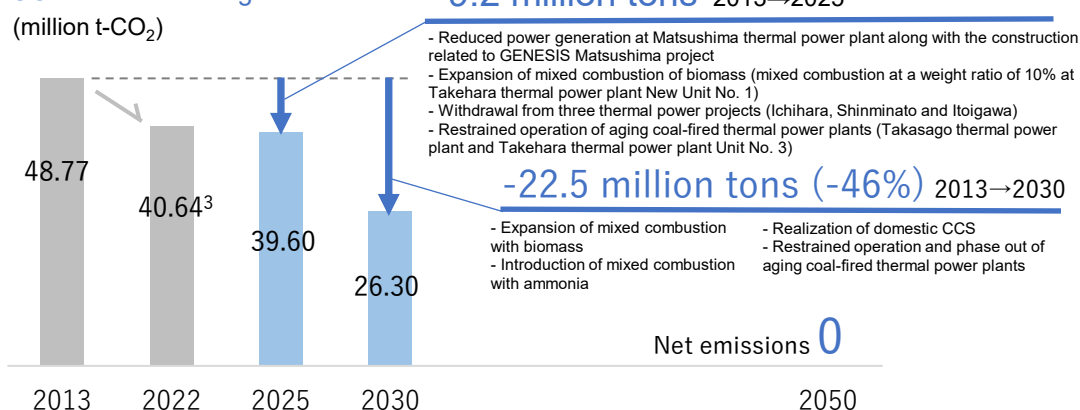
By also working on CO₂-free hydrogen power generation and nuclear power in parallel with the expansion of renewable energy, we will steadily reduce CO₂ emissions while providing a stable supply of energy.

CO₂ Reduction Targets

Increasing the CO₂ reduction target for 2030 by 1.3 million tons in May 2023 has brought the target in line with the Japanese government’s stated reduction target.

From FY2023 to FY2030, we plan to make strategic investments of 700 billion yen, including for development of renewable energy.

CO₂ Reduction Targets^{1,2}



1. CO₂ emissions of the J-POWER domestic power generation business.
2. Compared with FY2013 results. Compared with average results for the three-year period from FY2017 to FY2019, the FY2025 target is -7.0 million tons and the 2030 target is -44% (-20.3 million tons).
3. Preliminary estimate. Compared with FY2013: -8.13 million tons.

Expanding CO₂-free Power Sources

Renewable energy	New development by FY2025 at the 1,500 MW scale ⁴
Nuclear power	Construction of Ohma Nuclear Power Plant

Recent projects to start operation

Apr. 2022	Triton Knoll Offshore Wind Farm (U.K.)
Apr. 2022	Kumaoui Power Plant (hydropower)
May 2022	Shin-Katsurazawa Power Plant (hydropower)
Feb. 2023	Esashi Wind Farm
Feb. 2023	Shin-Shimamaki Wind Farm
Mar. 2023	Lake Mainit Hydroelectric Power Plant (Philippines)
Mar. 2023	Ashoro Power Plant Unit No. 1 (hydropower)
Apr. 2023	Onikobe Geothermal Power Plant

4. Compared with FY2017.

Push for Zero-emission Power Sources

CO ₂ -free hydrogen power generation	J-POWER GENESIS Vision Aim to generate power using CO ₂ -free hydrogen produced by separating and capturing CO ₂ from gasified coal
CO ₂ -free hydrogen production	

Recent progress

Jun. 2022	Participation in a CCS (CO ₂ separation, capture and storage) demonstrate project which capture, transport and store CO ₂ in Australia Participated in CTSCo and CCS Project ⁵
Jul. 2022	Start of carbon capture and utilization (CCU) demonstration test Liquefied and transported CO ₂ captured in Osaki Coolgen for use in promoting photosynthesis in tomato greenhouses
Oct. 2022	Start of a study of an integrated demonstration model for production of

CO₂ negative hydrogen from domestic biomass⁶

Study of a process that substantially reduces atmospheric CO₂ while producing hydrogen by combining biomass gasification and CCS

Feb. 2023

Establishment of a joint venture for a feasibility study of domestic CCS storage projects⁷

Preparation for commercialization, including exploration and evaluation for selecting candidate CO₂ storage sites, with the aim of starting CO₂ injection in 2030 as Japan's first full-scale CCS

Feb. 2023

Completion of procedures for the environmental impact assessment scoping document for GENESIS Matsushima project

Received notification from the Minister of Economy, Trade and Industry that appropriate consideration has been given to environmental conservation

5. Project conducted by Glencore Plc in Queensland, Australia.
6. Joint venture with JX Nippon Oil & Gas Exploration Corporation and Mizuho Research & Technologies, Ltd. Project commissioned by the New Energy and Industrial Technology Development Organization (NEDO).
7. Joint venture with ENEOS Corporation and JX Nippon Oil & Gas Exploration Corporation.

Power Networks⁸

Power networks	Expansion of New Sakuma Frequency Converter Station and other facilities
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8. An initiative of J-POWER Transmission.

Governance

Following this year's Ordinary General Meeting of Shareholders, the Company plans to partially revise its compensation system for officers.⁹ Performance-linked remuneration will be evaluated based on its material issues, which are initiatives for increasing corporate value over the medium to long term (the supply of energy, response to climate change, respect for people, engagement with local communities, and enhancement of our business foundation), in addition to the current indicator of consolidated ordinary income.

9. Directors and executive officers (excluding Outside Directors and Audit & Supervisory Committee Members and other).

TCFD Recommendations-based Disclosures

We conduct climate change-related disclosures based on the recommendations of TCFD. In May 2023, we updated a portion of our disclosure.

Reference

See the links below for the materials referred to in this Opinion of the Board of Directors.

- *Progress of J-POWER Medium-Term Management Plan* (Released on May 10, 2023)
https://www.jpower.co.jp/english/news_release/pdf/news230510_2e.pdf
- *TCFD Recommendations-based Disclosures* (updated version released on May 24, 2023)
<https://www.jpower.co.jp/english/sustainability/environment/climate/>
- *J-POWER Group Integrated Report* (FY2022 edition published in August 2022, FY2023 edition scheduled for publication by the end of August 2023)
<https://www.jpower.co.jp/english/ir/library/report.html>

[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, because of concerns that it may seriously hinder prompt, flexible business execution and formulation or revision of policies in response to changes in the business environment, and lead to impairment of the corporate value of the Company.

Proposal 3: 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 value of the Company, the Company shall formulate and disclose a business plan to achieve science-based short- and medium-term greenhouse gas emissions reduction targets aligned with the goals of the Paris Agreement.
2. The Company shall report, in its annual report, on its progress against the targets specified in the preceding paragraph at reasonable cost (confidential information may be omitted).

(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. In particular, the Company has presented no indicative schedule for the retirement of its coal-fired power assets and has instead presented a plan that involves capital expenditure into speculative technology prolonging the life of these assets. This presents material financial risks to shareholders, including the risks arising from anticipated changes in greenhouse gas emissions-related public policy.

Formulating science-based targets, and disclosing a business plan to achieve them, would best manage these risks and protect corporate value. A disclosure of the Company's assessment of whether material capital expenditure aligns with the goals of the Paris Agreement in such business plan would assist shareholders.

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 for achieving carbon neutrality by 2050, including short- and medium-term targets, and are implementing initiatives to achieve these targets.

More specifically, Japan is advancing in stages toward achieving carbon neutrality by 2050 by reducing CO₂ as it maintains a stable supply of energy. In consideration of the role of our thermal power generation facilities in providing that stable supply, we will proceed with restrained operation and phase out of those facilities while phasing in and expanding mixed combustion of biomass and ammonia, CCS, and other CO₂ emission reduction measures and ultimately convert to CO₂-free hydrogen power generation.

Through the initiatives of J-POWER "BLUE MISSION 2050," the Board of Directors aims to realize carbon neutrality by 2050 by making steady progress toward the CO₂ reduction target for 2030 (46%

reduction compared with FY2013), which is in line with Japan's NDC as a signatory to the Paris Agreement, while contributing to the stable supply of energy.

We are disclosing the progress of our initiatives in our integrated report and other materials, and will continue to strive to improve disclosure.

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

We therefore oppose this proposal.

Proposal 4: 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 the Company's remuneration policies facilitate the achievement of the Company's science-based short- and medium-term greenhouse gas emissions reduction targets, at a reasonable cost (confidential information may be omitted).

(2) Reason for the proposal

Long-term institutional investors in the Company consider 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, following multiple discussions of officer compensation by the Nomination and Compensation Committee, in which the majority of members, including the chairperson, are Outside Directors, the Board of Directors has decided to introduce five material issues, including climate change countermeasures such as the achievement of new development targets for renewable energy and CO₂ reduction targets, as non-financial indicators in evaluations for performance-linked remuneration, and will partially revise the officer compensation system following this year's Ordinary General Meeting of Shareholders. We will strive to enhance disclosure of the status of our initiatives for these material issues through our integrated report and other materials.

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

We therefore oppose this proposal.

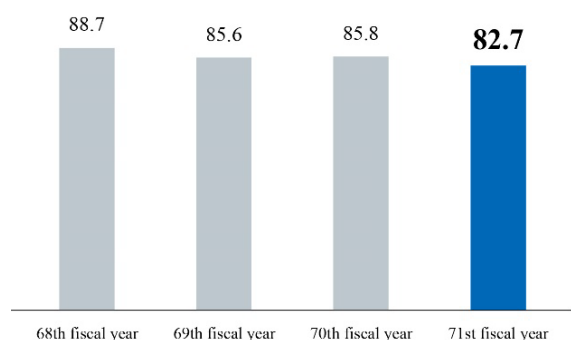
BUSINESS REPORT (from April 1, 2022 to March 31, 2023)

I Items Regarding the Status of J-POWER Group Operations

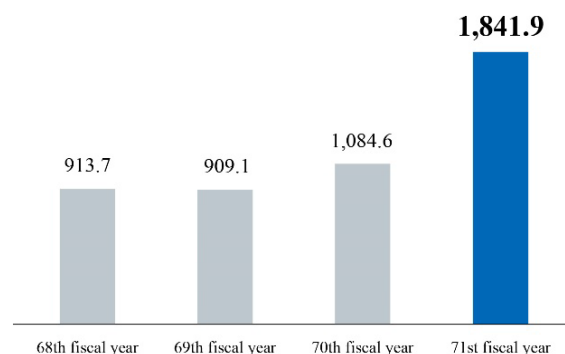
1. Trend in Assets and Profit/Loss

	(millions of yen)			
	68th Fiscal Year (FY2019)	69th Fiscal Year (FY2020)	70th Fiscal Year (FY2021)	71st Fiscal Year (FY2022)
Electricity sales volumes (TWh)	88.7	85.6	85.8	82.7
Operating revenue	913,775	909,144	1,084,621	1,841,922
Operating income	83,638	77,775	86,979	183,867
Ordinary income	78,085	60,903	72,846	170,792
Profit attributable to owners of parent	42,277	22,304	69,687	113,689
Earnings per share (yen)	230.96	121.85	380.70	621.50
Total assets	2,805,390	2,841,960	3,066,176	3,362,685
Net assets	857,387	853,685	964,105	1,192,743
ROE (%)	5.3	2.8	8.1	11.4
Capital adequacy ratio (%)	28.8	28.5	29.9	32.3

■ Electricity sales volumes (TWh)



■ Operating revenue (billions of yen)



2. Overview of Operations

In the fiscal year under review ended March 31, 2023 (the “current fiscal year”), the global economy experienced a downturn caused by soaring prices due to resumed economic activities, which had been stagnant since the COVID-19 pandemic, and the situation in Ukraine as well as monetary tightening in each country. Under such circumstances, in spite of weakness recently seen in some areas, the economic situation continued gradually recovering due to increases in service consumption and capital investment. While the Japanese economy also showed signs of gradual recovery mainly in areas of personal consumption and capital investment, there were some risk factors such as a downswing of the global economy, higher commodity prices and supply constraints. Given such a sentiment, export and production in the corporate sector were weakening.

In the electric power business, electricity sales volume from hydroelectric power plants for the current fiscal year decreased 4.3% from the previous fiscal year to 8.8TWh due to the decrease in water supply rate compared to the previous fiscal year (from 99% to 94%). In thermal power, the decrease in the load factor of thermal power plants of J-POWER (non-consolidated) from 67% to 65% results in 4.8% decrease in electricity sales volume from the previous fiscal year to 45.6TWh. The sales volume of electricity procured from the wholesale electricity market, etc. decreased by 21.2% from the previous fiscal year to 12.8TWh. The total electricity sales volume of the electric power business decreased 8.5% from the previous fiscal year to 68.4TWh.

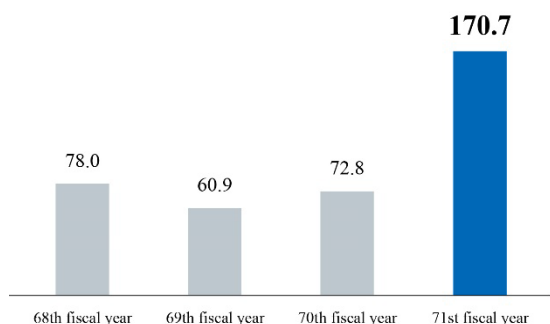
The electricity sales volume in the overseas business increased 29.0% from the previous fiscal year to 14.2TWh, due to the start of commercial operation of the Jackson Gas-fired Power Plant in the U.S. in May 2022, despite a decrease in sales volume in Thailand.

On the revenue front, though the sales volume of electricity fell, sales (operating revenue) increased 69.8% from the previous fiscal year to 1,841.9 billion yen mainly due to a rise in the electricity sale price. Accordingly, ordinary revenue, which included non-operating income, increased 68.6% from the previous fiscal year to 1,866.6 billion yen.

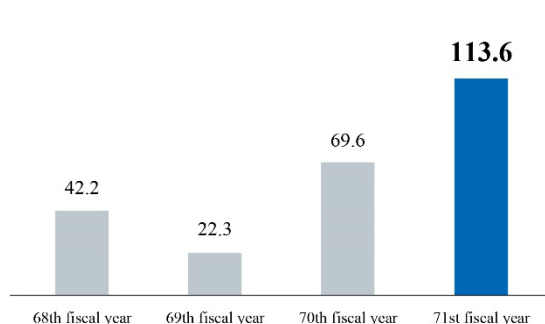
On the expense front, operating expenses increased 66.2% from the previous fiscal year to 1,658.0 billion yen mainly due to increases in thermal power fuel costs and costs of power purchased from other suppliers in the electricity business. Accordingly, ordinary expenses, which included non-operating expenses, rose 64.0% from the previous fiscal year to 1,695.8 billion yen.

As a result, ordinary income increased 134.5% from the previous fiscal year to 170.7 billion yen, mainly due to an increase in profit from a consolidated subsidiary in Australia that owns coal mining interests as a result of soaring coal prices. Profit attributable to owners of parent after income taxes increased 63.1% from the previous fiscal year to 113.6 billion yen.

■ Ordinary income (billions of yen)

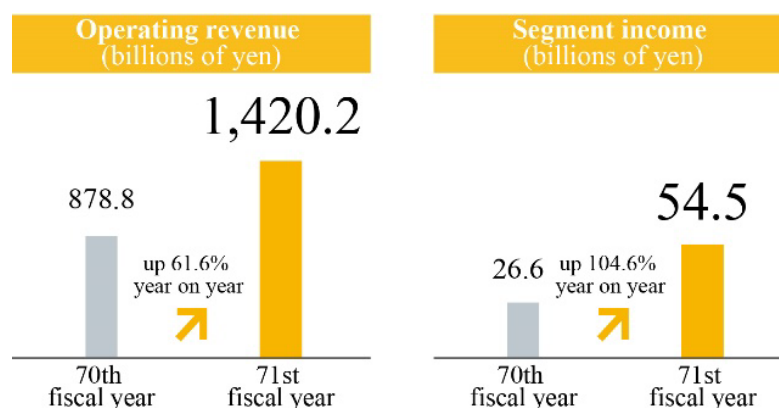


■ Profit attributable to owners of parent (billions of yen)



3. Major Areas of Operation

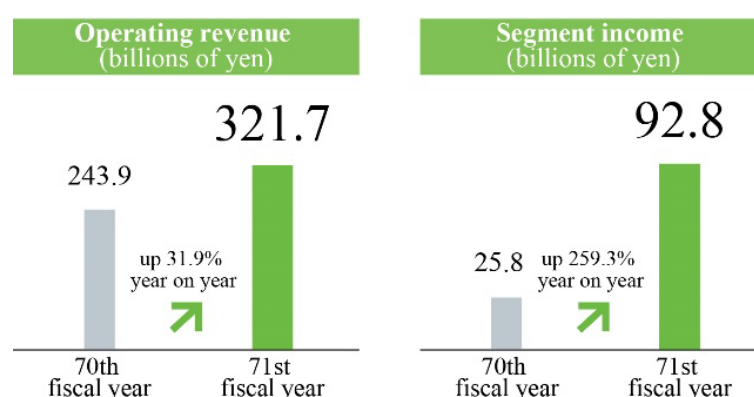
Electric Power Business	Power generation business, business of sales of electricity procured from JEPX and others, transmission businesses
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Sales (electric utility operating revenue) increased 61.6% from the previous fiscal year to 1,420.2 billion yen mainly due to higher electricity sales prices.

Segment income increased 104.6% from the previous fiscal year to 54.5 billion yen mainly due to such factors as increased sales, despite the increases in thermal power fuel costs, costs of power purchased from other suppliers due to higher electricity transaction prices.

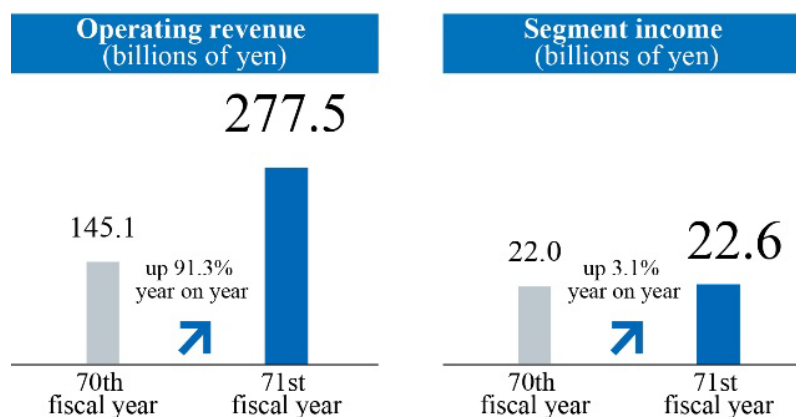
Electric Power-Related Business	Consigned operation of power generation facilities; design, construction, inspection, maintenance, and repair of electric power facilities including transmission and transformation facilities; operation of port facilities to handle fuel and coal ash; coal mine development; 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) increased 31.9% from the previous fiscal year to 321.7 billion yen mainly due to an increase in sales prices in sales of coal by an Australian consolidated subsidiary.

Segment income increased 259.3% from the previous fiscal year to 92.8 billion yen mainly due to increases in sales.

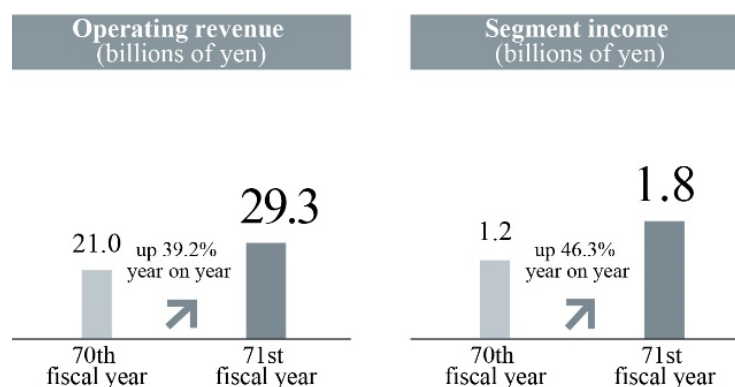
Overseas Business	Overseas power generation and its related businesses; overseas engineering and consulting business, etc.
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Sales (overseas business operating revenue) increased 91.3% from the previous fiscal year to 277.5 billion yen mainly due to the start of commercial operation of the Jackson Gas-fired Power Plant in the U.S. and the increase in electricity sales prices.

Segment income increased 3.1% from the previous fiscal year to 22.6 billion yen mainly due to the start of commercial operation of the Jackson Gas-fired Power Plant in the U.S. and the effect of foreign exchange rates, despite the decrease in profit due to equipment trouble caused by the cold wave in the U.S. in December 2022.

Other Business	Waste power generation; 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 39.2% from the previous fiscal year to 29.3 billion yen.

Segment income increased 46.3% from the previous fiscal year to 1.8 billion yen.

4. Current Challenges

The business environment for electric power business in Japan is undergoing significant changes. Among the changes are response to climate change issues such as the Japanese government's 2050 carbon neutrality declaration, adoption and announcement of new CO₂ reduction targets for 2030 to the international society and the fade-out of inefficient coal-fired power, the progress of the Reforms to the Electric Power Business Regulations, which includes 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 CO₂ emissions in the domestic power generation business by 2030, and in April 2021 announced a Medium-term Management Plan (FY2021 - FY2023) as the first step in these initiatives.

In the 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 CO₂-free power sources^{*1} in Japan and abroad, the creation of new value from existing assets (upcycling), and taking on the challenge of new business areas.

In May 2022, the Group set a CO₂ emission reduction target (9.2 million tons compared to FY2013) in FY2025, a halfway landmark, to achieve the 2030 target of reducing CO₂ emissions. In the "Progress of J-POWER Medium-Term Management Plan" announced in May 2023, the Group planned to further accelerate initiatives for ammonia or biomass co-firing at our coal-fired stations, and CCS^{*2} in Japan, raising a CO₂ emission reduction target of 2030 to 46% (22.50 million tons, from the former target of 44%), compared to FY2013.

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 capital efficiency, the Group will realize sustainable growth by promoting ESG^{*3} management, share the results with all stakeholders, and contribute to sustainable social development.

^{*1} Refers to renewable energy power sources, including hydroelectric power, wind power, and solar power, as well as nuclear power, which do not emit CO₂ during power generation.

^{*2} Carbon dioxide Capture and Storage, meaning that CO₂ is separated, captured and stored.

^{*3} An acronym consisting of the first letters of Environment, Social, and Governance

(1) Accelerated development of CO₂-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 432 MW, with the addition of the Triton Knoll offshore wind project in the U.K., as well as the projects of the Shinkatsurazawa power plant (hydroelectric power generation) and the Esashi Wind Farm and the renovation of the Onikobe geothermal power plant.

In Japan, in addition to the steady progress we are making with onshore and offshore wind power generation projects (Kaminokuni No. 2, Minami Ehime No. 2, Ishikari, and Hibikinada offshore wind farm), the hydroelectric power generation project (Onabara), and the geothermal power generation project (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.

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 and the hydroelectric power generation project on Mindanao Island, the Philippines.

(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 1,383MW, 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 CO₂-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 for design and start of construction of major electrical facilities and buildings. Accordingly, the Group will aim 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 (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, 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 CO₂-free hydrogen power generation by combining coal gasification technology (technology that converts gas generated from coal into H₂ and CO₂) with CO₂ 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 more than 40 years, we will take the first step toward the realization of CO₂-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 CO₂ 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 CO₂-free hydrogen production from fossil fuels. The Group established a cross-functional system in FY2021 for cooperatively addressing hydrogen and CCS matters, in order to promptly and efficiently realize the production and supply of CO₂-free hydrogen and the use of it in power generation in Japan and overseas. Regarding the production of CO₂-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 to establish a hydrogen supply chain, and efforts for commercialization are being made. Moreover, in the production of CO₂-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 CO₂-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 balancing capability with the large-scale pumped storage hydro power generation we possess, the Group is working to create new added value, including providing environmental values to consumers through utilizing abundant renewable energy we possess and securing and utilizing balancing capability by utilizing resources such as water supply facilities 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 international situations in Ukraine and other areas, 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) 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., U.S. and Indonesia (Triton Knoll offshore wind power project, Jackson Gas-fired Thermal Power Plant and Batang Power Plant) began operation in April 2022, May 2022, and August 2022, respectively. 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.

(b) Improving profitability and capital efficiency

The Group will accelerate the ongoing efforts to reduce power generation costs and administrative/indirect department costs through business process transformation and sophistication of equipment maintenance with the help of digitalization. At the same time, the Group will facilitate efforts for reducing unplanned stoppage of thermal power plants and for strengthening risk management in the sales activities to retailing-business operators and other sellers to improve profitability.

For existing assets, the Group will focus on reducing renewal investment while balancing it with facility reliability. At the same time, the Group will try to improve capital efficiency by reviewing and replacing owned assets as needed and allocating management resources to new investments based on capital efficiency. Also, regarding the review and replacement of owned assets, the Group sold partial interest for the Jackson Gas-fired Power Plant in the U.S. in February 2023, acquiring significant developer gains. Funds acquired from this transaction will be allocated to investments in new projects.

(c) 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. In addition to the above-mentioned measures, the Group will address strategic utilization of human resources and cultivation of executive human resources to promote developing human resources that can take on the challenge of various management issues.

(d) Taking on initiatives for digital transformation (DX)

Based on the decision-making through storage, linkage and sharing of data (the data-driven decision-making), the Group has been engaged in realizing 3S, or Safety (safety and relief), Smartness (efficiency and quick response), and Strength (strong earning power).

Safety (safety and relief)	<ul style="list-style-type: none"> ◆ Efforts for zeroing accidents and occupational injuries ◆ Promotion of the Health and Productivity Management 	<ul style="list-style-type: none"> ◆ Improvement of working environment ◆ Cybersecurity measure
Smartness (efficiency and quick response)	<ul style="list-style-type: none"> ◆ Automation and labor-saving efforts in workplaces ◆ Reduction of indirect costs 	<ul style="list-style-type: none"> ◆ Improvement of labor productivity ◆ Highly-advanced, highly-efficient analyses
Strength (strong earning power)	<ul style="list-style-type: none"> ◆ Improvement of revenue earning power ◆ Optimization of power generation cost ◆ Improvement of the local employees' force 	<ul style="list-style-type: none"> ◆ Efforts for zeroing accidents and improvement of operation rate ◆ Prediction and preventive maintenance

Through these initiatives, we support the sustainable management and improvement of corporate value by drawing three *Yoryoku** powers from our employees, while at the same time promoting work-life balance and improving labor productivity.

* Three *Yoryoku* powers are three powers with the same pronunciation but different meaning in Japanese, consisting of powers of potentiality, productivity and predictivity.

(e) 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 FY2021, J-POWER appointed the director in charge and established the management department for ESG. Since August 2022, the Group have set targets (KPIs) for management of the progress of action initiatives related to material issues, and added the progress of these initiatives as one of the evaluation indicators for determining remunerations for Directors*⁴ (performance-linked remunerations). In June 2022, the Group established “J-Power Group Basic Policy on Human Rights” to respect human rights. 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.

*⁴ Directors and Executive Officers (excluding Outside Directors, Audit & Supervisory Committee Members)

5. Capital Investment

▪ **Total Capital Investment during the 71st Fiscal Year:** 121,806 million yen

▪ **Major Facilities Completed**

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

▪ **Major Facilities under Construction**

Segment	Type	Name	Capacity
Electric Power Business	Power Generation (Nuclear Power)	Ohma Nuclear Power Plant	1,383 MW

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 10.3 billion yen.

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

Creating new value	CO ₂ -free hydrogen production, CO ₂ capture, utilization and storage, green oil, coal and biomass gasification
Strengthening existing businesses	Wind power generation, remote monitoring using satellite image data, optimization and digitalization of maintenance and operation of power plants, 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.

Category	Amount	Remarks
Bonds	137,600 million yen	Domestic straight bonds
Long-term loans	157,684 million yen	
Total	295,284 million yen	

8. Major Lenders (as of March 31, 2023)

Lender	Loan Balance at End of this Fiscal Year
Mizuho Bank, Ltd.	104,872 million yen
Sumitomo Mitsui Banking Corporation	92,300 million yen
MUFG Bank, Ltd.	72,571 million yen
Nippon Life Insurance Company	66,900 million yen
The Norinchukin Bank	65,500 million yen

Note: In addition to those listed above, there are 2 other major loans for overseas business projects under loan syndication arrangements (169,704 million yen in total).

9. Major Subsidiaries (as of March 31, 2023)

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
Electric Power Business				
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
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
Esashi Green Energy Co., Ltd.	Hiyama-gun, Hokkaido	499	70 (70)	Wind power business
Ishikari Green Energy Co., Ltd.	Ishikari-shi, Hokkaido	400	70 (70)	Wind power business
Electric Power-Related Businesses				
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, telecommunication business
J-POWER Design Co., Ltd.	Chiyoda-ku, Tokyo	20	100	Design, management, and research for electric power facilities and other facilities and construction consulting
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

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
Overseas Business				
JP Renewable Europe Co., Ltd.	U.K.	317 (million GBP)	100	Management of investments
J-Power Investment Netherlands B.V.	The Netherlands	53 (million USD)	100	Management of investments
JP Generation Australia Pty. Ltd.	Australia	28 (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	24,097 (million bahts)	100 (100)	Management of investments
JPGA Partners Pty. Ltd.	Australia	27 (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
J-POWER Alaska Development, LLC	U.S.A.	–	100 (100)	Development business
Gulf JP Co., Ltd.	Thailand	32,890 (million bahts)	60 (60)	Management of investments
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

Company Name	Head Office Location	Capital (millions of yen)	Equity Share (%)	Main Businesses
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	69 (million bahts)	60 (60)	Solar power business
Gulf JP NLL Co., Ltd.	Thailand	1,384 (million bahts)	45 (45)	Thermal power business
Other businesses				
Kaihatsu Hiryou Co., Ltd.	Takehara-shi, Hiroshima Pref.	450	100	Production and sales fertilizer using ash
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. 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.
4. Regarding the consolidated subsidiaries of the Company, J-POWER Telecommunication Service Co., Ltd. and Japan Network Engineering Co., Ltd., on December 1, 2022, J-POWER Telecommunication Service Co., Ltd. became the surviving company, while Japan Network Engineering Co., Ltd. became the absorbed company through an absorption-type merger.
5. The information for Jackson Generation, LLC. as of the end of December is described. The equity shareholding percentage of the Company decreased to 51% due to the partial transfer of interests on February 27, 2023.

10. Major Business Locations (as of March 31, 2023)

▪ 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 100 MW 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.) (47 other power plants with output below 100 MW)
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.)

▪ Location of Major Subsidiaries

Head office locations of major subsidiaries are provided in “9. Major Subsidiaries” on pages 41 to 43.

11. Employees (as of March 31, 2023)

▪ Employees of the J-POWER Group

Segment	Number of Employees
Electric Power Business	1,970
Electric Power-Related Businesses	4,313
Overseas Business	650
Other Businesses	145
Total	7,078

- 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
1,816	+31	41.5	19.0

- Notes: 1. The number of employees represents the number of employees at work, and does not include 1,178 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, 2023)

1. Number of authorized shares 660,000,000
2. Number of shares issued 183,051,100
(including 3,331 shares of treasury stock)
3. Number of shareholders 95,002
4. Major shareholders (top 10 shareholders)

Name of Shareholders	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,111	12.08
Nippon Life Insurance Company	9,152	5.00
Custody Bank of Japan, Ltd. (Trust Account)	8,308	4.54
Mizuho Bank, Ltd.	5,155	2.82
J-POWER Employees Shareholding Association	4,960	2.71
JP MORGAN CHASE BANK 385635	4,189	2.29
Sumitomo Mitsui Banking Corporation, Ltd.	3,436	1.88
CGML PB CLIENT ACCOUNT/COLLATERAL	3,348	1.83
JP MORGAN CHASE BANK 380072	3,055	1.67
Fukoku Mutual Life Insurance Company	3,029	1.65

- 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.
3. The number of shares held by Custody Bank of Japan, Ltd. (Trust Account) includes the Company's shares (185,800 shares) held in the trust account in relation to board benefit trust.

III Items Regarding Directors of the Company

1. Directors (as of March 31, 2023)

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"> • Company-wide compliance • Technology oversight
Representative Director President and Chief Executive Officer	Toshifumi Watanabe	
Representative Director and Executive Vice President	Yoshiki Onoi	<ul style="list-style-type: none"> • General operations • Department Director of International Business (delegation of administrative works)
Director and Executive Vice President	Hiroyasu Sugiyama	<ul style="list-style-type: none"> • General operations • Department Director of Renewable Energy (delegation of administrative works) • Department Deputy Director of Nuclear Power Business (delegation of administrative works) • Digital Innovation Dept. • Civil & Architectural Engineering Dept. • Thermal Energy & Value Creation Dept. • Research & Development Dept. • Hydrogen/CCS Business Development (matters under special assignment)
Director and Executive Vice President	Hitoshi Kanno	<ul style="list-style-type: none"> • General operations • Corporate oversight • Department Director of Energy Business (delegation of administrative works) • Department Deputy Director of Nuclear Power Business (delegation of administrative works) • Planning & Development and Hydrogen/CCS Business Development (matters under special assignment)
Director and Executive Vice President	Osamu Hagiwara	<ul style="list-style-type: none"> • General operations • Department Director of Nuclear Power Business (delegation of administrative works)
Director and Executive Managing Officer	Yoshikazu Shimada	<ul style="list-style-type: none"> • Department Deputy Director of Renewable Energy (delegation of administrative works) • Digital Innovation Dept. • Onshore Wind Power Business Dept. • Offshore Wind Power Business Dept. • International Business (matters under special assignment)
Director and Executive Managing Officer	Hiroshi Sasatsu	<ul style="list-style-type: none"> • Thermal Energy & Value Creation Dept. • Research & Development Dept. • Corporate Planning & Administration, International Business and Hydrogen/CCS Business Development (matters under special assignment)

Title	Name	Roles and responsibilities of the current position and other major concurrent positions
Director and Executive Managing Officer	Takaya Nomura	<ul style="list-style-type: none"> • Department Deputy Director of Renewable Energy (delegation of administrative works) • Procurement Dept. • Hydropower Dept. • International Business (matters under special assignment)
Outside Director	Go Kajitani	<ul style="list-style-type: none"> • Attorney at law (KAJITANI LAW OFFICES)
Outside Director	Tomonori Ito	<ul style="list-style-type: none"> • Outside Director of Aozora Bank, Ltd. • Professor at Institute for Business and Finance, Waseda Business School (Graduate School of Business and Finance) • Lecturer at International Academic Research Institute, Kyoto University of Advanced Science • Outside Director of Mitsui Sumitomo Insurance Company, Limited
Outside Director	John Buchanan	<ul style="list-style-type: none"> • Research Associate of Centre for Business Research, University of Cambridge
Director serving as Audit & Supervisory Committee Member (Full-time)	Naori Fukuda	
Outside Director serving as Audit & Supervisory Committee Member (Full-time)	Hiroshi Fujioka	<ul style="list-style-type: none"> • Audit and Supervisory Committee Member (Outside Director) of The Nishi-Nippon City Bank, Ltd.
Director serving as Audit & Supervisory Committee Member	Kiyoshi Nakanishi	
Director serving as Audit & Supervisory Committee Member	Kimiko Oga	<ul style="list-style-type: none"> • Outside Director, SKY Perfect JSAT Holdings Inc. • Outside Director (Audit & Supervisory Committee Member), BroadBand Tower, Inc. • Outside Audit & Supervisory Board Member, ALCONIX CORPORATION

- Notes: 1. Messrs. Go Kajitani, Tomonori Ito and John Buchanan who serve as Outside Directors of the Company, and Mr. Hiroshi Fujioka, Mr. Kiyoshi Nakanishi, and Ms. Kimiko Oga who serve as Outside Directors serving as Audit & Supervisory Committee Members 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 Director, was appointed as Outside Director of Mitsui Sumitomo Insurance Company, Limited on June 24, 2022.
4. Mr. Tomonori Ito, who serves as Director, is scheduled to retire as Outside Director of Aozora Bank, Ltd. on June 22, 2023 due to the expiration of the term of office.
5. Mr. Tomonori Ito is scheduled to be appointed as Outside Director of Sumitomo Mitsui Trust Holdings, Inc. in June 2023.
6. Aozora Bank, Ltd.; Waseda Business School (Graduate School of Business and Finance); International Academic Research Institute, Kyoto University of Advanced Science; and Mitsui Sumitomo Insurance Company, Limited have no special relationship with the Company.
7. Centre for Business Research, University of Cambridge has no special relationship with the Company.
8. Mr. Hiroshi Fujioka, Outside Director serving as Audit & Supervisory Committee 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.
9. The Nishi-Nippon City Bank, Ltd. has no special relationship with the Company.
10. SKY Perfect JSAT Holdings Inc., BroadBand Tower, Inc. and ALCONIX CORPORATION have no special relationship with the Company.

11. The Company transitioned into a company with an Audit & Supervisory Committee as resolved at the 70th Ordinary General Meeting of Shareholders held on June 28, 2022. Accordingly, Messrs. Naori Fukuda, Hiroshi Fujioka, Shinichi Kawatani, and Kiyoshi Nakanishi and Ms. Kimiko Oga who served as Audit & Supervisory Board Members retired on that day. Among them, Messrs. Naori Fukuda, Hiroshi Fujioka, and Kiyoshi Nakanishi and Ms. Kimiko Oga assumed the office of Directors serving as Audit & Supervisory Committee Members.
12. The Company selected Messrs. Naori Fukuda and Hiroshi Fujioka as full-time Audit & Supervisory Committee Members so that it can strengthen the audit and supervisory functions of Audit & Supervisory Committee Members, ensure that information is collected from Directors (excluding Directors serving as Audit & Supervisory Committee Members) and information of important internal meetings is shared, and enable sufficient collaboration between the internal audit department and the Audit & Supervisory Committee.

2. Policy for the Determination of Remuneration for 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, by resolution of the Board of Directors after the deliberation by the Nomination and Compensation Committee, whose chairperson and majority of members are independent officers. 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 remuneration, performance-linked remuneration, and stock compensation 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 appropriately deliberates 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 chairperson, 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 (excluding Directors serving as Audit & Supervisory Committee Members)]

At the 70th Ordinary General Meeting of Shareholders held on June 28, 2022, it was resolved that the amount of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) shall be within 570 million yen per year (of which, only a fixed monthly remuneration within 60 million yen is given to Outside Directors. Employee salaries for Directors who serve in dual capacity as employees are excluded), which is the total sum of the fixed monthly remuneration calculated based on position of each Director and the performance-linked remuneration provided as an incentive to achieve management goals. It was also resolved in the abovementioned meeting to introduce a stock compensation system, described in “5. Items Regarding Non-monetary Remuneration” on page 56, for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors.

Based on this maximum amount, the basic policy is 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. Accordingly, the policy for determining individual remuneration for Directors shall be as follows:

- (1) 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
 - (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 of each Director and paid in cash each month on a regular basis.

(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 remuneration amount which is determined based on the position held by each Director by a number determined based on certain indicators. It will be paid on a lump sum basis promptly after the conclusion of the Ordinary General Meeting of Shareholders each year.

<Calculation method>

Indicator: consolidated ordinary income

Calculation: standard 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 to August 2025. Trust contributions, etc. will be distributed in accordance with the Share Distribution Regulations for Officers established separately. In principle, the payment will be made at the time of retirement, and the shares of the Company and cash for the amount calculated by applying the market value, corresponding to the number of points granted to the Director during the term of office, will be distributed through the Trust

(2) Policy for determining the remuneration for Outside Directors (excluding Directors serving as Audit & Supervisory Committee Members)

(a) Remuneration structure

From the standpoint of ensuring independence from business execution, the remuneration will only consist of monthly remuneration and not include any performance-linked remuneration.

(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, are made with respect to the remuneration structure and the amount of remuneration, 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 of individual monthly remuneration, performance-linked remuneration and stock compensation for each Director (excluding Directors serving as Audit & Supervisory Committee Members).

In addition, by resolution at the 70th Ordinary General Meeting of Shareholders held on June 28, 2022, total remuneration for the Directors serving as Audit & Supervisory Committee Members was capped at 120 million yen annually (a fixed monthly remuneration calculated based on the position of each Audit & Supervisory Committee Member), and remuneration for each Director serving as Audit & Supervisory Committee Member is determined by means of consultation among Audit & Supervisory Committee Members within the cap prescribed above.

The number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) as at the conclusion of the abovementioned Ordinary General Meeting of Shareholders was 12 (including 3 Outside Directors) and the number of Directors serving as Audit & Supervisory Committee Members was 4 (including 3 Outside Directors).

(Reference) Partial Amendment to the Policy for Determining Remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) Who Are Not Outside Directors after the Conclusion of this General Meeting of Shareholders

The Company plans to partially amend the policy for determining remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors. The outline of changes is as follows.

(1) Remuneration structure and payment rate

To further strengthen incentives, the payment rate of performance-linked remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors is increased from around 10% to 20%. Accordingly, the remuneration payment rate is set based on the following targets: monthly remuneration (annual amount) 70%; performance-linked remuneration 20%; stock compensation 10%.

(2) Performance-linked remuneration

The performance-linked compensation currently uses consolidated ordinary income (a financial indicator) as the indicator for the evaluation. In addition to this, to make the evaluation with both financial and non-financial indicators, the Company introduces new indicators, material issues (energy supply, response to climate change, respect for people, engagement with local communities, and enhancement of our business foundation), which are the Company's initiatives aimed at enhancing our corporate value over the medium to long term. The details are as follows.

(a) First indicator

Indicator factor: Level of achievement of consolidated ordinary income (Consolidated ordinary income actual results/forecasted consolidated ordinary income at the beginning of the period)

Fluctuation range: 0% minimum to 200% maximum

(b) Second indicator

Indicator factor: KPIs for the material issues (excluding the strengthening of our profit and financial bases) comprehensive evaluation

Fluctuation range: 0% minimum to 120% maximum

(c) Calculation of amount

Payment percentage: Factor of first indicator x 90% + factor of second indicator x 10%

Payment amount: Standard remuneration by position x payment percentage

(d) Exceptional measures

The payments amount in (c) above shall be increased or reduced as an exception only in cases where any Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors make a particularly significant contribution or cause significant damage to the Company's performance. Such changes can be made after a deliberation by the Nomination and Compensation Committee with respect to the contents of such factor and the need to reflect such factor to the remuneration. In such cases, however, the payment amount shall not exceed the fluctuation ranges of performance-linked remuneration based on (c) above.

Other than the above, no changes to the current policy for determining remuneration are scheduled.

Before the 70th Ordinary General Meeting of Shareholders held on June 28, 2022, Toshifumi Watanabe, who serves as Representative Director President of the Company, determined the specific details of individual monthly salaries and performance-linked bonuses for Directors of the Company. The outline of the policy used was as follows.

[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).

Based on this maximum amount, the basic policy is to set an appropriate level taking into account the responsibilities of each Director, 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 the position of each Director, 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 are made by the Nomination and Compensation Committee, the majority of whose members are independent officers, and the results of deliberation are reported 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 be determined for each fiscal year and be paid promptly 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.

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

Category of Directors	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)			Number of persons
		Basic remuneration	Performance-linked remuneration	Stock compensation	
Directors (excluding Directors serving as Audit & Supervisory Committee Members) (Of which Outside Directors)	412 (28)	333 (28)	52 (-)	27 (-)	15 (3)
Directors serving as Audit & Supervisory Committee Members (Of which Outside Directors)	65 (38)	65 (38)	- (-)	- (-)	4 (3)
Audit & Supervisory Board Members (Of which Outside Audit & Supervisory Board Members)	29 (12)	29 (12)	- (-)	- (-)	5 (3)

- Notes: 1. The Company transitioned from a company with Audit & Supervisory Board into a company with an Audit & Supervisory Committee by the resolution of the 70th Ordinary General Meeting of Shareholders held on June 28, 2022.
2. The “Number of Persons” in Directors (Excluding Directors serving as Audit & Supervisory Committee Members) above includes 3 Directors who retired at the conclusion of the 70th Ordinary General Meeting of Shareholders held on June 28, 2022.
3. The basic remuneration of Directors (Excluding Directors serving as Audit & Supervisory Committee Members) includes a performance-linked bonus of 11 million yen for this fiscal year (for April through June) that is based on the policy for determining remuneration for Directors used before June 28, 2022. 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 other indicators showing the business performance of the Company; and thus does not fall under performance-linked remuneration.
4. The “Total amount of remuneration, etc.” and the “Number of Persons” in Audit & Supervisory Board Members above are for 5 Audit & Supervisory Board Members who retired at the conclusion of the 70th Ordinary General Meeting of Shareholders held on June 28, 2022. Of them, for 4 persons who assumed office as Directors serving as Audit & Supervisory Committee Members, the remuneration, etc. after their assumption of office is included in the remuneration of Directors serving as Audit & Supervisory Committee Members above.
5. The Company introduced a stock compensation system as non-monetary remuneration by the resolution of the 70th Ordinary General Meeting of Shareholders held on June 28, 2022. The amount of stock compensation represents the amount recorded as expenses from July 1, 2022 through March 31, 2023.

4. Items Regarding Performance-linked Remuneration

The Company introduced a performance-linked remuneration as an incentive to achieve management goals and currently uses consolidated ordinary income as the indicator. The reason consolidated ordinary income was chosen as the indicator is that it is used in management goals in our Medium-Term Management Plan. Our consolidated ordinary income target for FY2022 was 100.0 billion yen (forecasted consolidated ordinary income at the beginning of the period) and the actual result was 170.7 billion yen. The calculation method of the performance-linked remuneration is described in “Policy for Determining Remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members)” on pages 50 to 52.

5. Items Regarding Non-monetary Remuneration

The Company introduced a stock compensation system for Directors (excluding Directors serving as Audit & Supervisory Committee Members) who are not Outside Directors as an incentive for the Company’s long-term growth based on the characteristics of the Company’s business content and business development. The system is a stock compensation system in which a 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 said trust. The outline is as follows.

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 the position, etc., of each Director.
7. Time of distribution of shares of the Company to persons eligible for the system in 1.	In principle, when Directors retire

Note: By the decision of the Board of Directors, the Company may extend the target period for a period of three fiscal years each and make additional fund contributions 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.

6. Items Regarding Outside Directors

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

Details of major concurrent positions of Outside Directors and their relationships with the Company are described under “1. Directors” on pages 47 to 49.

▪ Outline of Duties Performed Regarding Key Activities and Expected Roles in this Fiscal Year

Name (Title)	Attendance at meetings	Key Activities
Go Kajitani (Outside Director)	Board of Directors meetings 100% (13/13)	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 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)	Board of Directors meetings 100% (13/13)	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 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)	Board of Directors meetings 100% (13/13)	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 Outside Director of the Company, including by making proactive statements from these perspectives to the Board of Directors of the Company.

Name (Title)	Attendance at meetings	Key Activities
<p>Hiroshi Fujioka (Outside Director Serving as Audit & Supervisory Committee Member)</p>	<p>Board of Directors meetings 100% (13/13)</p> <p>Audit & Supervisory Board meetings 100% (2/2)</p> <p>Audit & Supervisory Committee meetings 100% (10/10)</p>	<p>He has long had abundant experience and distinguished knowledge in administrative practices, including at the Ministry of Finance, and he is expected to fulfill his management oversight function from these perspectives. In the current fiscal year under review, he has again appropriately fulfilled his role by auditing Directors' execution of duties as Outside Audit & Supervisory Board Member and as Outside Director serving as Audit & Supervisory Committee Member of the Company, including by making proactive statements from these perspectives to the Board of Directors, Audit & Supervisory Board, and Audit & Supervisory Committee of the Company. In addition, he has been involved in deliberations over the nominations and remuneration of the management team as a member of the Nomination and Compensation Committee, and has actively expressed his opinions.</p>
<p>Kiyoshi Nakanishi (Outside Director Serving as Audit & Supervisory Committee Member)</p>	<p>Board of Directors meetings 100% (13/13)</p> <p>Audit & Supervisory Board meetings 100% (2/2)</p> <p>Audit & Supervisory Committee meetings 100% (10/10)</p>	<p>He has abundant experience in the automobile industry and distinguished knowledge as a corporate manager, and he is expected to fulfill his management oversight function from these perspectives. In the current fiscal year under review, he has again appropriately fulfilled his role by auditing Directors' execution of duties as Outside Audit & Supervisory Board Member and as Outside Director serving as Audit & Supervisory Committee Member of the Company, including by making proactive statements from these perspectives to the Board of Directors, Audit & Supervisory Board, and Audit & Supervisory Committee of the Company. In addition, he has been involved in deliberations over the nominations and remuneration of the management team as a member of the Nomination and Compensation Committee, and has actively expressed his opinions.</p>
<p>Kimiko Oga (Outside Director Serving as Audit & Supervisory Committee Member)</p>	<p>Board of Directors meetings 100% (13/13)</p> <p>Audit & Supervisory Board meetings 100% (2/2)</p> <p>Audit & Supervisory Committee meetings 100% (10/10)</p>	<p>She has abundant experience in the information and communications industry and distinguished knowledge as a corporate manager, and she is expected to fulfill her management oversight function from these perspectives. In the current fiscal year under review, she has again appropriately fulfilled her role by auditing Directors' execution of duties as Outside Audit & Supervisory Board Member and as Outside Director serving as Audit & Supervisory Committee Member of the Company, including by making proactive statements from these perspectives to the Board of Directors, Audit & Supervisory Board, and Audit & Supervisory Committee of the Company.</p>

Notes: 1. The Company transitioned from a company with Audit & Supervisory Board into a company with an Audit & Supervisory Committee by the resolution of the 70th Ordinary General Meeting of Shareholders held on June 28, 2022.

2. The attendance at the Audit & Supervisory Board meetings above shows that at the meetings held before the said transition, and the attendance at the Audit & Supervisory Committee meetings above shows that at the meetings held after the transition.

7. 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 Directors (excluding Directors with executive authority over operations, etc.) that limit their liability as provided for in Article 423, Paragraph 1 of the same act. The limit under these contracts is the amount prescribed by the applicable laws and regulations.

8. 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, Executive Officers, and Audit & Supervisory 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	139 million yen
Total amount owed to Accounting Auditor by the Company and its subsidiaries in the form of cash or other financial benefit	209 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 Committee 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 Committee will dismiss the Accounting Auditor with the consent of all Audit & Supervisory Committee 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 Committee shall set a proposal for discharge or non-reelection of the Accounting Auditor to be presented to the General Meeting of Shareholders.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (as of March 31, 2023)

(millions of yen)

Assets	
Non-current assets	2,701,385
Electric utility plant and equipment	1,065,522
Hydroelectric power production facilities	374,454
Thermal power production facilities	379,750
Renewable power production facilities	77,783
Transmission facilities	140,248
Transformation facilities	32,954
Communication facilities	6,303
General facilities	54,028
Overseas business facilities	447,201
Other non-current assets	89,219
Construction in progress	572,165
Construction in progress	572,165
Nuclear fuel	76,226
Nuclear fuel in processing	76,226
Investments and other assets	451,048
Long-term investments	371,914
Net defined benefit asset	1,473
Deferred tax assets	56,896
Other	20,867
Allowance for doubtful accounts	(102)
Current assets	661,300
Cash and deposits	342,018
Notes and accounts receivable - trade, and contract assets	129,901
Inventories	110,315
Other	79,067
Allowance for doubtful accounts	(3)
Total assets	3,362,685

CONSOLIDATED BALANCE SHEET (as of March 31, 2023) *(Continued)*

(millions of yen)

Liabilities	
Non-current liabilities	1,797,923
Bonds payable	774,085
Long-term loans payable	893,363
Lease obligations	1,695
Other provision	11
Net defined benefit liability	33,301
Asset retirement obligations	34,087
Deferred tax liabilities	25,098
Other	36,279
Current liabilities	372,019
Current portion of non-current liabilities	207,374
Short-term loans payable	10,715
Notes and accounts payable - trade	53,774
Accrued taxes	27,884
Other provision	698
Asset retirement obligations	476
Other	71,096
Total liabilities	2,169,942
Net Assets	
Shareholders' equity	977,800
Capital stock	180,502
Capital surplus	128,178
Retained earnings	669,498
Treasury stock	(378)
Accumulated other comprehensive income	106,878
Valuation difference on available-for-sale securities	14,372
Deferred gains or losses on hedges	7,948
Foreign currency translation adjustment	78,928
Remeasurements of defined benefit plans	5,629
Non-controlling interests	108,064
Total net assets	1,192,743
Total liabilities and net assets	3,362,685

CONSOLIDATED STATEMENT OF INCOME (from April 1, 2022 to March 31, 2023)

(millions of yen)

Ordinary revenue	
Operating revenue	1,841,922
Electric utility operating revenue	1,417,902
Overseas business operating revenue	277,555
Other business operating revenue	146,464
Non-operating income	24,764
Dividend income	1,927
Interest income	3,472
Share of profit of entities accounted for using equity method	9,128
Gain on sales of non-current assets	3,936
Other	6,299
Total ordinary revenue	1,866,686
Ordinary expenses	
Operating expenses	1,658,055
Electric utility operating expenses	1,340,611
Overseas business operating expenses	248,592
Other business operating expenses	68,850
[Operating income]	[183,867]
Non-operating expenses	37,839
Interest expenses	27,368
Loss on retirement of non-current assets	4,667
Other	5,803
Total ordinary expenses	1,695,894
Ordinary income	170,792
Profit before income taxes	170,792
Income taxes - current	37,935
Income taxes - deferred	13,864
Profit	118,993
Profit attributable to non-controlling interests	5,303
Profit attributable to owners of parent	113,689

NON-CONSOLIDATED FINANCIAL STATEMENTS

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2023)

(millions of yen)

Assets	
Non-current assets	2,139,352
Electric utility plant and equipment	844,678
Hydroelectric power production facilities	391,674
Thermal power production facilities	392,875
Communication facilities	7,193
General facilities	52,935
Incidental business facilities	2,456
Non-operating facilities	1,043
Construction in progress	467,413
Construction in progress	467,413
Nuclear fuel	76,226
Nuclear fuel in processing	76,226
Investments and other assets	747,534
Long-term investments	54,701
Long-term investment for subsidiaries and affiliates	649,501
Long-term prepaid expenses	3,308
Deferred tax assets	40,023
Current assets	349,091
Cash and deposits	153,611
Accounts receivable - trade	49,911
Other accounts receivable	6,396
Supplies	91,096
Prepaid expenses	1,575
Short-term receivables from subsidiaries and affiliates	10,995
Other current assets	35,503
Total assets	2,488,443

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2023) *(Continued)*

(millions of yen)

Liabilities	
Non-current liabilities	1,420,629
Bonds payable	772,595
Long-term loans payable	601,887
Long-term accrued liabilities	5,849
Lease obligations	80
Long-term debt to subsidiaries and affiliates	2,101
Provision for retirement benefits	30,114
Asset retirement obligations	6,383
Other non-current liabilities	1,617
Current liabilities	295,372
Current portion of non-current liabilities	184,399
Short-term loans payable	7,950
Accounts payable - trade	7,991
Accounts payable - other	7,445
Accrued expenses	11,728
Accrued taxes	9,849
Deposits received	408
Short-term debt to subsidiaries and affiliates	56,083
Other advances	578
Other current liabilities	8,937
Total liabilities	1,716,002

NON-CONSOLIDATED BALANCE SHEET (as of March 31, 2023) *(Continued)*

(millions of yen)

Net Assets	
Shareholders' equity	764,312
Capital stock	180,502
Capital surplus	109,904
Legal capital surplus	109,904
Retained earnings	474,283
Legal retained earnings	6,029
Other retained earnings	468,254
Reserve for special disaster	82
Exchange-fluctuation preparation reserve	1,960
General reserve	392,861
Retained earnings brought forward	73,350
Treasury stock	(378)
Valuation and translation adjustments	8,129
Valuation difference on available-for-sale securities	13,573
Deferred gains or losses on hedges	(5,444)
Total net assets	772,441
Total liabilities and net assets	2,488,443

NON-CONSOLIDATED STATEMENT OF INCOME

(from April 1, 2022 to March 31, 2023)

(millions of yen)

Ordinary revenue	
Operating revenue	1,370,724
Electric utility operating revenue	1,353,379
Power fees	1,168
Sold power to other suppliers	1,337,307
Other electricity revenue	14,904
Incidental business operating revenue	17,344
Operating revenue - consulting business	1,275
Operating revenue - coal sale business	14,917
Operating revenue - other businesses	1,150
Non-operating income	48,315
Financial revenue	38,528
Dividends income	34,559
Interest income	3,969
Non-operating revenue	9,786
Gain on sales of non-current assets	3,870
Miscellaneous revenue	5,916
Total ordinary revenue	1,419,039
Extraordinary income	3,795
Gain on liquidation of subsidiaries and associates	3,795
Ordinary expenses	
Operating expenses	1,324,162
Electric utility operating expenses	1,307,562
Hydroelectric power production expenses	68,234
Thermal power production expenses	885,143
Internal combustion engine power production expenses	110
Renewable power production expenses	92
Purchased power from other suppliers	276,941
Selling expenses	1,769
Communicating expenses	4,674
General and administrative expenses	51,619
Expenses for third party's power transmission service	7,002
Enterprise tax	11,975

NON-CONSOLIDATED STATEMENT OF INCOME*(from April 1, 2022 to March 31, 2023) (Continued)*

(millions of yen)

Incidental business operating expenses	16,600
Operating expenses - consulting business	895
Operating expenses - coal sale business	14,831
Operating expenses - other businesses	872
[Operating income]	[46,561]
Non-operating expenses	19,543
Financial expenses	11,726
Interest expenses	11,318
Bond issuance cost	407
Non-operating expenses	7,817
Loss on sales of non-current assets	629
Miscellaneous expenses	7,187
Total ordinary expenses	1,343,706
Ordinary income	75,333
Extraordinary losses	6,009
Loss on valuation of shares of subsidiaries and affiliates	6,009
Profit before income taxes	73,119
Income taxes	13,021
Income taxes-current	3,769
Income taxes-deferred	9,251
Profit	60,097

AUDIT REPORTS

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

Report of Independent Auditors

May 17, 2023

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
Yasuo Maeda
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, 2022 through March 31, 2023.

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, the Audit & Supervisory Committee is 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 and the Audit & Supervisory Committee 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.

The Audit & Supervisory Committee is 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 the Audit & Supervisory Committee 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 the Audit & Supervisory Committee 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, 2023

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
Yasuo Maeda
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 71st fiscal year from April 1, 2022 through March 31, 2023.

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, 2023, 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, the Audit & Supervisory Committee is 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 and the Audit & Supervisory Committee 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.

The Audit & Supervisory Committee is 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 the Audit & Supervisory Committee 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 the Audit & Supervisory Committee 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 COMMITTEE

Audit Report

The Audit & Supervisory Committee hereby reports as follows regarding the performance of duties by the Directors of the Electric Power Development Co., Ltd. (the “Company”) during its 71st fiscal year, from April 1, 2022 to March 31, 2023. The methods and results of the audits are reported as follows.

1. Methods and details of the audits

The Audit & Supervisory Committee received reports on a regular basis from the Directors, employees, and others regarding the details of the resolutions of the Board of Directors on the matters set forth in Article 399-13, Paragraph 1, Items 1 (b) and (c) of the Companies Act and the status of establishment and operation of the system (internal control system) established based on such resolutions, requested explanations as necessary, expressed its opinions, and conducted audits as follows:

- (i) In accordance with the audit policy, allocation of duties, and other relevant matters determined by the Audit & Supervisory Committee and in cooperation with the Company’s internal audit department and other relevant departments, Audit & Supervisory Committee Members participated in key meetings, received reports from the Directors and other employees regarding matters on the performance of their duties, and when necessary, requested explanations of those reports. Audit & Supervisory Committee 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 Committee Members worked to communicate with Directors, Audit & Supervisory Committee Members, and other parties at those subsidiaries, and when necessary received reports on their business from subsidiaries.
- (ii) Additional consideration was given to the Basic Policy Regarding Control of the Company (the basic policy set forth in Article 118, Item (iii) (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.
- (iii) 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 Committee Members received reports from them regarding the performance of their duties, and when necessary, asked for further explanation regarding those reports. Audit & Supervisory Committee 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 Committee Members requested further explanation regarding that notice.

Based on the above methods, Audit & Supervisory Committee 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 Committee 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 Committee found no improper acts or important violation of applicable laws and regulations or the Articles of Incorporation.
- (iii) The Audit & Supervisory Committee 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 Committee 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 Committee 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 Committee confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

May 24, 2023

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

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

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

Kiyoshi Nakanishi (seal)
Audit & Supervisory Committee Member

Kimiko Oga (seal)
Audit & Supervisory Committee Member

Note: Audit & Supervisory Committee Members Hiroshi Fujioka, Kiyoshi Nakanishi and Kimiko Oga are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.