



## Value Creation Infrastructure

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# ESG Management

## Our Vision for ESG Management at JERA

Our vision for environmental, social, and corporate governance (ESG) and its management is clear and unique. At JERA, we believe that everything we do relates back to ESG. Specifically, we have a unique responsibility as one of the world's largest power producers to pursue decarbonization in the energy value chain through new technologies and ideas (E and S); we provide the stable supply of energy that underpins social life (S); and we aim to break the mold of the Japanese power industry to achieve true global business expansion (S and G).

Unlike Europe and the United States, Japan is a mountainous country surrounded by deep sea, which limits the penetration of renewable energy. It is also characterized by high precipitation and frequent typhoons, which can cause significant fluctuations in renewable energy output. To ensure the stable delivery of electricity to customers, we must supplement this output with thermal power generation, which we can operate flexibly. JERA's ESG approach is unique in that to solve environmental issues, we not only focus on the development of renewable energy but were also among the first to take the bold step of shifting to low greenhouse gas thermal power generation and using hydrogen and ammonia as fuels for thermal power generation, which is one of our strengths. Our vision for ESG is to apply our expertise and technologies to the diverse characteristics of each region where we do business, adapting and growing together with regions overseas, especially in Asia, where economic growth is strong, in order to build a sustainable energy supply system for the next generation.

The driving force behind ESG management at JERA is two-fold, combining our workforce's various personalities, abilities, and expertise with an autonomous global management structure comprised of management and energy professionals. And we must refine these forces to further enhance ESG management. In particular, to further develop our unique organizational culture, one of JERA's strengths, we will continue to create pleasant workplaces that foster respect, inspiration, and support among our diverse talent, which spans gender, nationality, and background.

JERA will utilize the opinions of outside stakeholders in the advancement of ESG management, and at the same time, we hope to increase engagement through extensive communication of our commitment and efforts to contribute to sustainable social development.



**Tatsuya Tsunoda**  
Managing Executive Officer  
(ESG)



## ESG management

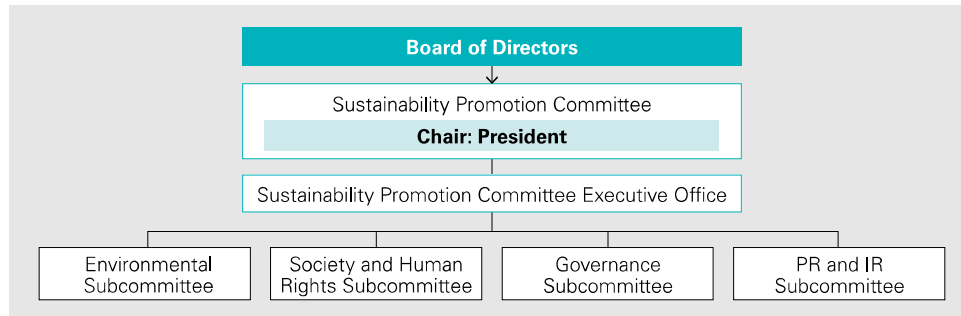
### Sustainability Promotion Initiatives

Sustainability at JERA is headed by the Sustainability Promotion Committee, which reports directly to the Board of Directors and is chaired by the president. The committee discusses internal and external issues related to the SDGs and company-wide promotion of sustainability. In FY2022, the committee has engaged in many discussions, especially on materiality and the value-creation process.

In addition, four executive subcommittees (Environment Subcommittee, Society and Human Rights Subcommittee, Governance Subcommittee, and PR and IR Subcommittee) are working across divisions on sustainable business activities from an ESG perspective and are looking into ways of enhancing communication with stakeholders, particularly the Integrated Report, and to promote internal awareness.

### Sustainability Management Structure

(as of August 31, 2022)



### Recommendations for the Board of Directors

The ESG Advisory Group was established in September 2021 as a voluntary panel to provide advice and recommendations to the Board of Directors and, as necessary, to executives from the standpoint of ESG. Members include Director and Executive Vice President Kazuo Sakairi as coordinator, Director Joseph Naylor, GAE Paul Hanrahan\*<sup>1</sup>, GAE Nobuo Tanaka, and Senior Advisor Hendrik Gordenker.

This group is composed mainly of outside experts\*<sup>2</sup> familiar with the energy industry and corporate management and addresses ESG-related issues. Over more than ten meetings, the group has had animated discussions on trends in the ESG field that impact JERA, the views of capital market participants on ESG, and how business plans and disclosures should be made from an ESG perspective. As a result, the group has provided advice and recommendations to the Board of

Directors on incorporating an ESG perspective into business plans and disclosing non-financial information regarding JERA's medium- to long-term strategy and CO<sub>2</sub> emissions targets.

The group will continue to share with management information on ESG trends, issue awareness and perspectives among capital market participants, and other matters, incorporate these into governance, and strive to enhance JERA's corporate value through improved information disclosure.

### Main Issues

- ESG strategies that contribute to the improvement of corporate value
- Strategies for effective disclosure of information to stakeholders
- Provision of information and recommendations related to global ESG trends and developments

\*1. Global Advisory Expert: An advisor invited to the group as an outside expert with deep knowledge of global management.  
\*2. Paul Hanrahan (former CEO of AES), Nobuo Tanaka (former Director General of IEA), Hendrik Gordenker (former JERA Chair)

### United in Our Commitment to ESG

We actively promote discussion among employees to engage our employees on ESG-related themes.

We are experimenting with bringing employees together online from various locations and age groups in employee-led small-group sessions to share information on ESG-related initiatives and raise awareness of the issues that each workplace faces. We hope this will lead to the creation of new ideas from the bottom up. These small groups also serve as forums for sharing and discussing the ESG strategies that JERA is pursuing as a corporate group.

In FY2022, we will also conduct in-person meetings, using the company-wide theme of ESG as an opportunity to deepen interactions among employees and achieve common objectives.



# Environment



## Issue Awareness

As the world's population grows and the global economy develops, we see increasingly severe environmental issues on a global scale, including overuse of resources, waste and pollution, and loss of biodiversity. Global warming, in particular, is progressing due to increased greenhouse gas emissions from human activities, and disasters caused by extreme weather events are becoming more frequent and intense worldwide, threatening people's livelihoods and economic activities.

Amid this situation and in response to the agreements by the international community on SDGs and the Paris Agreement, the development of targets and frameworks for climate change countermeasures, conservation of biodiversity, and the creation of a recycling-oriented society is accelerating. As such, there are increasing demands and expectations for governments and corporations to take action.

JERA is committed to taking the initiative in working to solve environmental issues while coordinating with our stakeholders by utilizing our technologies and know-how to realize a sustainable society conducive to both environmental conservation and economic growth.

## Fundamental Approach

As a leader in the domestic thermal power generation industry, JERA respects energy and environmental policies such as the Basic Energy Plan and actively promotes the development of renewable energy.

Furthermore, we seek to become a global energy company and are fully aware of the need to protect the environment on a global scale. We strictly observe the environmental laws and ordinances of each country and territory and work to reduce our environmental footprint, which includes reducing CO<sub>2</sub> emissions to realize a sustainable environment, society, and economy.

## Environmental Management System

To minimize resource consumption and the generation of environmentally hazardous substances, we are actively working to improve power generation efficiency, reduce our CO<sub>2</sub> emissions, remove air pollutants, and recycle waste. In addition, we have established a Sustainability Promotion

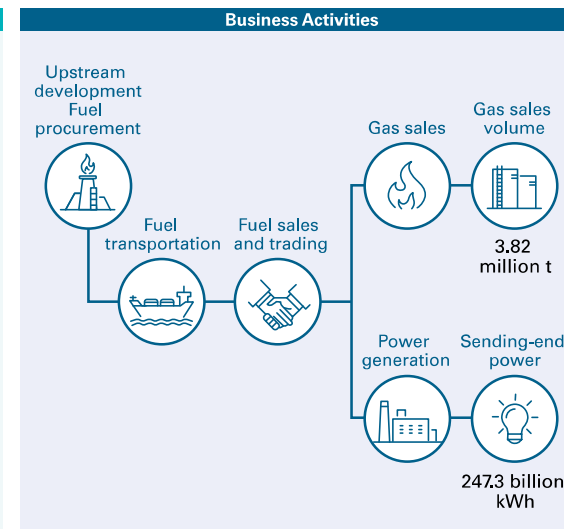
Committee for the purpose of enhancing ESG management. This cross-divisional committee is chaired by the President and reports directly to the Board of Directors. Meanwhile, the Environmental Subcommittee reports on the plans and results of environment-related initiatives for each fiscal year. The Environmental Subcommittee will continue to play a central role in better environmental management and contributing to the development of a sustainable society. (Diagram of Sustainability Management Structure: p.52)

## Environmental Education

We provide training for employees involved in environmental operations at our power plants and other facilities so that they can acquire the necessary knowledge and skills concerning the environment. Training levels correspond to job class and proficiency, and we are working to develop environmental education programs for employees.

### Material Balance (FY2021\*)

| Input                                   |                                |
|-----------------------------------------|--------------------------------|
| Fuel consumption                        |                                |
| Coal                                    | 20.04 million t                |
| Petroleum                               | 0.04 million kl                |
| LNG*2                                   | 27.43 million t                |
| Biomass                                 | 0.38 million t                 |
| Total energy consumption                |                                |
| 50.80 million kl (crude oil equivalent) |                                |
| Purchased electricity                   |                                |
| 84.75 million kWh                       |                                |
| Water usage                             |                                |
| Industrial water intake                 | 18,165 thousand m <sup>3</sup> |
| Tap water intake                        | 864 thousand m <sup>3</sup>    |
| Groundwater usage                       | 118 thousand m <sup>3</sup>    |
| Total                                   | 19,147 thousand m <sup>3</sup> |



| Output                                     |                                    |
|--------------------------------------------|------------------------------------|
| GHG emissions (CO <sub>2</sub> equivalent) |                                    |
| Scope 1                                    | 121,098 thousand t-CO <sub>2</sub> |
| Scope 2                                    | 37 thousand t-CO <sub>2</sub>      |
| Scope 3                                    | 32,508 thousand t-CO <sub>2</sub>  |
| Total                                      | 153,643 thousand t-CO <sub>2</sub> |
| SOx emissions                              |                                    |
| 6.32 thousand t                            |                                    |
| Gross wastewater volume                    |                                    |
| 7,188 thousand m <sup>3</sup>              |                                    |
| NOx emissions                              |                                    |
| 1768 thousand t                            |                                    |
| COD emissions                              |                                    |
| 20 t                                       |                                    |
| Disposal by reclamation                    |                                    |
| 19 thousand t                              |                                    |

\*1. Figures for JERA in Japan and joint ventures with Hitachinaka Generation Co., Inc. and JERA Power TAKETOYO LLC only \*2. Includes natural gas and LPG

## Environment

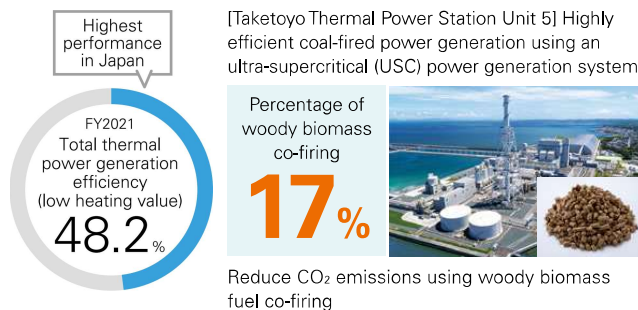
### Reducing CO<sub>2</sub> Emissions

In October 2020, we announced JERA Zero CO<sub>2</sub> Emissions 2050 as our commitment to curbing CO<sub>2</sub> emissions for the future.

With a mission of providing cutting-edge solutions to the world's energy problems, we will take on the challenge of achieving net zero CO<sub>2</sub> emissions from our operations in Japan and abroad by the year 2050 in order to realize a sustainable society.

We also continue to work on ongoing renewable energy initiatives, which include promoting our business both in Japan and overseas and participating in related organizations. With offshore wind power, we have participated in projects in the U.K. and Taiwan and are now considering development projects in Hokkaido and the Tohoku region. In our solar power generation operations, in addition to participating in projects throughout Asia, we have signed a business alliance agreement with West Holdings Corporation in Japan and plan to develop facilities with a total capacity of more than 1 GW by the end of FY2025.

Our efforts to reduce CO<sub>2</sub> emissions from thermal power generation include the implementation of large-scale woody biomass co-firing (co-firing rate of 17%) at Taketoyo Thermal Power Station Unit 5, which started commercial operation in August 2022, and work on a proof-of-concept for hydrogen and ammonia co-firing.

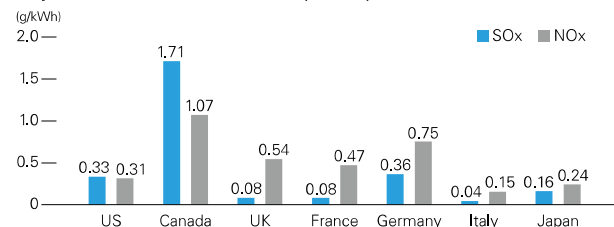


JERA will promote the adoption of greener fuels and pursue zero-emission thermal power during power generation. We aim to achieve zero emissions by supplementing the introduction of renewable energy, which is susceptible to natural conditions, with zero-emission thermal power, which can generate electricity in a stable manner without CO<sub>2</sub> emissions.

### Preventing Air Pollution

Air pollutants emitted from our thermal power plants include sulfur oxides (SOx), nitrogen oxides (NOx), soot, and dust, primarily from boiler exhaust. In order to comply with emission standards set by laws and ordinances as well as environmental conservation agreements with municipalities, we are improving combustion methods and working to reduce emissions by installing exhaust gas desulfurization equipment, exhaust gas denitration equipment, electrostatic precipitators, and other equipment. In FY2021, our SOx and NOx emissions per unit of production were 0.03 g/kWh and 0.07 g/kWh, respectively, which are extremely low compared to major Western countries.

SOx and NOx Emissions Per Unit of Power Generation Output in Major Countries (2019) (Thermal power plants)



Source: Based on OECD Stat Extracts (for emissions) and IEA World Energy Balances 2021 (for power generation output)

### Water Quality Conservation Measures (Consideration for Marine Environments)

Wastewater generated by our thermal power plants is purified by wastewater treatment facilities in order to comply with the

effluent standards of laws and ordinances, as well as environmental conservation agreements we have with municipalities. We discharge this wastewater appropriately while monitoring it using continuous water quality measurement equipment. In addition, to keep the temperature of the seawater used in the condenser from rising, we take it in slowly from the deeper layers where the temperature is lower. When discharging it, we do so slowly to the surface by reducing the discharge velocity, giving full consideration to the environmental impact on the surrounding sea.

### Featured

#### Endorsement of the GX League Basic Concept

Green transformation (GX) refers to the transformation of the entire economic and social system to achieve emission reductions and increase industrial competitiveness by viewing initiatives to achieve greenhouse gas emission reduction targets as an opportunity for economic growth.



On February 1, 2022, the Ministry of Economy, Trade and Industry of Japan (METI) announced the establishment of the GX League as a forum for corporate groups actively engaged in GX, together with government, academia, and financial institutions, to discuss the transformation of the entire economic and social system and work on the creation of new markets, as well as the GX League Basic Concept, which describes the world view and initiatives it will pursue.

Based on our mission to provide cutting-edge solutions to the world's energy issues, we have announced the JERA Zero CO<sub>2</sub> Emissions 2050 initiative and are pursuing net zero CO<sub>2</sub> emissions from our operations both in Japan and abroad by 2050. We have endorsed the GX League Basic Concept as we believe its intent is consistent with this initiative.

JERA will continue to take the lead in the decarbonization of the energy industry by proactively developing decarbonization technologies and by working with related institutions, organizations, and stakeholders to resolve various issues.

## Environment

### Initiatives Related to Resource Recycling

We are actively engaged in recycling to make effective use of limited resources. The main waste we generate is coal ash from our coal-fired thermal power stations. We are promoting the effective use of coal ash as a raw material for cement and land development because of its excellent properties, which include fine grain, light weight, and increased strength. Our effective utilization rate of coal ash in FY2021 was 99.99%.



The Plastic Resource Circulation Act went into effect in April 2022. We are also actively promoting the reduction and recycling of industrial waste associated with products that use plastic generated by our business activities. The amount of waste plastic discharged and the effective utilization rate in FY2021 were 362 tons and 98.56%, respectively.

### State of Waste Treatment Facility Maintenance

The Waste Management and Public Cleansing Act requires that information on the status of the maintenance and management of waste treatment facilities be made public. We properly maintain and manage the appropriate waste treatment facilities and provide online reports regarding facility maintenance (type and amount of waste disposed of, results of water quality measurements performed on discharged water, facility inspection results, etc.). In FY2021, we began reporting the status of Kinuura Landfill No. 1.



State of Waste Treatment Facility Maintenance (Japanese)  
<https://www.jera.co.jp/business/thermal-power/environment/waste/maintenance>

### Control of Chemical Substances

We observe the requirements of the Pollutant Release and Transfer Register Act (PRTR) for chemical substances used at thermal power plants and are working on strict control and reduction of emissions based on internal rules.

### Compliance with Environmental Legislation

We make efforts toward environmental conservation by conducting business based on environmental laws and regulations as well as local ordinances and environmental conservation agreements with municipalities. In FY2021, there were no cases involving fines or sanctions for violations of environmental laws and regulations.

### Environmental Impact Assessments and Consideration of Environments Surrounding Power Plants

When constructing or replacing power plants, we conduct assessments of the environmental impact on the surrounding environment both during construction and after the plant is operational in accordance with the Environmental Impact Assessment Act. We then explain the results to the municipality and community members and engage in dialogue with them.

#### Primary Measures

| Measure                                         | Description                                                                                                                                                                                                  |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Measures for Noise and Vibration Control</b> | Our noise and vibration control measures include choosing the proper placement of buildings and equipment, adopting equipment for reducing noise and vibration, and installing silencers and sound barriers. |
| <b>Measures for Industrial Waste Control</b>    | We take steps to properly treat waste by creating manuals tailored to the operations of individual thermal power plants.                                                                                     |
| <b>Measures for Landscape Preservation</b>      | We make efforts to ensure that power plants blend in with local scenery while considering costs.<br>See also: "Coexisting with Local Communities" on p.65                                                    |

Based on the results of these environmental impact assessments, we strive to conserve the surrounding environment by implementing appropriate noise and vibration control measures, industrial waste control measures, and landscape preservation measures, taking into consideration the impact on the surrounding environment.

### Preserving Biodiversity

When endangered plants and animals are identified in the environmental impact assessment, we take steps to preserve biodiversity, including efforts to maintain and restore habitats and ecosystems.

The environmental impact assessment conducted when replacing the Yokosuka Thermal Power Plant (Units 1 and 2) showed that the area was inhabited by falcons, which are designated as a rare endangered species in Japan. Accordingly, we took measures to avoid affecting their habitat, which included using low-noise, low-vibration machinery during construction. We also installed nesting boxes for falcons in the new stack to create an environment conducive to nesting. We will continue our efforts to preserve the habitat by maintaining green areas in consideration of the falcons' hunting environment.



Green space development at the Yokosuka Thermal Power Station

# Talent Development

## Assembling the Ideal JERA Team

### Four Defining Characteristics

#### Diversity



Employees strive for personal and organizational growth by respecting diversity at all levels of the organization, regardless of differences in gender, nationality, ethnicity, experience, or expertise.

#### Excellence



Employees aim for personal growth and seek to become experts who consistently and enthusiastically incorporate new skills and know-how.

#### Entrepreneurialism



Employees are keen to recognize change, pursue new opportunities, and innovate.

#### Fairness



Employees hold themselves accountable and engage in all initiatives from a position of high ethical standards and fairness.

## Priority Initiatives for Our Team

### Corporate Culture

- Management training
- Raising awareness
- Diversity and inclusion

### Human Resources

- Infrastructure built to attract internal and external talent
- Merit-based approach to remuneration/evaluation/promotion

### Employees & Families



### Career Development

- Launch of independent career development initiatives
- Clear career paths and consultation opportunities
- Enhanced elective, position-based, and selective training
- Introduction of internal recruitment system

### Working styles/benefits

- Remote work expansion
- Satellite offices (Yokohama, Nagoya)
- Full benefits, including vacation and allowances

## Talent Development Policy

The JERA Group considers every employee an essential asset and conducts talent development as described below.

### Talent Development Objectives

- 1 To allow employees to grow and live their lives to the fullest
- 2 To enhance the JERA Group's corporate value and to help us achieve our mission and vision through employee growth

### Fundamental Approach

- The JERA Group respects the diversity of its workforce and supports employees in all areas of the organization to realize their professional aims.
  - Helping employees improve their skills and develop a mindset for sustained success and dominance inside and outside Japan as well as contributing to social progress
- The JERA Group provides opportunities to take on challenges that help the company stay ahead of the times.
  - Helping employees learn how to adapt quickly in times of uncertainty
  - Striving to provide a work environment that allows employees to grow further and demonstrate their abilities
- The JERA Group honors employees' career goals and provides maximum support to help them achieve them.
  - Providing skills training and job rotation opportunities so employees can achieve their career goals

We actively support the growth of all JERA Group employees, including those working overseas.

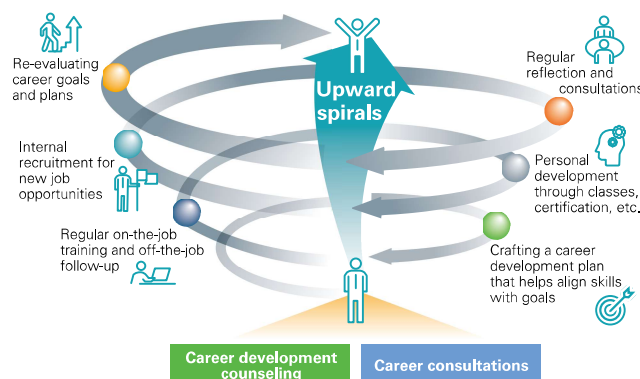
## Talent Development Plan

Based on the Talent Development Policy formulated in March 2020, we have established a framework to strategically support employee growth, including independent career development and professionalism training.

The JERA work environment is a supportive one that enables employees to reach self-fulfillment and facilitates initiatives like a career development system that encourages employees to build their own career paths, training programs that provide multifaceted support for career-focused skill enhancement, and an open recruitment system that offers new challenges for those looking to diversify their work.

We are committed to continually evolving these structures to provide opportunities that allow all our employees to demonstrate their abilities fully and grow together with the company.

## Independent Career Development Overview



## Training System

| Five Pillars of Growth                                              |                  |                                      |                                                                   |                                                              | Business/System Comprehension                     |
|---------------------------------------------------------------------|------------------|--------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------|
| Expertise                                                           | Innovativeness   | Leadership                           | Management Skills                                                 | Fairness                                                     |                                                   |
| Advanced<br>O&M Engineering<br>Optimization<br>Business Development | Analysis         | Creation<br>Influence<br>Imagination | Resourcefulness<br>Ownership<br>Organization and Human Leadership | Corporate Ethics<br>Corporate Philosophy<br>Learning Culture | Corporate Knowledge<br>Respective Roles<br>Career |
| Corporate<br>Level                                                  |                  |                                      |                                                                   |                                                              |                                                   |
| Professional Training                                               | General Training |                                      |                                                                   |                                                              |                                                   |

- Professional training provides the necessary skills to succeed across all areas of the company, along with cutting-edge solutions and sophisticated, specialized knowledge and skills.
- General training offers a number of development opportunities, including position-based and elective training programs planned by the Human Resources Development General Management Department.

# Diversity & Inclusion

## Major Commitments

Diversity and inclusion (D&I) is a central strategy in achieving our mission. JERA aims to be an organization rich in diversity across gender, nationality, ethnicity, ability and disability, sexual orientation and identity, experience, expertise, and beyond. We will achieve a fair and just workplace where inclusion is realized by empowering diverse talent to share mutual respect, reach their full potential, contribute to the organization, and achieve personal growth.

### Our vision for diversity and inclusion is summarized in these two core beliefs:

- JERA must make every effort to help all employees and associates feel happy and motivated to the benefit of themselves, their partners, families, and communities.
- Our vision and mission can only be achieved if our employees and associates are happy and motivated.

We are united in creating a new JERA capable of delivering unique solutions to the world in which we live.

Toshihiro Sano, Chair  
Satoshi Onoda, President

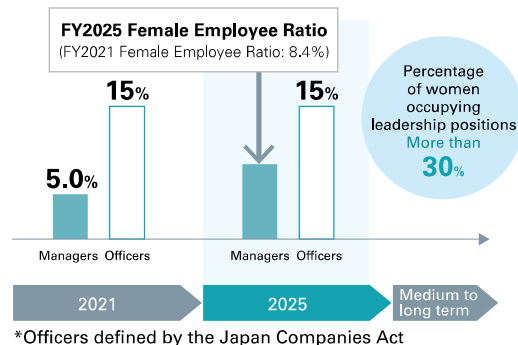
In January 2022, officers in charge of each division disseminated the “D&I Declaration of Conduct” to all employees in an effort to emphasize accountability, one of many D&I initiatives we are working on toward realizing the above commitments.

## D&I Promotion Strategies

### Increasing the Proportion of Women in Leadership Positions

We are focusing on gender diversity as a significant opportunity to make an impact, given its inherent potential to offer new viewpoints and ensure an equal approach to ideas. We intend to increase the proportion of women in leadership positions by setting quotas and proactively providing opportunities for female employees.

Diversity & Inclusion  
<https://www.jera.co.jp/english/corporate/diversity/>



## Overview of D&I Promotion Strategies

At JERA, all employees share a path toward new value creation through respect for diversity and open dialogue. We are developing various measures to foster an inclusive and just organizational culture in which everyone receives opportunities and anticipates ways in which they can grow and contribute to the company.

| Measures                                                            |                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inclusive Organization Building                                     | D&I Month                                                                              | <ul style="list-style-type: none"> <li>• Held companywide workshops and events in November 2021</li> <li>• Offered four workshops on the themes of what D&amp;I means for JERA, the balance between career and childcare, and paternity leave, with a total of ≈950 people in attendance</li> </ul>                                                                                                                                                                                                                   |
|                                                                     | D&I Award                                                                              | <ul style="list-style-type: none"> <li>• Called on each organization to submit examples of D&amp;I initiatives, after which employees voted to select a grand prize winner</li> </ul>                                                                                                                                                                                                                                                                                                                                 |
|                                                                     | Men's Leadership D&I Acceleration Program                                              | <ul style="list-style-type: none"> <li>• Conducted a program encouraging men to drive change under the themes of equity and inclusive leadership. The program was conducted three times for ≈80 department heads and power plant managers.</li> </ul>                                                                                                                                                                                                                                                                 |
| Female Empowerment Initiatives                                      | Career Development Support to Increase the Proportion of Women in Leadership Positions | <ul style="list-style-type: none"> <li>• Assigned mentors to help support women in management positions through efforts in areas such as career development awareness, network-building, and opportunity recognition</li> <li>• Offered career development training, including leadership training, exercises in work-life balance for mothers, inter-industry exchange, and training to foster career development awareness</li> </ul>                                                                               |
|                                                                     | External Network-Building & Collaboration                                              | <ul style="list-style-type: none"> <li>• Participated in G20 EMPOWER (a private sector alliance that strives to increase the number of women who play a vital role in corporate decision-making) and was featured in the Best Practices Playbook 2021 and 2022, its compilation of best practices and policies from around the world</li> <li>• Endorsed the Japan Business Federation's Challenge to 30% in 2030</li> <li>• President participated in the Male Leaders Coalition for Empowerment of Women</li> </ul> |
| Promotion of Employment Opportunities for Persons with Disabilities |                                                                                        | <ul style="list-style-type: none"> <li>• Expanded operations of special subsidiary JERA Miraiful and employment opportunities for people with disabilities</li> <li>• Reopened the newly renovated Yokohama Strawberry Park</li> </ul>                                                                                                                                                                                                                                                                                |
| Promotion of LGBTQ+ understanding                                   | JERA Pride Month                                                                       | <ul style="list-style-type: none"> <li>• Designated June 2022 as Pride Month and offered all employees an e-learning program to deepen their understanding of LGBTQ+ issues. ≈3,800 employees took part in the program.</li> <li>• Sponsored Tokyo Rainbow Pride 2022 and supported employee participation in the event</li> </ul>                                                                                                                                                                                    |
| Employee Resource Groups                                            | Employee Resource Groups                                                               | <ul style="list-style-type: none"> <li>• Supported employee resource groups (ERGs) to improve issues related to D&amp;I</li> <li>• Celebrated two new groups beginning activities in FY2022, one focusing on work-life balance for parents and one serving as an LGBTQ+ ally</li> </ul>                                                                                                                                                                                                                               |

## Feature

### JERA Miraiful Begins Operations

JERA Miraiful is a wholly-owned subsidiary established in April 2021 to create employment opportunities that promote independence and social participation among people with disabilities.

We began full-fledged operations alongside new graduate hires in April 2022. We now have 12 staff members with disabilities working alongside other staff as one team where they recognize each other's individuality and value compassion.



East Japan Center (Yokohama):  
Strawberry cultivation, custodial work, and more at Yokohama Strawberry Park



East Japan Center (Nagoya):  
Flower cultivation, garden care at power plants, and more

## Talent Development

# “DEI” is the Source of Solutions and Innovations



Miyuki Suzuki

Outside Director of JERA Co., Inc.

Raised in Australia, the UK, and Italy, she experienced cultural diversity living and working in eight countries across Europe, the Middle East, North America, and the Asia-Pacific region. She is an entrepreneur with experience in sales, marketing, and general management roles in the IT and aviation industries.

The war for talent is becoming increasingly fierce, and having good people is the key to achieving success and differentiation. Attracting, growing, and retaining these people is one of the most important roles of any company's leadership, and creating a framework for doing so requires alignment with the company's strategic goals. JERA's stated long-term mission is to provide innovative energy solutions to drive decarbonization and sustainable development in Asia and the world. That is the “why” of JERA's existence, and so we first need to amplify this message to all potential and existing staff to create a sense of an overarching purpose with which people can identify. People increasingly seek more than just financial rewards from their workplace; they need to feel that they are contributing to a worthwhile cause that makes a positive difference to the world around them while enriching their own career experience.

We live in times of global uncertainty and breathtaking change, all of which require a breakthrough approach to business rather than one of “business as usual.” JERA faces numerous challenges and problems, so it is imperative for our people collectively to be open-minded, embody and embrace diversity, and have a global outlook. We often hear about the importance of DEI – Diversity, Equity, and Inclusion – which is particularly relevant right now. Countless studies have proven that the most creative solutions to problems and breakthrough innovation originate from diverse people working together, harnessing the power of their varied backgrounds, experiences, and viewpoints. Managing a diverse organization is never easy; hiring and working with people in your own image is so much easier. But without making the effort to build a diverse organization

through policies and heightened attention to the task, we can never reap the rich rewards that thinking outside the box can bring.

To nurture productive DEI, the company must provide a transparent, collaborative culture where people feel safe to express their opinions and make suggestions, regardless of rank or hierarchy, are treated with respect and are given the information and support they need to succeed. Equity means fairness, offering employees equal access to programs, promotions, and opportunities so they can develop their full potential. Diversity and its benefits cannot be reaped without inclusion, which means people feel they can contribute meaningfully as part of a team with shared values and goals.

Of course, reward and recognition are important. Individuals need to feel that their contributions are appreciated, that exceptional work will be appraised appropriately, and that promotions are based on merit, not tenure or seniority. Management should deploy a transparent framework for job grading, structure, and remuneration, which can be compatible in Japan and globally to encourage job rotations so that people have the chance to not only expand their skills, experience, and horizons but also gain access to work opportunities outside their home countries.

There is also a great deal of focus today on ESG and SDGs. This means that a company that is fulfilling its societal and moral obligations, whether in championing human rights or working to protect the environment, will naturally be more attractive to potential employees as well as desirable investors, partners, and customers. We must do everything in our power to make sure we are leaving a healthy, safe, and just world for future generations.

As I said earlier, we live in unpredictable times. But by the same token, it is a time when change is characterized by multiple discontinuities—things being done in ways that would have been deemed unthinkable a short while ago. Discontinuity calls for us to reimagine what is possible; it is a powerful catalyst for innovation and generates new opportunities. By building an organization with people who can recognize and embrace discontinuities, JERA is committed to constructing a work environment for people to move forward and creating bold, breakthrough solutions that can change the world.

## Diversity & Inclusion

# Creating an Organization that Honors Individual Strengths

JERA has a unique corporate culture comprising a mix of mid-career transfers from shareholders and new graduate hires from various backgrounds. Here, Minako Fujiie, Managing Executive Officer of Diversity & Inclusion, sits down with two young employees to explore how JERA can become a better, stronger company.



Nakamura: Currently raising a newborn baby

Fujiie: Mother of two (now adult) children

Boldmaa: Currently raising a 5-year-old

**Fujiie** Most employees at JERA have transferred from shareholders, where the majority of employees are Japanese men. As a result, non-Japanese and female employees are in the minority. I would like to explore what we need to do to ensure that all employees feel respected and empowered, regardless of their majority or minority status.

### JERA Today: Internal and External Perspectives

**Fujiie** Boldmaa, why did you first become interested in working at JERA?

**Boldmaa** I was attracted by the scale of the business, but more than that, I was drawn to how JERA employees strive to make a positive change in the company and society through energy. I chose to come to JERA because I felt that it provided an environment where I could use my skills and experience to contribute to the company and grow as a person.

**Fujiie** Has JERA met your expectations?

**Boldmaa** For the most part, it's just as I imagined. But I would say that some aspects of the organization do not maximize each employee's full potential. Perhaps employees are still a bit reserved because of just how diverse JERA has become in such a short time since its inception. Many people here have backgrounds and expertise that JERA should be proud of, and I hope the culture can shift to one where people feel free to express their opinions, regardless of age or position.

**Fujiie** Nakamura, what did you expect when transferring to JERA from a shareholder company? Did you have any concerns?

**Nakamura** Well, JERA is a meritocracy, and I was a little worried about whether my skills would measure up. But at the same time, I was also excited about the opportunity to take on a new job in a company with such a fair and challenging outlook.

It's been one year since I changed jobs here, and every day I am reminded of how the company



**Minako Fujiie**

Managing Executive Officer  
(Diversity and Inclusion)

Minako began her career at TEPCO in April 1988 and served as an auditor at JERA until March 2022.

## Diversity & Inclusion

respects our individual opinions and encourages us to challenge ourselves. I'm still early in my career, but I'm often able to bring my own opinions to my work, which has helped me build confidence.

**Fujiie** You're right. If we can foster a culture that respects individuality and encourages employees to see challenges as opportunities, we can help each other continue to develop our skills. If we respect and leverage our diversity—in other words, when we promote inclusion—each of us will grow, and organizational creativity will increase, leading to higher corporate value.

### Diverse Talent, Diverse Work Styles

**Fujiie** JERA has introduced a new system that allows for more flexible ways of working, and we are focused on fostering a culture that recognizes diverse work styles. I want to ask what it's like to work while raising children. Have you taken childcare leave? And what kind of support have you received from those around you?

**Boldmaa** With my team, we each have our own strengths and are relatively independent, so I rarely feel stressed. We also make sure to communicate and work closely with our supervisors and collaborators in case of sudden absences so that a project doesn't get delayed. When we look out for each other, the entire team feels more productive.

**Nakamura** In our generation, both spouses tend to work and share household responsibilities. I personally took paternity leave when my first child was born. Even though paternity leave isn't as common in Japan, I wasn't particularly worried because of the positive messaging we hear from the president and the encouragement I received from my supervisors and colleagues. Working remotely now allows me and my wife to split the responsibilities of childcare.

**Fujiie** Our corporate culture needs to recognize and foster diverse work styles. And when we combine that with robust systems and allow individuals like yourselves to figure out what works best for them, we believe that everyone wins. And as more fathers take paternity leave, the assumption that childcare and housework are a woman's job will be replaced by an awareness that both parents are responsible for childcare and housework. That shift will also promote female empowerment, an important initiative here at JERA.

### To Become a Stronger Company

**Fujiie** Finally, I'd like to hear what you think JERA needs to do to become a better, stronger company.

**Boldmaa** I feel like so many people at JERA have unique strengths and interesting personalities. In my department, we share daily goings-on as an icebreaker at the start of meetings. If the whole company shared that open atmosphere, it would help us better understand each other and further promote diversity and inclusion. It is also important to have enough private time for things



**Boldmaa  
Jargalsaikhan**

Overseas Offshore Wind  
Power Business Group  
Overseas Offshore Wind  
Power Business Unit  
Assistant Manager

Boldmaa joined JERA in June  
2019 as she was busy raising a  
2-year-old.



**Keishi Nakamura**

O&M Engineering Division  
Operation Group  
Operation Management Unit

Keishi started his career at  
TEPCO in April 2010 before  
transferring to JERA in April 2021.  
In 2021, he took one month of  
paternity leave to look after his  
newborn baby and is currently  
balancing work with childcare.

like family, hobbies, and study to feel refreshed when you come back to work. I believe that each individual should be able to demonstrate their individuality and personality out in the world and in the office. I think JERA will grow naturally as the company embraces a more open and fair work environment. I hope management feels the same way, and I look forward to seeing that kind of atmosphere grow throughout the company.

**Nakamura** I agree with Boldmaa. Having taken paternity leave myself, I'm now having people from other parts of the company reach out to me for the first time to ask for help with the process. This kind of positive communication has increased, which has led to an acceptance of paternity leave and new ways of working. If employees can learn from each other, inspire each other, and create new and diverse experiences both within the company and at home, I think JERA will become a better, stronger organization.

**Fujiie** The COVID-19 pandemic has certainly made communication more difficult, but that is why it is important to share how we want to live and listen to each individual voice in order to make those changes happen. It energizes the entire organization when we leverage our diverse perspectives, experiences, and abilities and allows each individual to feel the ways they can make a difference within the organization. JERA's vision for promoting diversity and inclusion is summarized into two core beliefs. First is the belief that the company must make every effort to help all employees and associates feel happy and motivated at JERA, to the benefit of themselves, their partners, families, and communities. And second is the belief that our vision and mission can only be achieved by happy, motivated employees and associates. Today, you've reminded me of the importance of promoting diversity and inclusion throughout the organization to realize our vision and guide JERA to become a better, stronger company. We will continue working to establish a joyful, fulfilling environment for all employees. Thank you both for sharing your inspirational experiences.

# Communication with Employees

## Fundamental Approach and Issue Awareness

JERA was formed by two electric power companies with different corporate cultures. To maximize the synergy of this merger and achieve growth, it is of utmost importance for us to unite and integrate as “One Team,” and we are developing various opportunities for intra-company dialogue and interchange and continue to work toward creating a more interdisciplinary and integrated organization.

Lack of internal communication is an important issue that companies must work to resolve, as it can lead to decreased employee motivation, increased stress, and lower productivity.

The pandemic has meant that much of our work has moved online. To stay connected with our employees, JERA has introduced a new hybrid system that combines office and remote work. As the ways we work continue to evolve, they help inform a new work environment where employees will feel motivated to do their best as “One Team.”

To that end, we have made internal communication a top priority, and we plan to develop an array of internal exchange programs as part of our commitment to becoming a more interdisciplinary and integrated organization.

## Online Cafe

With the shift to remote work, we now hold online events to initiate employee communication, including coffee breaks with President Onoda and our One JERA Party company-wide social mixers.

These opportunities have proven invaluable for discourse on diverse subjects, including communication problems and solutions. They have also become a catalyst from which ideas and innovations emerge.

| Measures                               | Description                                                                                                                       |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>Coffee Break with the President</b> | This initiative helps flatten the organization and provides an opportunity for open dialogue between the president and employees. |

## Post Anything: Management-Employee Communication

We have set up an internal message board where employees can “Post Anything,” freely and anonymously voicing their questions and concerns, suggestions for improvement, anxieties and worries, and positive feedback. The feedback is delivered to management and then shared with the entire company, including proposed responses to any concerns from the departments in charge. In FY2021, we received 75 submissions that resulted not just in responses but also tangible improvements to the way we do business.



This open office design encourages communication between management and employees

## Employee Satisfaction Survey

We conduct an annual employee satisfaction survey to gain a quantitative understanding of employee opinions about their work and job fulfillment.

The survey touches on three categories: work and its value, working conditions and environment, and company loyalty. In FY2021, the survey had a response rate of 94.4%.

The JERA overall employee satisfaction rate was 69%, 11 points higher than the average among companies surveyed by the commissioned research firm and affirming a positive position for the year. Issues highlighted by the survey are used by top management to examine improvement measures and as core data for formulating future company policies and management strategies toward more attractive workplaces and enhanced corporate value.

## Featured

### One JERA Party 2021: Connecting 337 Employees from Around the Country

At the end of FY2021, we launched One JERA Party 2021, an online get-together held on three separate occasions in February 2022. Employees from our headquarters, branch offices, and power plants in Chubu, Kanto, and Tohoku participated remotely from their computers. President Onoda gave a toast to kick off the events, which were held to foster the sense of unity threatened by the COVID pandemic. One JERA Party 2021 included activities that all employees could enjoy, including guessing games and the chance to move around the virtual space and get to know each other. A total of 337 employees took advantage of this opportunity to develop stronger connections with their colleagues.



# JERA Work Design

## Promoting JERA Work Design

We are designing new ways of working in pursuit of productivity and efficiency, meeting employee expectations, and securing excellent human resources. We aim to put together a plan for reform in both tangible and intangible ways.

In order to allow our diverse team of talent to reach their full potential, we will design different ways to work, balancing face-to-face and remote work in a hybrid manner. We call this “JERA Work Design,” and it entails the following:

- I System: Designing mechanisms to enable our diverse talent to work flexibly
- II Workplace: Designing workplaces that support diverse ways of working and help generate innovation
- III Culture: Designing an open and transparent company culture that recognizes diverse ways of working

Through these initiatives, we aim to ensure the happiness of our employees and their families and promote growth that enhances JERA's corporate value, all while fulfilling our essential social duties as a utility provider.

## Promoting Work-Life Balance

As part of our efforts to promote work-life balance, we implemented a teleworking system in February 2020 to enable more flexible ways of working. Employees can choose to work remotely for any number of reasons. We have also established systems to support child-rearing, including “life support leave,” which encourages men as well as women to participate in raising children. We are initiating reforms so that all of our diverse talent can play an active role.

## Pursuing the Happiness of Employees and Their Families

Because JERA has many offices in Japan and abroad, many employees are on assignment away from their families. For that reason, starting in December 2021, we made full remote work available to employees who do not wish to work away from their families. In addition, employees previously had to take a leave of absence when accompanying their spouses on overseas assignments, but it is now possible to continue working via full remote work if approved.\*

We pursue the happiness of our employees and their families by taking into consideration individual circumstances and allowing employees to choose the style of work that best suits them.

\* Certain conditions must be met for approval.

## Measures to Achieve the Three Themes of JERA Work Design

### 1

### Designing mechanisms to enable our diverse talent to work flexibly

#### Versatile hybrid work options

- Ease the requirements for remote work to realize more flexible ways of working

#### Remote work process standardization

- Realize efficient business operations and appropriate labor management through means such as standardizing business processes, promoting visualization, and creating online meeting guidelines

#### Skill improvement system for employees through remote capabilities

- Improve the online training system to support employees' independent career development

### 2

### Designing workplaces that support diverse ways of working and help generate innovation

#### Establishment of satellite offices

- Reduce the burden of long-distance commuting and temporary assignments away from family through use of satellite offices (currently in place in Nagoya and Yokohama)

#### Creation of workplaces premised on remote work

- Promote the use of unassigned desks in offices and other efficient office space utilization
- Facilitate interaction and create innovation through layout changes and other efforts

### 3

### Designing an open corporate culture that allows for diverse ways of working

#### D&I advocacy

- Plan and implement online events in which employees can easily participate
- Foster an inclusive and open corporate culture through group work and the exchange of opinions

#### Management support for the promotion of diverse ways of working

- Provide manager training on remote work business management
- Utilize digital communication tools

## Featured

### Promoting Paternity Leave

We have fostered a culture that recognizes diverse ways of working, and an increasing number of male employees are utilizing the childcare leave system.

- We shared a handbook on how to be a family-friendly boss with all employees, which includes a message from the President, details on the paternity leave system, and specific examples of supervisor actions.
- We use the company newsletter to publish interviews with employees who have taken childcare leave and their supervisors.

#### Paternity Leave Utilization

FY2021

12 men took an average of 5 months leave

FY2022 (as of August)

22 men took an average of 1 month leave



# Human Rights

## Fundamental Approach and Issue Awareness

The JERA Group bears an important responsibility of high public interest in supporting society and the economy—providing a stable supply of energy. As a company with a global value chain spanning upstream development to transportation, storage, power generation, and sales, we strive to maintain and expand a stable supply chain at a time when human rights issues such as harassment, discrimination, and poor working conditions become increasingly urgent. We recognize the importance of promoting human rights efforts for us to meet our responsibilities of stable maintenance and expansion of a value chain that supports Japan's energy and helps solve the world's energy issues. We also believe that employees can only reach their full potential in a comfortable work environment free from discrimination and harassment. The JERA Group is committed to acting with integrity and respect for human rights based on the highest ethical standards to fulfill our mission as a global company.

JERA Group Human Rights Policy  
<https://www.jera.co.jp/english/corporate/compliance/human-rights-policy>

## JERA Group Human Rights Policy and System

In April 2022, we established the “JERA Group Human Rights Policy” to serve as the cornerstone for achieving our philosophy. This policy was founded in accordance with international standards and social codes regarding human rights, such as the Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights, and applies to all directors and employees of the JERA Group. We make continuous efforts so as not to be complicit in any human rights violations by considering the potential impacts that our activities may have on stakeholders, including our customers and communities. Accordingly, we are in the process of building an internal system to identify, prevent, mitigate, monitor, and correct any matters regarding human rights that require special attention. This policy has been made public on our website, disseminated internally,

and shared with JERA Group companies. We will continue sharing information on human rights activities in regular liaison meetings with our group companies.

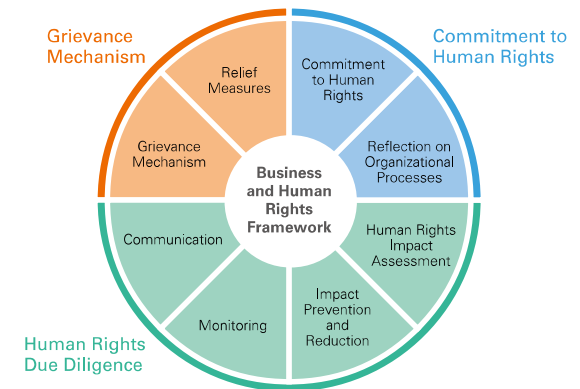
## Human Rights Education and Training

In August 2022, JERA conducted its first internal human rights training for all employees on topics including business and human rights risks, as well as harassment prevention. The training used case studies to introduce human rights issues that could impact corporate activities, key points to preventing harassment, and considerations for the LGBTQ+ community. Following the training, participants were also tested on their comprehension to raise and reinforce human rights awareness.

In addition to this human rights training, we will conduct regular education and awareness activities, such as seminars that align with Japan's Human Rights Week.

## Promotion of Human Rights Due Diligence and the Establishment and Operation of a Human Rights System

As we expand our business globally, we aim to establish a human rights due diligence (DD) mechanism that respects the rights of our supply chain and beyond. This mechanism is based on the UN Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, and Japan's National Action Plan on Business and Human Rights. In FY2021, through the advice and cooperation of outside experts, we identified and segmented those issues considered to have a significant negative impact according to past human rights incidents and reports issued by government agencies and human rights NGOs. We looked at efforts implemented to address these issues, measured our progress and planned our direction based on the results of these efforts, and kept management informed via our internal Risk Management Committee and the Board of Directors.



## Relief Mechanisms for Human Rights and Other Issues

In FY2021, JERA established its Internal Rules for Harassment Prevention to maintain a healthy work environment for its employees. Our employment regulations prohibit any inappropriate behavior that infringes on human rights, such as sexual harassment and power abuse, and provide for disciplinary measures that include dismissal. The Internal Rules for Harassment Prevention are designed to delineate specific examples of inappropriate behavior and clearly stipulate the responses and other actions available in these cases.

In accordance with these internal rules, consultation services have been established internally at our Labor Affairs and Human Resources Group and externally at partner legal offices to address harassment and other inappropriate behavior infringing on human rights. The Labor Affairs and Human Resources Group responds accordingly in cooperation with the relevant workplace parties and, if necessary, consults with outside legal counsel.

From FY2022, our consultation desks will expand and be open to JERA Group companies and business partners.

# Coexisting with Local Communities

In addition to global issues such as climate change, countries and regions face increasingly severe endemic problems such as poverty, inequality, limited resources, and demographic changes. Our operations have a broad international reach, and we recognize the importance of leading the way to find solutions to these issues in cooperation with each region and community.

As a company focused on working responsibly with local communities, we formulated a Social Contribution Activity Policy last year to contribute to realizing a sustainable society. Specifically, we have positioned “coexisting with the environment,” “educating the next generation,” and “resolving community issues” as our areas of focus within social contribution and are committed to ensuring accountability by communicating and working closely with local communities.

As we move forward, we will continue leveraging our strengths to address and resolve the problems faced by people in every region. We will also strengthen our relationships with stakeholders and strive to create a virtuous cycle that builds social trust and enhances our corporate value.



Hiroshi Oyabu

Senior Managing Executive Officer  
Business Support & Solutions and Secretariat

(Established July 2021)

## Social Contribution Activity Policy

### [Basic Policy]

The JERA Group aims to engage proactively in social contribution activities, build strong relationships of trust with regional communities and other stakeholders, and achieve sustainable development with local communities as it conducts business globally. Our social contribution activities respect the cultures, customs, nature, history, and other characteristics of individual countries and regions. At the same time, we will contribute to society and community development through activities that leverage the strengths of the entire JERA Group.

### > Purpose of Activities

The purpose of our social contribution is the creation of a continuous virtuous cycle in which trust between JERA and our stakeholders contributes to the realization of a sustainable society, which in turn enhances corporate value.

### > Areas of Focus

Aiming to realize a sustainable society, we will engage in activities prioritizing the following three areas: “coexisting with the environment,” “educating the next generation,” and “resolving community issues.”

#### 1 Coexisting with the Environment

We will contribute to better conservation of the global environment by working to reduce the environmental burden of our business activities together with measures such as promoting greening and environmental protection.

#### 2 Educating the Next Generation

We will pass on the skills and expertise gained through business operations to the next generation and contribute to the education of individuals who can lead the future of energy globally.

#### 3 Resolving Community Issues

We will help resolve the many issues facing countries and regions where we do business, including increasing disaster preparedness, creating jobs, and reducing the number of communities without electricity.

### > Support for Employee Social Contribution

We will provide our employees with opportunities for social participation and support employees' voluntary social contribution activities.

### > Collaboration with Stakeholders

We will communicate with stakeholders as we work to address various social issues.

### > Information Disclosure

We will proactively disseminate information about our Social Contribution Activity Policy and associated efforts via our website and reports.

## Coexisting with Local Communities

### Coexisting with the Environment

#### Environmental Conservation and Landscape Preservation Measures at Thermal Power Plants

The thermal power plants we own throughout Japan implement measures to preserve the landscape in consideration of the impact of operations on the surrounding environment. Landscape simulations help us select the shapes and colors for our plants' chimneys. In addition, to achieve balance with nature, we also proactively plant trees at power plant sites, many of which have become forests home to many rare insects and other species.

#### Cleanup and Environmental Beautification Activities

JERA's thermal power plants and other places of business work with affiliates and local governments to conduct cleanup and environmental beautification activities in the surrounding communities. Despite restrictions during the COVID-19 pandemic, 757 employees participated in environmental beautification activities in FY2021.

In addition, just as the year prior, we conducted beach cleanup activities in Akita Prefecture in cooperation with local residents and the players and staff of the Aranmare women's basketball team—in which JERA holds an equity stake.

### Educating the Next Generation

#### Power Plant Tours

Even amid the COVID-19 pandemic, we made sure that visitors were still able to tour our plants online. A total of 1,486 attended online tours of the Hirono Thermal Power Station and Kawasaki Thermal Power Station. Designed to make learning enjoyable for both parents and children, these virtual tours cover a range of content, from lessons on electricity used in daily life to experiments and quizzes. The virtual tours were a hit with parents and children alike.

#### Support for SAKURA Tempesta, a Robotics Team for Junior High and High School Students

SAKURA Tempesta is one of the most notable robotics teams in Japan. In the 2018 FIRST Robotics Competition—the world's most prominent international robotics competition—SAKURA Tempesta received the Rookie Inspiration Award, given to a rookie team with outstanding success in advancing respect and appreciation for engineering and engineers.

As a sponsor of SAKURA Tempesta, JERA is working with the team on community contribution activities and workshops to promote STEAM\* education for young people.

\* STEAM fields: Science, technology, engineering, art and architecture, and mathematics



#### Continuing Our Scholarship Program

In December 2020, JERA established the JERA Asia Scholarship program for international students from Asian countries to study at Japanese universities and graduate schools to contribute to the education of the next generation who will lead economic growth in Asia.

In FY2020 and continuing in FY2021, we provided scholarships to students from various Asian countries studying at the International University of Japan, which has engaged in the education of global talent for many years.

### Resolving Community Issues

#### Assistance to Prevent the Spread of COVID-19

In response to the global COVID-19 pandemic, we have supported measures to prevent the infection and spread of the virus in Asia. In FY2020, we provided free medical supplies to Bangladesh, including emergency vehicles, respirators, and personal protective equipment such as protective clothing and masks.

In FY2021, we donated to the COVID-19 prevention fund in Hai Phong City, Vietnam, in response to a rapid increase in new cases there.

Note: In August 2020, JERA and ExxonMobil concluded a Memorandum of Understanding for the development of an integrated LNG-to-power project in Hai Phong City, and in October 2020, ExxonMobil and Hai Phong City concluded a Memorandum of Understanding concerning the development of the project in the city.

#### Overseas/Affiliate Initiatives and Contributions to SDGs

We invested in TeaM Energy Corporation, an affiliate in the Philippines, which is working to solve social issues in that country (JERA and Marubeni each have a 50% stake). Specifically, through TeaM Energy Foundation, Inc., a non-profit corporation, we have sought to alleviate poverty, protect the environment, and provide support for education and medical care by providing electricity to areas and homes previously without power as part of various multi-year initiatives.

 Public Relations and JERA's Denryoku-Kan (Museum of Electricity) (Japanese)  
<https://www.jera.co.jp/corporate/pr>

 Power Plant Tour Information (Japanese)  
<https://www.jera.co.jp/node/17>

# Safety and Health



## Fostering a Culture of Safety

To ensure that safety is the top priority in our business activities, we aim to realize a work culture in which all personnel at our job sites share our safety philosophy and call on one another to work together toward creating safe workplaces.

To foster such a culture of safety, we are expanding activities in which officers visit power plants, construction sites, and other workplaces to directly explain our approach to safety. We have also established a safety enhancement period when we conduct various safety awareness initiatives and hold commendation ceremonies for the safety efforts undertaken by employees and subcontractors working at our job sites.

## Safety: The Highest Priority in Everything We Do

Our mission is to provide cutting-edge solutions to the world's energy issues. As power generation and fuel facilities operate under high-pressure conditions using complex machinery, it is essential to eliminate life-threatening risks, ensure the safety of all involved personnel, and provide stable energy during operation and maintenance periods.

To this end, at the close of FY2020, we formulated a safety philosophy and safety policies to ensure that we pursue

business activities based on the premise of "Safety First" in the entirety of our supply chains, from upstream fuel procurement to electricity sales. We are also committed to pursuing further safety measures to ensure peace of mind for everyone in society.

Our officers and employees are working together to build a culture of safety. We are developing various measures to achieve our goal of zero accidents so that all those involved in our businesses can return home healthy and injury free.

### [Safety Philosophy]

Safety is the foundation of our business and the source of our corporate value. We give the highest priority to safety in all our business activities.

### [Safety Policies]

1. Create a safe and comfortable work environment
2. Observe safe and appropriate operating procedures and rules
3. Design, operate, and maintain facilities with safety in mind

## New Initiatives for Achieving Zero Accidents

Guided by our annual safety plans, JERA is expanding workplace-wide safety activities to achieve our target of zero accidents. Power generation and fuel facilities contain many pieces of machinery and equipment. It is critical to understand the potential dangers of each and take appropriate safety measures during patrols, facility maintenance, and other on-site work.

In recent years, we have seen more and more partner company employees with little experience working at our job sites. We have been conducting risk simulation training utilizing VR technology for these employees to increase their sensitivity to danger while promptly sharing safety information to prevent the repeated occurrence of similar incidents.

## Major Safety Initiatives in FY2022

| Priority Action Items                                                                                                          | Major Initiatives                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Leadership:</b><br>Clarification of our safety activity strategies and facilitation of safety awareness among all employees | <ul style="list-style-type: none"> <li>• Developed safety activity strategies aimed at creating a culture of safety based on mutual awareness building</li> <li>• Formed safety committees and held workshops to foster safety awareness</li> <li>• Facilitated safety awareness among all employees through safety-related events</li> </ul> |
| <b>Organizational Structure:</b><br>Establishment of a robust system for safety activities                                     | <ul style="list-style-type: none"> <li>• Constructed a structure for promoting safety activities involving overseas group companies</li> <li>• Strengthened cooperation with stakeholders</li> </ul>                                                                                                                                          |
| <b>Business Operations:</b><br>Implementation of policies for the creation of safe workplaces                                  | <ul style="list-style-type: none"> <li>• Enhanced and utilized information regarding safety</li> <li>• Carried out effective safety activities for accident-free, safe workplaces</li> </ul>                                                                                                                                                  |

## Safety and Health

### Promoting Health Management

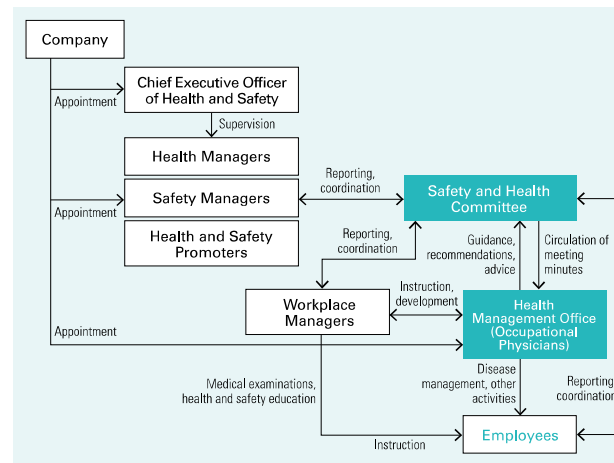
Based on the recognition that health and safety are the foundation of our business operations, we have established a health and safety management system supervised by the president to promote health and safety as one of our most important management issues. Action plans for health and safety are established at each business site and led by the responsible department at each site as part of our efforts to promote initiatives aimed at maintaining and improving the health of employees.

In FY2021, in addition to measures aimed at curtailing mental health problems and lifestyle diseases, we made substantial efforts to prevent the spread of COVID-19. Going forward, we will continue to promote work-life balance and establish various measures for the prevention, early detection, and early treatment of diseases to create an environment in which employees can take on challenges in good health and with a sense of security.

### Main Achievements of Health and Safety Activities in FY2021

|                                                                    |                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Compliance with laws and regulations on health and safety          | <ul style="list-style-type: none"> <li>Implemented a variety of medical examinations</li> <li>Conducted stress checks (Achieved below the national average for overall health risk)</li> </ul>                                                                                             |
| Mental health measures                                             | <ul style="list-style-type: none"> <li>Implemented mental health care training for managers and conducted occupational health interviews with physicians and clinical psychologists</li> <li>Implemented workplace improvement activities based on the results of stress checks</li> </ul> |
| Lifestyle disease prevention measures                              | <ul style="list-style-type: none"> <li>Strengthened recommendations for reexamination of individuals determined to require treatment or more detailed examinations in their health checks</li> </ul>                                                                                       |
| Measures to prevent health problems caused by overwork             | <ul style="list-style-type: none"> <li>Implemented interviews with occupational physicians for individuals working long hours</li> </ul>                                                                                                                                                   |
| Measures to prevent the spread of COVID-19                         | <ul style="list-style-type: none"> <li>Conducted workplace vaccinations</li> <li>Introduced antigen testing kits</li> </ul>                                                                                                                                                                |
| Increased the rate of health checkups for staff stationed overseas | <ul style="list-style-type: none"> <li>Established a work environment that enables staff stationed overseas to receive medical examinations even when COVID-19 pandemic-related movement restrictions are in place, such as border entry and exit restrictions</li> </ul>                  |

### Health and Safety Management Structure



\* Some workplaces with under 50 employees do not have a Safety and Health Committee.

### Safe and Stable Operations

We expend every effort to ensure the safe and stable operations of our thermal power plants by monitoring them 24 hours a day from a central control room. We perform daily inspections to swiftly discover any abnormalities, conducting rigorous visual inspections of our facilities and checking each piece of equipment to ensure that we catch even the slightest variations in temperature, vibrations, abnormal noises, etc.

We also conduct regular inspections, including operator inspections as required by the Electricity Business Act of Japan and our own routine inspections, to ensure that our facilities operate safely. Together with our affiliates, we have systems in place to ensure the quickest possible restoration of operations in the unlikely event that a problem occurs during operation.

### Safety Measures for Equipment

Our thermal power plants handle many dangerous substances, which we handle appropriately in accordance with relevant laws and regulations, such as the Fire Service Act of Japan,

the Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities, and the High Pressure Gas Safety Act of Japan. In particular, for thermal power plants located in special disaster prevention zones such as petrochemical complexes, JERA is taking measures appropriate to the size of the plant.

### Earthquake Countermeasures

When constructing thermal power plants, we design them to be earthquake resistant in accordance with the Building Standards Act of Japan, the Fire Service Act of Japan, and other relevant regulations, as well as with the Rules of Quality Assurance for the Safety of Thermal Power Plants (Japan Electric Association Code, JEAC). We confirm seismic resistance through periodic facility inspections after construction. We also implement individual measures in light of facility damage caused by past earthquakes.

Additionally, we evaluate the seismic resistance of essential facilities at each power plant and implement measures such as seismic reinforcement to avoid long-term shutdowns due to collapse or earthquake damage and stay abreast of the latest developments in safety.

### Safety Measures for LNG Receiving Terminals

At our LNG receiving terminals, in preparation for the unlikely event of an LNG leakage, we implement safety measures based on the following three concepts: (1) leakage prevention, (2) early leakage detection, and (3) prevention of leakage expansion. We also make considerations for the handling of fire. For example, we adopted explosion-proof structures for electrical equipment surrounding LNG facilities and restricted the use of products that may cause fire by designating control zones.

We have a proven track record of safety over more than 50 years since the introduction of LNG and are committed to making every effort to keep enhancing our safety measures and ensure safe operations.

# Stakeholder Engagement



## Fundamental Approach

At JERA, we are committed to proactive communication with our stakeholders, who include customers, business partners, local communities, shareholders, and investors, among others. This allows us to better understand their needs and expectations to fulfill our corporate social responsibility and to act in good faith on their behalf.

Healthy two-way communication with our stakeholders will continue to inform and improve our operations and services going forward. Furthermore, our efforts to disclose both financial and non-financial information in a timely, appropriate manner lead to proper assessment by our stakeholders in addition to helping us achieve sustainable growth and maximize our corporate value.

| Main Stakeholders                       | Demands & Expectations                                                                                                                                                                                                                                                                                                                                       | Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Outcomes                                                                                                                                                                                                                                                                        |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Customers</b><br>                    | <ul style="list-style-type: none"> <li>Stable energy supply</li> <li>Customer experience satisfaction</li> <li>Decarbonization and renewable energy adoption and expansion</li> <li>Promotion of ESG initiatives</li> </ul>                                                                                                                                  | <p>We deliver a stable energy supply to customers worldwide by building infrastructure undeterred by geopolitical factors and climate changes that can upset the supply-demand balance, leveraging cutting-edge value chain solutions spanning fuel procurement, power generation, and electric and gas sales. Our services promote a transition to a decarbonized energy model based on ESG-conscious business operations in order to meet customer expectations and earn their trust.</p> | <ul style="list-style-type: none"> <li>Improved sales performance</li> <li>Enhanced website</li> </ul>                                                                                                                                                                          |
| <b>Business Partners</b><br>            | <ul style="list-style-type: none"> <li>Environmentally and socially responsible procurement and outsourcing</li> <li>Fair and equitable trade</li> <li>Stronger collaboration</li> </ul>                                                                                                                                                                     | <p>We promote environmentally and socially responsible procurement and partnership practices, which help us fulfill our corporate social responsibility and engage in fair, equitable trade with suppliers. Mutual understanding and close communication are the cornerstones of growth and development with our suppliers and partners.</p>                                                                                                                                                | <ul style="list-style-type: none"> <li>Contract compliance review</li> <li>Procurement policy briefings</li> <li>Domestic and international business collaborations</li> </ul>                                                                                                  |
| <b>Local Communities</b><br>            | <ul style="list-style-type: none"> <li>Environmentally responsible business operations</li> <li>Respect for human rights in local communities</li> <li>Local economic contribution</li> <li>Local job creation and skills development</li> </ul>                                                                                                             | <p>We build strong bonds of trust through active dialogue with local stakeholders to achieve sustainable development alongside communities in Japan and abroad, including those that host our power plants. We are committed to the development of society through social contributions tailored to local communities and business activities that respect the nature, history, culture, and customs of each country and region in which we conduct business.</p>                           | <ul style="list-style-type: none"> <li>Participation in local community events</li> <li>Scholarship programs and power plant tours</li> <li>Assistance to prevent the spread of COVID-19</li> </ul>                                                                             |
| <b>Shareholders &amp; Investors</b><br> | <ul style="list-style-type: none"> <li>Enhanced corporate value</li> <li>Enhanced earning power</li> </ul>                                                                                                                                                                                                                                                   | <p>We are further augmenting company reporting and seek to expand and deepen understanding through dialogue with capital market participants, including shareholders, institutional investors, rating agencies, securities firms, and ESG evaluation providers, to match expectations through enhanced corporate value.</p>                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Shareholders meetings</li> <li>IR briefings</li> <li>One-on-One and group IR meetings</li> <li>Issuing of reports</li> </ul>                                                                                                             |
| <b>Employees</b><br>                    | <ul style="list-style-type: none"> <li>Recruitment and training of a strategic global workforce of professionals</li> <li>Workplace and employee health and safety</li> <li>Empowerment of diverse talent</li> <li>Promotion of work-life balance</li> <li>Elimination of discrimination and harassment</li> <li>More effective reporting systems</li> </ul> | <p>Human rights are at the heart of our efforts. We ensure the health and safety of our employees and create a safe and comfortable working environment. We continue to maximize opportunities for our diverse talent to choose career paths and work styles that allow them to reach their full potential while actively promoting measures to hire a global and career-focused workforce that empowers women, individuals with disabilities, and beyond.</p>                              | <ul style="list-style-type: none"> <li>Inclusive corporate culture</li> <li>Independent career development support</li> <li>Promotion of work styles that meet ever-changing needs</li> <li>Online recruitment via our website</li> <li>Employee satisfaction survey</li> </ul> |

# Corporate Governance

## Fundamental Approach

Our fundamental corporate governance philosophy is to maintain a strong and sound management and financial structure trusted by the international energy market while ensuring an autonomous and independent corporate culture and a management system that allows us to make fair and prompt decisions.

Toward this end, we established our Corporate Governance Guidelines in October 2019 for building and implementing an appropriate corporate governance system and are continuously working to strengthen and enhance it.

## Issue Awareness

To achieve sustainable corporate growth and improve corporate value over the medium to long term, a company must implement corporate governance so as to support accurate decision-making by management. The environment surrounding our company is changing rapidly amid the emergence of global trends toward energy security and decarbonization. As this happens, we are expected to work on various governance issues with a sense of urgency through such means as facilitating a better functioning Board of Directors, empowering diverse talent, and enhancing initiatives to address issues related to sustainability.

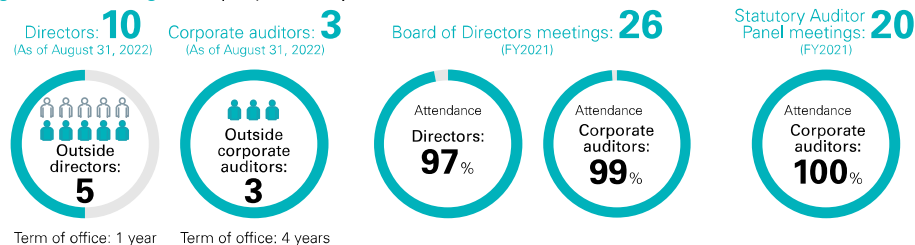
We will strive to continuously enhance governance to earn the trust of our shareholders, investors, and other stakeholders.

 **Corporate Governance Guidelines**  
[https://www.jera.co.jp/english/corporate/corporate\\_governance/](https://www.jera.co.jp/english/corporate/corporate_governance/)

\* These guidelines set out a basic approach and system for our corporate governance and serve as a code of conduct for our officers in pursuit of sustainable growth and enhancement of corporate value.

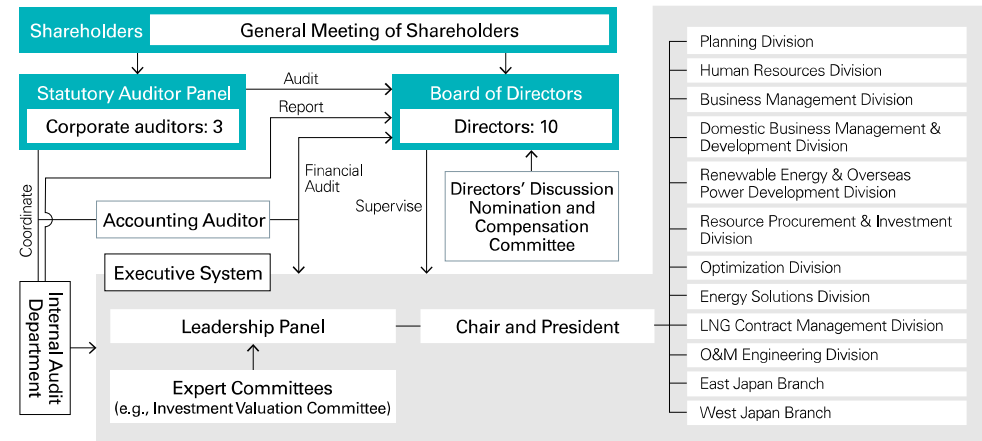
## Overview of Corporate Governance

**Organizational design:** Company with corporate auditors



## Corporate Governance Structure

(As of July 1, 2022)



## Governance System

In order to expand business throughout the world in a wide range of fields, the Board of Directors—consisting of directors from JERA who are intimately familiar with our business and outside directors who have extensive knowledge and experience—make material business decisions and supervise the execution of business operations. Further, JERA has corporate auditors as independent officers who are responsible for auditing the execution of the Directors' duties.

In addition, JERA has adopted a system in which executive officers are responsible for business execution based on the decisions made by the board. This separates the decision-making and supervision of management from business execution and produces accurate, prompt decision-making and efficient business execution.

## Roles, Responsibilities, and Diversity of the Board of Directors

The Board of Directors makes decisions on management targets, business strategies, and other important management matters based on applicable laws and regulations, our Articles of Incorporation, and our internal rules. It also supervises the execution of business operations.

In addition, we believe that in order to expand our business throughout the world in a wide range of fields, we will have to respond quickly and appropriately to the business environment and ensure the objectivity and soundness of our decisions. As such, in addition to directors who work for JERA or started as shareholders, we hire directors who are neither to ensure diversity of knowledge, experience, and other attributes among the board.

## Corporate Governance

### Support for Directors

We have established a system that provides directors with the support they need to perform the duties expected of them. Among other benefits, the system provides each director with comprehensive, accurate information, as well as opportunities to learn more about our company's core businesses from outside experts around the world.

In FY2021, outside experts were consulted on ESG, DX, trading, technical strategy, and other areas requiring a high level of expertise to obtain advice based on their knowledge and experience. This, along with other efforts, brought progressiveness and depth to discussions of the Board of Directors and provided us with knowledge that will contribute to further business development.

Furthermore, we covered a wide range of topics during several discussions of key management issues such as decarbonization strategies, global human resource strategies, financial strategies, and regional strategies on our journey to establish a new vision and environmental targets in FY2021.

### Evaluating Board Effectiveness

In order to tie our efforts into continuous improvement of the effectiveness of the Board of Directors, we conduct an annual survey among all directors and corporate auditors, asking them to consider the state of deliberations and operations of the Board of Directors. The Board of Directors analyzes and evaluates the results of these surveys, considers and implements measures to address the issues identified, and constantly strives to improve the effective functioning of the Board of Directors.

### Improving Board of Directors' operations

In FY2021, we reviewed the standards for proposals and reporting at the Board of Directors and implemented measures that included coming up with a new structure for the materials (i.e., creating guidelines) from a strategic perspective. At the same time, we discussed and reviewed regular reports on major changes in the business environment and how they impacted management and our ability to respond more effectively.

### Enhancing opportunities for outside directors to learn about operations

We provide explanations of the agenda for board meetings in advance and share information on institutional and market trends and news reports related to the energy industry so that outside directors can actively participate in discussions and enhance deliberations.

### Self-assessment

Although we saw some positive results in the enhancement of strategic discussions, support for advance briefings and other information delivery, and the management of meetings amid the

ongoing COVID-19 pandemic, our assessment is that further enhancement is necessary.

### Future issues

In FY2022, we will enhance discussions at meetings of the Board of Directors by sharing an overview of deliberations at the Leadership Panel. At the same time, we will work to improve the effectiveness of the Board of Directors by resuming in-person meetings and carrying out power plant tours and other such efforts while taking precautions against COVID-19.

### Leadership Panel and Expert Committees

JERA has established a Leadership Panel that consists of the chair, the president, and officers in charge as a forum for deliberating on and deciding important management matters and receiving necessary reports based on the policies set by the Board of Directors.

Moreover, expert committees have been established as subsidiary bodies to the Leadership Panel—in principle, one for each major field under its purview—to provide advice to the Leadership Panel from an expert perspective and support its deliberations. In principle, all matters to be proposed and reported to the Board of Directors are discussed and decided by the Leadership Panel based on advice from the relevant expert committees. The results of deliberations by the Leadership Panel are reported to the Board of Directors, along with advice from the expert committees.

### Strengthening of JERA Group Governance

JERA provides appropriate support to group companies so that they can autonomously develop and operate systems suitable to their business. Specifically, we strive to ensure that group companies can make efficient decisions and execute their duties swiftly and appropriately by clarifying responsibilities and authority within our Affiliate Management Regulations and other internal rules. In accordance with the Affiliate Management Regulations, JERA has established a system for prior consultation and reporting from group companies on important matters concerning the execution of duties.

In FY2021, in order to establish a more advanced internal control system for the entire group, we worked to support the development of a system of rules and regulations for group companies and strengthen the group company management system.

In FY2022, we are continuing to strengthen group governance by checking the status of those operations and other such efforts. We also carry out regular education and training for newly appointed officers and candidates, including those of group companies, to deepen their understanding of our vision for governance and the roles and responsibilities expected of directors and corporate auditors.

## Corporate Governance

# The Strong Board of Directors Behind JERA's Autonomous Management System



### David Crane

Outside Director, JERA Co., Inc.

He began his career as an attorney at White & Case law firm and has managed several energy companies. He joined JERA as a member of the Board of Directors in April 2020. In August 2022, he was nominated by the President of the United States as Under Secretary for Infrastructure, U.S. Department of Energy.

## Both Shareholder Companies Respect JERA's Autonomous Management

JERA is a privately owned joint venture owned in equal parts by TEPCO Fuel & Power., Inc. and Chubu Electric Power Co., Inc. The two partners could elect to run JERA directly, without any outside influence whatsoever. However, they chose to arrange for JERA to be governed by a Board of Directors, constituted of international and Japanese members each of whom has decades of experience and expertise in the energy field.

This willingness to submit itself voluntarily to a Board made up of an appropriate mix of highly engaged inside and independent directors makes JERA quite special from a corporate governance perspective.

JERA is an important company – an impactful company – not just in Japan but internationally. It is certainly the largest LNG and power generation company in Japan and one of the largest, if not the largest, in the world. And energy is a business where being large scale matters, particularly now as the world population approaches 8 billion people and we, collectively, have to find a way to give those 8 billion people the opportunity to live a modern lifestyle powered by electricity which is not only safe, affordable and reliable but also zero carbon.

That is why I was honored to join the JERA Board of Directors: the Company's vision and mission and core values closely matched my own. JERA's executive team is deeply committed to the proposition that JERA will be a global leader in the fight to decarbonize the electricity business at scale. Moreover, JERA has the technical expertise, the operational capability, the commercial

acumen and the financial scale needed to find the best energy solutions to the economic, environmental and geopolitical challenges we face in these volatile times.

## Lively Discussions at the "Directors' Discussions"

The JERA Board works hard to do its part. We meet frequently, in formal session, to perform the normal oversight and administrative roles associated with good corporate governance. Since the energy industry is a very capital intensive industry, we are regularly called upon to review and consider for approval proposals put forth by JERA management with respect to the raising and deployment of capital. These investment decisions often relate to new energy projects or potential acquisitions of strategic businesses as the Company moves aggressively to diversify itself geographically and expand its technological experience and know how. But we also make time, on a regular basis, for "Directors' Discussions," during which we have longer, more informal discussions about the long term strategic issues and opportunities facing JERA. It is during these sessions where, I feel, we have had a more lasting impact on the direction of the Company, whether it was the decision in 2020 to become one of the first Japanese energy companies to make a long term net zero CO<sub>2</sub> commitment or whether it has been our input into shaping the Asian and North American regional strategies so that they fit seamlessly into JERA's approach to the fast evolving Japanese energy market.

## The Best is Yet to Come

I have been involved with JERA, in one capacity or another, almost since its inception and it has been extraordinarily rewarding to me personally to have been a witness to what JERA already has accomplished. In a very short period, JERA has established its internal culture and found its identity as a truly 21st century enlightened energy company, separate and distinct from its two illustrious shareholders. I had been excited to continue on the JERA journey as an independent director because I am convinced that, for JERA, the best is yet to come. However, I have been called upon by my own Government, to join the US Department of Energy to work on bringing new technologies and 21st century clean energy infrastructure to fruition. So I leave the JERA Board with a heavy heart but with an innate sense of optimism that JERA is well on the path to ultimate success and, not only JERA customers, but the global community at large, will benefit from JERA's success.

\*This contribution is as of August 2022. Mr. David Crane retired as a director of JERA as of September 5, 2022.

# Risk Management

## Fundamental Approach and Issue Awareness

JERA continues to work toward highly effective risk management as we seek to gain a proper understanding of and prevent the risks associated with our corporate activities and want to minimize loss should these risks materialize. We view these efforts as underpinning the enhancement of our corporate value and the fulfillment of our social responsibility to our stakeholders.

Potential risks that could have a significant impact on our corporate activities include operational accidents, damage to facilities due to natural disasters, shutdowns or construction delays, and threats such as cyber-attacks and malware on power plant control and other systems.

In addition, with the advent of the global economy and the shift toward borderless economic activity, we must respond appropriately to increasingly diverse and complex risks today, including global risks such as inequality, poverty, and political instability.

The JERA Group is committed to the continued enhancement of our risk management to fulfill our social responsibility as an energy company that supports social infrastructure.

## Risk Management System

### Risk Management System

We have established a highly effective risk management system headed by the company president to ensure that we can provide a stable supply of energy in addition to other important social responsibilities.

In non-emergency situations, our fundamental approach to risks associated with our business activities is to manage them within the execution of duties by the unit responsible for the operations. When the risk affects multiple divisions, we manage it appropriately in a cross-organizational manner. In the event of a crisis, an emergency task force headed by the company president is deployed to respond quickly and

appropriately to minimize the impact on our business.

In addition, the Financial Strategy and Planning Group, which serves as the risk management division at JERA, is organizationally and structurally independent from each department that conducts business, contributing to healthy tension within the system.

### Reporting to the Risk Management Committee, the Leadership Panel, and the Board of Directors

The Risk Management Committee, chaired by the president, meets quarterly and is attended by several parties to ensure appropriate monitoring of risks (see Risk Management Structure below). These include the officer in charge of each division, corporate auditors, the Internal Audit Group, the Financial Strategy and Planning Group (risk management

division), and the General Affairs Group (crisis response division), among others. In particular, we strive to prevent risks from materializing by reporting on our policies and specific measures for dealing with risks that could significantly impact our business. In the unlikely event that a risk materializes, the necessary reports on the response of the emergency task force are provided quarterly.

Discussions at the Risk Management Committee are reported to the Leadership Panel and the Board of Directors each time, reflecting the opinions of executive officers, directors, and outside directors.

In addition, all outside directors receive an explanation of the company's risk management system and methods upon appointment, and their opinions are incorporated through exchanges of views and other means.

### Risk Management Structure

(As of July 31, 2022)



### Risk Assessment Flowchart



### Main Risk Categories

- 1 Operational Accidents
- 2 Financial
- 3 Regulations / Legal Amendments / Geopolitics
- 4 External Stakeholders
- 5 Management Strategy
- 6 Labor Affairs / Human Resources
- 7 Input / Output
- 8 Product / Energy Prices
- 9 Natural Disasters / Investment Management
- 10 Riots / Crime
- 11 Cybersecurity
- 12 Legal Affairs / Ethics
- 13 Environment / Climate Change

## Risk Management

### Highly Effective Risk Management

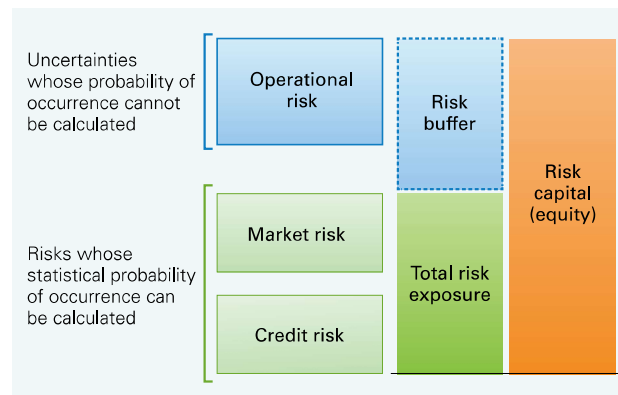
Our approach to risk management is based on combining the functions of integrated risk management, evaluation of financial soundness, and evaluation of individual investments.

### Integrated Risk Management

We quantify our total risk exposure based on market risk and credit risk.

The difference between total risk exposure and risk capital is calculated as a risk buffer. This risk buffer is maintained at a certain level by considering operational risk as an uncertainty whose probability of occurrence is incalculable.

### Our Approach to Integrated Risk Management

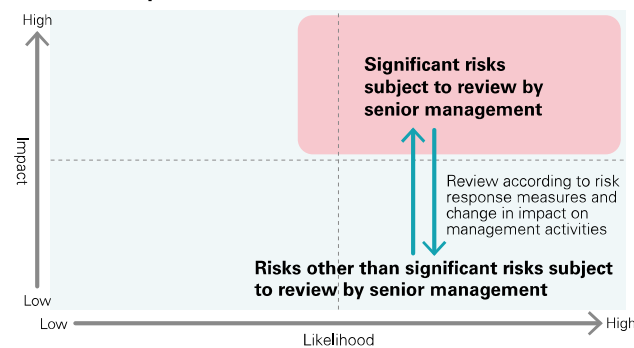


Operational risk is managed using a risk map with impact on management activities on the vertical axis and frequency of occurrence on the horizontal axis. For each managed risk, we take measures such as retention, mitigation, and transference in cooperation with each department and the Financial Strategy and Planning Group, depending on the type and characteristics of the risk.

Among operational risks, risks that have a high impact on management activities and a high frequency of occurrence are identified as significant risks subject to review by senior management.

The Risk Management Committee, the Leadership Panel, and the Board of Directors meet quarterly to discuss the amount of integrated risk as well as policies and specific measures to address these significant risks subject to review by senior management in particular.

### Risk Heat Map



### Evaluation of Financial Soundness

In our evaluation of financial soundness, we use the rating methodologies of rating agencies to evaluate the long-term outlook for financial rating levels in the business planning workflow and implement balance sheet management to maintain a financial rating of A through FY2025. (Please refer to the “Financial Strategy” section on p.41 in the “Message from the CFO on Financial Strategy.”)

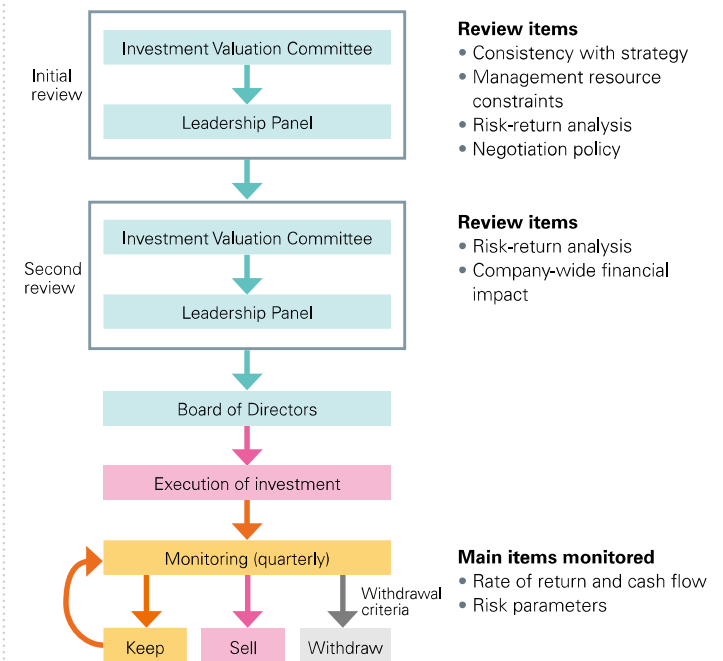
### Evaluation of Individual Investments

After confirming the consistency of individual investment evaluations with our field-specific investment strategies, our Investment Valuation Committee, which includes members with experience in investment screening at financial institutions and other organizations, conducts reviews by which we verify the long-term investment potential.

In addition, we properly evaluate and manage risks by engaging in regular monitoring and establishing withdrawal criteria.

Our risk-return analysis utilizes more than 200 guideline rates calculated for each strategic target country and business.

### Investment Valuation Process



## Risk Management

### Countermeasures for Large-Scale Disasters

We own around half of the thermal power plants in Japan. Based on the Basic Act on Disaster Management, we have put together and published our Operational Disaster Risk Reduction Plan, Operational Plan for the Protection of Citizens, and Operational Plan for COVID-19 and Other Pandemic Countermeasures. We also have emergency and disaster response rules and manuals in place to enable prompt decision-making and a swift response in the event of an emergency.

Recently, there has been concern regarding natural disasters such as earthquakes occurring directly beneath the Tokyo metropolitan area or off the Nankai Trough and an eruption of Mt. Fuji, which has prompted revisions by the national and local governments to damage estimates and disaster risk reduction measures. In light of these revisions, we are undertaking the necessary measures, such as earthquake-proofing our facilities in addition to periodically conducting drills to simulate large-scale disasters.

JERA-BCP drills include alternative strategy drills envisioning transportation disruptions and communication outages, such as drills for information sharing between both of our shareholders and we are constantly making efforts to improve our disaster risk reduction capabilities.

### Enhancement of JERA's BCP and BCM

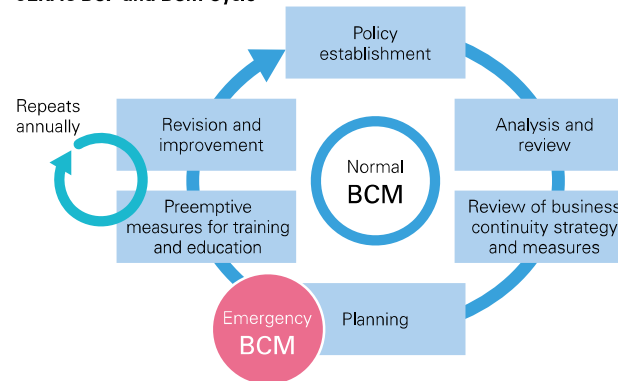
As described above, JERA has a response system in place for the event of a major disaster. In light of the expansion of our business domains after integrating our thermal power business in 2019 and other changes in the business environment, we are taking various steps to further improve business continuity.

In the event of a large-scale disaster, we must ensure that the JERA Group's important business operations are not interrupted or, if interrupted, that they are restored in the shortest possible time. And so, we have established Business Continuity Management (BCM) Rules to strengthen our

#### Basic Policy for JERA's BCP and BCM

- In the event of any disaster or risk event, we will place the highest priority on the safety and security of people and ensure public safety in compliance with laws and regulations.
- In order to fulfill our responsibility as an energy provider supporting the social infrastructure in Japan, we will contribute to society and local communities by quickly restoring and continuing our core business of supplying them with electricity and gas.

#### JERA's BCP and BCM Cycle



everyday management activities.

Based on these rules, we have established the BCM Subcommittee, which reports to the Risk Management Committee regarding the establishment and review of the Business Continuity Plan (BCP) and regularly checks progress on disaster drills and advance measures.

### COVID-19 Response

Considering the global nature of our business activities, JERA has always provided employees with laptop computers and smartphones, and we have built IT infrastructure that enables our employees to stay connected no matter where they are in the world. Accordingly, we were able to offer remote work as the COVID-19 situation developed. As many as 90% of our employees were working remotely, yet we were able to

maintain a stable power supply while protecting against infection. (Many power plant employees and other staff who needed to be on-site to perform their duties are not included in this figure.)

#### Featured

##### Achieving Food Security for Business Continuity

Food security is vital for business continuity and those who have difficulty returning home after a large-scale disaster. We have prepared emergency rations, and we have various offerings that cater to the needs of our global workforce. Our JERA One-Day Disaster Food Kits include halal and allergy-friendly options that cater to the diverse needs of our employees.

These kits were developed with the aim of ensuring efficient management and distribution, compact yet full of sustenance for an entire day. Ultimately, we plan to coordinate with municipalities and food banks to ensure they are used effectively.

We plan to make these kits available to local communities and employees by spring 2023.



# Information Security

## Fundamental Approach

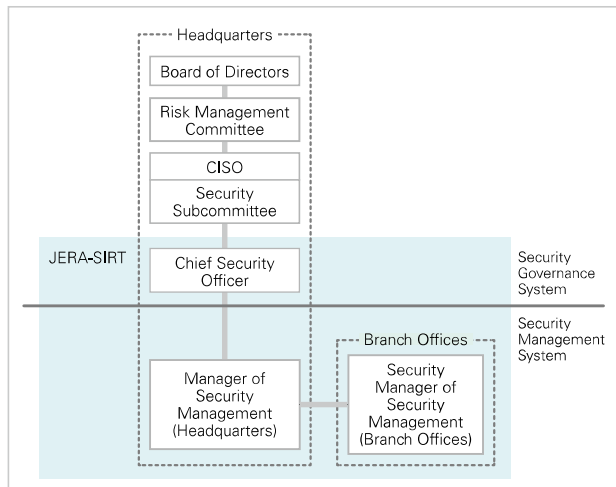
Our approach to information security aims to enrich the lives of people around the world and improve industrial and economic vitality through the supply of internationally competitive electric power and energy. The use of information technology is indispensable for achieving this, and we have established the JERA Group Information Security Basic Policy to protect our information assets and enhance the safety of transactions as we implement information security measures.

## Cybersecurity Management System

To promote cybersecurity, we have established a system for managing cybersecurity risks under the responsibility of senior management. We have also established a Security Subcommittee under the responsibility of the Chief Information Security Officer (CISO) to promote cybersecurity at all times while coordinating with the Risk

### Cybersecurity Management Structure

(as of July 1, 2022)



Management Committee, which serves as the overall risk management system.

Moreover, we have established security management functions and a security incident response team (SIRT) to assist the CISO and management in overseeing cross-organizational security measures and incident response.

## Enhancing Information Security Measures

The Basic Policy on Information Security covers all personnel engaged in JERA business activities and all physical, environmental, and other resources used in our operations. Based on this policy, we are responsible for the proper handling and protection of related information assets and are working to strengthen our security measures to respond to cyberattacks and other threats.

We continuously educate all employees who handle information assets to raise their awareness of information security and improve their skill level. Our aim is to ensure thorough compliance with laws and regulations, this policy, and related rules and regulations.

In addition, all employees are given a “security card” that outlines compliance matters to raise awareness of information security and to ensure a swift response in the event of an information security incident.

Moreover, we conduct ongoing training related to targeted email attacks for all employees and offer e-learning and other programs to reduce the risk of information leaks and computer viruses arising from such attacks. There continued to be no serious incidents related to information security or the protection of personal information in FY2021.

Information security education and training against targeted email attacks provided in FY2021 is as follows:

## Education & Training on Information Security (FY2021)

### Security Education

Scope: 3,738 participants (including directors, employees, and temporary staff)

Frequency: Once a year

Method: e-learning program

### Targeted Email Attack Training

Scope: 4,066 participants (including directors, employees, and temporary staff)

Frequency: Once a year

Method: Email

We have put together a roadmap for future security measures, including a plan to establish a global security infrastructure to improve information security across the entire JERA Group.

At JERA, we have enhanced the security of servers accessible to the public and implemented measures to prevent and analyze malicious attacks by hackers and others outside the company.

## Enhancement of Information Security Measures for Domestic and Overseas Group Companies

We also follow the Cybersecurity Management Guidelines established by the Ministry of Economy, Trade and Industry to review and implement security measures for the JERA Group. We also provide the same security education to domestic and overseas group companies at least once a year.

Furthermore, we conduct annual security risk assessments at each group company. We then evaluate and analyze the results, which inform improvement requests made to enhance the security of each of these companies.

# Compliance

## Fundamental Approach and Issue Awareness

JERA is committed to earning and maintaining the trust of our stakeholders by operating in accordance with the high ethical standards expected of a global corporation. Under our JERA Group Compliance Policy and Compliance Code of Conduct, we will hold up our mission to provide cutting-edge solutions to the world's energy issues and ensure compliance with domestic and foreign laws and regulations.

As a part of the global energy value chain, we are expected to act with integrity and in a manner that aligns with domestic and international laws and regulations, demonstrating a heightened sense of ethics suitable to a worldwide corporation. Particularly in recent years, environmental and human rights issues in the supply chain are now being addressed in the context of compliance alongside issues in bribery and competition law. Our group is united in its commitment to compliance. Our officers and employees will continue to act in a manner befitting their responsibilities, even amid intense scrutiny of energy issues worldwide and drastic industry changes.

**JERA Group Compliance Policy**  
<https://www.jera.co.jp/english/corporate/compliance/ethicspolicy>

**JERA Group Compliance Code of Conduct**  
<https://www.jera.co.jp/english/corporate/compliance/codeofconduct>

## Compliance Program Framework

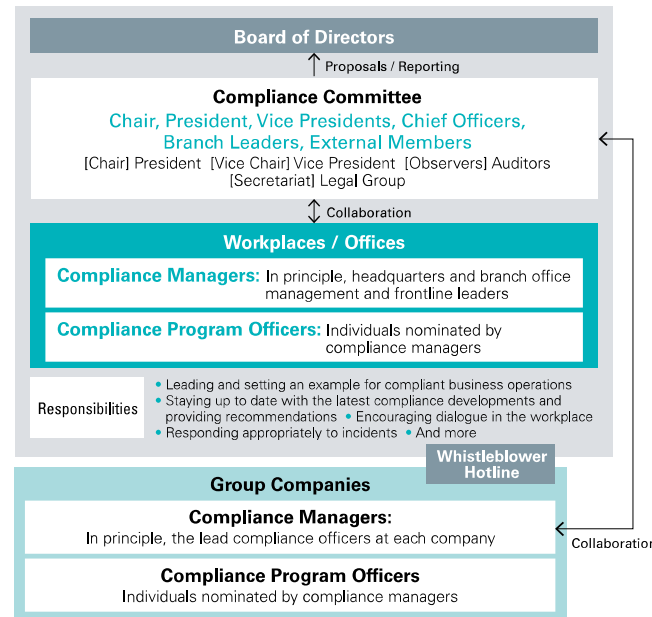
We have established the Compliance Committee, chaired by the president, to promote compliance as the organization responsible for reviewing and deciding on various compliance-related measures.

The committee comprises the chair, president, vice presidents, chief officers, branch leaders, labor union representatives, and ad-hoc committee members, including outside experts. Compliance measures considered by the committee,

as well as any specific investigations, corrective actions, and preventative measures, are submitted to the Board of Directors for discussion or reporting as necessary.

The Legal Group, which serves as the committee's secretariat, works closely with compliance managers and program officers at each workplace, office, and group company to promote compliance among staff, management, and everyone in between.

### Compliance Program Structure (As of August 31, 2022)



## Compliance Training

The Compliance Committee deliberates and decides on compliance-related measures for each fiscal year, taking into consideration the results of employee questionnaires and other factors, in order to implement a course of action in accordance with the "JERA Group Compliance Policy" and the

"JERA Group Compliance Code of Conduct."

In FY2021, we strengthened our efforts to promote compliance by focusing on better information delivery, including sharing messages from management, as well as enhanced training programs and the establishment of a group-wide compliance program framework.

### FY2021 Primary Compliance Initiatives

| Initiative                               | Results                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Messages from Management</b>          | <ul style="list-style-type: none"> <li>• Updates from the Compliance Committee Chair and Vice Chair (delivered in April, October, and January)</li> </ul>                                                                                                                                                                                                                                  |
| <b>Information Delivery</b>              | <ul style="list-style-type: none"> <li>• Compliance updates (monthly)</li> <li>• Awareness campaigns surrounding regulations on bribery and corruption (October, December)</li> <li>• Spotlight on the Whistleblower Hotline (October – March)</li> </ul>                                                                                                                                  |
| <b>Training</b>                          | <ul style="list-style-type: none"> <li>• Compliance Training: "Compliance in an Era of Change" (March)</li> <li>• Antitrust Law Training: "Unfair Trade Restrictions" (January)</li> <li>• Training on Internal Rules: "Anti-Bribery Regulations" (June)</li> <li>• Training for officers dispatched to new subsidiaries (July) and training for mid-career hires (July, March)</li> </ul> |
| <b>Building the JERA Group Framework</b> | <ul style="list-style-type: none"> <li>• Review of the group's compliance organization structure in consideration of the management structures at affiliated companies (year-round)</li> <li>• Group compliance meetings, both domestic and overseas (August, February)</li> <li>• Creation and testing of compliance website for domestic subsidiaries (from September)</li> </ul>        |
| <b>Group Policy Development</b>          | <ul style="list-style-type: none"> <li>• Formulation and publishing of the JERA Group Policy against Anti-Social Forces, JERA Group Human Rights Policy, and JERA Group Tax Policy (March)</li> </ul>                                                                                                                                                                                      |
| <b>Questionnaires</b>                    | <ul style="list-style-type: none"> <li>• Compliance awareness survey conducted in December in cooperation with an external organization (95.8% response rate with 3,903 of 4,076 potential participants responding)</li> <li>• 82.2% of participants responded that they "fully understand" the content of the Compliance Policy and Compliance Code of Conduct</li> </ul>                 |

## Corruption Prevention

We have established standards of conduct to prevent corruption in the JERA Group Compliance Policy and JERA Group Compliance Code of Conduct.

In addition, to meet the objectives of the Compliance Policy and Code of Conduct, we have established "Anti-Bribery Regulations" and "Anti-Corruption Regulations." These policies

## Compliance

establish approval procedures for entertainment, gifts, and donations to domestic and foreign public officials or agents of those officials, delineate prohibited activities, and describe reporting procedures for the exchange of money or goods with business partners. Further, JERA raises awareness of these policies through an e-learning system, the Legal Group monitors and supervises related processes and operations, and the Compliance Committee receives reports on these and other efforts.

### Selections from the JERA Compliance Code of Conduct notes on gifts, donations, and entertainment:

- We always maintain proper and healthy relationships with our business partners and do not provide them with money, gifts, entertainment, or any other economic benefits that exceed good judgment.
- In our procurement activities, we provide open, fair, and equal participation opportunities in both domestic and overseas markets and select suppliers through rational and transparent procedures.
- We establish and maintain fair and open relations with the political and governmental counterparts of each country and region in compliance with domestic and international laws and regulations and internal rules.
- We do not entertain, provide gifts, or provide any other economic benefits to public officials or anyone in an equivalent position, domestic or foreign.
- We do not make such payments if we are aware that a portion of the payments made to agents or consultants, or any such parties, is being or is suspected of being diverted for the purpose of engaging in improper activities with public officials or persons in an equivalent position.

### Fair and Just Trade with Suppliers (CSR- and ESG-Based Responsible Procurement)

We conduct our transactions and business activities in compliance with laws and regulations as well as with the principles of fairness and impartiality, both in Japan and overseas. We uphold free trade and market competition and conduct fair business in accordance with the Antimonopoly Act and relevant domestic and international laws and regulations.

In May 2022, we announced our “Declaration of Partnership Building,” in which we express our commitment to promote collaboration and coexistence with business partners and value-creating businesses.

We have established a “Procurement Policy” alongside our acquisition activities. We are committed to responsible procurement in consideration of corporate social responsibility (CSR) and environmental, social, and corporate governance (ESG), including quality assurance, procurement cost reduction, compliance with laws, regulations, and corporate ethics, safety assurance, and business continuity planning (BCP). In addition, we hold briefing sessions about our procurement policies with suppliers to ensure mutual understanding and close communication. In listening to the opinions and requests of our suppliers, we strive to build even stronger relationships.

 **Procurement Policy**  
<https://www.jera.co.jp/english/corporate/procurement/>

 **Declaration of Partnership Building**  
<https://www.jera.co.jp/english/corporate/compliance/partner>

### Whistleblower System and Harassment Consultation Hotline

To prevent compliance violations and quickly detect and resolve any violations that do arise, we have established internal and external whistleblower hotlines for reporting on issues within the company. The hotline is available 24 hours a day for individuals to make anonymous or named reports via email or post. The scope of consultation and reporting services offered range from bribery and corruption to harassment, human rights violations, and acts that infringe on the reputation or social credibility of the group, as well as violations of laws, employment regulations, and internal company rules.

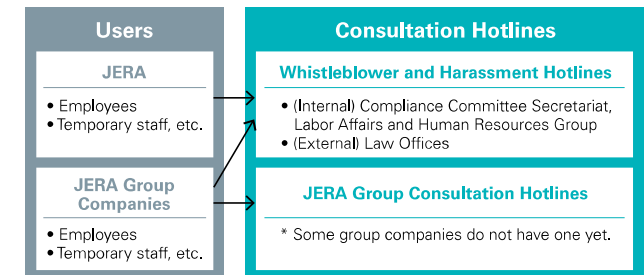
In July 2021, JERA established a new harassment consultation service to ask for advice or report harassment

and other work-related issues.

In FY2021, the whistleblower hotline received 17 cases, while the harassment consultation hotline had 12.

In response to the enactment of the amended Whistleblower Protection Act (June 2022), JERA is strengthening its response system at its whistleblower and harassment consultation hotlines, as well as designating and providing training and education for a whistleblower response team.

To encourage the use of this whistleblower system, JERA guarantees compliance with the Whistleblower Protection Act. JERA continues to share information about the whistleblower system regularly and seeks to build trust through efforts such as assessment of intention, protecting confidentiality, and prohibiting discriminatory treatment or retaliation against whistleblowers.



### Tax Compliance

In February 2022, JERA established and announced to the public JERA Group Tax Policy, which outlines the company's fundamental position and aims to strengthen tax governance with management involvement.

In order to fulfill our ethical tax obligations and social responsibilities, we are committed to further reducing tax risk by strengthening our tax governance.

 **JERA Group Tax Policy**  
<https://www.jera.co.jp/english/corporate/compliance/taxpolicy>

# Directors & Officers

\*1. Indicates an outside director as defined in Article 2-15 of the Companies Act  
\*2. Indicates an outside auditor as defined in Article 2-16 of the Companies Act  
\*3. David Crane resigned from JERA's Board of Directors on September 5, 2022.

## Directors

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Reappointed</b></p> <p>Chair<br/><b>Toshihiro Sano</b><br/>Board Meetings Attended:<br/>26/26 (100%)</p> <p>Apr. 1977 Joined Tokyo Electric Power Co., Inc.<br/>June 2014 Director, Vice President, Tokyo Electric Power Co., Inc.<br/>Apr. 2015 Director (non-executive), JERA<br/>Apr. 2016 Director, TEPCO Holdings, Inc.; President, TEPCO Fuel &amp; Power, Inc.<br/>June 2017 Chair, TEPCO Fuel &amp; Power, Inc.<br/>Apr. 2019 Chair, JERA</p>                                                                                                                                                                                                                                                                                                                                            |  <p><b>Reappointed</b></p> <p>President<br/><b>Satoshi Onoda</b><br/>Board Meetings Attended:<br/>26/26 (100%)</p> <p>Apr. 1980 Joined Chubu Electric Power Co., Inc.<br/>Apr. 2018 Executive Vice President, Chubu Electric Power Co., Inc.; President, Power Generation Company; Director (non-executive), JERA<br/>June 2018 Director, Executive Vice President, Chubu Electric Power Co., Inc.<br/>Apr. 2019 President, JERA</p>                                                                                                                                |  <p><b>Reappointed</b></p> <p>Corporate Vice President, Managing Executive Officer, Director, Business Development<br/><b>Yukio Kani</b><br/>Board Meetings Attended:<br/>26/26 (100%)</p> <p>Apr. 1986 Joined Tokyo Electric Power Co., Inc.<br/>Apr. 2013 Executive Officer, TEPCO<br/>Apr. 2015 Managing Executive Officer, TEPCO; Vice President, TEPCO Fuel &amp; Power, Inc.<br/>Apr. 2016 Managing Director, JERA<br/>July 2016 Managing Director and Chief Strategy Officer, JERA, Director (non-executive), TEPCO Fuel &amp; Power, Inc.<br/>Apr. 2019 Corporate Vice President, Director, COO, Business Development Department, JERA<br/>Apr. 2020 Corporate Vice President, Director, Chief Operating Officer, Business Development Department, JERA<br/>Apr. 2022 Corporate Vice President, Managing Executive Officer, Director, Business Development at JERA</p> |  <p><b>Reappointed</b></p> <p>Corporate Vice President, Managing Executive Officer, Director, Corporate Strategy<br/><b>Hisahide Okuda</b><br/>Board Meetings Attended:<br/>26/26 (100%)</p> <p>Apr. 1988 Joined Chubu Electric Power Co., Inc.<br/>July 2017 General Manager, Strategies &amp; Alliances Office, Head of Corporate Planning &amp; Strategy Division, Chubu<br/>Apr. 2019 Managing Executive Officer, COO, Corporate Strategy Department, JERA<br/>Apr. 2020 Managing Executive Officer, Director, COO, Corporate Strategy Department, JERA<br/>Apr. 2021 Corporate Vice President, Managing Executive Officer, Director, COO, Corporate Strategy Department, JERA<br/>Apr. 2022 Corporate Vice President, Managing Executive Officer, Director, Corporate Strategy, JERA</p> |  <p><b>Reappointed</b></p> <p>Corporate Vice President, Managing Executive Officer, Director, CFO, Finance and Accounting<br/><b>Kazuo Sakairi</b><br/>Board Meetings Attended:<br/>25/26 (96.2%)</p> <p>Apr. 1987 Joined Bank of Tokyo (now MUFG Bank, Ltd.)<br/>Jan. 1995 Vice President, Bank of Tokyo Trust Company (New York)<br/>Nov. 2002 M&amp;A Team Head, Corporate Advisory Department, Mitsubishi Securities (now Mitsubishi UFJ Morgan Stanley Securities)<br/>June 2006 Senior Director, GCA Corporation (now Houlihan Lokey, Inc.)<br/>Jan. 2015 Executive Officer, Managing Director, Head of Asia Region at GCA Corporation<br/>Apr. 2019 Managing Executive Officer, Director, CFO, JERA<br/>Apr. 2022 Corporate Vice President, Managing Executive Officer, Director, CFO, Finance and Accounting, JERA</p> |
|  <p><b>Reappointed</b> <b>Outside</b></p> <p>Director*<sup>1,3</sup><br/><b>David Crane</b><br/>Board Meetings Attended:<br/>23/26 (88.5%)</p> <p>Nov. 1984 White &amp; Case LLP<br/>June 1991 Vice President, ABB Group Energy Ventures (Hong Kong)<br/>June 1996 Senior Vice President, Lehman Brothers<br/>Mar. 2000 CEO and COO, International Power PLC<br/>Dec. 2003 CEO, NRG Energy, Inc.<br/>Apr. 2016 Senior Operating Executive, Pegasus Capital Advisors<br/>Apr. 2020 Director (non-executive), JERA<br/>Sept. 2020 CEO, Climate Real Impact Solutions<br/>Jan. 2021 Director (non-executive), Saudi Electricity Company<br/>Oct. 2021 Director (non-executive), Tata Steel<br/>Oct. 2021 Director (non-executive), Source Global<br/>Dec. 2021 Director (non-executive), Heliogen Inc.</p> |  <p><b>Reappointed</b> <b>Outside</b></p> <p>Director*<sup>1</sup><br/><b>Joseph M. Naylor</b><br/>Board Meetings Attended:<br/>26/26 (100%)</p> <p>Sept. 1982 Joined Chevron (California)<br/>July 2006 CEO/COO, Sasol Chevron (UK)<br/>Mar. 2009 General Manager – Business Development, Projects at Chevron (California)<br/>Aug. 2013 Corporate Vice President – Strategic Planning, Chevron (California)<br/>Apr. 2016 Corporate Vice President – Policy, Government and Public Affairs, Chevron (California)<br/>Apr. 2021 Director (non-executive), JERA</p> |  <p><b>Reappointed</b> <b>Outside</b></p> <p>Director*<sup>1</sup><br/><b>Miyuki Suzuki</b><br/>Board Meetings Attended:<br/>25/26 (96.2%)</p> <p>Mar. 2002 Executive Vice President and Head, Consumer Business, Japan Telecom Co. Ltd.<br/>June 2004 CEO Asia Pacific, Lexis Nexis<br/>Jan. 2007 President and CEO, KVH Co. Ltd.<br/>Dec. 2011 CEO and Representative Director, Jetstar Japan KK<br/>May 2015 President and General Manager, Cisco Systems Japan<br/>Jan. 2018 President, Asia-Pacific, Japan and China, Cisco Systems (Singapore)<br/>Sep. 2019 Director (non-executive), MetLife Japan KK Ltd. (current)<br/>Apr. 2021 Director (non-executive), JERA<br/>July 2021 Director (non-executive), Western Digital Corporation (current)<br/>Aug. 2022 Director (non-executive), Twilio Inc. (current)</p>                                                      |  <p><b>Reappointed</b> <b>Outside</b></p> <p>Director*<sup>1</sup><br/><b>Satoru Katsuno</b><br/>Board Meetings Attended:<br/>25/26 (96.2%)</p> <p>Apr. 1977 Joined Chubu Electric Power Co., Inc.<br/>June 2013 Director, Executive Vice President, General Manager of Corporate Planning &amp; Strategy Division, Chubu<br/>June 2015 President and Director, Chubu<br/>Apr. 2020 Chair of the Board of Directors, Chubu (current)<br/>Apr. 2021 Director (non-executive), JERA</p>                                                                                                                                                                                                                                                                                                         |  <p><b>Reappointed</b> <b>Outside</b></p> <p>Director*<sup>1</sup><br/><b>Seiji Moriya</b><br/>Board Meetings Attended:<br/>23/26 (88.5%)</p> <p>Apr. 1986 Joined Tokyo Electric Power Co., Inc.<br/>Apr. 2016 Managing Director, TEPCO Fuel &amp; Power, Inc.<br/>Sept. 2018 Executive Vice President, CFO and Assistant to the President, TEPCO Holdings, Inc.; President at TEPCO Fuel &amp; Power, Inc.<br/>Apr. 2019 Director (non-executive), JERA<br/>Apr. 2022 Executive Vice President, Chief Risk Officer (CRO), and Assistant to the President, TEPCO Holdings, Inc. (current)</p>                                                                                                                                                                                                                                  |

## Auditors

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Reappointed</b> <b>Outside</b></p> <p>Auditor*<sup>2</sup><br/><b>Shigeyoshi Araki</b><br/>Board Meetings Attended:<br/>26/26 (100%)<br/>Auditor Panel Meetings Attended:<br/>20/20 (100%)</p> <p>Apr. 1985 Joined Chubu Electric Power Co., Inc.<br/>Apr. 2018 Executive Officer, Chubu General Manager, Thermal Power Generation Business Department, Power Generation Company<br/>Apr. 2019 Corporate Auditor, JERA</p> |  <p><b>Reappointed</b> <b>Outside</b></p> <p>Auditor*<sup>2</sup><br/><b>Hideo Oishi</b><br/>Board Meetings Attended:<br/>25/26 (96.2%)<br/>Auditor Panel Meetings Attended:<br/>20/20 (100%)</p> <p>Apr. 1985 Joined the Japan Development Bank (now the Development Bank of Japan Inc.)<br/>June 2015 Member of the Board of Directors and Managing Executive Officer, the Development Bank of Japan Inc.<br/>June 2016 Executive Director, Research Institute of Capital Formation at Development Bank of Japan Inc.<br/>Apr. 2019 Corporate Auditor, JERA</p> |  <p><b>New Appointment</b> <b>Outside</b></p> <p>Auditor*<sup>2</sup><br/><b>Michitaka Kondo</b><br/>Board Meetings Attended:<br/>—<br/>Auditor Panel Meetings Attended:<br/>—</p> <p>Apr. 1985 Joined Tokyo Electric Power Co., Inc.<br/>Oct. 2020 Audit Special Officer TEPCO Holdings, Inc.<br/>Apr. 2022 Corporate Auditor, JERA</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Appointment of Directors

Candidates for the Board of Directors are determined by the resolution of the board after consultation at the Nomination and Compensation Committee, taking into consideration each person's qualities and abilities necessary to serve as a JERA director in addition to the diversity and composition of the board. The Nomination and Compensation Committee comprises three or more directors, including two outside directors from JERA's shareholder companies. The Committee forms to discuss compensation and other personnel affairs relating to directors, corporate auditors, and executive officers.

# Financial Data

| Unit: Millions of yen                                  |                                                                  | FY2019                  | FY2020                  | FY2021                  |
|--------------------------------------------------------|------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Profit and Loss Statement (P&amp;L) Information</b> |                                                                  |                         |                         |                         |
|                                                        | Net sales (operating revenue)                                    | 3,280,002               | 2,730,146               | 4,435,275               |
|                                                        | Operating profit                                                 | 167,008                 | 249,438                 | 132,992                 |
|                                                        | Ordinary profit                                                  | 174,429                 | 244,194                 | 95,370                  |
|                                                        | Profit before income taxes                                       | 195,386                 | 227,818                 | 96,334                  |
|                                                        | Profit attributable to owners of parent                          | 168,543                 | 157,852                 | 24,625                  |
| (P&L by segment)                                       | Fuel business                                                    |                         |                         |                         |
|                                                        | Net sales                                                        | 864,708                 | 1,076,200               | 2,995,533               |
|                                                        | Segment profit (loss)                                            | 25,094                  | 48,014                  | 161,337                 |
|                                                        | Overseas power generation business                               |                         |                         |                         |
|                                                        | Net sales                                                        | 2,180                   | 2,663                   | 4,132                   |
|                                                        | Segment profit (loss)                                            | 36,126                  | (7,661)                 | (19,301)                |
|                                                        | Thermal power and gas business in Japan                          |                         |                         |                         |
|                                                        | Net sales                                                        | 2,926,760               | 2,391,044               | 3,119,438               |
|                                                        | Segment profit (loss)                                            | 135,814                 | 152,858                 | (113,891)               |
|                                                        | Adjusted                                                         |                         |                         |                         |
|                                                        | Net sales                                                        | (513,647)               | (739,762)               | (1,683,829)             |
|                                                        | Segment profit (loss)                                            | (28,492)                | (35,358)                | (3,518)                 |
|                                                        | Depreciation and amortization                                    | 197,940                 | 187,737                 | 153,619                 |
|                                                        | Increase in property, plant and equipment, and intangible assets | 244,541                 | 225,997                 | 336,981                 |
|                                                        | Research and development costs                                   | 1,433                   | 1,142                   | 1,079                   |
|                                                        | Thermal power and gas business in Japan                          | 177                     | 132                     | 106                     |
|                                                        | Other                                                            | 1,255                   | 1,009                   | 973                     |
| <b>Balance Sheet Information</b>                       |                                                                  |                         |                         |                         |
|                                                        | Total assets                                                     | 4,035,324               | 4,090,880               | 8,722,197               |
|                                                        | Total net assets                                                 | 1,601,267               | 1,762,120               | 1,974,370               |
|                                                        | Net worth                                                        | 1,540,522               | 1,686,194               | 1,809,691               |
|                                                        | Interest-bearing liabilities                                     | 1,505,957               | 1,613,291               | 2,646,549               |
| <b>Cash Flow Information</b>                           |                                                                  |                         |                         |                         |
|                                                        | Net cash provided by (used in) operating activities              | 551,670                 | 340,825                 | (340,433)               |
|                                                        | Net cash used in investing activities                            | (310,863)               | (272,092)               | (661,033)               |
|                                                        | Net cash provided by financing activities                        | (452,054)               | 89,542                  | 871,775                 |
|                                                        | Free cash flow                                                   | 240,807                 | 68,733                  | (1,001,466)             |
|                                                        | Cash and cash equivalents at the end of the year                 | 402,431                 | 561,685                 | 461,456                 |
| <b>Key Financial Indicators</b>                        |                                                                  |                         |                         |                         |
|                                                        | Net profit* <sup>1</sup>                                         | 90,082                  | 111,629                 | 277,032                 |
|                                                        | EBITDA* <sup>2</sup>                                             | 292,812                 | 359,305                 | 610,848                 |
|                                                        | Return on invested capital (ROIC) (%)* <sup>3</sup>              | 3.2                     | 3.7                     | 7.3                     |
|                                                        | Return on equity (ROE) (%)* <sup>4</sup>                         | 8.5                     | 6.9                     | 15.8                    |
|                                                        | Net debt-to-equity ratio* <sup>5</sup>                           | 0.7                     | 0.6                     | 1.2                     |
|                                                        | Net debt-to-EBITDA ratio* <sup>6</sup>                           | 3.6                     | 2.8                     | 3.5                     |
| <b>Other</b>                                           |                                                                  |                         |                         |                         |
|                                                        | Synergy effects (billions of yen)                                | 25.0                    | 45.0                    | 85.0                    |
|                                                        | Credit ratings                                                   | S&P A-, R&I A+, JCR AA- | S&P A-, R&I A+, JCR AA- | S&P A-, R&I A+, JCR AA- |

## Notes:

(1). Excluding time lag (2). EBITDA = Earnings before interest and taxes\* + Depreciation and amortization + Interest expenses \*Excluding time lag

(3). ROIC = (Net profit\*<sup>1</sup> + Interest expense × (1 – Effective tax rate\*<sup>2</sup>)) ÷ (Interest-bearing liabilities + Net worth\*<sup>3</sup>)\*<sup>4</sup> \*1. Excluding time lag \*2. Using the company's effective tax rate (figures listed in the Financial Statement) \*3. Total net assets – Non-controlling interests\*4. Average at the beginning and end of the period (4). ROE = Net profit\*<sup>1</sup> ÷ Net worth\*<sup>2</sup> \*1. Excluding time lag \*2. Average at the beginning and end of the period

(5). Net debt-to-equity ratio = (Interest-bearing liabilities – Cash and deposits) ÷ Net worth\* \*Total net assets – Non-controlling interests (6). Net Debt / EBITDA = (Interest-bearing liabilities – Cash and deposits) ÷ EBITDA\* \*Excluding time lag

## Financial Data

### Breakdown of Major Corporate Bonds

|                                                                | FY2019 | FY2020                                                          |                                                                 | FY2021                                                          |                                                                 |                                                                 |                                                                 |
|----------------------------------------------------------------|--------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
| Bonds payable<br>Total outstanding amount<br>(millions of yen) | —      | 40,000                                                          |                                                                 | 150,000                                                         |                                                                 |                                                                 |                                                                 |
| Description                                                    | None   | Unsecured bonds – 1st<br>(with inter-bond pari passu<br>clause) | Unsecured bonds – 2nd<br>(with inter-bond pari passu<br>clause) | Unsecured bonds – 3rd<br>(with inter-bond pari passu<br>clause) | Unsecured bonds – 4th<br>(with inter-bond pari passu<br>clause) | Unsecured bonds – 5th<br>(with inter-bond pari passu<br>clause) | Unsecured bonds – 6th<br>(with inter-bond pari passu<br>clause) |
| Type                                                           | None   | Domestic straight bonds<br>(unsecured)                          | Domestic straight bonds<br>(unsecured)                          | Domestic straight bonds<br>(unsecured)                          | Domestic straight bonds<br>(unsecured)                          | Domestic straight bonds<br>(unsecured)                          | Domestic straight bonds<br>(unsecured)                          |
| Date of issue                                                  | None   | October 22, 2020                                                | October 22, 2020                                                | November 26, 2021                                               | November 26, 2021                                               | January 19, 2022                                                | January 19, 2022                                                |
| Issue amount (millions of yen)                                 | None   | 20,000                                                          | 20,000                                                          | 40,000                                                          | 30,000                                                          | 30,000                                                          | 10,000                                                          |
| Time to maturity                                               | None   | 5 years                                                         | 10 years                                                        | 5 years                                                         | 10 years                                                        | 3 years                                                         | 19 years                                                        |
| Interest rate (%)                                              | None   | 0.190                                                           | 0.390                                                           | 0.150                                                           | 0.350                                                           | 0.050                                                           | 0.670                                                           |

### Power Sold / Power Generated

|                               | FY2019 | FY2020 | FY2021 |
|-------------------------------|--------|--------|--------|
| Power sold (billion kWh)      | 265.7  | 246.6  | 255.5  |
| Power generated (billion kWh) |        |        |        |
| LNG                           | 215.6  | 201.5  | 192.3  |
| Coal                          | 48.4   | 43.2   | 55.0   |
| Fuel oil / Crude oil          | 1.3    | 0      | 0      |
| Total                         | 265.3  | 244.6  | 247.3  |

### Major Facility Plans (Thermal Power)

As of March 31, 2022

| Company                   | Segment                                 | Location                    | Output (MW) | Start of construction | Start of operation                 |
|---------------------------|-----------------------------------------|-----------------------------|-------------|-----------------------|------------------------------------|
| JERA Power TAKETOYO LLC   | Thermal power and gas business in Japan | Taketoyo Unit 5             | 1,070       | April 2018            | August 2022                        |
| JERA Power ANEGASAKI LLC  | Thermal power and gas business in Japan | Anegasaki New Units 1, 2, 3 | 646.9 × 3   | February 2020         | February / April / August 2023     |
| JERA Power YOKOSUKA LLC   | Thermal power and gas business in Japan | Yokosuka Units 1, 2         | 650 × 2     | August 2019           | June 2023, February 2024           |
| Goi United Generation LLC | Thermal power and gas business in Japan | Goi Units 1, 2, 3           | 780 × 3     | April 2021            | August / November 2024, March 2025 |

# Non-Financial Data

## Environmental Data

| Item*1                                                                                                   | Unit                       | FY2019  | FY2020  | FY2021         |
|----------------------------------------------------------------------------------------------------------|----------------------------|---------|---------|----------------|
| Fuel consumption                                                                                         |                            |         |         |                |
| Coal*2                                                                                                   | million t                  | 17.13   | 15.77   | <b>20.04</b>   |
| Petroleum*2                                                                                              | million kl                 | 0.34    | 0.05    | <b>0.04</b>    |
| LNG, LPG, natural gas*2                                                                                  | million t                  | 30.93   | 28.86   | <b>27.43</b>   |
| Biomass                                                                                                  | million t                  | 0.39    | 0.39    | <b>0.38</b>    |
| Sending-end power                                                                                        | billion kWh                | 265.3   | 244.6   | <b>247.3</b>   |
| Gas sales volume                                                                                         | million t                  | 3.06    | 3.12    | <b>3.82</b>    |
| Total energy consumption (crude oil equivalent)                                                          | million kl                 | 55.25   | 50.70   | <b>50.80</b>   |
| Total thermal power generation efficiency (low heating value)                                            | %                          | 50.1    | 49.7    | <b>48.2</b>    |
| Thermal Power Generation Efficiency Benchmark A (Energy Conservation Act)*3                              | —                          | 1,002   | 1,000   | <b>1,003</b>   |
| Thermal Power Generation Efficiency Benchmark B (Energy Conservation Act)*3                              | %                          | 46.8    | 46.8    | <b>46.7</b>    |
| Purchased electricity*2                                                                                  | million kWh                | 174.68  | 161.74  | <b>84.75</b>   |
| Industrial water intake                                                                                  | thousand m <sup>3</sup>    | 18,116  | 17,712  | <b>18,165</b>  |
| Tap water intake                                                                                         | thousand m <sup>3</sup>    | 868     | 809     | <b>864</b>     |
| Groundwater usage                                                                                        | thousand m <sup>3</sup>    | 22      | 176     | <b>118</b>     |
| Greenhouse gas (GHG) emissions associated with power generation business (Scope 1)                       | thousand t-CO <sub>2</sub> | 124,629 | 114,952 | <b>121,098</b> |
| CO <sub>2</sub> emissions                                                                                | thousand t-CO <sub>2</sub> | 124,501 | 114,833 | <b>120,948</b> |
| CH <sub>4</sub> (methane) emissions                                                                      | thousand t-CO <sub>2</sub> | 14      | 11      | <b>11</b>      |
| N <sub>2</sub> O (nitrous oxide) emissions                                                               | thousand t-CO <sub>2</sub> | 109     | 101     | <b>119</b>     |
| SF <sub>6</sub> (sulfur hexafluoride) emissions*4                                                        | thousand t-CO <sub>2</sub> | 4       | 6       | <b>19</b>      |
| HFC (CFC alternative) emissions*4                                                                        | thousand t-CO <sub>2</sub> | 0.6     | 0.4     | <b>0.3</b>     |
| [Domestic / JERA Group] CO <sub>2</sub> emissions associated with power generation business (Scope 1)*5  | thousand t-CO <sub>2</sub> | 139,007 | 127,436 | <b>131,756</b> |
| [Global / JERA Group] CO <sub>2</sub> emissions associated with power generation business (Scope 1)*5,*6 | thousand t-CO <sub>2</sub> | 161,111 | 147,915 | <b>155,358</b> |
| CO <sub>2</sub> emissions associated with fuel upstream business (Scope 1)*5,*6                          | thousand t-CO <sub>2</sub> | 235     | 348     | <b>245</b>     |
| CO <sub>2</sub> emissions associated with fuel transportation business (Scope 1)*5,*6                    | thousand t-CO <sub>2</sub> | 297     | 327     | <b>283</b>     |
| CO <sub>2</sub> emissions associated with purchased electricity consumption (Scope 2)*2                  | thousand t-CO <sub>2</sub> | 79      | 77      | <b>37</b>      |
| Other indirect CO <sub>2</sub> emissions (Scope 3)                                                       | thousand t-CO <sub>2</sub> | 31,993  | 30,413  | <b>32,508</b>  |
| Purchased goods and services                                                                             | thousand t-CO <sub>2</sub> | 0.07    | 0.04    | <b>0.01</b>    |
| Capital goods                                                                                            | thousand t-CO <sub>2</sub> | 768     | 708     | <b>902</b>     |
| Fuel- and energy-related activities*2                                                                    | thousand t-CO <sub>2</sub> | 22,777  | 21,083  | <b>21,034</b>  |
| Upstream transportation and distribution*2                                                               | thousand t-CO <sub>2</sub> | 25      | 21      | <b>28</b>      |
| Waste generated in operations                                                                            | thousand t-CO <sub>2</sub> | 165     | 171     | <b>219</b>     |
| Business travel                                                                                          | thousand t-CO <sub>2</sub> | 1       | 1       | <b>1</b>       |
| Employee commuting                                                                                       | thousand t-CO <sub>2</sub> | 1       | 1       | <b>2</b>       |
| Upstream leased assets                                                                                   | thousand t-CO <sub>2</sub> | —       | —       | <b>—</b>       |
| Downstream transportation and distribution                                                               | thousand t-CO <sub>2</sub> | —       | —       | <b>—</b>       |
| Processing of sold products                                                                              | thousand t-CO <sub>2</sub> | —       | —       | <b>—</b>       |
| Use of sold products*2                                                                                   | thousand t-CO <sub>2</sub> | 8,255   | 8,428   | <b>10,323</b>  |
| End-of-life treatment of sold products                                                                   | thousand t-CO <sub>2</sub> | —       | —       | <b>—</b>       |
| Downstream leased assets                                                                                 | thousand t-CO <sub>2</sub> | —       | —       | <b>—</b>       |
| Franchises                                                                                               | thousand t-CO <sub>2</sub> | —       | —       | <b>—</b>       |
| Investments                                                                                              | thousand t-CO <sub>2</sub> | —       | —       | <b>—</b>       |

| Item*1                                                                                         | Unit                    | FY2019 | FY2020 | FY2021       |
|------------------------------------------------------------------------------------------------|-------------------------|--------|--------|--------------|
| CO <sub>2</sub> emissions intensity of power generation*7                                      | kg-CO <sub>2</sub> /kWh | 0.469  | 0.469  | <b>0.489</b> |
| [Domestic / JERA Group] CO <sub>2</sub> emissions intensity of power generation business*5,*7  | kg-CO <sub>2</sub> /kWh | 0.492  | 0.491  | <b>0.505</b> |
| [Global / JERA Group] CO <sub>2</sub> emissions intensity of power generation business*5,*6,*7 | kg-CO <sub>2</sub> /kWh | 0.496  | 0.493  | <b>0.512</b> |
| SF <sub>6</sub> (sulfur hexafluoride) recovery rate (at time of inspection)                    | %                       | 99.8   | 99.9   | <b>99.5</b>  |
| SF <sub>6</sub> (sulfur hexafluoride) capture rate (at time of disposal)                       | %                       | 100.0  | 99.4   | <b>99.0</b>  |
| SOx (sulfur oxides) emissions                                                                  | thousand t              | 7.50   | 5.09   | <b>6.32</b>  |
| SOx (sulfur oxides) emissions intensity*7                                                      | g/kVh                   | 0.03   | 0.02   | <b>0.03</b>  |
| NOx (nitrogen oxides) emissions                                                                | thousand t              | 21.13  | 17.83  | <b>17.68</b> |
| NOx (nitrogen oxides) emission intensity*7                                                     | g/kVh                   | 0.08   | 0.07   | <b>0.07</b>  |
| Gross wastewater volume                                                                        | thousand m <sup>3</sup> | 7,604  | 7,506  | <b>7,188</b> |
| COD (chemical oxygen demand) emissions                                                         | t                       | 21     | 20     | <b>20</b>    |
| Industrial wastes and byproducts                                                               | thousand t              | 1,991  | 2,045  | <b>2,715</b> |
| Disposal by reclamation                                                                        | thousand t              | 12     | 13     | <b>19</b>    |
| Coal ash utilization rate                                                                      | %                       | 99.99  | 99.99  | <b>99.99</b> |
| Severe leaks                                                                                   | cases                   | 0      | 0      | <b>0</b>     |
| PCB (polychlorinated biphenyl) transformers and capacitors disposed of                         | units                   | 16     | 57     | <b>78</b>    |
| PCB-contaminated insulating oil treated                                                        | kl                      | 86     | 510    | <b>25</b>    |
| Fines or sanctions for violations of environmental laws and regulations                        | cases                   | 0      | 0      | <b>0</b>     |

\*1. Figures for JERA in Japan and joint ventures with Hitachinaka Generation Co., Inc., and JERA Power TAKETOYO LLC only (unless otherwise noted)

\*2. Figures for FY2020 and previous years have been revised following a review of definitions and calculation methods

\*3. Figures for JERA operations in Japan

\*4. Calendar year totals

\*5. Joint venture figures calculated based on JERA equity stake

\*6. Totals for overseas businesses are generally aggregated based on local fiscal years and reporting standards

\*7. Figures based on sending-end power

## Social Data

| Item                    | Unit      | FY2019 | FY2020 | FY2021       |
|-------------------------|-----------|--------|--------|--------------|
| Employees (JERA Group)  | People    | 4,797  | 4,907  | <b>5,062</b> |
| Employees (JERA only)*1 |           |        |        |              |
| Total                   | People    | 3,726  | 3,847  | <b>3,910</b> |
| Men                     | People    | 3,452  | 3,557  | <b>3,581</b> |
| Women                   | People    | 274    | 290    | <b>329</b>   |
| Average age (JERA only) |           |        |        |              |
| Total                   | Years old | 44.3   | 44.7   | <b>44.6</b>  |
| Men                     | Years old | 44.5   | 44.8   | <b>44.9</b>  |
| Women                   | Years old | 41.8   | 42.2   | <b>41.6</b>  |
| Managers (JERA only)    |           |        |        |              |
| Total                   | People    | 722    | 756    | <b>716</b>   |
| Men                     | People    | 697    | 724    | <b>680</b>   |
| Women                   | People    | 25     | 32     | <b>36</b>    |

## Non-Financial Data

| Item                                                                               | Unit            | FY2019 | FY2020 | FY2021      |
|------------------------------------------------------------------------------------|-----------------|--------|--------|-------------|
| New graduate hires (JERA only)* <sup>2</sup>                                       |                 |        |        |             |
| Total                                                                              | People          | 50     | 51     | <b>79</b>   |
| Men                                                                                | People          | 43     | 43     | <b>68</b>   |
| Women                                                                              | People          | 7      | 8      | <b>11</b>   |
| Mid-career hires (JERA only)                                                       |                 |        |        |             |
| Total                                                                              | People          | 21     | 72     | <b>131</b>  |
| Men                                                                                | People          | 16     | 60     | <b>98</b>   |
| Women                                                                              | People          | 5      | 12     | <b>33</b>   |
| Turnover rate (JERA only)* <sup>3</sup>                                            |                 |        |        |             |
| Total                                                                              | %               | —      | —      | <b>2.8</b>  |
| Men                                                                                | %               | —      | —      | <b>2.9</b>  |
| Women                                                                              | %               | —      | —      | <b>1.9</b>  |
| Employees using childcare leave (JERA only)                                        |                 |        |        |             |
| Total                                                                              | People          | 5      | 10     | <b>20</b>   |
| Men                                                                                | People          | 0      | 0      | <b>10</b>   |
| Women                                                                              | People          | 5      | 10     | <b>10</b>   |
| Return-to-work rate after childcare leave (JERA only)* <sup>4</sup>                |                 |        |        |             |
| Total                                                                              | %               | 100    | 100    | <b>100</b>  |
| Men                                                                                | %               | —      | —      | <b>100</b>  |
| Women                                                                              | %               | 100    | 100    | <b>100</b>  |
| Gender wage gap (the ratio between men and women where a gap exists)* <sup>5</sup> | %               | —      | —      | <b>—</b>    |
| Employee engagement* <sup>6</sup>                                                  | %               | 68.1   | 68.6   | <b>68.8</b> |
| Labor union membership rate                                                        | %               | 100    | 100    | <b>100</b>  |
| Average annual training hours per employee* <sup>7</sup>                           | Hours           | —      | —      | <b>32.4</b> |
| Contribution amounts                                                               | Millions of yen | 4      | 780    | <b>38</b>   |

\*1. Excluding employees on loan from JERA to other companies and including employees on loan to JERA from other companies

\*2. Figures from FY2021 and earlier represent the number of employees initially assigned to JERA from TEPCO and Chubu. (New graduate hiring began in FY2022.)

\*3. Figures include individuals who have an employment relationship with JERA, including employees on loan.

\*4. Percentage of employees who returned to work during the fiscal year among all scheduled to return

\*5. In April 2021, JERA introduced its own compensation system in which there is no wage gap between men and women employees who share the same attributes (age, position, rank, etc.).

\*6. An average of 58.8% among all businesses subject to a third-party survey

\*7. In FY2021, JERA established its own training system that includes off-the-job group training as well as on-the-job technical training at power plants, e-learning, etc.

## Governance Data

| Item (Method of Calculation)                        | Unit  | FY2019 | FY2020 | FY2021    |
|-----------------------------------------------------|-------|--------|--------|-----------|
| Customer privacy complaints, etc.                   | cases | 0      | 0      | <b>0</b>  |
| Compliance violations                               | cases | 0      | 0      | <b>0</b>  |
| Reports via the harassment consultation hotline     | cases | —      | —      | <b>12</b> |
| Reports via the whistleblower hotline* <sup>1</sup> | cases | 12     | 12     | <b>17</b> |
| Data leaks                                          | cases | 0      | 0      | <b>0</b>  |

| Item (Method of Calculation)                                                                                                                                                                   | Unit            | FY2019       | FY2020       | FY2021              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------|--------------|---------------------|
| Composition of the Board of Directors                                                                                                                                                          |                 |              |              |                     |
| Number of directors                                                                                                                                                                            | People          | 10           | 10           | <b>10</b>           |
| Number of outside directors                                                                                                                                                                    | People          | 4            | 5            | <b>5</b>            |
| Ratio of outside directors (number of outside directors ÷ number of directors)                                                                                                                 | %               | 40           | 50           | <b>50</b>           |
| Number of female directors                                                                                                                                                                     | People          | 0            | 0            | <b>1</b>            |
| Ratio of female directors (number of female directors ÷ number of directors)                                                                                                                   | %               | 0            | 0            | <b>10</b>           |
| Number of executive officers (excluding those who are also directors)                                                                                                                          | People          | 11           | 12           | <b>10</b>           |
| Number of female executive officers                                                                                                                                                            | People          | 0            | 0            | <b>0</b>            |
| Ratio of female executive officers (number of female executive officers ÷ number of executive officers)                                                                                        | %               | 0            | 0            | <b>0</b>            |
| Average age of directors                                                                                                                                                                       | Years old       | 60.4         | 60.1         | <b>61.3</b>         |
| Director age                                                                                                                                                                                   | Years old       | No age limit | No age limit | <b>No age limit</b> |
| Age of youngest director                                                                                                                                                                       | Years old       | 49           | 50           | <b>57</b>           |
| Age of eldest director                                                                                                                                                                         | Years old       | 69           | 68           | <b>69</b>           |
| Term of office for directors                                                                                                                                                                   | Years           | 1            | 1            | <b>1</b>            |
| Term of office for executive officers                                                                                                                                                          | Years           | 1            | 1            | <b>1</b>            |
| Number of board meetings                                                                                                                                                                       | Meetings        | 15           | 23           | <b>26</b>           |
| Attendance ratio of meetings ((number of board meetings attended by directors × number of directors) ÷ (number of board meetings held × number of directors))                                  | %               | 97.3         | 99.1         | <b>96.5</b>         |
| Attendance ratio of outside directors ((number of board meetings attended by outside directors × number of outside directors) ÷ (number of board meetings held × number of outside directors)) | %               | 93.3         | 99.1         | <b>93.8</b>         |
| Director compensation                                                                                                                                                                          |                 |              |              |                     |
| Directors paid                                                                                                                                                                                 | People          | 8            | 8            | <b>8</b>            |
| Total amount of compensation                                                                                                                                                                   | Millions of yen | 334          | 278          | <b>312</b>          |
| Corporate auditors                                                                                                                                                                             | People          | 3            | 3            | <b>3</b>            |
| Outside corporate auditors                                                                                                                                                                     | People          | 3            | 3            | <b>3</b>            |
| Ratio of outside corporate auditors (number of outside corporate auditors ÷ number of corporate auditors)                                                                                      | %               | 100          | 100          | <b>100</b>          |
| Number of statutory auditor panel meetings                                                                                                                                                     | Meetings        | 20           | 17           | <b>20</b>           |
| Statutory auditor panel meeting attendance rate ((number of meetings attended by auditors × number of auditors) ÷ (number of meetings held × number of auditors))                              | %               | 100          | 100          | <b>100</b>          |
| Board of Directors meeting attendance rate by corporate auditors ((number of meetings attended by auditors × number of auditors) ÷ (number of board meetings held × number of auditors))       | %               | 100          | 100          | <b>98.7</b>         |
| Nomination and Compensation Committee members                                                                                                                                                  | People          | 5            | 5            | <b>4</b>            |
| Outside directors                                                                                                                                                                              | People          | 2            | 2            | <b>2</b>            |
| Ratio of outside directors                                                                                                                                                                     | %               | 40           | 40           | <b>50</b>           |
| Committee meetings                                                                                                                                                                             | Meetings        | 6            | 7            | <b>9</b>            |
| Committee meeting attendance rate                                                                                                                                                              | %               | 100          | 100          | <b>100</b>          |
| Sustainability Promotion Committee members* <sup>2</sup>                                                                                                                                       | People          | 10           | 10           | <b>10</b>           |
| Committee meetings                                                                                                                                                                             | Meetings        | 1            | 2            | <b>2</b>            |

\*1. Two FY2021 cases overlapped between the whistleblower and harassment consultation hotlines and are included in current figures.

\*2. Member count includes officers.

# Thermal Power Plants in Japan

(As of March 31, 2022)

## List of Thermal Power Plants\*1 (total output and fuel type listed for each station)

◆ LNG ◆ Coal ◆ Heavy oil ◆ Crude oil ◆ Natural gas

|                                                                             |               |
|-----------------------------------------------------------------------------|---------------|
| Joetsu                                                                      | 2.38GW / ◆    |
| Hirono                                                                      | 4.4GW / ◆◆◆◆  |
| Hitachinaka                                                                 | 2GW / ◆       |
| Hitachinaka Joint Thermal Power Station (Hitachinaka Generation Co., Inc.)  | 0.65GW / ◆    |
| Kashima                                                                     | 5.66GW / ◆◆◆◆ |
| Chiba                                                                       | 4.38GW / ◆    |
| Goi (Goi United Generation LLC)<br>*Scheduled to begin operation in FY2024  | 2.34GW / ◆    |
| Anegasaki                                                                   | 1.2GW / ◆     |
| Anegasaki (JERA Power Anegasaki)<br>*Scheduled to begin operation in FY2023 | 1.941GW / ◆   |
| Sodegaura                                                                   | 3.6GW / ◆     |
| Futtsu                                                                      | 5.16GW / ◆    |
| Yokosuka (JERA Power Yokosuka)<br>*Scheduled to begin operation in FY2023   | 1.3GW / ◆     |
| Minami-Yokohama                                                             | 1.15GW / ◆    |
| Yokohama                                                                    | 3.016GW / ◆   |
| Higashi-Ohgishima                                                           | 2GW / ◆       |
| Kawasaki                                                                    | 3.42GW / ◆    |
| Shinagawa                                                                   | 1.14GW / ◆    |
| Atsumi                                                                      | 1.4GW / ◆◆    |
| Hekinan                                                                     | 4.1GW / ◆     |
| Taketoyo (JERA Power Taketoyo)*2                                            | 1.07GW / ◆    |
| Chita                                                                       | 1.708GW / ◆   |
| Chita Daini                                                                 | 1.708GW / ◆   |
| Shin-Nagoya                                                                 | 3.058GW / ◆   |
| Nishi-Nagoya                                                                | 2.376GW / ◆   |
| Kawagoe                                                                     | 4.802GW / ◆   |
| Yokkaichi                                                                   | 0.585GW / ◆   |

\*1. Power plant name followed by name of operating company in parentheses.

\*2. Began operation in August 2022

# Overseas Businesses & LNG Suppliers

(As of March 31, 2022)

## Overseas Businesses

■ Thermal power generation ■ Renewable energy ■ Fuel upstream ■ Optimization

### Netherlands

- Rietlanden Coal Terminal

### UK

- Gunfleet Sands Offshore Wind IPP Project
- Zenobe Battery Storage
- JERA Global Markets

### Qatar

- Ras Laffan B Gas Thermal IWPP Project
- Ras Laffan C Gas Thermal IWPP Project
- Mesaieed Gas Thermal IPP Project
- Umm Al Houl Gas Thermal IWPP Project

### UAE

- Umm Al Nar Gas Thermal IWPP Project

### Oman

- Sur Gas Thermal IPP Project

### India

- ReNew Power Wind and Solar Power IPP Project

### Bangladesh

- Summit Power IPP Project
- Meghnaghat Gas Thermal IPP Project

### Thailand

- EGCO IPP Project
- Solar Power IPP Project
- Ratchaburi Gas Thermal IPP Project
- Wind Power IPP Project
- AT Biopower Rice Husk Biomass Thermal IPP Project

### Taiwan

- Chang Bin / Fong Der / Star Buck Gas Thermal IPP Project
- Formosa 1 Offshore Wind Power IPP Project
- Formosa 2 Offshore Wind Power IPP Project

### Philippines

- Teal Energy IPP Project
- Aboitiz Power IPP Project

### Indonesia

- Cirebon Coal Thermal IPP Project

### US

- Phu My Gas Thermal IPP Project
- Carroll County Gas Thermal IPP Project
- Cricket Valley Gas Thermal IPP Project
- Linden Gas Thermal IPP Project
- Compass Gas Thermal IPP Project
- El Sauz Wind Power Project
- Freeport LNG Project
- JERA Global Markets

### Vietnam

- Phu My Gas Thermal IPP Project

### Singapore

- JERA Global Markets

### Australia\*

- Darwin LNG Project
- Gorgon LNG Project
- Wheatstone LNG Project
- Ichthys LNG Project

### Mexico

- Valladolid Gas Thermal IPP Project
- Falcon Gas Thermal IPP Project

IPP: Independent Power Producer

IWPP: Independent Water and Power Producer

SPP: Small Power Producer

\* Joined Barossa Gas Project April 2022

## Major LNG Suppliers

|                    |             |             |            |          |
|--------------------|-------------|-------------|------------|----------|
| • US               | • Australia | • Indonesia | • Malaysia | • Brunei |
| • Papua New Guinea | • Qatar     | • UAE       | • Russia   |          |

# List of Group Companies

## Consolidated Subsidiaries (As of March 31, 2022)

| Name                                        | Location                       | Main Business Activities                                                                                                                     |
|---------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>JERA Power International B.V.*</b>       | Amsterdam, Netherlands         | Investment and financing, securities, etc., for overseas power generation projects                                                           |
| <b>JERA Asia Pte. Ltd.</b>                  | Singapore                      | Development of electricity- and gas-related projects in Asia                                                                                 |
| <b>JERA Australia Pty. Ltd.*</b>            | Perth, Australia               | Fuel business management in Australia                                                                                                        |
| <b>JERA Global Markets Pte. Ltd.*</b>       | Singapore                      | Fuel trading and related activities                                                                                                          |
| <b>Tokyo Timor Sea Resources Pty. Ltd.*</b> | Perth, Australia               | Investment in gas field development projects in the Joint Petroleum Development Area between Australia and Timor-Leste                       |
| <b>Hitachinaka Generation Co., Inc.*</b>    | Tokai-mura, Naka-gun, Ibaraki  | Thermal power generation and related activities                                                                                              |
| <b>LNG Marine Transport Co., Ltd.</b>       | Chiyoda City, Tokyo            | Liquefied natural gas marine transport and related agency activities                                                                         |
| <b>JERA Global Insurance Inc.</b>           | Hawaii, USA                    | Insurance                                                                                                                                    |
| <b>JERA Power YOKOSUKA LLC</b>              | Yokosuka City, Kanagawa        | Thermal power generation and related activities                                                                                              |
| <b>JERA Power ANEGASAKI LLC</b>             | Ichihara City, Chiba           | Thermal power generation and related activities                                                                                              |
| <b>Chita LNG Co., Ltd.</b>                  | Chita City, Aichi              | Services related to the receiving, storage, regasification, and delivery of liquefied natural gas                                            |
| <b>Goi United Generation LLC</b>            | Ichihara City, Chiba           | Thermal power generation and related activities                                                                                              |
| <b>JERA Power (Thailand) Co., Ltd.</b>      | Bangkok, Thailand              | Power plant operation and engineering services and financing for these services in Thailand                                                  |
| <b>Nexeraise Co., Ltd.</b>                  | Koto City, Tokyo               | Petroleum product sales, operation and management of thermal power facilities, power plant disaster prevention and response operations, etc. |
| <b>JERA Power TAKETOYO LLC</b>              | Taketoyo-cho, Chita-gun, Aichi | Thermal power generation and related activities                                                                                              |
| <b>JERA Americas Inc.</b>                   | Delaware, USA                  | Management of power generation and activities, including investing, financing, securities, etc., in the Americas                             |
| <b>JERA Americas Holdings Inc.</b>          | Delaware, USA                  | Management of power generation and fuel activities in the Americas                                                                           |

63 other companies

The five companies marked with an asterisk (\*) fall under the category of specified subsidiaries.

Note that of the "63 other companies" not listed above, the following qualify as specified subsidiaries: JERA Trading International Pte. Ltd., JERA Ichthys Pty. Ltd., JERA Gorgon Pty. Ltd., Tokyo Electric Power Company International B.V., JERA Power Management Asia B.V., Reliance Bangladesh LNG & Power Ltd., Chubu Electric Power Integra Pty. Ltd., JERA Darwin Investment Pty. Ltd., JERA Darwin LNG Pty. Ltd., Cygnus LNG Shipping Limited, JERA Storage Investment B.V., Pacific LNG Shipping Limited, Pacific Eurus Shipping Limited, Tokyo Timor Sea Resources Inc., JERA Global Markets Netherlands B.V., JERA Global Markets North America, LLC, JERA Global Markets UK Ltd.

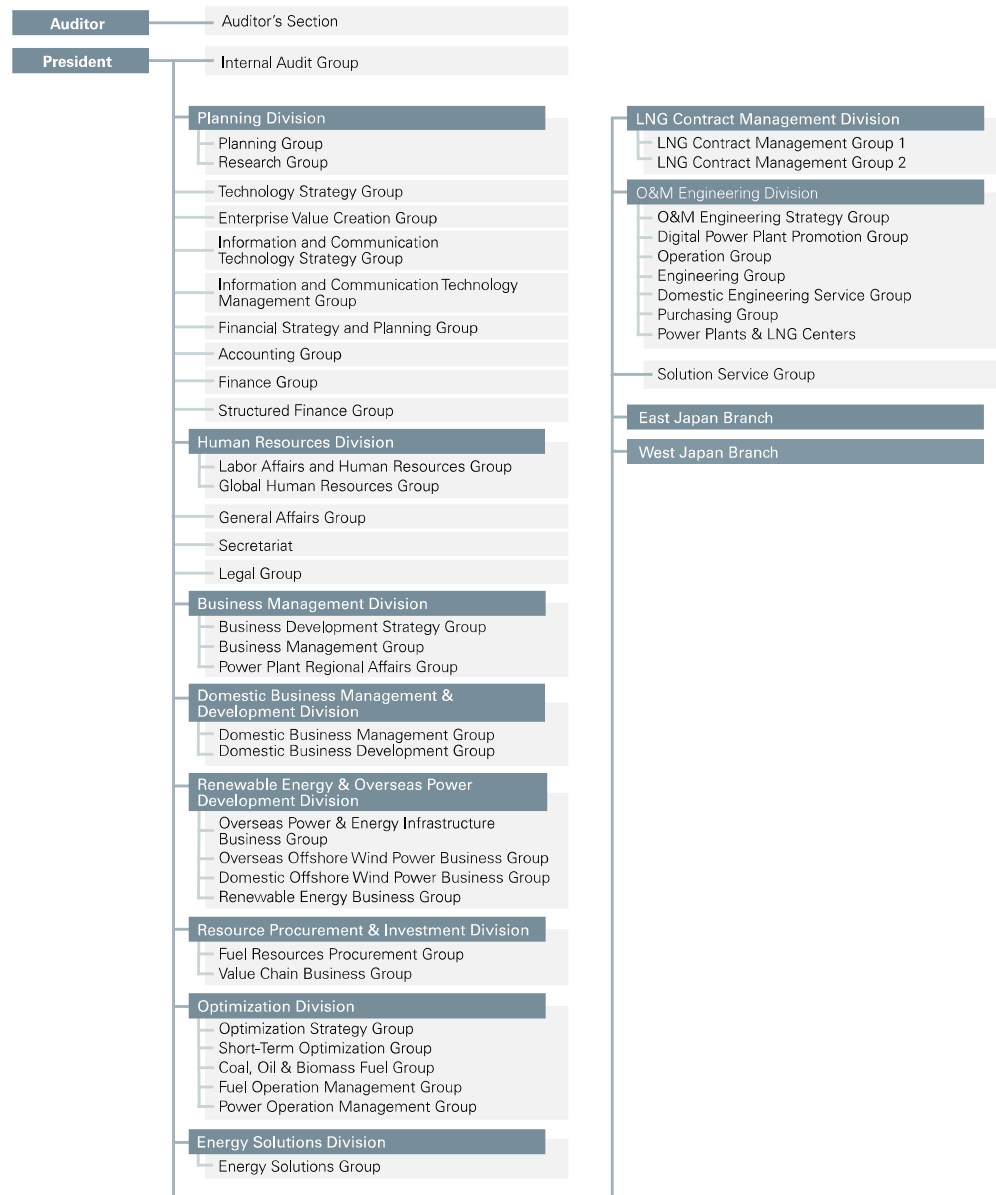
## Equity Method Affiliates

| Name                                                   | Location              | Main Business Activities                                                          |
|--------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------|
| <b>Soma Kyodo Power Company, Ltd.</b>                  | Soma City, Fukushima  | Thermal power plant operations and maintenance, electric power sales              |
| <b>Joban Joint Power Co., Ltd.</b>                     | Chiyoda City, Tokyo   | Thermal power plant operations and maintenance, electric power sales              |
| <b>Aboitiz Power Corporation</b>                       | Manila, Philippines   | Power generation and distribution, retail electric power sales in the Philippines |
| <b>Kashima Kyodo Thermal Electric Power Co., Inc.</b>  | Kashima City, Ibaraki | Thermal power plant operations and maintenance, electric power sales              |
| <b>Kimitsu Cooperative Thermal Power Company, Inc.</b> | Kimitsu City, Chiba   | Thermal power plant operations and maintenance, electric power sales              |
| <b>TeaM Energy Corporation</b>                         | Manila, Philippines   | Power generation in the Philippines                                               |
| <b>Freeport LNG Development, L.P.</b>                  | Delaware, USA         | LNG facilities operations and maintenance, development in the Americas            |

34 other companies

# Organizational Chart

(As of July 1, 2022)



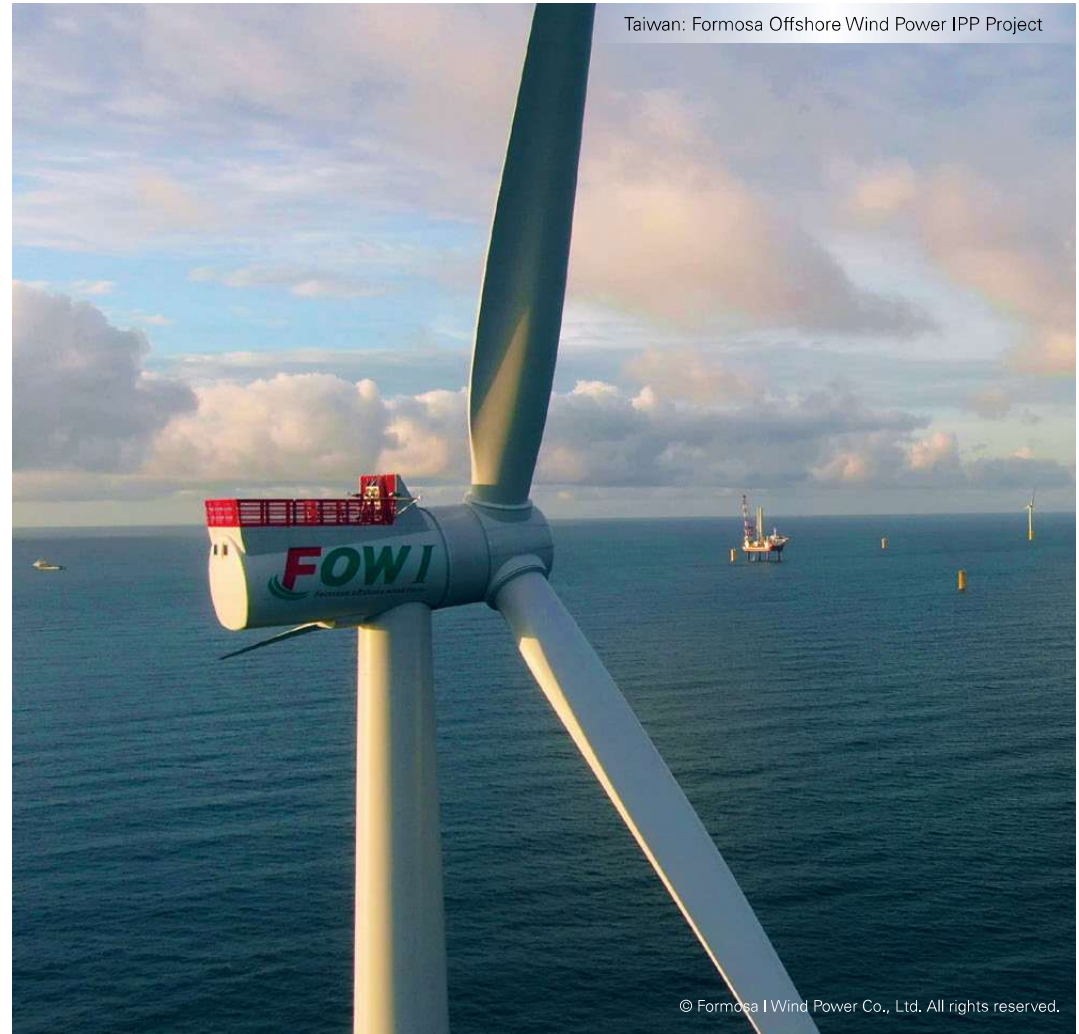
# Corporate Overview

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Name          | JERA Co., Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Locations               | <p><b>[Headquarters]</b><br/>Nihonbashi Takashimaya Mitsui Building 25th Floor, 2-5-1 Nihonbashi, Chuo-ku, Tokyo 103-6125, Japan<br/>TEL: +81-3-3272-4631 (Main) FAX: +81-3-3272-4635</p> <p><b>[East Japan Branch]</b><br/>Hibiya Kokusai Building 9th Floor, 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan<br/>TEL: +81-3-3272-4631 FAX: +81-3-6363-5781</p> <p><b>[West Japan Branch]</b><br/>JPTOWER NAGOYA 18th Floor, 1-1-1 Meieki, Nakamura-ku, Nagoya-shi, Aichi 450-6318, Japan<br/>TEL: +81-52-740-6842 FAX: +81-52-740-6841</p> |
| Incorporated            | April 30, 2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Capital                 | 100 billion yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Shareholding Ratio      | TEPCO Fuel & Power, Inc.: 50%<br>Chubu Electric Power Co., Inc.: 50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Description of Business | <ul style="list-style-type: none"> <li>• Thermal power generation</li> <li>• Renewable energy</li> <li>• Gas and LNG</li> <li>• Engineering, consulting, and other activities related to the above businesses</li> </ul>                                                                                                                                                                                                                                                                                                                             |
| Number of Employees     | 5,062 (As of March 31, 2022)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

Shinagawa Thermal Power Station



Taiwan: Formosa Offshore Wind Power IPP Project



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Joetsu Thermal Power Station



Kawagoe Thermal Power Station



Australia: Wheatstone LNG Project



US: Cricket Valley Gas Thermal IPP Project



provided by Chevron Australia



## JERA Co., Inc.

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TEL: +81-3-3272-4631 FAX: +81-3-3272-4635  
[www.jera.co.jp](http://www.jera.co.jp)



The future belongs to the challengers, the ones who dare to dream in the face of adversity.

Athletes challenge the limits of possibility and inspire us to do the same.

At JERA, we dare to dream.

As Japan's largest power company, we are committed to having a global impact across a range of businesses.

We believe in meeting the challenge of net-zero carbon head on.

"JERA Zero CO<sub>2</sub> Emissions 2050"  
is our game plan for a brighter future.

One run can change the course of the game.

And JERA is stepping up to the plate with the scale, skills, ideas, and innovations needed to hit the ball out of the park.

Energy and baseball. Together, we can drive sports and culture forward into a new era.

**JERA is a proud partner of the Central League.**

# Jera セ・リーグ

We identify with Nippon Professional Baseball's mission to promote sports in Japan through baseball and thereby contribute to domestic welfare and international goodwill.