

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.

We are 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 that works for the environment and the economy.

Fundamental Approach

As a leader in the domestic thermal power generation industry, we respect energy and environmental policies such as the Basic Energy Plan and proactively promote renewable energy development.

Furthermore, as we seek to become a global energy company, we are acutely aware of the need to protect the environment on a global scale. We strictly observe the environmental laws and regulations of each country and region where we do business and are committed to reducing our environmental footprint. This involves not only reducing CO₂ emissions and preventing air and water pollution but also striving for biodiversity conservation 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 CO₂ emissions, remove air and water pollutants, recycle waste, and preserve biodiversity.

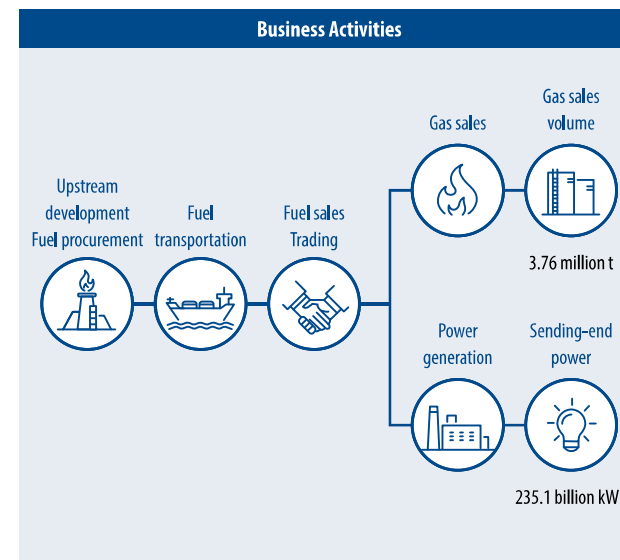
We have also established a Sustainability Promotion Committee to improve our ESG management. Chaired by the President, Director, CEO and COO, this cross-functional committee oversees the entire company and examines environment-related issues and their corresponding measures, with significant issues brought to the Leadership Panel for resolution. We will continue to improve our management of the environment and contribute to the development of a sustainable society. (ESG and Sustainability Management Structure: P. 43)

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 (FY2022*)

INPUT	
Fuel consumption	
Coal	21.46 million t
Petroleum	0.04 million kL
LNG/LPG	23.67 million t
Utility Gas	2 billion Nm ³
Biomass	0.52 million t
Total energy consumption	Purchased electricity
50.04 million kL (crude oil equivalent)	73.19 million kWh
Water usage	
Total water intake	20.18 million m ³
Industrial water intake	19.04 million m ³
Tap water intake	0.98 million m ³
Groundwater intake	0.15 million m ³



OUTPUT	
GHG emissions (CO₂ equivalent)	
Scope 1	118,690 thousand t-CO ₂
Scope 2	60 thousand t-CO ₂
Scope 3	31,210 thousand t-CO ₂
Total	149,960 thousand t-CO₂
SO_x emissions	Gross wastewater volume
7 thousand t	7,300 thousand m ³
NO_x emissions	COD emissions
20 thousand t	21 t
Disposal by redemption	
20 thousand t	

* Figures for JERA operations in Japan and joint ventures with Hitachinaka Generation Co., Inc., JERA Power TAKETOYO LLC, JERA Power YOKOSUKA LLC, and JERA Power ANEGASAKI LLC

Environment

Reducing CO₂ Emissions

In October 2020, we announced JERA Zero CO₂ Emissions 2050 as our commitment to curbing CO₂ emissions for the future. With our mission to provide cutting edge solutions to the world's energy issues, we will take on the challenge of achieving net zero CO₂ 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 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 overseas projects in the UK and Taiwan, and domestically, we are now considering 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 in Japan and plan to develop facilities with a total capacity of more than 1 million kW by the end of FY2025. Additionally, we acquired Parkwind, a major offshore wind power operator in Belgium, and GPI, a leading domestic renewable energy company.

To reduce CO₂ emissions from thermal power generation, we are pushing forward with the replacement of thermal power plants as well as demonstration tests that utilize hydrogen and ammonia. At Anegasaki Thermal Power Station, which was partially decommissioned in 2021, we have been upgrading to the latest Gas Turbine Combined Cycle (GTCC) technology for LNG thermal power

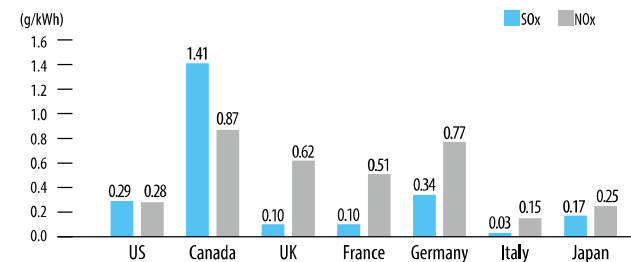
generation. New Units 1–3, totaling 1.95 million kW, began commercial operations in August 2023.

We will promote the adoption of greener fuels and pursue zero-emission thermal power during power generation. We aim to realize 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 CO₂ emissions.

Preventing Air Pollution

Air pollutants emitted from our thermal power plants include sulfur oxides (SO_x), nitrogen oxides (NO_x), 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 FY2022, our SO_x and NO_x emissions per unit of production were 0.03 g/kWh and 0.07 g/kWh, respectively, which are extremely low compared to emissions per unit of production in Japan and major Western countries.

SO_x and NO_x Emissions Per Unit of Power Generation Output in Major Countries for 2020
(Power Generation Output)



Source: Based on OECD Stat Extracts (for SO_x and NO_x emissions) and IEA World Energy Balances 2022 (for power generation output)

Featured

Independent Assurance on Environmental Data

To improve the credibility of our environmental data, starting with values reported for FY2021, we have received independent third-party assurance from KPMG AZSA Sustainability Co., Ltd. for certain environmental data, including GHG emissions, which is available on our corporate website.

 E Environmental Data
<https://www.jera.co.jp/en/sustainability/data/e>

 Independent Assurance Report on Environmental Data
<https://www.jera.co.jp/en/sustainability/report>

Participation in the GX League

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 reduction targets as an opportunity for economic growth.

In line with our mission to provide cutting edge solutions to the world's energy issues, we have announced our target of JERA Zero CO₂ Emissions 2050 and are committed to achieving net zero CO₂ emissions from our operations in Japan and abroad by the year 2050. We believe that our efforts align with the objectives of the GX League and have continued our involvement, announcing our formal participation in the league following our endorsement of the GX League Basic Concept in 2022.

We 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.



Highest performance
in Japan

FY2022
Total thermal power
generation efficiency

48.7%

New Units 1–3 at Anegasaki Thermal Power Station: A state-of-the-art LNG-fired power plant using Gas Turbine Combined Cycle (GTCC) technology

Power generation
efficiency
Approx. 63%
(low heating value)



Environment

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.

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 plants. 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 FY2022 was 99.98%.

Furthermore, in compliance with the Act on Promotion of Resource Circulation for Plastics (commonly referred to as the Plastic Resource Circulation Act), we are proactively working to reduce and reuse industrial plastic waste generated from our business activities. The amount of waste plastic discharged and the effective utilization rate in FY2022 were 472 tons and 96.88%, 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.).



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

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 in accordance with environmental laws and regulations as well as local ordinances and environmental conservation agreements with municipalities. In FY2022, 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.

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.

Primary Measures

Measure	Description
Measures for Noise and Vibration Control	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.
Measures for Industrial Waste Control	We take steps to properly treat waste by creating manuals tailored to the operations of individual thermal power plants.
Measures for Landscape Preservation	We make efforts to ensure that power plants blend in with local scenery while considering costs. → Coexisting with Local Communities — “Coexisting with the Environment” P. 60

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 Station (Units 1 and 2) showed that the area was inhabited by falcons, which are designated as a rare endangered species in Japan. Accordingly, we have taken measures to avoid affecting their habitat, which included using low-noise, low-vibration machinery during construction. We’ve also installed nesting boxes for falcons in our stacks to create an environment conducive to nesting. We will continue our efforts to preserve the habitat by maintaining green areas.

Chita Thermal Power Station is also participating in the “Project Linking Life with One Another” by the non-profit Japan Ecologist Support Association. We view the coastal environment of the Chita Peninsula as a single ecosystem, and in collaboration with other businesses, local governments, experts, non-profit organizations, and students, we are working to enhance biodiversity and establish an ecological network.

Talent Acquisition & Retention Strategy

Mission	To provide cutting edge solutions to the world's energy issues
Vision	To scale up its clean energy platform of renewables and low greenhouse gas thermal power, sparking sustainable development in Asia and around the world

HR Policy	A world-class company that leads the well-being of our employees and their families
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HR Value



Key Initiatives

1	Transformation to Job-Based Talent Management → P.53		- Aligning Business Strategy with Talent - JERA's Job-Based Management Approach - Expansion of Mid-Career Recruitment
2	Professional Development → P.54		- Support for Independent Career Development - Evaluation System - Development of Global and Managerial Talent
3	Building Our Corporate Culture → P.56		- Promoting Diversity & Inclusion - Promoting Health Management - Flexible Approaches to Work - Award Programs

Driving Growth Through “Offensive” and “Defensive” in Talent Acquisition & Retention



Taisuke Yokota

Senior Managing Executive Officer
Chief Human Resources Officer (CHRO)

At JERA, Human Resources (hereafter “HR”) stands by the policy of being a world-class company that leads the well-being of our employees and their families. We believe that to truly elevate employee engagement, we must consider not just individual employees but their families as well. We are committed to this HR policy as we drive our corporate growth and value creation from the standpoints of both “offensive” and “defensive” talent acquisition and retention.

Our “offensive” strategy entails increasing the certainty of achieving business strategies from a human resources perspective as a partner to our leadership and operational divisions. As the capabilities demanded by changes in the business environment grow more complex and diverse, we must grasp the needs of our business divisions and adapt the quantity and quality of our talent—the source of our competitiveness—to align with business strategies across our entire group by transforming our human resources through a job-based management approach that brings compensation in line with market standards and empowers our workforce.

On the other hand, “defensive” is not just about improving services for routine administrative operations of our globally expanding group but laying a solid foundation on which our diverse talent can work and thrive with peace of mind. We are committed to promoting healthy business practices, ensuring a safe and healthy workplace, and implementing flexible working arrangements to best suit our employees at the various stages of their lives. We believe that by creating such a working environment, organization, and corporate culture, every employee will be able to take pride and initiative in challenging themselves, thereby maximizing their potential not only as individuals but also as one team.

Talent is the very source of our group's growth. HR will shape an environment where employees can improve their abilities, feel their growth, and work proactively with a sense of purpose. We aim to harness a symbiotic relationship with employees as the company provides the foundations and environment needed for them to unleash their potential and grow. Through this growth and collaboration of our employees, we aspire to drive our company forward and meet the expectations of society.

Transformation to Job-Based Talent Management

Background and Purpose of the Job-Based Management Approach

Aligning compensation with the market ensures a dynamic match between business strategy and talent (e.g., recruiting, training, and positioning top talent, both internally and externally)

As we move forward, JERA must expand its global presence and devise novel solutions like constructing hydrogen and ammonia supply chains in order to address global energy challenges. And top-tier talent is essential for reliable execution. In addition to the retention of exceptional talent internally, compensation levels must be linked to the market in order to attract talent and expertise in areas missing within the company. At the same time, it is imperative that we achieve dynamic alignment between business strategy and talent (hiring, training, and positioning exceptional talent, both internally and externally).

Considering the social challenges facing Japan, such as the declining birthrate, aging population, and rigidity of the labor market, we expect competition for exceptional talent to intensify in the future. Additionally, we cannot overlook the fact that we are under pressure to respond to changes in employee career awareness, such as an increase in the number of foreign nationals, female employees, and other diversity-related themes, as well as a growing tendency for employees to change jobs.

With that in mind, we believe that to achieve our business strategy, we must transition from a conventional membership-based talent management approach to a job-based approach. While it has only been implemented for a select managerial segment, the job-based management system is going to be rolled out for all managers (approximately 1,000 individuals) by FY2024. As this system presupposes an equal footing between the company and employees, whereby individuals can autonomously choose and pursue their respective jobs and career paths, we will concurrently promote the fluidity of our internal talent market and lay the foundation so that an ethos of independent career development can spread throughout our organization.



To achieve our business strategy,
we must move away from a conventional membership-based talent management mode
and move toward a job-based approach.

JERA's Target for Job-Based Talent Management

The job-based employment system serves as a base for a "JERA-style" approach that considers Japan's unique labor environment

Based on this labor landscape—marked by low talent mobility and strong ties between university education and employment, among other factors—we have established a job-based management system tailored to JERA.

Key features include meeting employment obligations up to the age of 65, hiring new graduates based on potential, and applying membership-based performance reviews for general roles. These features are based on job-based employment systems commonly found overseas but are designed with Japan's unique labor landscape in mind.

	Japanese Market	JERA Job-based Management	Global Market
Employment Practices	Lifetime Employment Obligation to Hire Until Age 65	Lifetime Employment Obligation to Hire Until Age 65	Career Changes for Upward Mobility Termination Due to Performance
Hires	Employment Based on Potential	New Graduates: Hired based on potential Mid-Career: Hired for specific positions	Hired for specific positions
Evaluation and Promotion	Seniority-based/Skills-based Compensation (Pay for Person)	Managers: Linked to specific positions (Pay for Job) General Positions: Reflects ability (Pay for Person)	Linked to specific positions (Pay for Job)
Compensation Setting	Non-market Related	Industry-specific Market Alignment	Role-specific Market Alignment
Career Development	Company-initiated	Individual-driven	Individual-driven

Progress of Job-Based Employment (Expansion of Mid-Career Hires)

The number of mid-career hires has increased with the development of each of our businesses.

Mid-career hires now account for approximately 10% of all employees

As mentioned in Background and Purpose of the Job-Based Management Approach, we are expanding job-based hires due in part to the need for dynamic alignment of our talent and business strategies. This is supported by the fact that the number of mid-career hires has been increasing year over year, especially within corporate divisions that underpin our various business segments, aligning with the growth of our business units (with around 400 hires in total).

Number of Mid-career Hires by Segment

	Overseas Power Generation and Renewable Energy Business	Domestic thermal power generation and gas Business	Fuel Business	Other Corporate Divisions, etc.	Total
FY2019	4	1	1	15	21
FY2020	7	8	5	52	72
FY2021	10	22	11	89	132
FY2022	13	27	9	102	151

Talent Acquisition & Retention Strategy

Talent Development

Fundamental Approach

Respecting each employee's career plan as we anticipate and embrace the challenges of a new era
Offering challenging opportunities and providing maximum support for those aiming to become professionals in their area of expertise

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 JERA 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.

Assembling the Ideal JERA Team

Four Defining Characteristics

Diversity



Employees strive for individual 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 individual growth and seek to become professionals 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.

Independent Career Development Overview

Establishing proactive measures to help employees set independent career goals and bridge any gaps

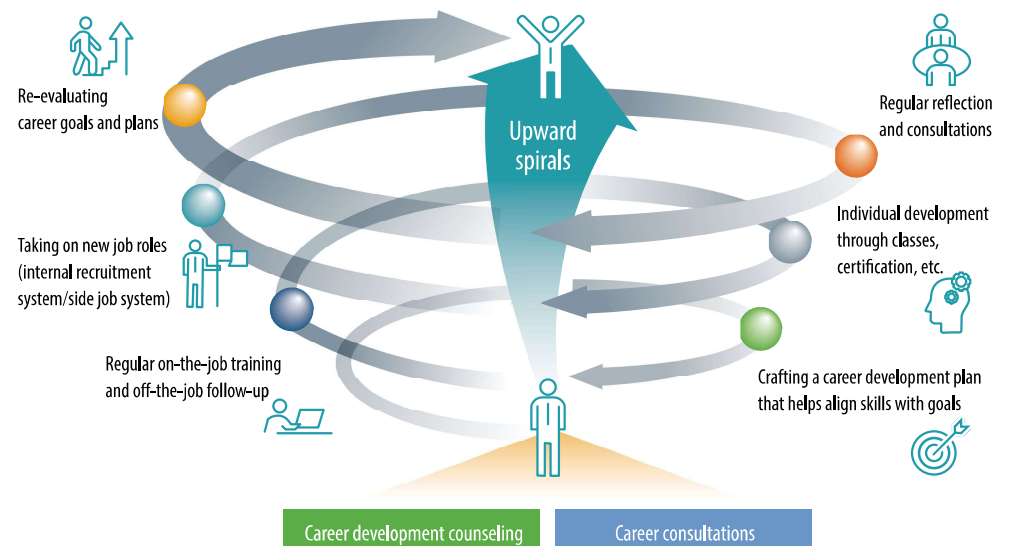
Based on the Talent Development Policy formulated in March 2020, we have introduced a framework that considers each employee a valuable asset and supports their autonomous career development. This aligns with our pursuit of job-based talent management, anchored in the philosophy that career development is individually driven and that everyone should be able to choose their own job.

Specifically, we allow employees to set their career goals, design plans to bridge the gap between their goals and current skill sets, engage in career development discussions, undergo training to improve their skills, take on side jobs or apply internally for new challenges, and revisit their career plans. These initiatives together facilitate an environment conducive to self-fulfillment.

We see talent as the very source of our growth potential. That is why we actively invest in human resources (Approx. 130,000 yen per person, per year) through the development of self-improvement support systems, global human resources, and manager talent in addition to elective training and other programs.

We are committed to investing in our people and 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



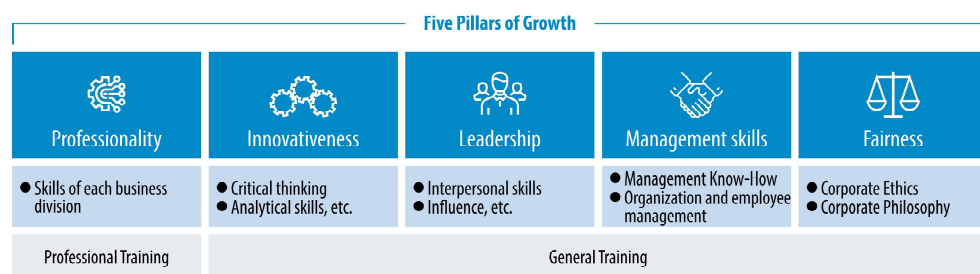
Talent Acquisition & Retention Strategy

Talent Development

Training System

Establishing a training system to support skill development as a mechanism to support independent career development

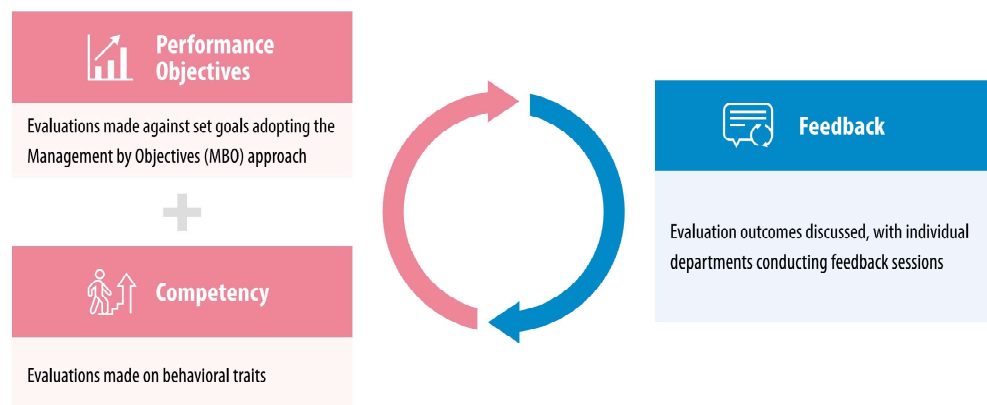
As part of our framework to encourage independent career development, we have established pillars of growth and a training system to facilitate multifaceted skill development. Currently, there are roughly 70 training programs with 130 different lectures to choose from, allowing employees to choose their courses according to their envisioned career paths. Additionally, in light of the trends toward decarbonization, we also deploy staff to the Green Innovator Project.



Evaluation System

An evaluation system centered around a goal-oriented management approach that fosters individual growth

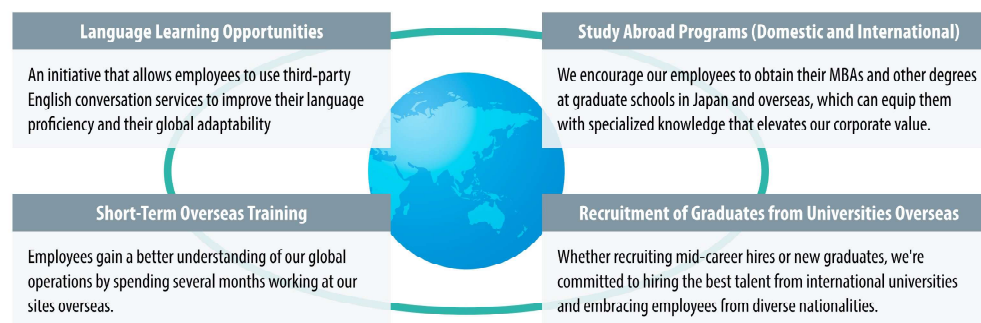
The evaluation system, primarily based on a goal-oriented management approach, uniquely incorporates competency assessment. Furthermore, by applying the PDCA cycle and ensuring that supervisors provide feedback, it's designed to facilitate the individual growth of our employees.



Fostering Global Talent

We are promoting a variety of initiatives to improve our talent's global adaptability, including offering opportunities for language acquisition

In order to achieve our vision for 2035, we believe that it is also essential to improve the global adaptability of our workforce. To this end, we are rolling out language learning opportunities and study abroad programs for our employees. Approximately 700 participants have joined language learning opportunities offered since FY2022.



Cultivating Executive Talent

Systematic cultivation of executive talent for sustained growth

To ensure our company continues to grow, it's pivotal to systematically equip the upcoming generation of our executive talent with a global perspective.

Our methods are two-fold: the Succession Plan and the Future Talent Development System (hereinafter referred to as "FTDS"). Notably, the FTDS grants ambitious early-career employees challenging assignments and facilitates accelerated growth through external training tailored to individual traits.



*Including offices overseas

Talent Acquisition & Retention Strategy

Building Our Corporate Culture

Overview of D&I Promotion

Creating New Value Rooted in Diversity

To achieve our mission, we need to create new value by advancing globalization and breaking free from stereotypes. What is crucial is an ethos that respects individuality, irrespective of nationality, age, gender, sexual orientation, gender identity, or disability. We have high hopes for JERA to become a place where every individual can maximize their abilities in a fair and equitable environment, where they feel a sense of contribution and individual growth.

Achieving Our Corporate Mission and Vision

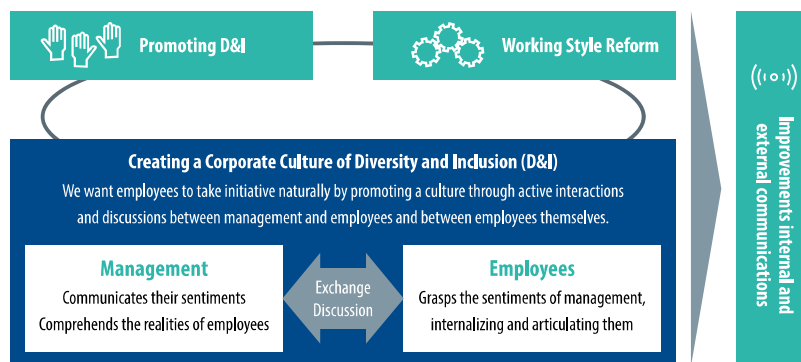
To scale up its clean energy platform of renewables and low greenhouse gas thermal power, sparking sustainable development in Asia and around the world

Realizing Our D&I Mission & Vision

Message: Transforming diversity into energy for change, we aim to become a company that maximizes our social contribution.
Ideal State: Aiming to lead the well-being of all employees, our company, and society at large

Building a Corporate Culture Where Innovation Comes Naturally

We aim to make it easier for employees to take initiative through the following ongoing D&I initiatives and achieve a state where innovation comes naturally in the course of positive confrontation between employees.



Enhancing Corporate Value Alongside Employee and Family Well-Being



The mission of the Diversity & Inclusion Division is two-fold: Help employees and their families feel well-being. Increase JERA's corporate value.

Currently, the majority of our company consists of male Japanese employees with backgrounds in power. However, the proportion of mid-career professionals, foreign nationals, and female employees is increasing rapidly. For our employees and their families to truly experience well-being and for us to enhance our corporate value, it's not just about having a diverse workforce (diversity). It's vital that every individual thrives in a fair environment (equity) and that we recognize and respect each other's unique characteristics and differences (inclusion).

Initially, we focused on support measures for minorities, such as promoting active participation by female employees. We believe that by engaging in discussions from diverse viewpoints and making decisions accordingly, we can break free from conventional stereotypes, which will lead us to innovative solutions. However, this may require revisiting customary practices. For instance, we are advancing certain labor reforms to ensure that employees, regardless of their time constraints, can have equal opportunities to contribute. We are also working on eliminating unconscious biases, such as common-held notions that housework and childcare are primarily a female's responsibility.

Rather than asking employees to adapt to the company's way of doing things, we are gathering insights into how they work. We aim to harness each individual's unique background and let them shine in their own ways, shaping a distinctive JERA culture.

Talent Acquisition & Retention Strategy

Building Our Corporate Culture

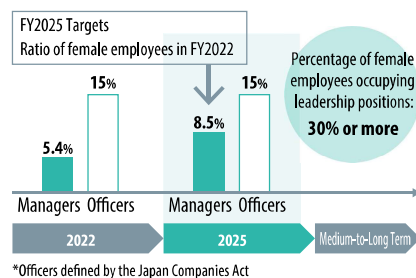
D&I Initiatives

Promoting initiatives that respect and embrace diversity and provide opportunities for all

Gender Diversity Initiatives

At JERA, we perceive further active engagement of motivated female employees as indispensable for enhancing corporate value. To that end, we hold a variety of events to attract female employees when recruiting new graduates. In FY2022, we hired 17 female employees from humanities backgrounds (48% of all humanities hires) and 13 from the sciences (23% of all science hires). In addition, we introduced a sponsorship system*¹ in FY2021 to increase the ratio of women in leadership roles. We aim to achieve 8.5% in FY2025 and over 30% over the medium-to-long term.

*¹ A policy aimed at supporting the career development of female employees by assigning them a sponsor, who is a supervisor not in their direct reporting chain. This sponsor assists them in accessing new opportunities and building networks, working in collaboration with their immediate supervisor.



Initiatives Related to LGBTQ+ Support

We are committed to building an organization where everyone can be their true selves at work, regardless of sexual orientation or gender identity. We are proud to promote our initiatives in support of the LGBTQ+ community. With in-house seminars and dedicated helplines, JERA was awarded silver in the PRIDE Index 2022*². We will continue to expand our initiatives toward our "Rainbow Certification" by the PRIDE Index.

*² An evaluation index of LGBTQ+ initiatives in the workplace certified by the private organization "Work with Pride"



Initiatives to Promote the Employment of People with Disabilities

JERA Miraiful*³ was established to create a society in which everyone can fulfill their potential, regardless of disability. This initiative brings together 12 staff members with disabilities and those without in an environment where everyone recognizes each other's unique qualities and collectively engages in their work. As a subsidiary of JERA, JERA Miraiful is committed to expanding its business to promote the employment of individuals with disabilities, thereby enhancing overall corporate value.

*³ A special subsidiary wholly owned by JERA

East Japan Center (Yokohama)



Strawberry cultivation at Yokohama Strawberry Park

East Japan Center (Nagoya)



Flower cultivation and flower bed management

Uniform management for JERA employees

Health Management

Creating a safe and secure working environment for both mind and body

JERA champions health management, aiming to create an infrastructure for employees to take on challenges in good health and with peace of mind. Recognized for our efforts, such as reducing overtime, encouraging employees to take leave, and hosting health-related events, we've been recognized for the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program in the large corporations category.

Flexible Approaches to Work

Creating an environment workplace where all employees can thrive in their own way

JERA has implemented a hybrid telework system that combines office and remote work. We aim to be a company that allows employees to work flexibly, unrestrained by time or place, somewhere they can work with purpose and increase their sense of fulfillment and accomplishment. In our FY2022 employee satisfaction survey, the satisfaction index regarding our approach to work was 73% (+1% from FY2021), indicating a positive evaluation within the company.

Commendation System

Promoting a Culture of Mutual Recognition and Praise

The commendation system was introduced in FY2022 to foster a culture of mutual recognition and praise in order to motivate employees and create an organization that can maximize performance. It has seen 453 commendations to date, indicating steady progress.

FY2023 Company-Wide Health and Hygiene Policy

[Policy] Promoting health initiatives is a key management priority for addressing employee well-being and their ability to undertake challenges with confidence.

1. Compliance with laws and regulations on health and safety
2. Implementation of health measures to ensure that employees in Japan and overseas can work in a safe and secure environment, both physically and mentally
3. Improving individual and organizational performance by encouraging everyday health habits



1. Choose How to Work

- Shift to a hybrid work style that leverages the advantages of both in-person and remote interactions

2. Choose When to Work

- Flexible working hours between 7:00 and 22:00
- Abolition of core working hours

3. Choose Where to Work

- Work from any location as long as security is not an issue (including overseas)

Purpose of the Commendation System

1	To recognize a wider range of behaviors and mindsets
2	To boost employee motivation
3	To cultivate a culture of encouragement

To foster a culture of acknowledgment and appreciation that enhances employee motivation and creates an organization where employees can achieve maximum performance

Human Rights

Fundamental Approach

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. We are committed to acting with integrity and respect for human rights based on the highest ethical senses to fulfill our mission as a global company.

JERA Group Human Rights Policy and Structure

In April 2022, we established the JERA Group Human Rights Policy. This policy was founded in accordance with international rules regarding human rights, such as the UN's Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights. We recognize the potential impact of our activities on the human rights of stakeholders, including customers and local communities, and this policy mandates a sustained effort to avoid complicity in any human rights violations. In accordance with this policy, we undertake the identification, prevention, mitigation, monitoring, and rectification of human rights risks and report our findings at internal committee meetings. Information regarding this policy and our human rights initiatives is published on our website and other platforms as we continue to engage in open dialogue with our stakeholders.



Human Rights Education and Training

In December 2022, we invited instructors from outside the company to hold a seminar on Business and Human Rights, which was attended by approximately 400 managers. In August 2023, we conducted human rights training for all employees on topics including business and human rights risks, as well as harassment prevention. We aim to continue these activities to enhance and establish a deeper understanding of human rights within the organization.

Relief Mechanisms for Human Rights and Other Issues

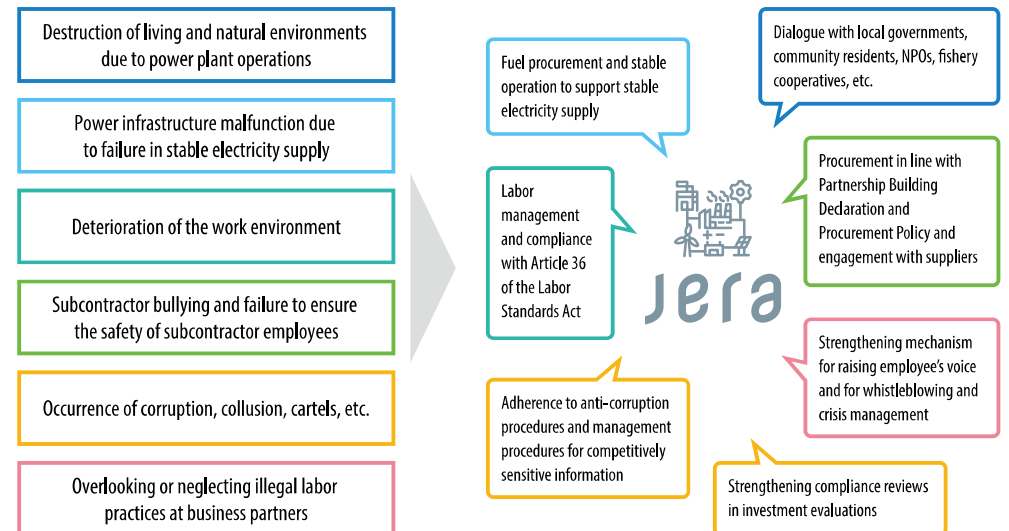
We have established internal whistleblower hotlines to quickly detect and resolve human rights violations concerning the JERA Group and maintain a safe and comfortable work environment for our employees. We are dedicated to preventing any inappropriate behavior that infringes upon human rights, including sexual harassment and abuse of power.

Promotion of Human Rights Due Diligence and the Establishment and Operation of a Human Rights Structure

Current Responses: Measures to Date

Aiming to respect human rights across our entire supply chain, we are working to establish a human rights due diligence framework that is based on the UN Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, and Japan's Guidelines on Respecting Human Rights in Responsible Supply Chains. In FY2022, we conducted an analysis of potential negative impacts within our supply chain, drawing on reports issued by government agencies and human rights NGOs, along with insights gathered from internal discussions on our human rights efforts. In particular, we identified human rights issues believed to have a significant negative impact and reviewed measures taken to address them. Under the JERA Group Human Rights Policy, we are committed to regularly reviewing human rights issues and continuously working to resolve and rectify them as we move forward.

Potential Risk Areas and Our Responses



Coexisting with Local Communities

Fundamental Approach

Our operations have a broad international reach, and we recognize how imperative it is for us to actively cooperate with the regions and communities where we do business to find solutions to global issues such as climate change as well as poverty, inequality, natural resource problems, and demographic change.

As a company focused on working responsibly with local communities, we formulated our Social Contribution Activity Policy in 2021 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 promoting and working closely with local communities.

As we move forward, we will continue leveraging our strengths to address and resolve the issues 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.

Management Structure

Each of our business sites, which center around our power plants, is involved in initiatives rooted in their respective communities based on the Social Contribution Activity Policy. In April 2023, we established the General and Regional Affairs Division, which unites departments related to community across JERA, in order to communicate with various stakeholders and help them better understand our business. We are committed to sharing information across the company to further enhance our regional and community outreach.

Social Contribution Activity Policy

(Established July 2021)

[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 for many rare insects and other species to inhabit.

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.

In addition, every year since FY2020 onward, we have conducted beach cleanup activities in Akita Prefecture in cooperation with local residents and the players and staff of the Aranmare women's basketball team, of which JERA is an official sponsor.



Educating the Next Generation

Support for Activities of Sakura Tempesta, Junior High and High School Student Robotics Team

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 All-Star Award, given to a rookie team with outstanding success in advancing respect and appreciation for engineering and engineers.

JERA is a sponsor of Sakura Tempesta and works with the team on community service and workshops to promote STEAM education* for the next generation. In FY2022, we collaborated on a robotics contest and workshop at our Family Day to promote understanding among employees and their families.

* STEAM education fields: An educational concept that integrates science, technology, engineering, liberal arts, and mathematics



Photo courtesy of NPO Sakura Tempesta

Continuing Our Scholarship Program

We 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.

Since FY2020, we have continued to provide 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

Community Development Using Locally Produced Energy for Local Consumption and Local Disaster Prevention*

We are promoting Locally Produced Energy for Local Consumption and Local Disaster Prevention*, in which locally-produced energy using local resources is utilized for disaster prevention. In the event of an emergency, we cooperate with each local government to help create safe and secure towns.

In Atsuma Town, which sustained damage in the Hokkaido East Iburi Earthquake, we provided support for energy management efforts by installing renewable energy power generation equipment and storage batteries in public facilities.

Overseas/Affiliate Initiatives and Contributions to SDGs

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

In addition, our affiliate Reliance Bangladesh LNG & Power (JERA has a 49% stake, Reliance Power has 51%) has been making contributions to communities based on local needs, such as donating equipment to four elementary schools in the surrounding area, providing courses to promote employment, and offering free health checkups.



Safety

Fundamental Approach

We give the highest priority to safety in all our business activities

Our mission is to provide cutting edge solutions to the world's energy issues. Power generation and fuel facilities operate under high pressures and temperatures, handling many hazardous materials. It is essential to eliminate life-threatening risks and provide stable energy to ensure the safety of all personnel involved in facility operation and maintenance.

We have accordingly formulated a safety philosophy, declaring our commitment to safety by ensuring that we pursue business activities based on the basic premise of Safety First throughout our supply chains, from upstream fuel procurement to electricity sales.

- 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.

The Scope of Our Safety Activities

Our businesses cannot be implemented solely by our employees but rather are enacted collaboratively with group and business partners at the workplace. That is why we aim to provide the same level of safety for everyone involved in the JERA group's operations. We are committed to daily safety activities that prevent workplace injuries, however minor, in pursuit of our safety philosophy. We intend to expand the scope of our activities to encompass JERA, its group companies, and business areas and achieve the highest standards of safety in the world.



JERA's Safety Vision

For the JERA Group to realize business operations that prioritize safety, every group employee must understand and act on the principle of Safety First.

Accordingly, we formulated our JERA Safety Vision in February 2023 to concisely and accessibly present our vision of the future we seek to realize via our Safety First policy, using a common language that transcends nationality, ethnicity, and affiliation.

JERA Safety Vision serves as the framework for cultivating a culture of safety in our group. It encourages dialogue within our group and with partners to facilitate the implementation of integrated safety initiatives.

Every JERA employee and associate can enjoy a physically and mentally healthy and safe workplace and go home satisfied.

In Pursuit of Zero Accidents



Hiroshi Oyabu

Senior Managing Executive Officer
Chief Business
Support & Solutions
Officer (CBSSO)

Safety at JERA was started based on a culture of safety and approaches that have been proven in Japan over many years. However, as we operate in many countries and regions around the world, we bear the responsibility of ensuring accident-zero workplaces where people of different nationalities, perspectives, and customs work together.

Safety is the basic premise of all our business operations.

We seek to incorporate safety approaches from around the world into our standard Japanese-style safety practices, leveraging this fusion to create a culture of safety unique to JERA and in keeping with our diverse operations.

Safety

Restructuring Safety Activities

Third-Party Assessment of Safety Activities

We had its safety practices assessed by a third party in 2021. The analysis recommended focusing on the following areas in order to strengthen our culture of safety and implement our safety philosophy.

1. Clear leadership and public commitments by management
2. Increased emphasis on the creation and governance of an organizational structure to strongly and efficiently promote safety
3. Verify and further improve the effectiveness and efficiency of safety management systems and practices.

In FY2022, we implemented initiatives to reflect these recommendations and thus formulated the Safety Action Strategy as a leadership-focused initiative to set medium-term action items for our group's safety, using this strategy to guide us in a systematic approach to taking concrete action.

Major Safety Initiatives in FY2022

Priority Action Items	Major Initiatives
Leadership: Clarification of our safety action strategy and facilitation of safety awareness among all employees	● Development of a safety action strategy ● Held management-level workshops ● Held safety commendation ceremonies
Organizational Structure: Establishment of a robust system for safety activities	● Establishment of safety manager meetings
Business Operations: Implementation of policies for the creation of safe workplaces	● Enhancement of the company intranet safety website

Safety Strategies for FY2023–25	Major Safety Initiatives in FY2023
Leadership: ✓ Continuous leadership from management and raising individual safety awareness	● Leadership by example from management to promulgate our safety philosophy and vision ● Heightened safety awareness via increased opportunities for participation in safety activities
Organizational Structure: ✓ Constructing a robust management system to lead our safety efforts	● Establishment of an integrated system to promote safety ● Development of operational procedures for the accurate implementation of the Plan-Do-Check-Act (PDCA) cycle
Measures: ✓ Effective safety activities to address changes in the environment	● Effective safety activities to achieve safe, accident-zero workplaces ● Improved support in all divisions to promote safety

Leadership from Management

Officers visited workplaces, engaging in dialogue with employees to directly communicate JERA's strong belief in safety in accordance with our commitments to safety first and an accident-zero workplace. Furthermore, management also held workshops to reaffirm officers' goals for company safety.

We further strengthened our commitment to individual safety awareness by hosting award ceremonies, creating a space for management to directly recognize the exemplary contributions of our employees and partner companies to daily safety activities in the workplace.

Featured

Safety Commendation Ceremonies

We hold safety commendation ceremonies to recognize the daily contributions to safety made by everyone working at our power plants, construction sites, and other areas in our group, as well as to encourage continued employee engagement in safety activities.

In FY2022, a total of 44 organizations and 24 individuals attended these commendation ceremonies, which were held in person while taking precautions against COVID-19.



Management-Level Workshop

In December 2022, we conducted a workshop for officers on JERA's Safety Target. During the workshop, participants shared keywords that they felt represented safety, reaffirming their common target for safety and strengthening their resolve to prevent workplace injuries, however minor, to all personnel involved with our group.

We formulated the JERA Safety Vision based on this strong commitment to safety expressed by workshop participants.



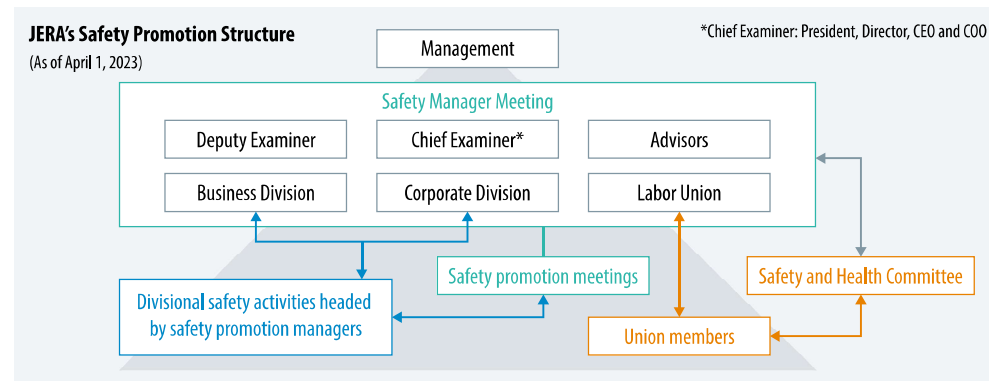
Safety

Safety Promotion Structure

Our safety and health management systems are based on the Industrial Safety and Health Act, and we exactly put safety management into practice at our workplaces. We do not limit safety management to a workplace-by-workplace basis, instead envisioning it as a collective effort toward company-wide safety. Therefore, we have established a safety promotion system centered around safety promotion managers appointed from each division, with the President, Director, CEO and COO serving as its chief examiner.

In addition to labor union representatives, outside experts also participate in safety manager meetings, conducting discussions on a regular basis to identify matters related to company-wide safety and to find solutions to issues.

In the future, we also aim to include group companies as members in these meetings to build a group-wide system for promoting safety.



Effective Safety Activities: Steps Toward Zero Accidents

We are developing workplace-wide safety activities in Japan and abroad to ensure zero accidents in the workplace.

In Japan, our safety practices include daily inspections of thermal power plants to identify any potential hazards and to ensure safety through maintenance and other measures. We also check each work process and operational procedure of operators and workers, conducting operations only when all necessary safety measures are in place. Furthermore, we regularly hold discussions with the heads of power plants about measures for ensuring zero accidents, sharing positive examples from specific workplaces and applying these to other sites to further strengthen our commitment to achieving zero accidents.

One example is our effort to eliminate heatstroke injuries, which have spiked in recent years and are a major cause of accidents in our group. Our efforts, which include improving preventative equipment, distributing items to counter heatstroke in workplaces, and raising heatstroke awareness, have enabled us to reduce heatstroke cases in FY2022 by two-thirds compared to the previous fiscal year.



Safety patrol at Mekong Energy's Phu My 2.2 power plant (Vietnam)

Facility Safety Measures for Emergency Readiness

We must be able to quickly bring facilities back online, even in the event of natural disasters or other major emergencies. We, therefore, manage our thermal power plants appropriately in accordance with all relevant laws and regulations, including conducting drills and training, to be fully prepared for any emergencies.

Earthquake Countermeasures

We design and build new thermal power plants in keeping with all relevant earthquake laws and regulations, as well as the earthquake regulations set forth in the Seismic Design Code (JEAC), and conduct periodic facility inspections after completing construction to ensure earthquake resistance. Additionally, we take into account any earthquakes announced by official government bodies such as the Cabinet, evaluating the seismic resistance of key facilities and implementing measures such as seismic reinforcement to avoid long-term shutdowns due to damage or destruction. Going forward, whenever earthquake predictions or other new information becomes available, we will act on these insights to assess the adequacy of our current earthquake preparedness and implement any required measures.

Safety Measures in LNG Handling

Our thermal power plants and LNG terminals handle vast quantities of LNG, so 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.

Stakeholder Engagement

Fundamental Approach

We are committed to proactive communication with our stakeholders, who include customers, business partners, local communities, shareholders, investors, and 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.

Recognizing the importance of rewarding our employees and out of consideration for our business partners, we set forth a Multi-Stakeholder Policy in August 2023.



Multi-Stakeholder Policy

<https://www.jera.co.jp/sustainability/multistakeholder> (Japanese)

Featured

On July 20, 2023, JERA signed a memorandum of understanding with Saudi Arabia's Public Investment Fund (PIF) for the joint development of green hydrogen projects, among others. To achieve JERA Zero CO₂ Emissions 2050, we are collaborating with leading companies both domestically and internationally to build and expand supply chains for hydrogen and ammonia.



Main Stakeholders	Demands & Expectations	Initiatives	Outcomes
Customers 	- Stable electricity supply - Energy supply in pursuit of customer experience satisfaction - Adoption and expansion of Decarbonization and renewable energy - Promotion of ESG initiatives	We deliver a stable energy supply to customers worldwide by building platforms 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 transitioning to a decarbonized energy model based on ESG-conscious business operations in order to meet customer expectations and earn their trust.	- Sales Activities - Website
Business Partners 	- Environmentally and socially responsible procurement and outsourcing - Fair and equitable trade - Stronger collaboration	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 business partners.	- Contract compliance review - Procurement policy briefings - Domestic and international business collaborations
Local Communities 	- Environmentally responsible business operations - Respect for human rights in local communities - Local economic contribution - Local job creation and skills development	We build and maintain trust through active dialogue with local stakeholders to achieve sustainable growth alongside communities in Japan and abroad, including those that host our power plants. We are committed to meeting the expectations of all of our stakeholders through the development of society through social contributions and business activities that respect the nature, history, culture, and customs of each country and region in which we conduct business.	- Participation in local community events - Scholarship programs and power plant tours
Shareholders and Investors 	- Enhanced corporate value - Strengthened earning power - Improved information disclosure	We are enhancing company reporting and seek to expand and deepen understanding through dialogue with capital market participants, including shareholders, investors, rating agencies, securities firms, and ESG evaluation providers. We will incorporate feedback from the capital market throughout our organization to inform managerial improvements as we continue to enhance corporate value.	- Shareholders meetings - IR briefings - One-on-one and group IR meetings - Issuing of reports - Issuing of integrated reports
Employees 	- Attractive compensation packages - Career development support - Promoting D&I - Promoting health management - Elimination of discrimination and harassment - More effective reporting systems	By providing attractive compensation packages, we attract outstanding talent from both in and outside the company, propelling business growth. We also support independent career development and encourage our employees to grow professionally. Furthermore, we promote diversity and inclusion (D&I) and health management, establishing a safe working environment where our diverse talent can grow. All of these initiatives are founded on respect for human rights.	- Compensation packages in line with market standards - Expansion of internal recruitment (recruitment positions in FY2022 increased by about 3.5 times compared to the previous fiscal year) - A safe working environment that empowers diverse talent - Selection under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program - Establishment of harassment consultation hotline

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 acceleration 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/en/sustainability/governance/about>

*These guidelines set out our fundamental approach to 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.

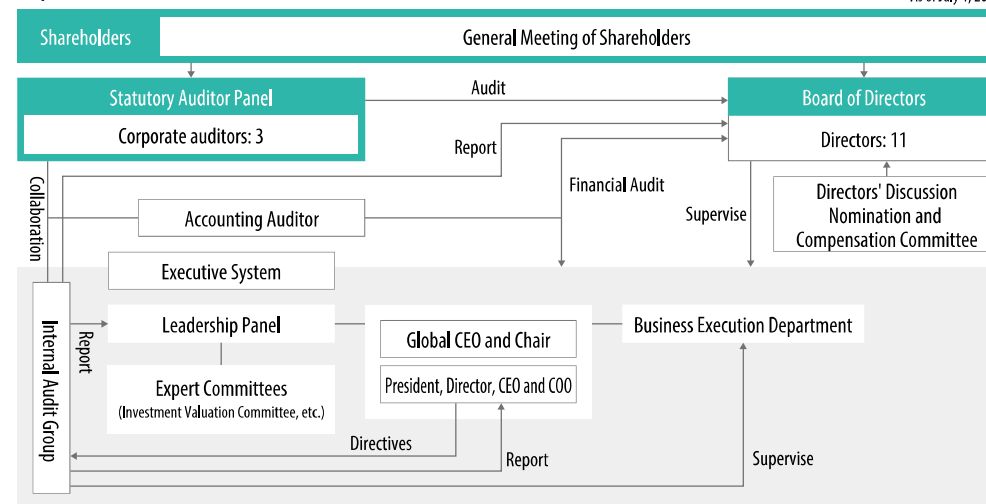
Governance System

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, we have corporate auditors as independent officers who are responsible for auditing the execution of the Directors' duties. Additionally, we have established a Statutory Auditor Panel to ensure effective communication among corporate auditors. This panel facilitates the exchange of opinions and provides relevant information related to audits, management, business, and other related matters.

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

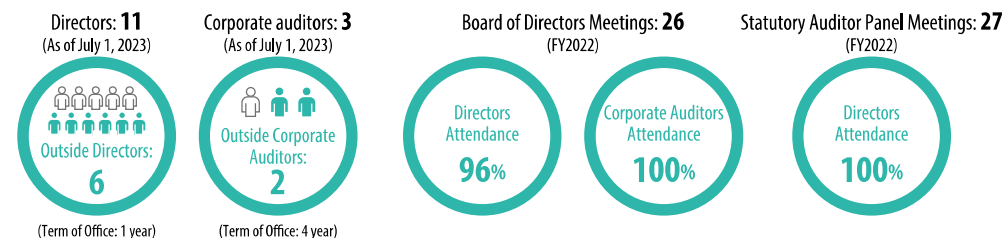
Corporate Governance Structure

As of July 1, 2023



Overview of Corporate Governance

Organizational Design: Company with Corporate Auditors



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 our shareholder companies, we hire directors who are neither to ensure diversity of knowledge, experience, and other attributes among the board.

Corporate Governance

Key Deliberations of the Board of Directors

The Board of Directors generally convenes once a month and is responsible for formulating our basic management policies, including our business strategies and plans. Additionally, it makes decisions on significant large-scale investments related to our strategic direction and supervises the execution of business operations. In determining basic management policies, detailed discussions are held at the Directors' Discussion, which consists of all our directors. This ensures that we consider a multifaceted range of opinions brought by our diverse board, adapting to the ever-changing international situation, business environment, and the roles we ought to play. For the supervision of business execution, we have established a reporting framework where directors responsible for business execution provide both regular and ad-hoc reports as needed. This ensures timely and accurate information sharing and appropriate response. The primary agenda items in FY2022 were as follows.

Key Discussion Points of the Board of Directors

Category	Description
Crisis Response	Measures in response to the invasion of Ukraine and energy security
Management Strategies	New long-term vision, new environmental commitments, financial strategies, new management goals, growth strategies, and safety measures
Regional Strategies	Regional business strategies across the globe
Decarbonization Strategies	Development strategy for zero-emissions thermal power and the establishment of a hydrogen/ammonia value chain
Investment Decisions	Business investments and M&A decisions in Belgium, the United States, Asia, Japan, and more

Leadership Panel and Expert Committees

We have established a Leadership Panel that consists of the Global CEO and Chair, the President, Director, CEO and COO, and the CXO (Chief X Officer) 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.

Role of the Nomination and Compensation Committee and Its Discussion Topics

We have established a Nomination and Compensation Committee, which comprises three or more directors, including two outside directors from JERA's shareholder companies. The Committee was formed to discuss matters related to the appointment and compensation of directors, corporate auditors, and executive officers.

In FY2022, the Nomination and Compensation Committee met a total of 10 times. Attendance details for each of these meetings are as follows:

Nomination and Compensation Committee Attendance

Position	Name	Meetings Attended
Chair	Toshihiro Sano	10 of 10 meetings
President	Satoshi Onoda	10 of 10 meetings
Outside Directors	Satoru Katsuno	10 of 10 meetings
Outside Directors	Seiji Moriya	10 of 10 meetings

(Note) The above officers and their positions are as of the end of FY2022.

Specific matters examined by the Nomination and Compensation Committee include the appointment, roles, and responsibilities of directors and executive officers, as well as the setting of compensation amounts, which are then separately approved by the Board of Directors.

Strengthening of JERA Group Governance

We provide 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, we have 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.

Since FY2022, we have continued 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



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. We strive to provide materials to each director several days ahead of scheduled meetings. Additionally, for our outside directors, we organize pre-meeting briefings and Q&A sessions regarding agenda items, ensuring that thorough deliberations can occur based on ample information, thereby optimizing the limited time allotted for discussions.

In FY2022, we covered a wide range of topics carried over from FY2021 during several discussions of key management issues. These included revisiting critical management issues such as decarbonization strategies, financial strategies, regional strategies, and our efforts toward safety, among others.

Compensation Structure for Officers

The compensation for our directors is determined within the limits approved at the General Meeting of Shareholders, based on the deliberations of the Nomination and Compensation Committee and the resolutions of the Board of Directors.

Director compensation utilizes performance-based rewards in addition to fixed compensation. This approach stems from our intent to provide sound incentives that align with our aspirations for sustained growth.

Total Officer Compensation in FY2022

Officer Classification	Total Compensation (Millions of yen)	Compensation Breakdown by Type (Millions of yen)		Number of Officers
		Compensation	Rewards	
Directors	311	238	73	8
Corporate Auditors	77	77	—	3

(Note) The above rewards are allocated to 5 directors as of the end of the current period, excluding outside directors.

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.

Key Measures in FY2022

- Inviting outside experts to the Directors' Discussion
- Power plant inspections by outside directors (to understand the practical workings and safety initiatives at frontline facilities)
- Allocating discussion time based on the nature of each proposal
- Implementing guidelines for document creation
- Resuming in-person meetings, including with outside directors

Assessment Outcomes for FY2022

- There is a need to further refine the discussion time allocated for each item and spend more time on overarching business strategies
- We aim to continue increasing the number of outside directors who are not affiliated with our shareholder companies

Key Measures Heading into FY2023

- Ensuring diversity, including increasing the ratio of non-Japanese and female directors
- Implementing well-balanced allocation of discussion time, including for written resolutions
- Enhancing document creation guidelines for the Board of Directors

Directors & Officers

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.

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

Directors



Reappointed
Global CEO and Chair
Yukio Kani

Board Meetings Attended: 25/26 (96%)
Term of office: 7 years

Apr. 1986: Joined Tokyo Electric Power Co., Inc.
Apr. 2013: Executive Officer, Tokyo Electric Power Co., Inc.
Apr. 2015: Executive Officer, Tokyo Electric Power Co., Inc.
Vice President, TEPCO Fuel & Power, Inc.
Apr. 2016: Managing Director, JERA
July 2016: Managing Director and Chief Strategy Officer, JERA, Director (non-executive), TEPCO Fuel & Power, Inc.
Apr. 2019: Corporate Vice President, Chief Operating Officer, and Director of the Business Development Department, JERA
Apr. 2020: Corporate Vice President, Chief Operating Officer, and Director of the Business Development Department, JERA
Apr. 2022: Corporate Vice President, Managing Executive Officer, and Director of Business Development, JERA
Apr. 2023: Global CEO and Chair of JERA



Reappointed
President, Director, CEO and COO
Hisahide Okuda

Board Meetings Attended: 26/26 (100%)
Term of office: 3 years

Apr. 1988: Joined Chubu Electric Power Co., Inc.
July 2017: General Manager, Strategies & Alliances Office, Head of Corporate Planning & Strategy Division, Chubu Electric Power Co., Inc.
Apr. 2019: Managing Executive Officer and Chief Operating Officer of the Corporate Strategy Department, JERA
Apr. 2020: Managing Executive Officer, Director, and Chief Operating Officer of the Corporate Strategy Department, JERA
Apr. 2021: Corporate Vice President, Managing Executive Officer, Director, and Chief Operating Officer of the Corporate Strategy Department, JERA
Apr. 2022: Corporate Vice President, Managing Executive Officer, and Director of Corporate Strategy, JERA
Apr. 2023: President, Director, CEO and COO of JERA



Reappointed
Corporate Vice President, Managing Executive Officer, Director, and Chief Financial Officer (CFO)
Kazuo Sakairi

Board Meetings Attended: 25/26 (96%)
Term of office: 4 years

Apr. 1987: Joined Bank of Tokyo (now MUFG Bank, Ltd.)
Jan. 1995: Vice President, Bank of Tokyo Trust Company (New York)
Nov. 2002: M&A Team Head Corporate Advisory Department, Mitsubishi Securities (now Mitsubishi UFJ Morgan Stanley Securities)
June 2006: Senior Director, GCA Corporation (now Houlhan Lokey, Inc.)
Jan. 2015: Executive Officer, Managing Director, and Head of Asia Region, GCA Corporation (now Houlhan Lokey, Inc.)
Apr. 2019: Director, Managing Executive Officer, and CFO, JERA
Apr. 2022: Director, Corporate Vice President, Managing Executive Officer, and Chief Financial Officer of Finance and Accounting, JERA
July 2023: Director, Corporate Vice President, Managing Executive Officer, and Chief Financial Officer, JERA



New Appointment
Corporate Vice President and Chief O&M Engineering Officer (COMEO)
Tetsuya Watabe

Board Meetings Attended:
—

Apr. 1987: Joined Chubu Electric Power Co., Inc.
July 2011: General Manager, Head of Operation & Maintenance Section, Thermal Power Department, Power Generation Division, Chubu Electric Power Co., Inc.
July 2013: General Manager, Head of Operation & Maintenance Section and Head of Project Planning Section, Thermal Power Department, Power Generation Division, Chubu Electric Power Co., Inc.
July 2014: General Manager and Chief Operating Officer of Hekinan Thermal Power Station, Chubu Electric Power Co., Inc.
Apr. 2016: General Manager and Chief Operating Officer of the Business Planning Office, Chubu Electric Power Co., Inc.
Apr. 2018: Executive Officer and Chief Operating Officer of the Business Planning Office, Chubu Electric Power Co., Inc.
Apr. 2019: Managing Executive Officer and Senior Operating Officer of the Optimization Department, JERA
Apr. 2021: Senior Managing Executive Officer and Chief Operating Officer of the O&M Engineering Department, JERA
Apr. 2022: Senior Managing Executive Officer in charge of O&M Engineering, JERA
June 2023: Director (non-executive), JERA
July 2023: Director, Corporate Vice President, Managing Executive Officer, and COMEO, JERA

Reason for Appointment

Tetsuya Watabe has over 30 years of experience in planning, constructing, and operating thermal power plants. With a background in high-efficiency power generation for stable electricity supply and in developing gas supply initiatives, he is well-suited for the director's role. We believe he will contribute effectively to strengthening the end-to-end value chain, from procurement to power generation and sales.



Reappointed Outside
Director'
Joseph M. Naylor

Board Meetings Attended: 26/26 (100%)
Term of office: 2 years

Sep. 1982: Joined Chevron (California)
July 2006: CEO/COO, Sasol Chevron (UK)
Mar. 2009: General Manager — Business Development, Projects, Chevron (California)
Aug. 2013: Corporate Vice President — Strategic Planning, Chevron (California)
Apr. 2016: Corporate Vice President — Policy, Government and Public Affairs, Chevron (California)
Apr. 2021: Director (non-Executive), JERA



Reappointed Outside
Director'
Miyuki Suzuki

Board Meetings Attended: 24/26 (92%)
Term of office: 2 years

Mar. 2002: Executive Vice President and Head, Consumer Business, Japan Telecom Co. Ltd.
June 2004: CEO Asia Pacific for LexisNexis.
Jan. 2007: President and CEO, KVH Co Ltd.
Dec. 2011: Chief Executive Officer and Representative Director, Jetstar Japan KK
May 2015: President and General Manager, Cisco Systems Japan
Jan. 2018: President, Asia-Pacific, Japan and China, Cisco Systems (Singapore)
Apr. 2021: Director (non-Executive), JERA
July 2021: Director (non-Executive), Western Digital Corporation (current)
Aug. 2022: Director (non-Executive), Twilio, Inc. (current)



New Appointment Outside
Director'
John Rittenhouse

Board Meetings Attended:
—

Aug. 1980: Arthur Young & Co. (USA)
Sep. 1983: Brandeis Intsel, Pechiney Trading (USA)
Nov. 1986: Intermarket Capital Partners (USA)
Oct. 1989: Louis Dreyfus Energy (UK)
Oct. 1998: CFO/Managing Director, EDF Trading Limited (UK)
July 2008: CEO & Board Director, EDF Trading Limited (UK)
Dec. 2020: Board Director (non-Executive), D.Trading BV (Netherlands) (current)
Jan. 2022: Director (non-Executive), JERA Americas Holdings Inc. (USA) (current)
May 2022: Board Director (non-Executive), DTEK Renewables Int. BV (Netherlands) (current)
Feb. 2023: Board Director (non-Executive), Spearmint Energy LLC (USA)
June 2023: Director (non-Executive), JERA

Reason for Appointment

With 40 years of experience in the commodity industry and specialized knowledge in global corporate governance, John Rittenhouse is well-suited for the director's role. We believe he will contribute effectively to realize consolidated energy trading and to strengthen risk management for optimization business.

Directors & Officers



New Appointment Outside

Director¹
Lim Hwee Hua

Board Meetings Attended:
—

Dec. 1996: Elected to the Singapore Parliament
Aug. 2000: Managing Director, Temasek Holdings (Private) Limited
Apr. 2002: Deputy Speaker of Parliament of Singapore and Chairman of Public Accounts Committee
Aug. 2004: Minister of State for Finance and for Transport
Apr. 2008: Senior Minister of State for Finance and for Transport
Apr. 2009: Minister in the Prime Minister's Office in Singapore, concurrently Second Minister for Finance and for Transport
July 2011: Non-Executive Independent Director, Jardine Cycle & Carriage Limited (current)
June 2020: Vice Chairman, International Valuation Standards Council (current)
Mar. 2022: Non-Executive Independent Director, Nippon Paint Holdings Co. Ltd (current)
Apr. 2023: Non-Executive Independent Chairman, Japfa Ltd (current)
June 2023: Director (non-Executive), JERA

Reason for Appointment

With extensive knowledge and experience in political and economic trends across Asia, Lim Hwee Hua is well-suited for the director's role. We believe she will contribute effectively to our global asset and risk management and to expand our business and networks in Asia.



Reappointed

Director
Toshihiro Sano

Board Meetings Attended: 25/26 (96%)
Term of office: 8 years

Apr. 1977: Joined Tokyo Electric Power Co., Inc.
June 2014: Director and Vice President, Tokyo Electric Power Co., Inc.
Apr. 2015: Director (non-executive), JERA
Apr. 2016: Director, Tokyo Electric Power Company Holdings, Inc.; President, TEPCO Fuel & Power, Inc.
June 2017: Chairman, TEPCO Fuel & Power, Inc.
Apr. 2019: Chairman, JERA
Apr. 2023: Director (non-executive), JERA



Reappointed Outside

Director¹
Satoru Katsuno

Board Meetings Attended: 22/26 (85%)
Term of office: 2 years

Apr. 1977: Joined Chubu Electric Power Co., Inc.
June 2013: Director, Executive Vice President, General Manager of Corporate Planning & Strategy Division at Chubu Electric Power Co., Inc.
June 2015: President and Director at Chubu Electric Power Co., Inc.
Apr. 2020: Chairman of the Board of Directors, Chubu Electric Power Co., Inc. (current)
Apr. 2021: Director (non-Executive), JERA



New Appointment Outside

Director¹
Daisuke Sakai

Board Meetings Attended:
—

Apr. 1994: Joined Tokyo Electric Power Co., Inc.
Apr. 2016: General Manager, Business Planning Office, TEPCO Fuel & Power, Inc.
Apr. 2019: President, TEPCO Logistics Co., Ltd.
Apr. 2021: General Manager, Corporate Planning Office, Corporate Management & Planning Unit, TEPCO Holdings, Inc.
Apr. 2022: Managing Executive Officer, Corporate Planning and Business Reorganization Manager, TEPCO Holdings, Inc.
Apr. 2023: Executive Vice President, TEPCO Holdings, Inc.
June 2023: Director (non-Executive), JERA
June 2023: Representative Executive Vice President, TEPCO Holdings, Inc. (current)

Reason for Appointment

We believe that Daisuke Sakai's extensive experience in addition to his perspective as a shareholder will contribute to our sophisticated corporate governance and management strategies. For these reasons, we believe he is well-suited for the director's role.

Corporate Auditors



Reappointed Outside

Corporate Auditors²
Hideo Oishi

Board Meetings Attended: 26/26 (100%)
Auditor Panel Meetings Attended: 27/27 (100%)
Term of office: 4 years

Apr. 1985: Joined the Japan Development Bank (now the Development Bank of Japan Inc.)
June 2015: Member of the Board of Directors and Managing Executive Officer at the Development Bank of Japan Inc. (until June 2018)
June 2016: Executive Director, Research Institute of Capital Formation at Development Bank of Japan Inc.
Apr. 2019: Corporate Auditor, JERA



New Appointment

Corporate Auditors
Shuichi Kimura

Board Meetings Attended:
—
Auditor Panel Meetings Attended:
—

Apr. 1991: Joined Chubu Electric Power Co., Inc.
Apr. 2018: General Manager, Maintenance Group, Thermal Power Generation Business in the Power Generation Company at Chubu Electric Power Co.
Apr. 2019: General Manager of the Kawasaki Thermal Power Station O&M Department, JERA
Apr. 2021: General Manager, Nuclear Safety Research & Development Center of the Research & Development Division at Chubu Electric Power Co., Inc. (Seconded from the O&M Engineering Group, JERA)
Apr. 2023: Senior Supervisor of the Auditor's Section, JERA
June 2023: Corporate Auditor, JERA

Reason for Appointment

Shuichi Kimura possesses extensive experience in the fields of thermal power plant operation, maintenance, and construction, as well as in gas sales. Given his expected contributions to strengthening the auditing process, particularly in terms of safety and technological advancement, we believe he is highly qualified to serve as a corporate auditor.



Outside

Corporate Auditors²
Michitaka Kondo

Board Meetings Attended: 26/26 (100%)
Auditor Panel Meetings Attended: 27/27 (100%)
Term of office: 1 year

Apr. 1985: Joined Tokyo Electric Power Co., Inc.
Oct. 2020: Audit Special Officer, Tokyo Electric Power Company Holdings, Inc.
Apr. 2022: Corporate Auditor, JERA

Messages from the Outside Directors

JERA's Path to Becoming a Global Energy Leader: Integrating ESG Objectives

Joseph M. Naylor Outside Director, JERA Co., Inc.

He previously served as Corporate Vice President of Chevron, covering Policy, Government and Public Affairs. He joined JERA in April 2021 as a member of the Board of Directors.



JERA's mission is to provide cutting edge solutions to the world's energy issues. Implicit in this mission statement is a goal to become a more global company, both in terms of the geography and types of businesses in which it operates (the "what") as well as the way in which it conducts its business (the "how"). One of the key ways that JERA continues to improve how it conducts its business is by integrating Environmental, Social, and Governance (ESG) objectives into its overall strategic plan.

Steering JERA's Mission Towards a Net-Zero Future and a Diverse, Equitable Workplace

The ESG expectations by the investment community, civil society, and policymakers continue to evolve. Historically there has been great emphasis on decarbonization efforts, human rights management, and workforce well-being, to name just a few of the ESG areas of focus. And while some of the recent tensions—such as the war in Ukraine, increasing inflation and potential recession, and anti-ESG sentiment in certain areas of the world—may affect the pace of change, they are highly unlikely to impact the overall direction.

Within this context, JERA has made great progress on many ESG factors over the past several years. For example:

- JERA has committed to a goal of net zero CO₂ emissions from its operations by 2050. As part of these efforts, it has grown its renewables business substantially, partly through acquisitions and partly through developing its own renewables facilities. It is also assessing the use of ammonia and hydrogen in its existing thermal power facilities and beginning to build value chains to produce and ship ammonia and hydrogen to locations where it will be needed.
- JERA has developed and published its Human Rights policy, which applies to all employees and directors.
- JERA continues to improve the diversity, equity, and inclusion (DEI) of its workforce. The initial focus of this effort was empowering women in the workplace; it is now broadening to focus on ensuring all employees feel truly respected and valued at work.
- JERA has increased its disclosures on ESG matters over the past three years, as exemplified by the type of information provided in this Corporate Communications booklet.

The Board of Directors has been fully engaged in JERA's ESG efforts, both at official board meetings as well as one-on-one meetings between directors and staff members. We have discussed the progress the company is making, the challenges it faces, and how it plans to overcome these challenges. By embedding these ESG efforts into its strategic plan, JERA is well on its way to becoming the global energy company it aspires to be.

Balancing Innovation and Growth at JERA: The Role of Board Diversity and Global Outlook

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 importance of diversity and an international outlook in this era of globalization holds true for any Japan-based company in any industry, but particularly so for JERA as a major energy company. As we navigate the rapidly changing energy landscape, where we are expected to play a crucial role in decarbonization, the board must embrace diversity and cultivate a broad international mindset to drive the most innovative solutions for transformation while ensuring that customers continue to have access to a safe, stable energy supply.

Unleashing Innovation: The Role of a Diverse Board at JERA

A diverse board should bring together individuals from various backgrounds, cultures, and experiences to complement the industry expertise of the company's executives. By having such board members, JERA can tap into a wider range of perspectives and ideas, which can prove invaluable to tackling the complex issues that face today's ever-evolving energy industry. Our role as board members is to continuously challenge the status quo, question assumptions and stimulate "out-of-the-box" thinking, which may lead to more creative and robust solutions. While adhering to the highest standards of safety, regulatory compliance, ESG and CSR goals, and financial prudence, the board should also encourage calculated risk-taking to secure future growth and differentiation.

Risk management is paramount in a global landscape dominated by geopolitical uncertainties, mounting climate change concerns, and technological disruptions. A diverse board can offer a more comprehensive understanding of such risks, regulatory frameworks, and market trends to enable JERA to anticipate them and adapt its strategies accordingly to mitigate vulnerabilities while pursuing global partnerships and growth. Indeed, the networks that board members bring can enhance JERA's access to industry leaders, policymakers, and potential partners worldwide and facilitate knowledge and best practice sharing, allowing JERA to stay at the forefront of industry developments to maintain a competitive edge. With this broader vision, JERA's board can help identify and evaluate opportunities not just in Japan but beyond our shores, unlocking new avenues for growth, access to new technologies, and diversification of our business portfolio.

Diversity, Equity, and Inclusion: More than Buzzwords

I have commented before on the importance of Diversity, Equity, and Inclusion (DEI) to JERA's success, not just in raising the quality of its business decisions but also in attracting key talent. By fostering diversity within its board, JERA is demonstrating its commitment to DEI as well as Corporate Social Responsibility. And by striving for international reach and relevance, we can contribute positively to global energy transition efforts and sustainable development goals. JERA operates in a truly interconnected world where we shoulder significant responsibilities and have the opportunity to embrace an outstanding leadership role. The board strives to help JERA fulfill this promise now and far into the future.

Messages from the Outside Directors

Maximizing Value and Sustainability at JERA

John Rittenhouse Outside Director, JERA Co., Inc.

He has a 40-year career in the commodities industry and has expertise in global corporate governance. He joined JERA in June 2023 as a member of the Board of Directors.



I joined JERA's board in June and am honored and proud to be part of an important global energy company committed to being a significant player in decarbonization in the energy industry. My professional background is focused on helping large utilities maximize the value of their assets using the financial and physical wholesale energy markets. Zero CO₂ emissions should not mean zero profits, and this means that the assets and contracts in JERA's portfolio, both existing and those that need to be developed, must be optimized to extract their full value.

Setting the Bar High: JERA's Ambitious Plan Towards Zero CO₂ Emissions

JERA has set out an ambitious plan to achieve zero CO₂ emissions by 2050. This plan has clear and measurable milestones requiring significantly greater global production of clean fuels, additional clean fuel transportation and storage facilities, and new power generation technologies.

While these facilities and technologies are developed and scaled up, LNG is critical to bridge the gap as a transitional fuel because: 1) LNG has lower emissions compared to other hydrocarbon fuels; 2) LNG complements wind and solar by providing a flexible and reliable power supply that ensures grid stability and security of supply; 3) LNG can be stored and used during high-demand periods or when renewable energy supply is limited; and 4) JERA has a well-established infrastructure for the production, transportation, and wholesale marketing of LNG, making the energy transition more cost-effective.

Asset Optimization: Key Tools for Sustainable Profits

As one of the largest buyers of LNG in the world, JERA plays a vital role in the global LNG supply chain by providing developers with long-term offtake commitments that support large-scale investments. To further strengthen its LNG value chain and manage the large financial risks of these long-term LNG purchases using the short-term market, JERA has established JERA Global Markets. JERA GM uses the wholesale energy and freight markets to optimize the pricing, shipping, and storage of LNG and manage associated risks through wholesale energy and freight markets, which lowers the overall cost of energy. This enables JERA to extract values from its LNG assets and enhances the security of supply for the Japanese market.

In the US, JERA Americas is developing a commercial function that will similarly use the wholesale markets to maximize the value of its gas and power assets.

In Japan, JERA is also building systems and a wholesale market team that will ensure its power production and dispatch are made in the most optimal way.

Together, these three market-facing optimization units will establish best-practice risk management and asset optimization techniques, which will be an essential part of the path to zero CO₂ emissions and strong profits.

Bridging Public and Private: A Unique Perspective on JERA's Mission

Lim Hwee Hua Outside Director, JERA Co., Inc.

She has extensive knowledge and experience of the evolving political and economic trends in Asia, including a long career as a member of Singapore's Parliament and as a corporate executive. She joined JERA in June 2023 as a member of the Board of Directors.



I have been privileged to straddle both sides of the economy, the public and private sectors, and in many varied roles, not once but twice over.

In the private sector, I have been heavily involved in financial services, specifically investment banking/capital markets and private equity. I also spent four years re-positioning, restructuring, and introducing corporate governance to state-owned businesses.

Within the public sector, I have benefitted from the whole gamut of experience, from being a team member in public policy formulation and execution to, later on in my political capacity, leading important national initiatives as a Minister.

Strengthening JERA's Global Position through an Understanding of Governance, Risk Management, and Geopolitics

Given Singapore's roles as a financial, business, and transportation hub, I frequently had to look at the larger Asian marketplace in terms of geography, population sizes, economic structures, and stages of growth. Tracking the geopolitics and navigating the different trade blocs, especially around Southeast Asia, is second nature to me.

Despite the effects of the pandemic, the Southeast Asian economies are, in aggregate terms, still expected to outperform the more mature economies. There is continued optimism over India's and Indonesia's growth prospects. As a consequence, the energy demands of these respective markets are expected to rise accordingly.

Within this context, JERA is well-placed to provide solutions to cleaner, affordable, and reliable energy to many countries in Asia. JERA's work in renewables and technological innovation can be beneficial for both emerging and mature economies alike.

Contributing from a Blend of Experiences: From Private Finance to Public Policy

I am honoured to be able to serve on the Board of JERA and hope to contribute in the following ways:

- Share my insights into the various Asian economies, paying particular attention to the stage of growth (whether emerging or developed), the government's goals with respect to decarbonization and approach to energy transition, the financial resources available to further economic goals, and most importantly, the politics of the day. As energy remains heavily regulated in most jurisdictions, I can contribute to discussions on how governments are likely to behave.
- Build on JERA's strengths in terms of capabilities and solutions to energy transition to clean supply models from different perspectives, both in power generation and projected consumption trends.
- Add to discussions on global factors, including geopolitics within Asia, and further strengthen governance and risk management.
- Provide views through financial lenses, especially around commercial viability when governments are principal partners.

Risk Management

Fundamental Approach and Issue Awareness

We continue to work toward highly effective risk management as we seek to gain a proper understanding of 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

We have established a highly effective risk management system headed by the company President, Director, CEO and COO 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, Director, CEO and COO 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.

The Risk Management Committee, chaired by the President, Director, CEO and COO, meets quarterly and is attended by several parties to ensure appropriate monitoring of risks (see Risk Management Structure below). These include the C-suite executive or officer in charge of each division, corporate auditors, and the Internal Audit Group, among others. In particular, we strive to prevent risks from materializing by reporting on our policies and specific measures for dealing with

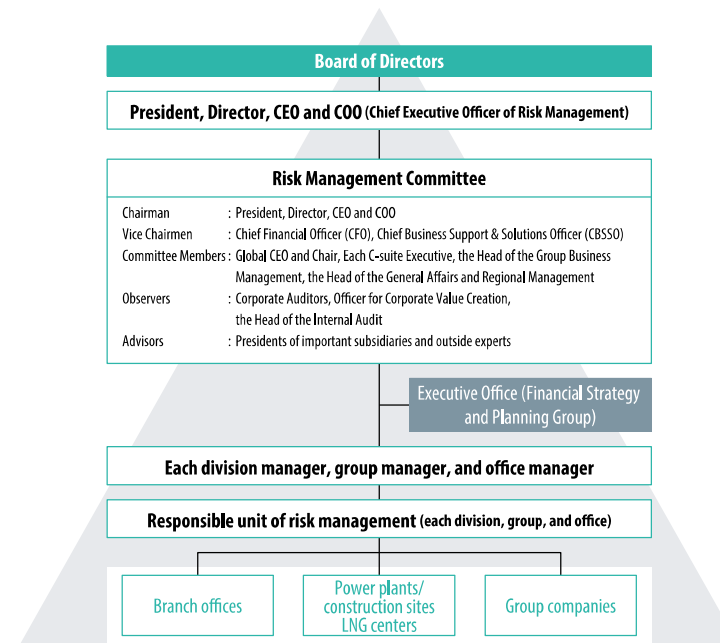
risks that could significantly impact our business. In the unlikely event that a risk materializes, the necessary reports on the response of the emergency task force are provided quarterly.

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, 2023)



Risk Assessment Flowchart



Main Risk Categories

- ① Operational Accidents
- ② Financial
- ③ Regulations/Legal Amendments/Geopolitics
- ④ External Stakeholders
- ⑤ Management Strategies
- ⑥ Labor Affairs/Human Resources
- ⑦ Input/Output
- ⑧ Product/Energy Prices
- ⑨ Natural Disasters
- ⑩ Investment Management
- ⑪ Riots/Crime
- ⑫ Cybersecurity
- ⑬ Legal Affairs/Ethics
- ⑭ Environment/Climate Change

Risk Management

Highly Effective Risk Management

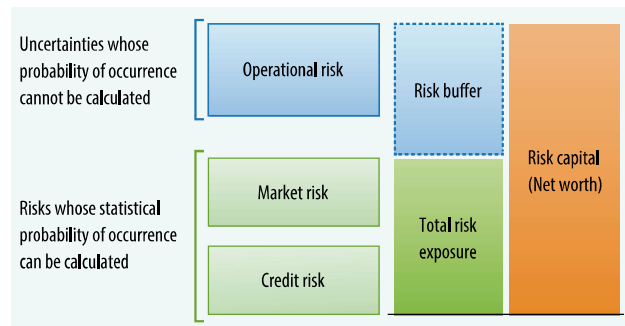
Our approach to risk management is based on combining the functions of integrated risk management, evaluation of financial soundness, and evaluation of individual investments.

Integrated Risk Management

Integrated risk management defines and classifies the risks we face into three categories: operational risk, market risk, and credit risk. 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 the risk buffer.

Integrated Risk Management



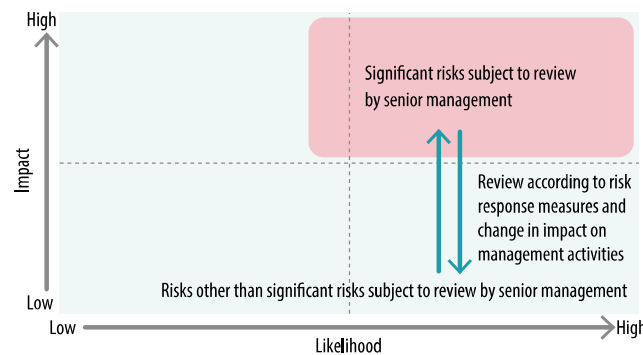
The risk buffer is maintained at a certain level by considering operational risk as an uncertainty whose probability of occurrence is incalculable.

Operational risk is managed using a risk map with impact on management activities on the vertical axis and frequency of risk 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 risk 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. "Message from the CFO" (P.23–25)

Evaluation of Individual Investments

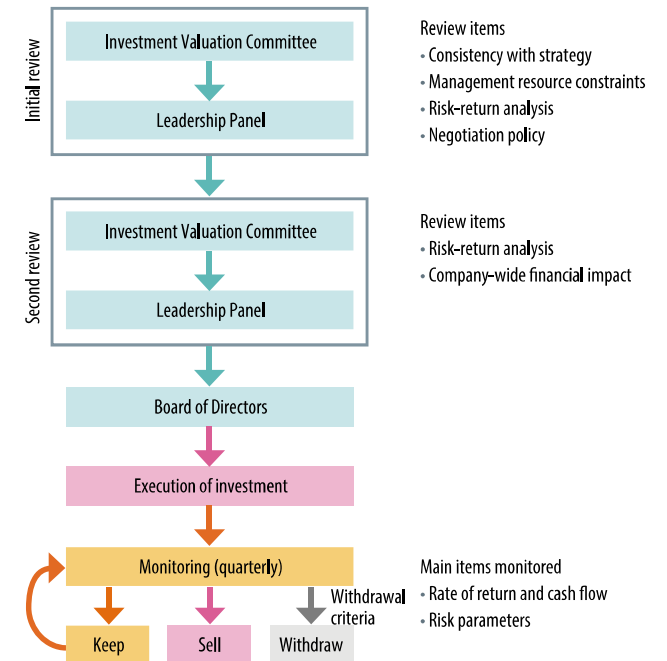
After confirming the consistency of individual investment evaluations with our field-specific investment strategies, our Investment Valuation Committee, which includes members with experience in investment screening at financial institutions

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 have the largest power generation capacity 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 Pandemic Influenza and New Infectious Diseases. 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 shareholder companies, and we are constantly making efforts to improve our disaster risk reduction capabilities.

Enhancement of JERA's BCP and BCM

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.

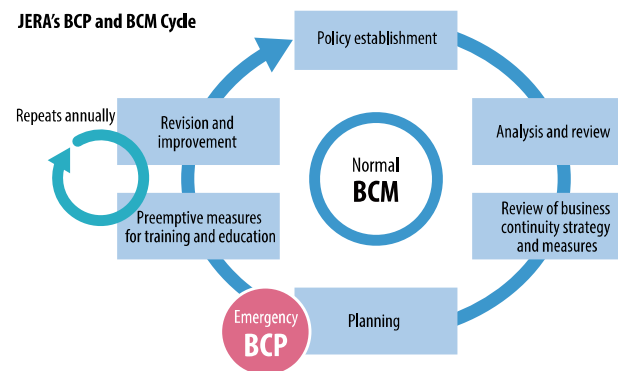
In the event of a large-scale disaster, we must ensure that our group's important business operations are not interrupted or, if interrupted, that they are restored in the shortest possible time. And so, we have established Business Continuity Management (BCM) Rules to strengthen our everyday management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

Basic Policy for JERA's BCP and BCM

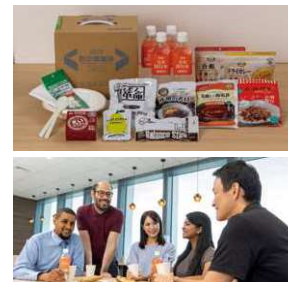
- In the event of any disaster or risk event, we will place the highest priority on the safety and security of people and ensure public safety in compliance with laws and regulations.
- In order to fulfill our responsibility as an energy provider supporting social infrastructure in Japan, we will contribute 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



Enhancement of disaster prevention stockpiles and fostering peace of mind

Food security is vital for our employees, especially those who may experience difficulties 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. This set contains a stockpile of all the food necessary in a compact package, making it easy to distribute and manage. Eventually, we plan to expand outside the company and work on this project with local governments and food banks.



Featured

Obtaining Resilience Certification

Resilience certification is a system under which the National Resilience Promotion Office inside the Japanese Cabinet Secretariat certifies businesses that support the objectives of national resilience and are proactively implementing business continuity initiatives. In July 2023, under the scrutiny of outside experts, we received resilience certification for our BCP/BCM based on the rigorous evaluation of our business continuity policy, business impact analysis and assessment, as well as our proactive measures.



July 2023
Received Resilience Certification (Japanese)

Development and Ownership of Thermal Power Sources

As an electric utility provider, we believe that we need to ensure that our strategies are flexible and resilient, with options for responding to changes anticipated in the global business environment in the face of future uncertainties.

In developing plans for the development of new power sources and the retention of existing power sources, multiple scenarios for future power market conditions must be established. In these multiple scenarios, we must also assume a risk case in which business opportunities for thermal power sources are reduced.

While taking into account future electricity demand and price competitiveness in the electricity market, we are replacing aging existing thermal facilities with state-of-the-art, high-efficiency thermal facilities in order to maximize earnings and avoid developing and owning unprofitable thermal power sources (so-called "stranded assets").

Information Security

Fundamental Approach

At JERA, 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.

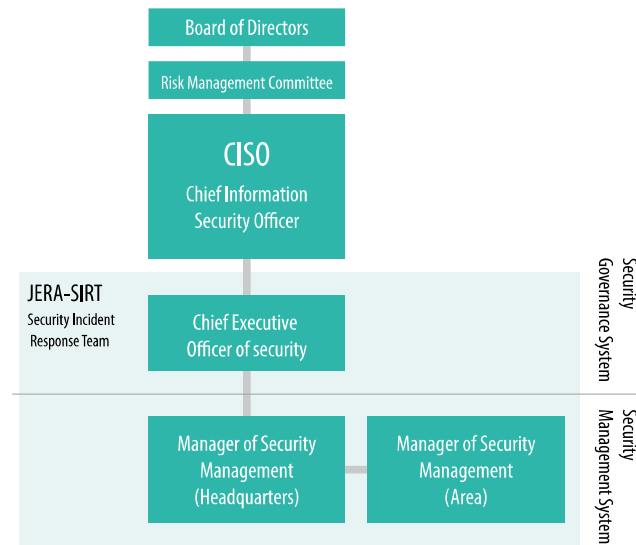
Cybersecurity Management System

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

Cybersecurity Management Structure

(As of July 1, 2023)



the Chief Information Security Officer (CISO) to promote cybersecurity at all times while coordinating with the Risk 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 JERA Group Information Security Basic Policy 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 FY2022.

Information security education and target email attack training provided in FY2022 is as follows:

Education & Training on Information Security (FY2022)

Security Education

Scope: 4,241 participants (including directors, employees, and temporary staff)

Frequency: Once a year

Method: e-learning

Targeted Email Attack Training

Scope: 4,259 participants (including directors, employees, and temporary staff)

Frequency: Twice 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 group.

Furthermore, to advance operational efficiency through the utilization of generative AI, we have formulated the JERA AI Usage Policy, which also incorporates security compliance items.

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 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.

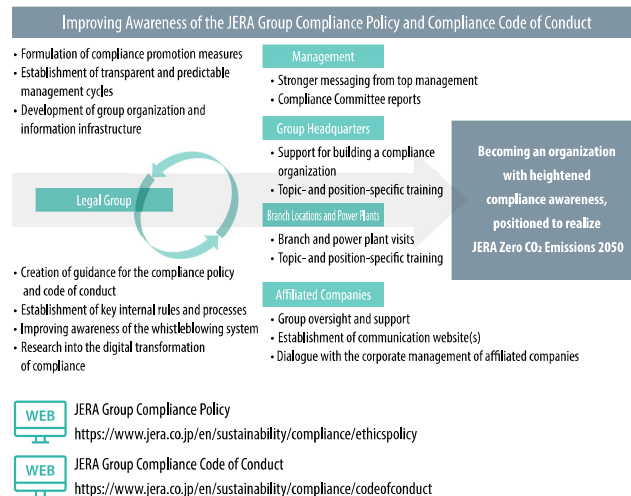
Compliance

Fundamental Approach and Issue Awareness

Under our mission to provide cutting edge solutions to the world's energy issues, JERA is committed to earning and maintaining the trust of our stakeholders through rigorous compliance based on the JERA Group Compliance Policy and JERA Group Compliance Code of Conduct.

As a key player in supporting the stable supply of domestic electricity and an international leader in fuel procurement, renewable energy, and low-carbon thermal power, we have a responsibility to address a variety of compliance challenges related to competition law, bribery, human rights, the environment, and more. Additionally, in keeping with our stature as a global company, our employees act with a heightened sense of ethics, faithfully observing laws, regulations, and social standards concerning these matters.

Even as the business environment surrounding the energy industry undergoes sweeping change, we will engage in compliance on a group-wide scale to enable our officers and employees to act in an appropriate manner in accordance with their responsibilities.

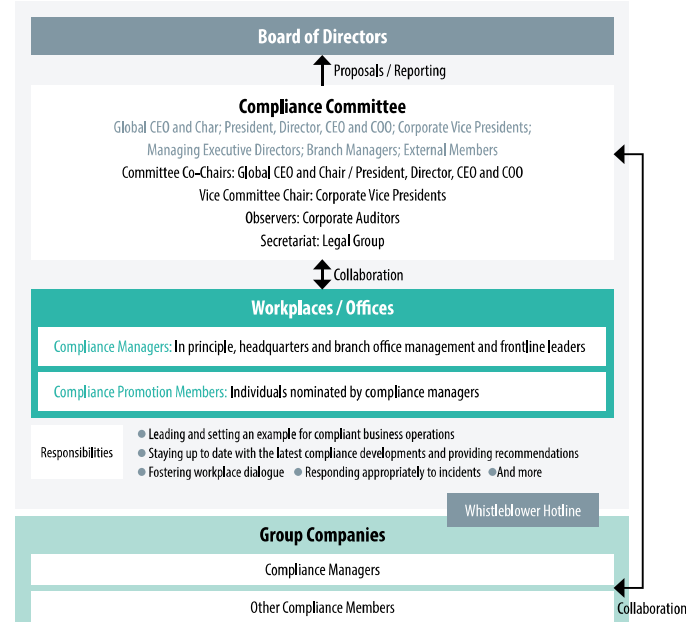


Compliance Promotion System

We have established the Compliance Committee to review and decide on various compliance-related measures and thereby promote compliance-oriented management. This committee is composed of internal members, including the Global CEO and Chair, and the President, Director, CEO and COO, along with external experts. The content of compliance measures, investigations into misconduct, corrective actions, measures to prevent recurrence, and other matters deliberated and reported on by the committee are to be discussed with or reported to the Board of Directors as necessary. The Legal Group, which serves as the committee's secretariat, works closely with compliance managers and program officers at each workplace and office, as well as with heads of compliance from group companies, to promote group-wide compliance among all levels of the JERA group.

Compliance Program Structure

(As of July 1, 2023)



Compliance Promoting Education and Training

In our Compliance Committee, we incorporate the opinions of outside experts and employee survey results, deliberating on and determining compliance-related measures and monitoring their progress each fiscal year.

In FY2022, we promoted compliance by developing our Declaration of Partnership Building and Group Policy against Anti-Social Forces, holding meetings with our liaison group of compliance managers and compliance promotion members, visiting power plants, strengthening messaging from top management, and thoroughly overhauling our intranet site, all to raise awareness of our Compliance Policy and Code of Conduct.

In FY2023, we will focus on boosting employee compliance by establishing clear rules in ways that are easy to understand and placing further emphasis on strengthening information sharing and training while also ensuring that an awareness of compliance takes root in our organization.

April 2022–July 2023 Primary Compliance Initiatives

Category	Results
Rule Formulation	● Formulation and announcement of Declaration of Partnership Building
	● Formulation of Group Policy against Anti-social Forces, internal rules, and manuals
	● Introduction and operational launch of a business partner screening tool
	● Revision of whistleblower regulations in keeping with Whistleblower Protection Act amendments
System Reinforcement	● Formulation of rules for blocking information on competition law business partnerships
	● Establishment of JERA Transaction Monitoring Committee
	● Meetings between compliance managers and promotion members
	● Visits to Global Legal Forum, overseas group companies, and power plants
Information dissemination and Training	● Implementation of employee surveys on compliance
	● Sharing updates on compliance and procedures
	● Compliance news updates (periodic)
	● Compliance Policy and Code of Conduct training
	● Implementation of position- and regulation-specific training

Compliance

Corruption Prevention

In order to comprehensively prevent corruption as stipulated by the JERA Group Compliance Policy and JERA Group Compliance Code of Conduct, we have established Anti-Bribery Regulations and Anti-Corruption Regulations. These policies 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, we raise awareness of these policies through a training system, the Legal Group monitors and supervises related processes and operations, and the Compliance Committee receives reports on these and other efforts.

Additionally, our due diligence efforts for preventing corruption in transactions will be focused on transactions and M&A in countries and regions with high corruption indices, ensuring that we will not assume any unforeseen corruption risks.

Basic Policy on Anti-Corruption

(Excerpted from JERA Group Compliance Code of Conduct)

- 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. We also do not receive any 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 uphold the principles of free trade and market competition and conduct our transactions and business activities in compliance with laws and regulations as well as with the principles of fairness and impartiality.

As a power producer, we are firmly committed to promoting appropriate electric power competition, most notably by operating in compliance with the Guidelines for Proper Electric Power Trade and by ensuring non-discrimination between domestic and foreign entities. As a purchaser supporting the energy value chain, we engage with business partners and subcontractors in accordance with the Declaration of Partnership Building, fostering partnerships and co-prosperity.

We have also established a Procurement Policy alongside our acquisition activities. We are committed to responsible procurement in consideration of corporate social responsibility (CSR) and of environmental, social, and governance (ESG), including quality assurance, appropriate procurement cost management, compliance with laws, regulations, and corporate ethics, safety assurance, and business continuity planning (BCP). Additionally, we hold procurement policy briefing sessions to promote mutual study and close communication with business partners, taking opinions and requests into account while seeking cooperation with JERA Group Compliance Policy and Code of Conduct and thereby endeavoring to build even stronger relationships of trust with our business partners.

 Procurement Policy
<https://www.jera.co.jp/en/corporate/business/procurement/>

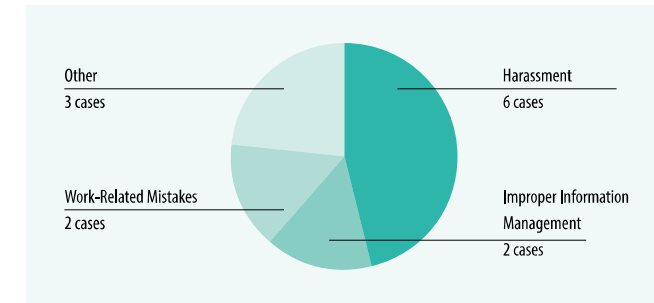
 Declaration of Partnership Building
<https://www.jera.co.jp/en/sustainability/compliance/partner/>

Whistleblower System and Harassment Consultation Hotline

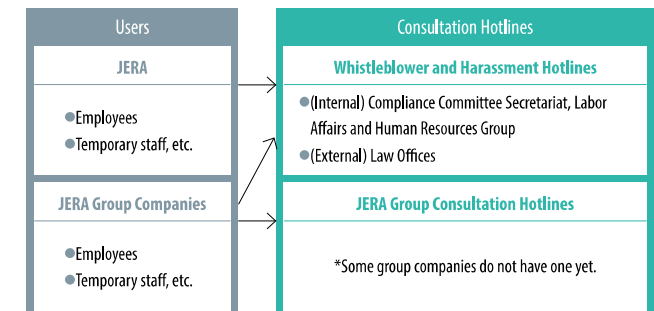
We have established a whistleblower hotline to prevent compliance violations and quickly detect and resolve any violations that do arise. The hotline can be used with either a real name or anonymously, via email or postal mail, and allows communication with both internal and external contacts. A wide range of topics, including domestic and foreign law violations, as well as violations of employment

regulations and internal rules, can be discussed via this hotline. As of FY2021, we have a new harassment consultation service specifically established for discussing or reporting harassment and other work-related issues. In FY2022, the whistleblower hotline received a total of 13 cases, while the harassment consultation hotline had 11.

Whistleblowing Case Overview (FY2022)



In response to the enactment of the amended Whistleblower Protection Act (June 2022), we have established internal reporting channels via our whistleblower and harassment consultation hotlines. This includes designating and providing training and education for individuals engaged in public interest reporting activities. We promote the use of these internal reporting channels by continuing to share information about the whistleblower system regularly and seeking to build trust through efforts such as assessment of intention, protection of confidentiality, and prohibition of discriminatory treatment or retaliation against whistleblowers.



A Word From the Head of the Legal Group



Kenji Tagaya
Head of the Legal Group

At JERA, we view compliance as a requirement for doing business. To us, it's not a question of priorities but rather a belief that not adhering to this means that we would have no right to do business.

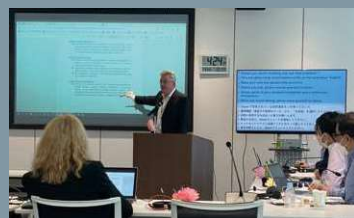
For us, compliance does not simply mean abiding by laws and regulations. It means a commitment to honest, fair business practices under external observation and public scrutiny, even when no one is watching.

Naturally, compliance involves our entire company—every department, every workplace, and everyone from top management to employees—so the compliance unit cannot handle this task alone. However, the legal group also seeks to emphasize a compliance-oriented company culture through actions such as

assigning compliance managers and promotion members to each organization and workplace who share information and provide training to support voluntary engagement in compliance.

In recent years, the electric power and energy industry has seen a spate of compliance-related issues. We take this trend very seriously. Top management has repeatedly stressed to employees that compliance should not be difficult. Instead, it hinges on understanding the perspectives and emotions of various stakeholders, including customers, business partners, investors, and colleagues. As such, upholding the truth and fostering respect and trust among colleagues are paramount. Concerning our core business in electricity and gas, we've taken the initiative in establishing the JERA Transaction Monitoring Committee (detailed below) to continuously incorporate insights from external experts.

We will remain conscious of our great social responsibility as a public utility company and will continue to conduct ourselves and our business with composure.



JERA Transaction Monitoring Committee Launched in June

Background Behind the Establishment of the JERA Transaction Monitoring Committee

We respect market competition, abide by laws and regulations, and conduct transactions and business activities fairly and equitably, ensuring our actions align with our responsibilities as an energy provider providing electricity and gas in Japan.

The JERA Transaction Monitoring Committee, which includes outside experts, was established under the direct supervision of the President, Director, CEO and COO to confirm and verify such transactions and activities from a third-party perspective to further improve transparency.

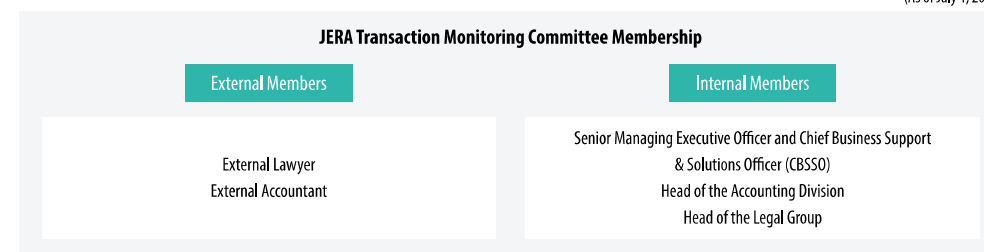


Scope of Activities

- To check the legality and appropriateness of wholesale electricity and gas market transactions
- To check the internal vs. external non-discrimination and appropriateness of Power Purchase Agreements and Gas Sale Agreements
- To check the legality and appropriateness of other transactions (including transactions with shareholders) under competition and business laws

Structure

(As of July 1, 2023)



With the establishment and operation of this committee, we will lead the way in creating a market for fair and equitable electricity and gas transactions in Japan. At the same time, by further pursuing fair and equitable transactions, we strive to ensure that business profits are passed on through market competition to the end consumer—our valued customers.

Context

Data

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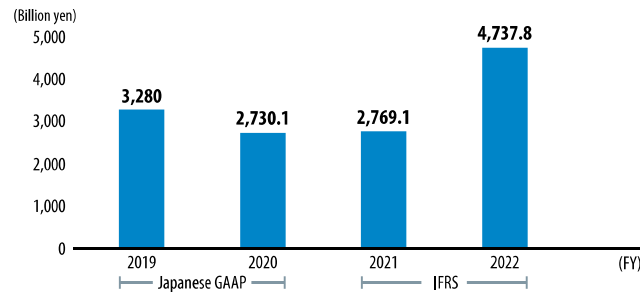
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Financial and Non-Financial Highlights

We are taking on a variety of initiatives to meet our management goals for profitability, capital efficiency, growth potential, and financial health, including a consolidated net profit of 200 billion yen in FY2025. Additionally, with a fundamental emphasis on safety, we shall expedite our ESG and sustainability efforts, which include promoting the active participation of a diverse and inclusive workforce (D&I) and strengthening corporate governance, all while ensuring a stable electricity supply. We aim to realize medium- to long-term decarbonization, thereby pursuing disciplined growth and maximizing corporate value. We have voluntarily adopted the International Financial Reporting Standards (IFRS) from the consolidated financial statements for the annual reporting of FY2022, and the figures for FY2021 have also been modified in accordance with the IFRS.

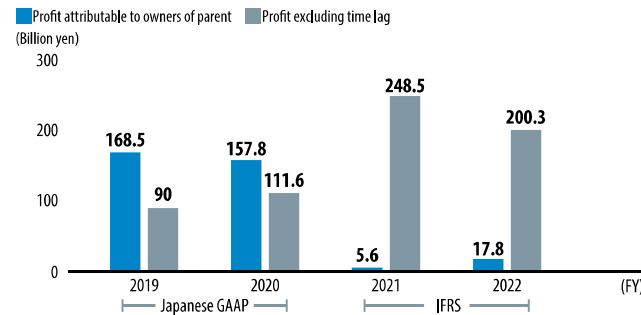
Financial Information

Revenue



Revenue in FY2022 increased significantly compared to the previous year, mainly due to higher unit revenues in electricity sales.

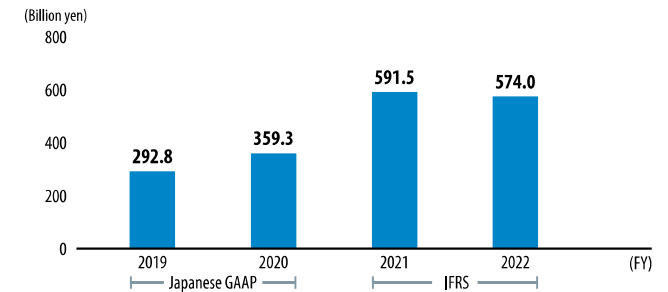
Profit Attributable to Owners of Parent (including/excluding time lag)



Net profit for FY2022, excluding time lag, decreased due to factors such as the impact of LNG spot procurement and the recording of estimated liabilities, despite increases due to higher earnings in our trading business and gains related to the sale of LNG.

*Profits or losses attributable to delays between fuel price fluctuations and when they are eventually reflected in sales prices

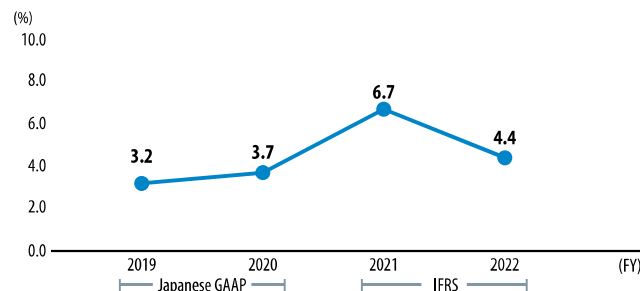
EBITDA



In FY2022, EBITDA remained high, as in the previous year, mainly due to increased earnings in the trading business amidst the unstable fuel market conditions caused by the situation in Russia and Ukraine.
EBITDA = Earnings before interest and taxes* + Depreciation and amortization + Interest expenses

*Excluding time lag

ROIC



In FY2022, we secured net profit of 200.3 billion yen, excluding time lag, mainly due to increased profits from our trading business, but this was lower than in the previous year due to a significant increase in interest-bearing liabilities.
ROIC = (Net income*1 + Interest expense × (1 − Effective tax rate*2)) ÷ (Interest-bearing liabilities + Net worth*3)*4

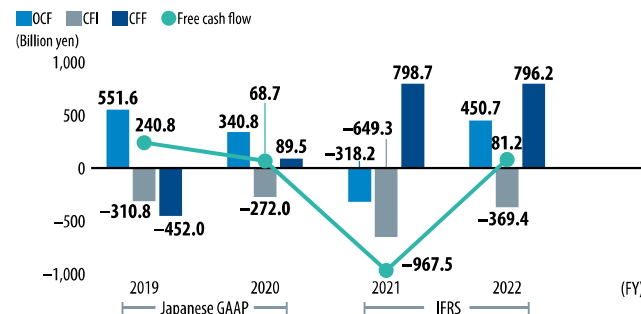
*1 Excluding time lag

*2 Using the company's effective tax rate (figures listed in the Financial Statement)

*3 Equity — Non-controlling interests

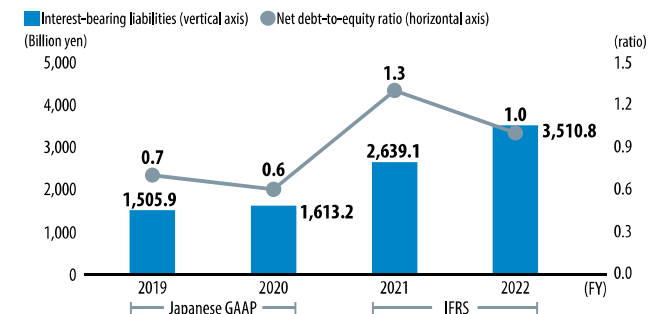
*4 Average at the beginning and end of the period

Cash Flows from Operating, Investing, and Financing Activities (CF)/Free Cash Flow



In FY2022, our free cash flow increased by approximately 1 trillion yen. This was due to factors such as an improvement in operating cash flows due to a decrease in margins at trading subsidiaries in addition to the reactionary effects of substantial overseas investment projects conducted in FY2021, which led to a reduction in capital expenditure in the investment cash flow.

Interest-Bearing Liabilities / Net Debt-to-Equity Ratio



In FY2022, our interest-bearing liabilities increased significantly as a result of costs carried over and associated financing. However, our net debt-to-equity ratio improved from the previous year as a result of better market conditions in the second half of the year and capital-based financing to maintain financial health.

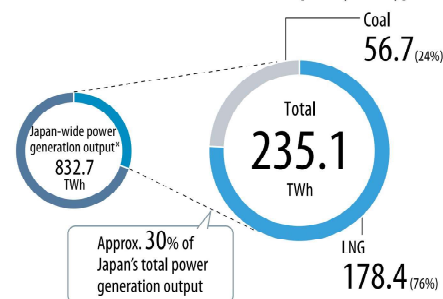
Net debt-to-equity ratio = (Interest-bearing liabilities − Cash and deposits) ÷ Net worth*

* Equity — Non-controlling interests

Financial and Non-Financial Highlights

Non-Financial Information

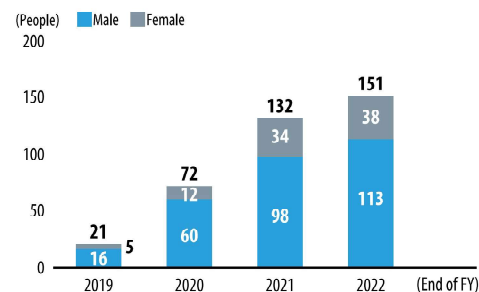
FY2022 Domestic Power Generation Output (by fuel type)



We are responsible for approximately 30% of the power generation output by domestic electric utilities. A large portion of this power generation comes from LNG, which has low CO₂ emissions.

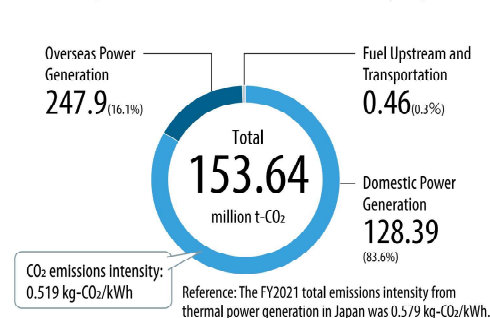
*Source: Agency for Natural Resources and Energy website (https://www.enecho.meti.go.jp/statistics/electric_power/ep002/) (Japanese)

Number of Mid-Career Hires (by gender)



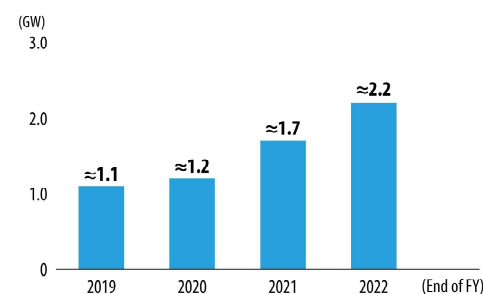
We are actively hiring people with diverse backgrounds and advanced expertise not yet represented at JERA. With the demand for agile matching of talent to business strategy, the number of mid-career hires is showing an annual upward trend as each business evolves.

FY2022 Scope 1 CO₂ Emissions / CO₂ Emission Intensity (Japan)



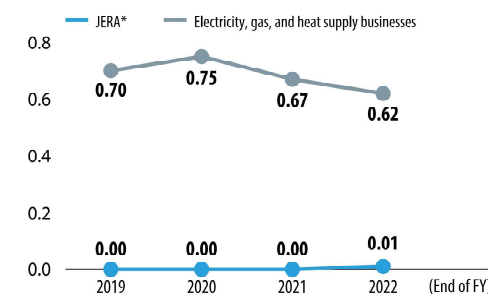
As part of JERA Environmental Target 2035, we aim to reduce domestic CO₂ emissions relative to FY2013 by 60% by FY2035.

Renewable Energy Output Share



We will expand our wind and solar power generation business in Japan and overseas by promoting large-scale renewable energy development that leverages our strengths.

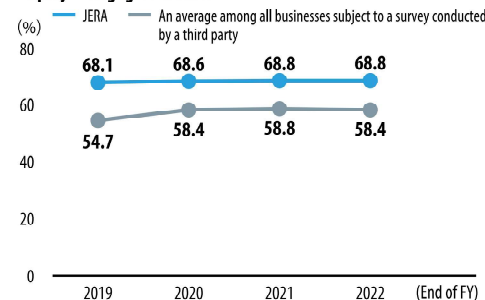
Employee Injury Frequency Rate



We are committed to company-wide efforts for safety, the bedrock of our business, with aims to eradicate occupational accidents.

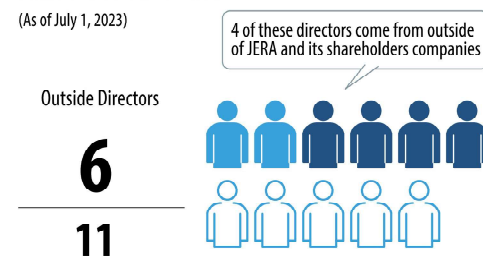
*JERA employees only

Employee Engagement Rate



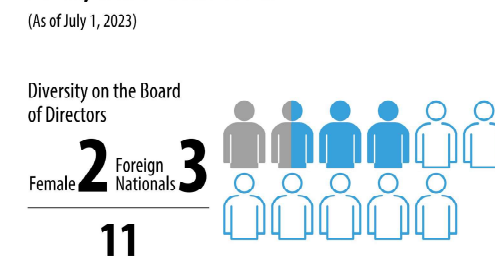
We conduct employee satisfaction surveys to gain a quantitative understanding of employee opinions about their work and job fulfillment. We aim to raise employee satisfaction and work to foster an open and fair corporate culture and a work environment where everyone feels comfortable.

Number of Outside Directors



In addition to JERA-employed executive directors and directors who have come from our shareholder companies, we hire outside directors in order to ensure a diversity of knowledge, experience, and other qualities among the Board of Directors.

Diversity on the Board of Directors



We believe that a diverse Board of Directors leads to better business decision-making and have made efforts to appoint female directors and foreign nationals to the board.

Financial Data

		Japanese GAPP		IFRS	
Unit: Millions of yen		FY2019	FY2020	FY2021	FY2022
Profit and Loss Statement (P&L) Information					
	Net sales (operating revenue)	3,280,002	2,730,146	Revenue	2,769,127
	Operating profit	167,008	249,438	Operating profit	39,718
	Ordinary profit	174,429	244,194		
	Profit before income taxes	195,386	227,818	Profit before tax	38,612
	Profit attributable to owners of parent	168,543	157,852	Net profit attributable to owners of parent	5,676
(P&L by segment)	Fuel business	Net sales	864,708	Revenue	454,728
		Segment profit (loss)	25,094	Net profit (loss)	146,137
	Overseas power generation renewable energy business	Net sales	2,180	Revenue	4,166
		Segment profit (loss)	36,126	Net profit (loss)	(34,779)
	Domestic thermal power generation and gas business	Net sales	2,926,760	Revenue	3,118,347
		Segment profit (loss)	135,814	Net profit (loss)	(121,438)
	Adjusted	Net sales	(513,647)	Revenue	(808,114)
		Segment profit (loss)	(28,492)	Net profit (loss)	15,757
		Depreciation and amortization	197,940	Depreciation and amortization	202,882
		Capital expenditures	244,541	Capital expenditures	339,948
		Research and development costs	1,433	Research and development costs	1,079
		Domestic thermal power generation and gas business	177	Domestic thermal power generation and gas business	106
		Other	1,255	Other	973
Financial Condition Information					
	Total assets	4,035,324	4,090,880	Total assets	8,495,106
	Total net assets	1,601,267	1,762,120	Equity	1,731,664
	Net worth	1,540,522	1,686,194	Own equity	1,724,859
	Interest-bearing liabilities	1,505,957	1,613,291	Interest-bearing liabilities	2,639,128
Cash Flow Information					
	Cash flows from operating activities	551,670	340,825	Cash flows from operating activities	(318,202)
	Cash flows from investing activities	(310,863)	(272,092)	Cash flows from investing activities	(649,330)
	Cash flow from financing activities	(452,054)	89,542	Cash flow from financing activities	798,713
	Free cash flow	240,807	68,733	Free cash flow	(967,533)
	Cash and cash equivalents at end of the period	402,431	561,685	Cash and cash equivalents at end of the period	456,430
Key Financial Indicators					
	Net profit ⁽²⁾	90,082	111,629	Net profit attributable to owners of parent ⁽²⁾	248,594
	EBITDA ⁽³⁾	292,812	359,305	EBITDA ⁽³⁾	591,599
	Return on invested capital (ROIC) (%) ⁽⁴⁾	3.2	3.7	Return on invested capital (ROIC) (%) ⁽⁴⁾	6.7
	Return on equity (ROE) (%) ⁽⁵⁾	8.5	6.9	Return on equity (ROE) (%) ⁽⁵⁾	14.6
	Net debt-to-equity ratio ⁽⁶⁾	0.7	0.6	Net debt-to-equity ratio ⁽⁶⁾	1.3
	Net debt-to-EBITDA ratio ⁽⁷⁾	3.6	2.8	Net debt-to-EBITDA ratio ⁽⁷⁾	3.7
Other					
	Synergy effects (billions of yen)	25.0	45.0	Synergy effects (billions of yen)	85.0
	Credit ratings	S&P A-, R&I A+, JCR AA-	S&P A-, R&I A+, JCR AA-	Credit ratings	S&P A-, R&I A+, JCR AA-

(1) International Financial Reporting Standards (IFRS) have been voluntarily adopted, starting with the consolidated financial statements for FY2022. (2) Excluding time lag. (3) EBITDA = Earnings before interest and taxes* + Depreciation and amortization + Interest expenses. *Excluding time lag.

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

(5) ROE = Net profit*¹ ÷ Net worth*². *1 Excluding time lag. *2 Average at the beginning and end of the period. (6) Net debt-to-equity ratio = (Interest-bearing liabilities – Cash and deposits) ÷ Net worth*. *Capital – Non-controlling interests. (7) Net Debt / EBITDA = (Interest-bearing liabilities – Cash and deposits) ÷ EBITDA*. *Excluding time lag.

Financial Data

Corporate Bonds

Description	Unsecured corporate bonds – 1st (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 2nd (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 3rd (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 4th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 5th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 6th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 7th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 8th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 9th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 10th (subject to a limited inter-bond pari passu clause)
Type	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured) and transition bonds	Domestic corporate straight bonds (unsecured) and transition bonds	Domestic corporate straight bonds (unsecured)
Date of issue	October 22, 2020	October 22, 2020	November 26, 2021	November 26, 2021	January 19, 2022	January 19, 2022	April 27, 2022	May 24, 2022	May 24, 2022	June 22, 2022
Issue amount (millions of yen)	20,000	20,000	40,000	30,000	30,000	10,000	70,000	12,000	8,000	12,100
Time to maturity	5 years	10 years	5 years	10 years	3 years	19 years	3 years	5 years	10 years	3 years
Interest rate (%)	0.190	0.390	0.150	0.350	0.050	0.670	0.200	0.420	0.664	0.350

Description	Unsecured bonds – 11th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 12th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 13th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 14th (subject to a limited inter-bond pari passu clause)	Unsecured bonds – 15th (subject to a limited inter-bond pari passu clause)	Unsecured bonds with interest deferrable clause and early redeemable option – 1st (with a subordination clause)	Unsecured bonds with interest deferrable clause and early redeemable option – 2nd (with a subordination clause)	Unsecured bonds with interest deferrable clause and early redeemable option – 3rd (with a subordination clause)	Unsecured U.S. dollar- denominated bonds – 1st
Type	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Domestic corporate straight bonds (unsecured)	Subordinated corporate bonds (unsecured) / Hybrid corporate bonds	Subordinated corporate bonds (unsecured) / Hybrid corporate bonds	Subordinated corporate bonds (unsecured) / Hybrid corporate bonds	U.S. dollar-denominated corporate straight bonds (unsecured)
Date of issue	July 11, 2022	July 11, 2022	September 12, 2022	September 12, 2022	September 22, 2022	December 15, 2022	December 15, 2022	December 15, 2022	April 14, 2022
Issue amount (millions of yen)	10,100	10,300	5,300	5,300	20,000	65,300	9,200	22,000	40,062
Time to maturity	6 years	25 years	22 years	24 years	3.5 years	35 years	37 years	40 years	5 years
Interest rate (%)	0.600	1.400	1.340	1.390	0.540	2.144* ¹	2.209* ²	2.549* ³	3.665

*1 A fixed interest rate will apply until December 25, 2027, and variable interest rates will apply from the day immediately following December 25, 2027. The interest rate will increase on the day immediately following December 25, 2032, and the day immediately following December 25, 2047.

*2 A fixed interest rate will apply until December 25, 2029, and variable interest rates will apply from the day immediately following December 25, 2029. The interest rate will increase on the day immediately following December 25, 2032, and the day immediately following December 25, 2049.

*3 A fixed interest rate will apply until December 25, 2032, and variable interest rates will apply from the day immediately following December 25, 2032. The interest rate will increase on the day immediately following December 25, 2032, and the day immediately following December 25, 2052.

Power Sold / Power Generated

		FY2019	FY2020	FY2021	FY2022
Power sold (billion kWh)		265.7	246.6	255.5	255.1
Power generated (billion kWh)	LNG	215.6	201.5	192.3	178.4
	Coal	48.4	43.2	55.0	56.7
	Fuel oil / Crude oil	1.3	0	0	0
	Total	265.3	244.6	247.3	235.1

Major Facility Plans (Thermal Power)

As of March 31, 2023

Company	Segment	Location	Output (MW)	Start of construction	Start of operation
JERA Power ANEGASAKI LLC	Domestic Thermal Power Generation and Gas	Anegasaki New Units 2, 3	646.9 × 2	February 2020	April / August 2023
JERA Power YOKOSUKA LLC	Domestic Thermal Power Generation and Gas	Yokosuka Units 1, 2	650 × 2	August 2019	June 2023, February 2024
Goi United Generation LLC	Domestic Thermal Power Generation and Gas	Goi Units 1, 2, 3	780 × 3	April 2021	August / November 2024, March 2025

Non-Financial Data

Environmental Data

Item	Unit	FY2019	FY2020	FY2021	FY2022
JERA in Japan*1					
Installed capacity by source*2	MW	65,476	66,126	59,893	57,210
Coal	MW	7,300	7,950	7,950	9,020
Gas	MW	48,126	48,126	42,943	43,590
Others	MW	10,050	10,050	9,000	4,600
Average operating life of power generation facilities*2	years	33	33	30	28
Coal	years	18	17	18	17
Gas	years	32	33	29	29
Others	years	42	43	43	38
Average availability factor of power generation facilities	%	47.8	43.8	43.5	45.5
Coal	%	79.1	69.1	82.7	77.5
Gas	%	52.6	49.0	46.2	48.6
Total thermal power generation efficiency (low heating value)	%	50.1	49.7	49.2	48.7
Coal	%	41.5	41.1	42.1	40.5
Gas	%	52.7	51.8	51.7	52.1
Thermal Power Generation Efficiency Benchmark A (Energy Conservation Act)*3	—	1.002	1.000	1.003	1.007
Thermal Power Generation Efficiency Benchmark B (Energy Conservation Act)*3	%	46.8	46.8	46.7	46.8
Fuel consumption					
Coal*4	million t	17	16	20	21
Oil	million kL	0.34	0.05	0.04	0.04
LNG, LPG	million t	29	27	26	24
Natural gas	billion Nm ³	2	2	2	2
Biomass*5	million t	0.4	0.4	0.4	0.5
Net electricity generation	billion kWh	265	245	247	235
Gas sales volume	million t	3	3	4	4
Total energy consumption (crude oil equivalent)	million kL	55	51	51	50
Purchased electricity	million kWh	175	162	86	73
Greenhouse gas (GHG) emissions associated with power generation business (Scope 1)*6	thousand t-CO ₂	124,629	114,952	121,098	118,694
CO ₂ emissions	thousand t-CO ₂	124,501	114,833	120,948	118,546
CH ₄ (methane) emissions	thousand t-CO ₂	14	11	11	16
N ₂ O (nitrous oxide) emissions	thousand t-CO ₂	109	101	119	125
SF ₆ (sulfur hexafluoride) emissions*7	thousand t-CO ₂	4	6	23	7
HFC (CFC alternative) emissions*7	thousand t-CO ₂	0.6	0.4	0.3	0.7
CO ₂ emissions associated with purchased electricity consumption (Scope 2)*8	thousand t-CO ₂	79	77	38	56
Other indirect CO ₂ emissions (Scope 3)	thousand t-CO ₂	31,993	30,413	32,508	31,208
Purchased goods and services	thousand t-CO ₂	0.07	0.04	0.04	0.04
Capital goods	thousand t-CO ₂	768	708	902	768
Fuel-and energy-related activities*9	thousand t-CO ₂	22,777	21,083	21,034	20,035
Upstream transportation and distribution	thousand t-CO ₂	25	21	28	29
Waste generated in operations	thousand t-CO ₂	165	171	219	232
Business travel	thousand t-CO ₂	0.6	0.6	0.6	0.6
Employee commuting	thousand t-CO ₂	1	1	2	2
Upstream leased assets	thousand t-CO ₂	—	—	—	—

Item	Unit	FY2019	FY2020	FY2021	FY2022
Downstream transportation and distribution	thousand t-CO ₂	—	—	—	—
Processing of sold products	thousand t-CO ₂	—	—	—	—
Use of sold products	thousand t-CO ₂	8,255	8,428	10,323	10,142
End-of-life treatment of sold products	thousand t-CO ₂	—	—	—	—
Downstream leased assets	thousand t-CO ₂	—	—	—	—
Franchises	thousand t-CO ₂	—	—	—	—
Investments	thousand t-CO ₂	—	—	—	—
CO ₂ emissions intensity of power generation*10	kg-CO ₂ /kWh	0.469	0.469	0.489	0.504
SF ₆ (sulfur hexafluoride) recovery rate (at time of inspection)	%	99.8	99.9	99.5	99.5
SF ₆ (sulfur hexafluoride) capture rate (at time of disposal)	%	100.0	99.4	99.0	100.0
SO _x (sulfur oxides) emissions	thousand t	8	5	6	7
SO _x (sulfur oxides) emissions intensity*10	g/kWh	0.03	0.02	0.03	0.03
NO _x (nitrogen oxides) emissions	thousand t	21	18	18	17
NO _x (nitrogen oxides) emissions intensity*10	g/kWh	0.08	0.07	0.07	0.07
Total water intake	thousand m ³	19,006	18,696	19,147	20,177
Industrial water intake	thousand m ³	18,116	17,712	18,165	19,038
Tap water intake	thousand m ³	868	809	864	985
Groundwater intake	thousand m ³	22	176	118	153
Water withdrawal from water stressed areas	thousand m ³	0	0	0	0
Gross wastewater volume	thousand m ³	7,604	7,506	7,188	7,296
COD (chemical oxygen demand) emissions	t	21	20	20	21
Industrial wastes and byproducts	thousand t	1,991	2,045	2,715	3,077
Disposal by reclamation	thousand t	12	13	19	18
Coal ash utilization rate	%	99.99	99.99	99.99	99.98
Gypsum waste utilization rate	%	100.00	99.94	99.21	99.85
Severe leak	cases	0	0	0	0
PCB (polychlorinated biphenyl) transformers and capacitors disposed of	units	16	57	78	43
PCB-contaminated insulating oil treated	kL	86	510	25	383
Fines or sanctions for violations of environmental laws and regulations	cases	0	0	0	0
Domestic / JERA Group*11					
Fuel consumption					
Coal*4	million t	22	21	24	25
Oil	million kL	0.4	0.2	0.2	0.2
LNG, LPG	million t	29	27	26	24
Natural gas	billion Nm ³	2	2	2	2
Blast furnace gas, Cokes oven gas	billion Nm ³	5	3	6	5
Biomass*5	million t	0.4	0.4	0.4	0.5
Net electricity generation	billion kWh	283	260	261	247
Purchased electricity	million kWh	175	162	86	73
Greenhouse gas (GHG) emissions associated with power generation business (Scope 1)*6	thousand t-CO ₂	139,573	127,573	131,925	128,552
CO ₂ emissions	thousand t-CO ₂	139,423	127,437	131,759	128,391
CH ₄ (methane) emissions	thousand t-CO ₂	14	11	11	16
N ₂ O (nitrous oxide) emissions	thousand t-CO ₂	130	119	132	136

Non-Financial Data

Environmental Data

Item	Unit	FY2019	FY2020	FY2021	FY2022
SF ₆ (sulfur hexafluoride) emissions ^{*7}	thousand t-CO ₂	5	6	23	8
HFC (CFC alternative) emissions ^{*7}	thousand t-CO ₂	0.6	0.4	0.3	0.7
CO ₂ emissions associated with purchased electricity consumption (Scope 2) ^{*8}	thousand t-CO ₂	80	79	40	60
CO ₂ emissions intensity of power generation ^{*10}	kg-CO ₂ /kWh	0.493	0.491	0.505	0.519
Global / JERA Group ^{*12}					
CO ₂ emissions associated with power generation business (Scope 1)	thousand t-CO ₂	161,111	147,915	155,358	153,182
CO ₂ emissions associated with fuel upstream business (Scope 1)	thousand t-CO ₂	235	348	245	204
CO ₂ emissions associated with fuel transportation business (Scope 1)	thousand t-CO ₂	297	327	283	258
CO ₂ emissions intensity of power generation ^{*10}	kg-CO ₂ /kWh	0.496	0.493	0.512	0.514

^{*1} Calculation boundary: JERA in Japan, Hitachinaka Generation Co., Inc., JERA Power TAKEYOYO LLC, JERA Power Yokosuka LLC, and JERA Power Anegasaki LLC (unless otherwise noted)

^{*2} Calculated based on our own facilities as of the end of the fiscal year (March 31) of the year in which the data was collected

^{*3} Figures for JERA operations in Japan

^{*4} Totaled on a wet coal basis (as received)

^{*5} Totaled on a dry basis (as dried)

^{*6} Calculated based on the Act on Promotion of Global Warming Countermeasures

^{*7} Calendar year totals

^{*8} Calculated by using the adjusted emission factor for each electric utility published by the Ministry of the Environment and Ministry of Economy, Trade and Industry.

From FY2021, part of purchased electricity is replaced by self-transmission, and the emissions associated with self-transmitted electricity are accounted for as Scope 1 emissions.

^{*9} Calculated by the formula below in accordance with "Basic guidelines on accounting for greenhouse gas emissions throughout the supply chain (Ver.2.5)" on "Green Value Chain Platform (Ministry of the Environment website)"

"Electricity received from other companies" × "Emission factor 1" + "Fuel consumption" × "Emission factor 2"

"Emission factor 1": Cited from "Emission factor database for corporate GHG emissions accounting over the supply chain (Ver.3.3)" on "Green Value Chain Platform (Ministry of the Environment website)"

"Emission factor 2": Cited from "IDEA Ver.2.3"

^{*10} Figures based on net power generation

^{*11} Calculation boundary: The calculation boundary of *11 plus domestic joint venture power companies. Figures of domestic joint venture power companies are calculated based on JERA's equity share in each company

^{*12} Calculation boundary: The calculation boundary of *11 plus totals for overseas businesses. Totals for overseas businesses are generally aggregated based on local fiscal years and reporting standards and calculated based on JERA equity stake.

This data is also available on our corporate website, and starting with values reported for FY2021, we have received third-party assurance from KPMG AZSA Sustainability Co., Ltd. for certain environmental data, including GHG emissions that are disclosed on the website.

 [E Environmental Data](https://www.jera.co.jp/en/sustainability/data/e)
<https://www.jera.co.jp/en/sustainability/data/e>

 [Independent Assurance Report on Environmental Data](https://www.jera.co.jp/en/sustainability/report)
<https://www.jera.co.jp/en/sustainability/report>

Social Data

Item	Unit	FY2019	FY2020	FY2021	FY2022
Employees (JERA consolidated) ^{*1}	People	4,797	4,907	5,059	5,295
Employees (JERA only) ^{*2}					
Total	People	3,726	3,847	3,910	4,008
(full-time employees)	People	—	—	3,900	3,999
(contract workers)	People	—	—	10	9
Male	People	3,452	3,557	3,581	3,638
(full-time employees)	People	—	—	3,574	3,632
(contract workers)	People	—	—	7	6
Female	People	274	290	329	370
(full-time employees)	People	—	—	326	367
(contract workers)	People	—	—	3	3
Average age (JERA only)					
Total	Years old	44.3	44.7	44.6	45.1
Male	Years old	44.5	44.8	44.9	45.6
Female	Years old	41.8	42.2	41.6	40.8

Item	Unit	FY2019	FY2020	FY2021	FY2022
Managers (JERA only)					
Total	People	689	730	713	841
Male	People	664	698	677	796
Female	People	25	32	36	45
Ratio of female managers	%	3.6	4.4	5.0	5.4
New graduate hires (JERA only) ^{*3}					
Total	People	50	51	79	92
Male	People	43	43	68	62
Female	People	7	8	11	30
Mid-career hires (JERA only)					
Total	People	21	72	132	151
Male	People	16	60	98	113
Female	People	5	12	34	38
Turnover rate (JERA only) ^{*4}					
Total	%	—	—	1.3	2.0
Male	%	—	—	1.3	1.9
Female	%	—	—	1.5	3.0
Breakdown of employees by nationality					
Japan	%	—	—	—	99.13
China	%	—	—	—	0.22
India	%	—	—	—	0.07
US	%	—	—	—	0.07
UK	%	—	—	—	0.05
Other	%	—	—	—	0.46
Breakdown of managers by nationality					
Japan	%	—	—	—	98.81
US	%	—	—	—	0.24
UK	%	—	—	—	0.24
India	%	—	—	—	0.12
China	%	—	—	—	0.00
Other	%	—	—	—	0.59
Employees using childcare leave (JERA only)					
Total	People	5	10	20	89
Male	People	0	0	10	56
Female	People	5	10	10	33
Return-to-work rate after childcare leave (JERA only) ^{*5}					
Total	%	100	100	100	100
Male	%	—	—	100	100
Female	%	100	100	100	100
Gender wage gap (the ratio (female/male) where a gap exists) ^{*6}	%	—	—	—	73.6
Employee engagement ^{*7}	%	68.1	68.6	68.8	68.8
Labor union membership rate	%	100	100	100	100

Non-Financial Data

Social Data

Item	Unit	FY2019	FY2020	FY2021	FY2022
Average annual training hours per employee*8					
Total	Hours	—	—	32.4	38.3
(Male)	Hours	—	—	—	33.8
(Female)	Hours	—	—	—	82.4
[Breakdown by age]					
—29	Hours	—	—	—	254.7
30—39	Hours	—	—	—	11.1
40—49	Hours	—	—	—	10.3
50+	Hours	—	—	—	6.3
Breakdown by job level					
Non-management	Hours	—	—	—	45.5
Management and above	Hours	—	—	—	11.2
Average annual training cost per employee					
Total	Thousands of yen	—	—	—	130
(Male)	Thousands of yen	—	—	—	124
(Female)	Thousands of yen	—	—	—	189
[Breakdown by age]					
—29	Thousands of yen	—	—	—	390
30—39	Thousands of yen	—	—	—	178
40—49	Thousands of yen	—	—	—	96
50+	Thousands of yen	—	—	—	52
Breakdown by job level					
Non-management	Thousands of yen	—	—	—	129
Management and above	Thousands of yen	—	—	—	135
Percentage of open positions filled through internal recruitment*9	%	—	—	25.0	38.1
Average hiring cost for full-time employees*10	Thousands of yen	—	—	—	1,838
Average years of service	Years	—	20.0	20.8	20.6
Male	Years	—	20.3	21.3	21.3
Female	Years	—	16.0	15.5	13.8
Overtime hours (per person per month)	Hours	—	—	24.9	25.7
Annual days of paid leave taken (per person)	Days	—	—	15	16
Fatalities*11	People	0	1	0	0
Injuries requiring leave*12	People	9	22	17	10
Employee injury frequency rate*13		0.00	0.00	0.00	0.01
Contribution amounts	Millions of yen	4	780	38	61

*1 Figures from FY2021 and FY2022 are compiled in accordance with International Financial Reporting Standards (IFRS)

*2 Excluding employees on loan from JERA to other companies and including employees on loan to JERA from other companies

*3 Figures from FY2021 and earlier represent the number of employees initially assigned to JERA from shareholder companies (New graduate hiring began in FY2022)

*4 Figures include individuals who have an employment relationship with JERA, including employees on loan. Turnover rate due to personal reasons

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

*6 In April 2021, JERA introduced its own compensation system. There is no wage gap between male and female employees who share the same attributes (age, position, rank, etc.).

*7 An average of 58.4% among all businesses subject to a survey conducted by a third party

*8 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.

*9 Internal recruitment has been conducted since FY2021

*10 The average of mid-career hires and new graduate hires

*11 Employees as well as workers contracted by the JERA Group

*12 Employees as well as workers contracted by the JERA Group, more than one day of leave

*13 Excluding commuting accidents

Governance Data

Item	Unit	FY2019	FY2020	FY2021	FY2022
Customer privacy complaints, etc.	cases	0	0	0	0
Compliance violations	cases	0	0	0	0
Reports via the harassment consultation hotline	cases	—	—	12	13
Reports via the whistleblower hotline*1	cases	12	12	17	13
Data leaks	cases	0	0	0	0
Composition of the Board of Directors					
Number of directors*2	People	10	10	10	9
Number of outside directors	People	4	5	5	4
Ratio of outside directors (number of outside directors ÷ number of directors)	%	40	50	50	44
Number of female directors	People	0	0	1	1
Ratio of female directors (number of female directors ÷ number of directors)	%	0	0	10	11
Number of executive officers (excluding those who are also directors)	People	11	12	10	13
Number of female executive officers	People	0	0	0	1
Ratio of female executive officers (number of female executive officers ÷ number of executive officers)	%	0	0	0	8
Average age of directors	Years old	60.4	60.1	61.3	62.1
Director age limit	Years old	No age limit	No age limit	No age limit	No age limit
Age of youngest director	Years old	49	50	57	58
Age of eldest director	Years old	69	68	69	70
Term of office for directors	Years	1	1	1	1
Average tenure of each director	Years	1.1	1.9	2.0	3.1
Term of office for executive officers	Years	1	1	1	1
Number of board meetings	Meetings	15	23	26	26
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	96.5	95.9
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	93.8	93.9
Director compensation					
Directors paid*3	People	8	8	8	8
Total amount of compensation	Millions of yen	334	278	312	311
Corporate auditors	People	3	3	3	3
Outside corporate auditors	People	3	3	3	3
Ratio of outside corporate auditors (number of outside corporate auditors ÷ number of corporate auditors)	%	100	100	100	100
Number of statutory auditor panel meetings	Meetings	20	17	20	27
Statutory auditor panel meeting attendance rate ((number of meetings attended by auditors × number of auditors) ÷ (number of meetings held × number of auditors))	%	100	100	100	100
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	98.7	100
Nomination and Compensation Committee members	People	5	5	4	4
Number of outside directors	People	2	2	2	2
Ratio of outside directors	%	40	40	50	50
Committee meetings	Meetings	6	7	9	10
Committee meeting attendance rate	%	100	100	100	100
Sustainability Promotion Committee members*4	People	10	10	10	9
Committee meetings	Meetings	1	2	2	3

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

*2 Director Crane resigned on September 5, 2022

*3 Director Crane, who resigned during the term, is included in the count

*4 Member count includes officers

Corporate Overview

Corporate Name	JERA Co., Inc.
Locations	Headquarters Nihonbashi Takashimaya Mitsui Building 25th Floor 2-5-1 Nihonbashi, Chuo-ku, Tokyo 103-6125 Japan TEL: +81-3-3272-4631 (Main) FAX: +81-3-3272-4635 East Japan Branch Hibiya Kokusai Building 9th Floor 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011 Japan TEL: +81-3-3272-4631 FAX: +81-3-6363-5781 West Japan Branch JP TOWER NAGOYA 18th Floor 1-1-1 Meieki, Nakamura-ku, Nagoya-shi, Aichi 450-6318 Japan TEL: +81-52-740-6842 FAX: +81-52-740-6841
Incorporated	April 30, 2015
Capital	100 billion yen
Shareholding Ratio	TEPCO Fuel & Power, Inc.: 50% Chubu Electric Power Co., Inc.: 50%
Description of Business	● Thermal power generation ● Renewable energy ● Gas and LNG ● Engineering, consulting, and other activities related to the above businesses
Number of Employees	5,295 (As of March 31, 2023)

You can also access the latest information about JERA from your computer or smartphone.

Corporate Website: <https://www.jera.co.jp/en/>

Company Information: <https://www.jera.co.jp/en/corporate/>

Company Organization: <https://www.jera.co.jp/en/corporate/about/organization>

Overseas Businesses & LNG Suppliers

(As of June 30, 2023)

Overseas Businesses

Overseas Power Generation and Renewable Energy Business

■ Thermal power generation business ■ Renewable energy business

UK	■ Gunfleet Sands Offshore Wind IPP Project ■ Zenobe Battery Storage
Qatar	■ Ras Laffan B Gas Thermal IWPP Project ■ Ras Laffan C Gas Thermal IWPP Project ■ Mesaieed Gas Thermal IPP Project ■ Umm Al Houf 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
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	■ TeaM Energy IPP Project ■ Aboitiz Power IPP Project
Indonesia	■ Cirebon Coal Thermal IPP Project
US	■ Tenaska 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 ■ Brady Thermal IPP Project
Vietnam	■ Phu My Gas Thermal IPP Project ■ Gia Lai Electricity Joint Stock Company
Mexico	■ Valladolid Gas Thermal IPP Project

Upstream and optimization business

● Fuel upstream business ● Optimization business

Netherlands	Rietland Coal Terminal	●
UK	JERA Global Markets	●
US	Freeport LNG Project	●
	JERA Global Markets	●
Singapore	JERA Global Markets	●
Australia	Darwin LNG Project	●
	Gorgon LNG Project	●
	Wheatstone LNG Project	●
	Ichthys LNG Project	●
	Barossa Gas Project	●

Major LNG Suppliers

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

IPP: Independent Power Producer

IWPP: Independent Water and Power Producer

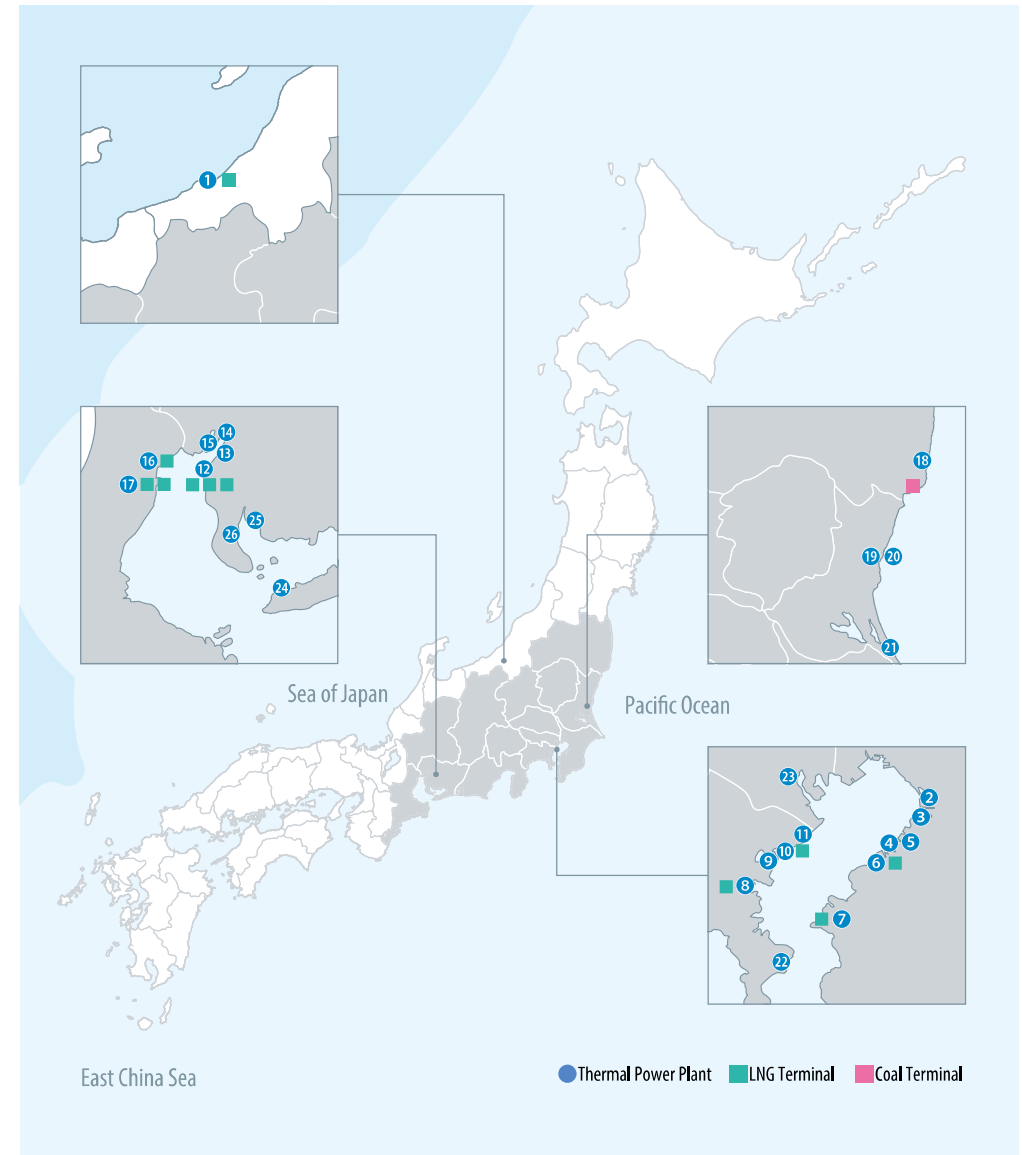
Thermal Power Plants in Japan

(As of June 30, 2023)

Thermal Power Plants in Japan*

	Fuel type	Total output
① Joetsu	LNG	2.38GW
② Chiba	LNG	4.38GW
③ Goi (Goi United Generation LLC) (Scheduled to begin operation in FY2024)	LNG	2.34GW
④ Anegasaki	LNG	1.2GW
⑤ Anegasaki (JERA Power ANEGASAKI) (Sequential start of operations, beginning with commercial operation of the Anegasaki Thermal Power Station New Unit 1 in February 2023)	LNG	1.941GW
⑥ Sodegaura	LNG	3.6GW
⑦ Futtsu	LNG	5.16GW
⑧ Minami-Yokohama	LNG	1.15GW
⑨ Yokohama	LNG	3.016GW
⑩ Higashi-Ohgishima	LNG	2GW
⑪ Kawasaki	LNG	3.42GW
⑫ Chita	LNG	1.708GW
⑬ Chita Daini	LNG	1.708GW
⑭ Shin-Nagoya	LNG	3.058GW
⑮ Nishi-Nagoya	LNG	2.376GW
⑯ Kawagoe	LNG	4.802GW
⑰ Yokkaichi	LNG	0.585GW
⑱ Hirono	Heavy oil / Crude oil / Coal	4.4GW
⑲ Hitachinaka	Coal	2GW
⑳ Hitachinaka Joint Thermal Power Station (Hitachinaka Generation Co., Inc.)	Coal	0.65GW
㉑ Kashima	Utility Gas	1.26GW
㉒ Yokosuka (JERA Power Yokosuka) (Sequential start of operations, beginning with commercial operation of the Yokosuka Power Station Unit 1 in June 2023)	Coal	1.3GW
㉓ Shinagawa	Utility Gas	1.14GW
㉔ Atsumi	Heavy oil / Crude oil	1.4GW
㉕ Hekinan	Coal	4.1GW
㉖ Taketoyo (JERA Power Taketoyo)	Coal	1.07 MW

* Power plant name followed by name of operating company in parentheses



Affiliated Companies

(As of March 31, 2023)

Consolidated Subsidiaries, etc. *1

Name	Location	Segment	Main Business Activities	Percentage of Voting Rights (Held)
JERA Power International B.V.*2	Amsterdam, Netherlands	Overseas Power Generation and Renewable Energy Business	Investment, financing, and securities for overseas power generation projects, etc.	100.0%
JERA Asia Pte. Ltd. *2	Singapore	Overseas Power Generation and Renewable Energy Business	Project development and investment in all energy-related projects in Asia	100.0%
JERA Australia Pty. Ltd. *2	Perth, Australia	Fuel Business	Fuel Business Management in Australia	100.0%
JERA Global Markets Pte. Ltd. *2	Singapore	Fuel Business	Fuel trading and related activities	66.7%
Hitachinaka Generation Co., Inc.	Tokai-mura, Naka-gun, Ibaraki	Domestic Thermal Power Generation and Gas Business	Thermal power generation and related activities	100.0%
JERA Power Trading Co., Inc.	Chuo City, Tokyo	Domestic Thermal Power Generation and Gas Business	Electricity trading and related activities	100.0%
LNG Marine Transport Co., Ltd.	Chiyoda City, Tokyo	Fuel Business	Liquefied natural gas marine transport and related agency activities	70.0%
JERA Global Insurance Inc.	Hawaii, US	Domestic Thermal Power Generation and Gas Business	Insurance	100.0%
JERA Power YOKOSUKA LLC	Yokosuka City, Kanagawa	Domestic Thermal Power Generation and Gas Business	Thermal power generation and related activities	100.0%
JERA Power ANEGASAKI LLC	Ichihara City, Chiba	Domestic Thermal Power Generation and Gas Business	Thermal power generation and related activities	100.0%
Chita LNG Co., Ltd.	Chita City, Aichi	Domestic Thermal Power Generation and Gas Business	Services related to the receiving, storage, regasification, and delivery of liquefied natural gas	95.0%
JERA Power (Thailand) Co., Ltd.	Bangkok, Thailand	Overseas Power Generation and Renewable Energy Business	Power plant operation and engineering services and financing for these services in Thailand	100.0%
Goi United Generation LLC	Ichihara City, Chiba	Domestic Thermal Power Generation and Gas Business	Thermal power generation and related activities	66.7%
Nexeraise Co., Ltd.	Koto City, Tokyo	Domestic Thermal Power Generation and Gas Business	Petroleum product sales, operation and management of thermal power facilities, power plant disaster prevention and response operations, etc.	100.0%
JERA Power TAKETOYO LLC	Taketoyo-cho, Chita-gun, Aichi	Domestic Thermal Power Generation and Gas Business	Thermal power generation and related activities	100.0%
JERA Americas Inc.	Delaware, US	Overseas Power Generation and Renewable Energy Business	Management of power generation and activities, including investing, financing, securities, etc., in the Americas	100.0%
JERA Americas Holdings Inc.	Delaware, US	Fuel Business	Management of power generation and fuel activities in the Americas	100.0%

*1 The term consolidated subsidiaries, etc. includes joint operations (joint controlling businesses).

*2 These four companies fall under the category of specified subsidiaries. Note that of the 80 other companies not listed above, the following qualify as specified subsidiaries: JERA Ichthys Pty. Ltd., JERA Gorgon Pty. Ltd., JERA Trading International Pte. Ltd., Canal 3 Generating LLC, Stonepeak Kestrel Upper Holdings II LLC, Stonepeak Kestrel Holdings II LLC, Tokyo Electric Power Company International B.V., Reliance Bangladesh LNG & Power Ltd., JERA Power Management Asia B.V., Stonepeak New England Power LLC, Stonepeak New England Power Lower LLC, Stonepeak Kestrel Upper Holdings LLC, Canal Generating LLC, and Stonepeak Kestrel Holdings LLC.

80 other companies

Equity Method Affiliates, etc. *3

Name	Location	Segment	Main Business Activities	Percentage of Voting Rights (Held)
Soma Kyodo Power Company, Ltd.	Soma City, Fukushima	Domestic Thermal Power Generation and Gas Business	Thermal power plant operations and maintenance, electric power sales	50.0%
Joban Joint Power Co., Ltd.	Chiyoda City, Tokyo	Domestic Thermal Power Generation and Gas Business	Thermal power plant operations and maintenance, electric power sales	49.1%
Aboitiz Power Corporation	Manila, Philippines	Overseas Power Generation and Renewable Energy Business	Power generation and distribution, retail electric power sales in the Philippines	27.0%
Kashima Kyodo Thermal Electric Power Co., Inc.	Kashima City, Ibaraki	Domestic Thermal Power Generation and Gas Business	Thermal power plant operations and maintenance, electric power sales	50.0%
Tokyo Timor Sea Resources Inc.	Delaware, US	Fuel Business	Investment in gas field development projects in the Joint Petroleum Development Area between Australia and Timor-Leste	66.7%
Kimitsu Cooperative Thermal Power Company, Inc.	Kimitsu City, Chiba	Domestic Thermal Power Generation and Gas Business	Thermal power plant operations and maintenance, electric power sales	50.0%
TeaM Energy Corporation	Manila, Philippines	Overseas Power Generation and Renewable Energy Business	Power generation in the Philippines	50.0%
Freeport LNG Development, L.P.	Delaware, US	Fuel Business	LNG facilities operations and maintenance, development in the Americas	25.7%

*3 The term equity method affiliates, etc. includes joint ventures (joint controlling companies).

36 other companies