



SECOND PARTY OPINION

JERA CO., INC.

**JERA SUSTAINABLE FINANCE FRAMEWORK
(APRIL 2026)**

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This report was additionally reviewed in April 2026 as Revision 4, in line with the revision to the "JERA Sustainable Finance Framework."

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Revision history

Revision number	Date of issue	Remarks
0	14/2/2022	Initial
1	12/5/2022	Update descriptions related to "Process for Project Evaluation and Selection" and "Management of Proceeds" due to JERA's business execution system changes in April 2022. Addition of eligibility assessment for additional target disclosures related to transition strategies due to the establishment of the "JERA Environmental Commitment 2035" and the update of the "JERA Zero CO ₂ Emissions 2050 Roadmap for Our Japan Business" in May 2022.
2	19/8/2022	Addition of assessment against the revised "JERA Transition Finance Framework" (August 2022) to the existing "JERA Transition Bond Framework" (May 2022) with the addition of the four elements for executing transition loans, which are Use of Proceeds instruments, and the five elements (KPI/SPT etc.) for executing transition-link bonds and loans, which are General Corporate Purpose instruments.
3	22/11/2023	Addition of assessment on revised "JERA Sustainable Finance Framework" (November 2023), due to the addition of Green Finance (renewable energy and storage batteries) to existed "JERA Transition Finance Framework" (August 2022) and revision of CTFH, SLBP, GLP and SLLP.
4	1/4/2026	Addition of assessment on revised "JERA Sustainable Finance Framework" (April 2026), due to the addition of Transition Finance (hydrogen/ammonia supply chain, high-efficiency LNG value chain, and CCUS) to existed "JERA Transition Finance Framework" (November 2023) and revision/new issuance of CTFH/CTFBG, CTBG, GBP/GBGL, GLP/GLGL, SLBP/SLBGL, and SLLP/SLLGL.

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Our assessment relies on the premise that the data and information provided by Issuer to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

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DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.DNV.com)



Executive Summary

*This report (Revision 4) is an additional assessment taken place in line with the revision to the "JERA Sustainable Finance Framework."

JERA Co., Inc. (hereinafter, JERA, including JERA Group) was established on April 30, 2015 to form a comprehensive alliance between Tokyo Electric Power Company (as it was known then) and Chubu Electric Power Co., Inc. for their entire supply chains from fuel upstream and procurement business to power generation. JERA established a unified, continuous value chain from fuel upstream and procurement business to power generation and electricity and gas wholesaling, earning its status as an energy company with power generation capacity equivalent to half of Japan's thermal power generation output and a fuel transaction volume among the world's highest. JERA engages in borderless management of all businesses from fuel procurement to power generation and sales in three profit centers, which are "Fuel Business," "Overseas Power Generation and Renewable Energy Business," and "Domestic Thermal Power Generation and Gas Business," to establish a system capable of pursuing expertise and excellence and maximizing synergy in each business.

JERA has established "JERA Zero CO₂ Emissions 2050" in October 2020, the goal of achieving zero CO₂ emissions by 2050. Under "JERA Zero CO₂ Emissions 2050", JERA will take on the challenge of achieving, by 2050, virtually zero CO₂ emissions from JERA's operations in Japan and overseas by taking the three following approaches: 1. Leveraging the Complementary Nature of Renewable Energy and Zero CO₂ Emission Thermal Power, 2. Establishing Country- and Region-Specific Roadmaps, and 3. Adoption of Smart Transitions. In addition, JERA established "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" that shows a pathway toward CO₂ zero emissions by 2050 of its business in Japan. To promote CO₂ zero emissions in domestic operations in accordance with this roadmap, JERA has formulated "JERA Environmental Target 2030" as new environmental goals of FY2030 for its domestic operations. According to "JERA Environmental Target 2030", JERA has committed to reducing CO₂ emission intensity by 20% compared to that of thermal power plants in Japan as a whole, based on the long-term energy supply and demand outlook for FY2030 set by the government. JERA also committed to shutting down/decommissioning all inefficient (supercritical or less) coal-fired thermal power plants.

As stated in "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business," in order to achieve the realization of CO₂ zero emissions, JERA will promote various R&D, verification, introduction of technologies and facilities. Meanwhile, until the technologies and facilities are practically available, JERA will pursue the CO₂ emission reduction in the medium-term by utilizing the decarbonization technologies. These efforts comply with the philosophy of Climate Transition. "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" is consistent with the Transition Roadmap for Power Sector, which was developed by the Ministry of Economy, Trade and Industry (hereinafter, METI) in February 2022 with the aim of promoting transition finance, and was revised in November 2025. JERA's roadmap also includes representative transition projects and ambitious goals outlined in the globally recognized handbooks, principles or guidelines related to transition finance.

In May 2022, JERA added a target to accelerate further its efforts to achieve the realization of CO₂ zero emissions, aiming to reduce CO₂ emissions from domestic operations by at least 60% (relative to FY2013) by FY2035 with the establishment of the "JERA Environmental Commitment 2035" and the update of the "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business." Furthermore, JERA has developed a more ambitious transition strategy, including clarifying the timing of full-scale operation at 20% and 50% ammonia substitution



rates in thermal power generation, consistent with the Transition Roadmap for Power Sector of METI.

JERA has now revised the previous framework into the "JERA Sustainable Finance Framework" (hereinafter, the "Framework") in order to implement financing that contributes to the realization of "JERA Zero CO₂ Emissions 2050" in a manner that is compliant with various international frameworks which were updated in 2024-2025.

The Framework is structured as a comprehensive framework that includes the following elements required for finance implementation:

- Green finance (green bonds and loans)
- Climate Transition finance (transition bonds and loans with specific use of proceeds and general corporate purpose)

DNV Business Assurance Japan K.K. (hereinafter, "DNV"), as an external reviewer, evaluated the eligibility of the Framework.

Specifically, DNV provided the eligibility evaluation for the Framework against the following handbooks, principles and guidelines which are widely recognized:

- Climate Transition Finance Handbook (CTFH); International Capital Market Association (ICMA), 2025
- Climate Transition Bond Guidelines (CTBG); International Capital Market Association (ICMA), 2025
- Basic Guidelines on Climate Transition Finance (CTFBG); Financial Services Agency, Ministry of Economy, Trade and Industry, Ministry of the Environment, 2025
- Green Bond Principles (GBP); International Capital Market Association (ICMA), 2025
- Green Bond Guidelines and Sustainability-Linked Bond Guidelines (GBGL/SLBGL); Ministry of the Environment, 2024
- Green Loan Principles (GLP); Loan Market Association (LMA) et al., 2025
- Green Loan Guidelines and Sustainability-Linked Loan Guidelines (GLGL/SLLGL); Ministry of the Environment, 2024
- Sustainability-Linked Bond Principles (SLBP); International Capital Market Association (ICMA), 2024
- Sustainability-Linked Loan Principles (SLLP); Loan Market Association (LMA) et al., 2025
- Transition Loans Guide (GTL); Loan Market Association (LMA) et al., 2025^{*1}

*1 Used as reference as it was a published draft as of March 2026

The following is a summary of the assessment results for each common element indicated in the above handbooks, principles and guidelines.



<CTF Eligibility Assessment Results>

CTF-1 to CTF-4 are findings and opinions of DNV against the four common elements of the CTFH/CTFBG (disclosure elements).

CTF-1. Fundraiser's Climate Transition Strategy and Governance:

The Fundraiser, JERA, has set a long-term goal of "JERA Zero CO₂ Emissions by 2050," which is consistent with the goal of the Paris Agreement and has created "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" to set a mid-term target of 60% reduction of domestic CO₂ emissions by FY2035 in terms of absolute GHG emissions. This is in line with the pathway stated in the Transition Roadmap for Power Sector of METI and is science-based. It also discloses the main means of reducing GHG emissions to achieve this goal. Moreover, given the fact that indirect emissions from power generation accounts for 38% of the CO₂ emissions per final energy consumption in Japan where JERA operates in, the transition strategy of JERA, whose major emissions come from its thermal power generation, will not only contribute to the emissions reduction from its own business activities (Scope 1 and 2), but also the achievement of the decarbonization goals of diverse entities. In terms of governance and disclosure related to the implementation of transition finance, an internal structure and information disclosure process based on TCFD^{*1} have been established and investment plans are also being developed. These are disclosed within the Framework and other documents and meet the disclosure element CTF-1.

*1: Task Force on Climate-related Financial Disclosures

CTF-2. Business Model Environmental Materiality:

JERA identified materiality in order to simultaneously solve social issues and increase its medium-to-long-term corporate value. JERA also utilizes the analysis and evaluation methods based on GRI Standards^{*1}, ISO 26000, TCFD, etc. As part of its efforts to address environmental materiality, the activities contributing to transition, such as "Establish a stable supply infrastructure and system for energy supply at affordable prices" and "Contribute to decarbonization and environmental protection by using renewable energy and zero CO₂ emission thermal power to complement each other," are included. Domestic Scope 1 to Scope 3 as the results of activities have been disclosed. Furthermore, the contribution to the SDGs is also taken into account. These are disclosed within the Framework and other documents and meet the disclosure elements CTF-2.

*1: An international standard providing ESG-related reporting, management, and analysis methods, established by Global Reporting Initiatives.

CTF-3. Climate transition strategy and targets to be science-based:

JERA's transition strategy is formulated in consistency with the Transition Roadmap for Power Sector of METI as described in CTF-1. The Transition Roadmap for Power Sector refers to the Seventh Strategic Energy Plan, which is in line with the Plans for Global Warming Countermeasures. These are established based on Japanese government's aim to achieve carbon neutrality in 2050 and to reduce greenhouse gas emissions by 46% in FY2030 and 60% by FY2035 compared to the FY2013 level in refer to IPCC 1.5°C Special Report. These are consistent with the Paris Agreement. In JERA's transition strategy, the medium- and long-term goals to reduce CO₂ emissions from company's activities, including the use of future CO₂ capture technology, are indexed and quantified while the process of achieving those goals is clarified. Also, Scope 3-related categories



are presented. Moreover, "JERA Environmental Commitment 2035" and "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business," released in May 2022, provide additional disclosure of mid-term targets including absolute amount of emissions. These are disclosed in JERA Group Integrated Report, the Framework, etc. or this second party opinion, and meet the disclosure elements CTF-3. Please note that no decisions have been made regarding the use of carbon credits at this time.

CTF-4. Implementation Transparency:

DNV confirmed that the investment and project plans related to JERA's transition strategy include an overview of investments made to date and consensus on future investments and expenditures, as well as their outcomes and impact. Specifically, JERA plans to invest a cumulative total of 5 trillion yen in its three strategic business areas; "LNG," "Renewables," and "Hydrogen & Ammonia," between FY2024 and FY2035. DNV also confirmed that the overall investment plan (investment amount) will be executed in accordance with the timeline. Moreover, in order to ensure transparency, JERA will discuss on the disclosure, wherever possible, of its basic investment plan (investment amount). At present, the initiative does not take into account internal carbon prices. DNV also reviewed the Framework and the ESG management of JERA and confirmed high transparency in the implementation. JERA explained the appropriateness of its execution to DNV and DNV agreed on the appropriateness. These meet the disclosure elements CTF-4.

<CTBG/GBP/GLP Eligibility Assessment Results>

CTBG/GBP/GLP-1 to CTBG/GBP/GLP-4 are findings and opinions of DNV against the four elements of CTBG, GBP/GBGL, and GLP/GLGL for sustainable finance with specific use of proceeds.

CTBG/GBP/GLP-1. Use of Proceeds:

JERA defined the project categories of the use of proceeds as the projects (transition projects and green projects) to realize zero CO₂ emissions from thermal power generation. Specifically, the Eligibility Criteria are presented in the Eligible Project Categories, which are categorized into the initiatives listed below, and will be used to fund one or more of these R&D, capital/facilities investments, operations and renovations, investments, and other related expenditures, either as new expenditures or as refinancing for existing expenditures. DNV has confirmed that these transition projects and green projects are consistent with the elements CTF-1 to CTF-4. The transition projects and green projects have been evaluated by JERA as having clear and positive environmental impacts in line with the transition strategy. These projects are aligned with CTBG/GBP/GLP-1. Below is an overview of the projects to allocate the proceeds. Among these, projects classified into transition project show the relationships between the safeguards shown in CTBG and the eligibility criteria.

Table-I JERA Sustainable Finance Eligibility Criteria

<Transition Project>

Project Category	Eligibility Criteria	
Projects for the realization of zero CO ₂ emission thermal power	ICMA CTBG: Lower-carbon fuels	<ul style="list-style-type: none"> The expenditures related to upstream development, production, transportation, and technological development of hydrogen and ammonia
	ICMA CTBG: Lower-carbon fuels Fossil fuel switch	<ul style="list-style-type: none"> The expenditures related to the use of hydrogen and ammonia fuels
	ICMA CTBG: Fossil fuel switch	<ul style="list-style-type: none"> The expenditures related to the development of high-efficiency LNG thermal power generation and the establishment of a value chain
	ICMA CTBG: Early retirement and decommissioning of high-emission assets	<ul style="list-style-type: none"> The expenditures related to decommissioning of inefficient existing thermal power plants, with the aim of replacing them with high-efficiency thermal power plants
	ICMA CTBG: CCUS and carbon removal technologies	<ul style="list-style-type: none"> The expenditures related to the utilization of CCS/CCUS
Renewable energy related	<ul style="list-style-type: none"> The expenditures related to storage batteries that are intended to function as balancing resources, regardless of the type of charging source (electricity) 	

<Green Project>

Project Category	Eligibility Criteria	
Renewable energy	ICMA GBP: Renewable energy (Environmental objectives: Climate change mitigation)	<ul style="list-style-type: none"> The expenditures related to renewable energy (onshore/offshore wind, solar)
		<ul style="list-style-type: none"> The expenditures related to storage batteries where the charging source (electricity) meets the <100g-CO₂/kWh criterion

CTBG/GBP/GLP-2. Process for Project Evaluation and Selection:

In addition to confirming that the transition projects and green projects meet the CTBG/GBP/GLP-1 eligibility project categories, JERA will also confirm that potential negative environmental/social impacts are taken into account, and that the procedures of equipment certification, licensing and environmental assessment in the regions where the projects are to be implemented are appropriate. Specifically, eligible projects are selected by JERA’s Global Finance Group or the finance department of JERA Group companies and the final decision is made by the Head of the Global Finance Group or Head of the Finance department of JERA Group companies after comprehensive analyses and reviews of the financial risks, technical and operational risks, market environment and ESG risks carried out by related business department. The process is consistent with CTBG/GBP/GLP-2.

CTBG/GBP/GLP-3. Management of Proceeds:

JERA's Global Finance Group or the finance department of JERA Group companies will manage the allocation of the net proceeds of Sustainable Finance on at least an annual basis, using the internal accounting management system until the proceeds have been fully allocated. The proceeds are managed in cash or cash equivalents in an amount equal to the unallocated proceeds until the proceeds have been fully allocated.

CTBG/GBP/GLP-4. Reporting:

JERA or its Group companies will report the allocation status of proceeds and either or all of the following reporting items of each eligible project on JERA or the JERA Group companies’ website annually until the proceeds have been fully allocated to Eligible Projects, to the extent practicable. In the case of loans, the disclosure may be limited to the lenders only, as necessary. Moreover, JERA or its Group companies will disclose in a timely manner or report to the loan lenders in the event of significant changes in transition strategy or pathway, or significant changes in allocation plans or results.

Project Category	Eligibility Criteria	Reporting Items
Projects for the realization of zero CO ₂ emission thermal power	<ul style="list-style-type: none"> The expenditures related to upstream development, production, transportation, and technological development of hydrogen and ammonia 	<ul style="list-style-type: none"> Project overview Project progress
	<ul style="list-style-type: none"> The expenditures related to the use of hydrogen and ammonia fuels 	<ul style="list-style-type: none"> Project overview Project progress
	<ul style="list-style-type: none"> The expenditures related to the development of high-efficiency LNG thermal power generation and the establishment of a value chain 	<ul style="list-style-type: none"> Project overview Project progress
	<ul style="list-style-type: none"> The expenditures related to decommissioning of inefficient existing thermal power plants, with the aim of replacing them with high-efficiency thermal power plants 	<ul style="list-style-type: none"> Project overview Project progress
	<ul style="list-style-type: none"> The expenditures related to the utilization of CCS/CCUS 	<ul style="list-style-type: none"> Project overview Project progress
Renewable energy related	<ul style="list-style-type: none"> The expenditures related to storage batteries that are intended to function as balancing resources, regardless of the type of charging source (electricity) 	<ul style="list-style-type: none"> Project overview Project progress Installed capacity (MWh)
Renewable energy	<ul style="list-style-type: none"> The expenditures related to renewable energy (onshore/offshore wind, solar) 	Reporting the following metrics by renewable energy type <ul style="list-style-type: none"> Project overview Project progress Installed capacity (MW) Annual power generation (MWh) Annual CO₂ emission reductions
	<ul style="list-style-type: none"> The expenditures related to storage batteries where the charging source (electricity) meets the <100g-CO₂/kWh criterion 	<ul style="list-style-type: none"> Project overview Project progress Installed capacity (MWh)

<SLBP/SLLP Eligibility Assessment Results >

SLBP/SLLP-1 to SLBP/SLLP-5 are findings and opinions of DNV against the five elements of SLBP/SLBGL and SLLP/SLLGL for sustainable finance (transition-linked finance) with general corporate purpose, and the two core elements of CTBG.

SLBP/SLLP-1. Selection of Key Performance Indicators (KPIs):

The KPI on transition (JERA Group's domestic CO₂ emissions intensity) shown in Table-II is an important indicator for achieving zero emissions by 2050, which JERA is promoting as the largest power generation company in Japan. DNV concludes that the selection of KPIs was a rational process and that the KPIs are clearly defined, measurable and verifiable, and robust and reliable.

The evaluation results for CTBG are the same as those mentioned above.

SLBP/SLLP-2. Calibration of Sustainability Performance Targets (SPTs):

DNV confirmed that the achievement of JERA's SPT (JERA Group's domestic CO₂ emissions amount and CO₂ emissions intensity) shown in Table-II is consistent with JERA's efforts to achieve zero emissions by 2050.

The SPT is set at a value of 0.477 kg-CO₂/kWh or less after a further 20% reduction from the estimated national emissions intensity from thermal power generation, based on the estimated value of CO₂ emissions from electricity-derived energy, total electricity generation, and the ratio of thermal power generation in the "2030 Outlook for Energy Supply and Demand" released by the Japanese government in October 2021. In addition, the "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" and the "JERA Environmental Commitment 2035" have set a target for FY2035 to "reduce CO₂ emissions from domestic operations by at least 60% compared to FY2013," and a SPT for the emissions level following the achievement of this 60% reduction has also been established. DNV confirmed that these are more ambitious than the national goals and goes beyond "Business as Usual."

DNV confirmed that JERA, as the largest power generation company in Japan, has made various calculations and studies on how to achieve zero emissions from thermal power generation (reduction of emission intensity, and reduction of CO₂ emissions from domestic operations by at least 60% by FY2035, which are the SPTs for this project) while fulfilling its responsibility for stable energy supply, and JERA has set the SPT as an ambitious goal required for transition-linked finance, and as a feasible goal that can be guaranteed with probability. SPTs are not set on an annual basis in light of the need to respond to electricity supply and demand, etc., but their progress is verified annually by an external organization.

The evaluation results for CTBG are the same as those mentioned above.

SLBP/SLLP-3. Finance Characteristics:

The financial and structural characteristics of the sustainable finance, which is general corporate purpose, executed under the Framework will change depending on the achievement of the SPT. JERA has internal procedures to ensure that each time a financing is executed, the trigger event and its scope of impact with specific SPT measurement timing and performance requirements will be linked to target achievement and financial incentives, and details including conditions will be disclosed in the bond disclosure documents or loan agreement documents. Changes in the characteristics of the bonds and loans may be foregone if there are reasonable grounds that the

achievement of the SPT will be temporarily missed due to transient changes in domestic electricity supply.

SLBP/SLLP-4. Reporting:

The progress of the SPT against the KPIs required by the SLBP/SLLP will be published on the website on an annual basis.

SLBP/SLLP-5. Verification:

JERA plans to have the progress of SPT against KPIs verified annually by an external evaluation organization, etc.

Table-II JERA Transition-Linked Finance KPIs and SPTs

KPI 1	CO₂ emissions (Scope 1) in the JERA Group's business in Japan
Definition of KPI 1	CO ₂ emissions in the JERA Group's ^(*1) business in Japan in the relevant fiscal year (Scope 1) (*1) Equivalent to JERA's investment ratio in the JERA Group Companies and Joint Thermal Power Business
KPI 2	CO₂ emissions intensity (Scope 1) in the JERA Group's domestic power generation business
Definition of KPI 2	CO ₂ emissions intensity in the JERA Group's ^(*2) domestic power generation business in the relevant fiscal year (Scope 1) ^(*3) (*2) Equivalent to JERA's investment ratio in the JERA Group Companies and Joint Thermal Power Business (*3) Calculated on a sending-end power basis
SPT 1	JERA Group's emissions from domestic operations in FY2035 to be 72.85 million t-CO₂ or less
Definition of SPT 1	The "JERA Zero CO ₂ Emissions 2050 Roadmap for Our Japan Business" and the "JERA Environmental Commitment 2035" have set a target for FY2035 to "reduce CO ₂ emissions from domestic operations by at least 60% compared to FY2013," and a SPT for the emissions level following the achievement of this 60% reduction. Specific trigger criteria for individual transition linked finance will be set by an appropriate method around the SPT, and disclosed prior to the execution of the financing in the bond disclosure documents or loan agreement documents.
SPT 2	JERA Group's emissions intensity in domestic power generation business in FY2030 to be 0.477 kg-CO₂/kWh or less^(*4)
Definition of SPT 2	The "JERA Zero CO ₂ Emissions 2050 Roadmap for Our Japan Business" and the "JERA Environmental Target 2030" have set a target for FY2030 to "reduce 20% compared to the national emissions intensity from thermal power generation based on the government's long-term energy supply and demand outlook for FY2030." The SPT has been set as the value after achieving this 20% reduction, calculated using the latest long-term energy supply and demand outlook etc. Specific trigger criteria for individual transition linked finance will be set by an appropriate method around the SPT, and disclosed prior to the execution of the financing in the bond disclosure documents or loan agreement documents. (*4) Based on the CO ₂ emissions from electricity generation, total electricity generation, and the share of thermal power generation in the power mix shown in the "2030 Outlook for Energy Supply and Demand" released by the Japanese government in October 2021, JERA calculated an estimated national emissions intensity from thermal power generation and set the SPT at 0.477 kg-CO ₂ /kWh or less, which represents the value achieved after a further 20% reduction from that estimate.



On the basis of the information, including Framework, provided by JERA and the work undertaken, DNV confirmed that the Framework and Transition Finance executed by the Framework meet the criteria required by the relevant frameworks within CTFH/CTFBG, CTBG, GBP/GBGL, GLP/GLGL, SLBP/SLBGL, and SLLP/SLLGL, and are eligible. DNV confirmed that any future financing by JERA is properly planned and expected to be implemented in accordance with the Framework.



I. Introduction

i. About the Fundraiser

JERA Co., Inc. (hereinafter, JERA, including JERA Group) was established in April 2015 as the company to realize the comprehensive alliance, related to the continuous value chain from fuel upstream and procurement business to power generation and electricity and gas sales, between Tokyo Electric Power Company (at the time of foundation of JERA) and Chubu Electric Power Company. JERA established a unified, continuous value chain from fuel upstream and procurement business to power generation and electricity and wholesaling, earning its status as an energy company with power generation capacity equivalent to half of Japan's thermal power generation output and a fuel transaction volume among the world's highest. JERA engages in borderless management of all businesses from fuel procurement to power generation and sales in three profit centers, which are "Fuel Business," "Overseas Power Generation and Renewable Energy Business," and "Domestic Thermal Power Generation and Gas Business," to establish a system capable of pursuing expertise and excellence and maximizing synergy in each business.

Fuel Business:

Investment in fuel upstream and other businesses, fuel transportation, and fuel trading

Overseas Power Generation and Renewable Energy Business:

Investment in overseas power generation projects, etc. Development and operation of renewable energy in Japan and overseas

Domestic Thermal Power Generation and Gas Business:

Thermal power generation in Japan, fuel procurement, O&M engineering, sale of electricity and gas in Japan, etc.

ii. Fundraiser's ESG Initiatives

JERA sets "To provide cutting edge solutions to the world's energy issues" as its mission, and believes that it is important to fully understand and manage the impact of the external environment on JERA and the effects of its business activities on the society and the environment. JERA tackles to sophisticate the ESG initiatives together with all value chain.

In order to simultaneously provide the solution for social issues and increase its corporate value over medium-to-long-term, JERA identified the material issues (materiality) shown in Table-1 and promotes sustainable activities that are integrated with its business activities.

Among these, the material issues (materiality) relevant to the sustainable finance are the activities against climate change shown in "1. Establish a stable supply infrastructure and system for energy supply at affordable prices" and "3. Contribute to decarbonization and environmental protection by using renewable energy and zero CO₂ emission thermal power to complement each other" in Table-1.

Table-1 JERA's Material Issues (Materiality)

Material Issues	Why (Our Rationale)
Establish a stable supply infrastructure and system for energy supply at affordable prices	To realize the formation of power supply facilities that provide both affordable prices and a stable supply of electricity, as outlined in Japan's basic energy policy, S+3E perspective (S+3E means first and foremost ensuring stable supply and realizing low-cost energy supply by enhancing efficiency on the premise of safety while making maximum efforts to pursue environmental suitability)
Create customer value by offering cutting-edge solutions	To deliver cutting-edge solutions by developing roadmaps that account for the unique circumstances of each country and region, ensuring the most effective solutions for their specific challenges
Contribute to decarbonization and environmental protection by using renewable energy and zero CO₂ emission thermal power to complement each other	Because achieving our zero CO ₂ emissions while maintaining a stable supply and compensating for the intermittency of renewable energy requires the complementary integration of zero-emission thermal power
Transforming the business model through digital transformation	To provide new added value through the optimal use of renewable energy and zero-emission thermal power, leveraging digital technologies
Coexist and thrive alongside local communities in Japan and abroad	Because earning the trust of local communities is essential for smooth business operations
Establish strong governance	To gain credibility in the international energy market
Implement rigorous compliance	To establish the infrastructure needed to realize the group's corporate philosophy
Ensure the safety of all people and local communities involved in our business	Because ensuring the safety of every individual involved in our business, as well as the safety of the local community, is fundamental to securing business continuity
Create innovation through diverse talent	Because fostering innovation is essential to continue providing cutting-edge solutions to the world
Contribute to the happiness of employees and their families	Because we must attract talent who can shape a unique identity for JERA that sets it apart from every other energy company in the world

iii. Fundraiser's Environmental Initiatives

Bearing in mind the promotion of decarbonization at low cost and high speed while keeping a stable energy supply, JERA formulated "JERA Zero CO₂ Emissions 2050" in October 2020, to achieve zero CO₂ emissions by 2050. It states that JERA will take on the challenge of achieving, by 2050, virtually zero CO₂ emissions from JERA's operations in Japan and overseas by taking the three approaches as follows: 1. Leveraging the Complementary Nature of Renewable Energy and Zero CO₂ Emission Thermal Power, 2. Establishing Country- and Region-Specific Roadmaps, and 3. Adoption of Smart Transitions.

In addition, JERA established "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" that shows a pathway toward CO₂ zero emissions by 2050 for its business in Japan. To promote CO₂ zero emissions in domestic operations in accordance with this road map into practice, JERA has formulated "JERA Environmental Target 2030" as its

new environmental goals as of FY2030. JERA committed to the achievement of the following goals:

- ① Decommission all inefficient coal power plants (supercritical or less) and conduct demonstration tests of substitution to ammonia at high-efficiency (ultra-supercritical) coal power plants.
- ② Promote the development of renewable energy centered on offshore wind power projects and work to further improve the efficiency of LNG thermal power generation.
- ③ Reduce carbon emissions intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY2030 as set by the government. (Table-2/Figure-1 & 2)

In May 2022, JERA established the "JERA Environmental Commitment 2035" and revised "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" to accelerate further its efforts to achieve the realization of CO₂ zero emissions and added its goal to reduce CO₂ emissions from domestic thermal power generation by at least 60% (relative to FY2013) by FY2035. JERA's roadmap is consistent with METI's Transition Roadmap for Power Sector by clarifying the timing of full-scale operation at 20% and 50% ammonia substitution ratio in coal-fired power generation, and is a more ambitious transition strategy (Figure-1 & 2, Table-2). The "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" states to promote CO₂ emission reductions through various research and development, demonstration, and introduction of technologies and equipment, as well as the use of decarbonization technologies in the medium term in order to achieve zero CO₂ emissions.

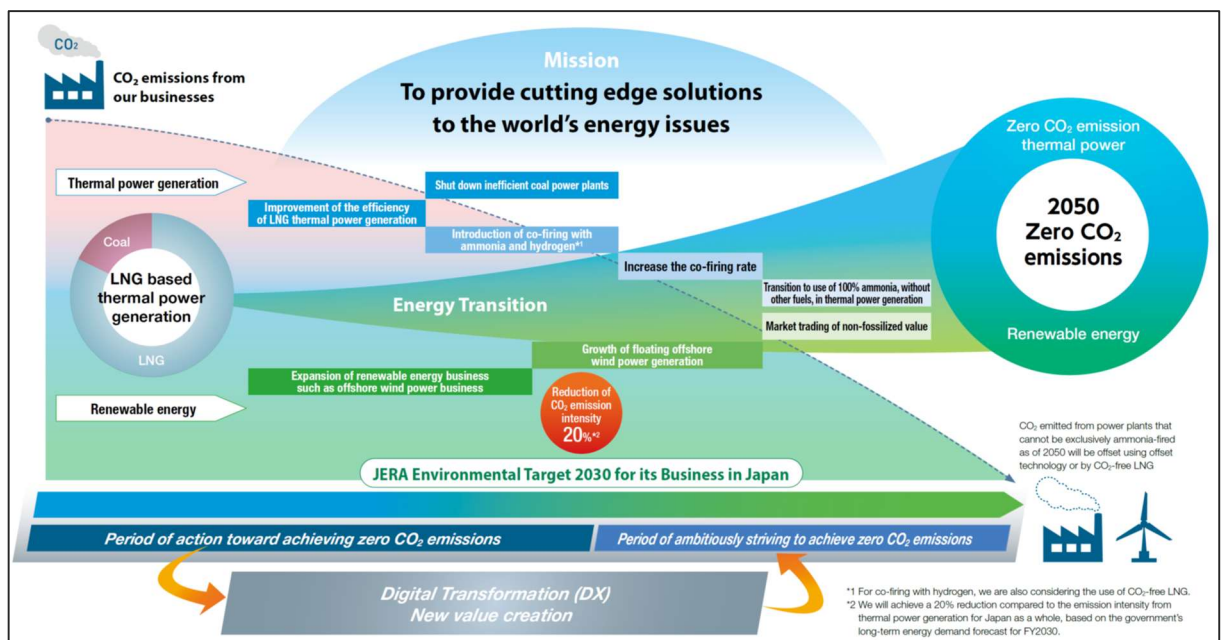


Figure-1 JERA's approach towards zero CO₂ Emissions by 2050 (Decarbonization strategy)

Table-2 Approaches of JERA Zero CO₂ Emissions 2050 (Decarbonization strategy)

Initiatives	Goals
<p>JERA will take on the challenge of achieving CO₂ zero emissions from JERA's operations in Japan and overseas by 2050 through the achievement of its mission, "To provide cutting-edge solutions to the world's energy issues".</p> <ul style="list-style-type: none"> ♦ Leveraging the Complementary Nature of Renewable Energy and Zero CO₂ Emission Thermal Power ♦ Establishing Country- and Region-Specific Roadmaps ♦ Adoption of Smart Transitions <p>Promotion of zero CO₂ Emission Thermal Power and Renewable energy</p> <ul style="list-style-type: none"> ♦ Shut down all inefficient (supercritical or less) coal power plants ♦ Demonstration tests of ammonia substitution ♦ Implementation hydrogen substitution ♦ Promoting offshore wind power 	<p>2050</p> <p>Zero CO₂ emissions</p>
	<p>FY2035</p> <ol style="list-style-type: none"> ① Reduce CO₂ emissions from domestic operations relative to FY2013 by at least 60% ② Strive to develop and adopt renewable energy in Japan, given expanded adoption under the national government's 2050 carbon-neutral policy ③ Commit to reducing carbon emissions intensity from thermal power generation by promoting hydrogen and ammonia substitution
	<p>FY2030</p> <ol style="list-style-type: none"> ① Decommission all inefficient coal power plants (supercritical or less) and conduct demonstration tests of substitution to ammonia at high-efficiency (ultra-supercritical) coal power plants ② Promote the development of renewable energy centered on offshore wind power projects and work to further improve the efficiency of LNG thermal power generation ③ Reduce carbon emissions intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY2030 as set by the government

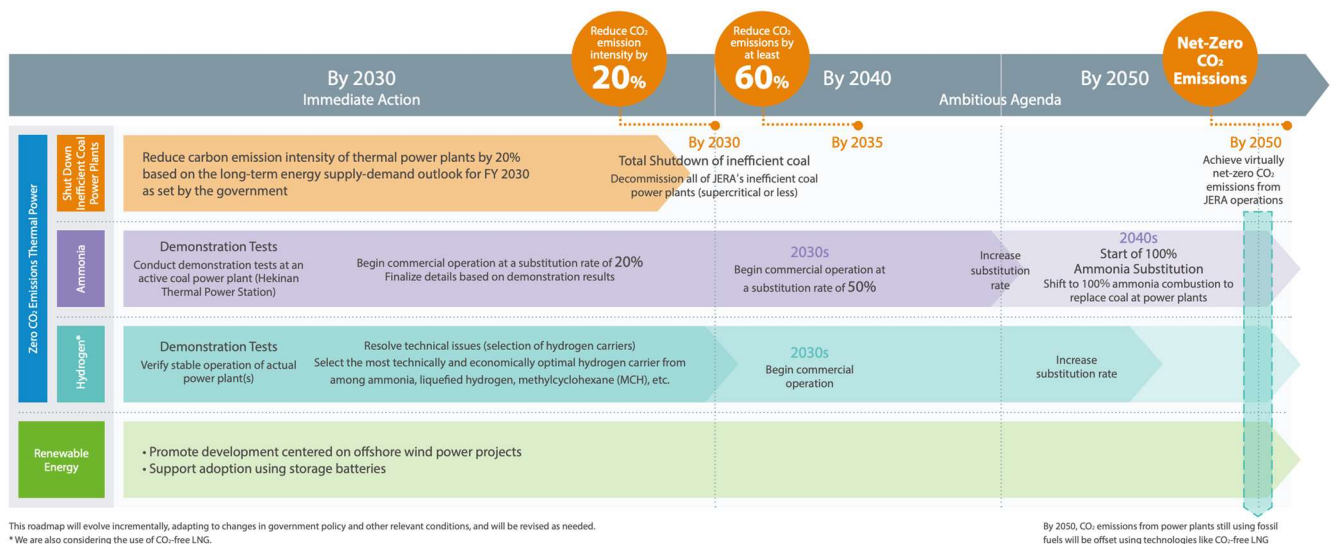


Figure-2 "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business"

Table-3 JERA's non-consolidated greenhouse gas emissions in Japan

Scope	FY2022	FY2023	FY2024
Scope 1	118.69 million t-CO ₂	113.76 million t-CO ₂	113.24 million t-CO ₂
Scope 2	60,000 t-CO ₂	70,000 t-CO ₂	170,000 t-CO ₂
Scope 3	31.89 million t-CO ₂	31.72 million t-CO ₂	30.82 million t-CO ₂
Total amount	150.64 million t-CO₂	145.55 million t-CO₂	144.23 million t-CO₂

Scope 1: Direct emissions of greenhouse gases by the company itself (combustion of fuels, industrial processes).
(Calculated in accordance with the Act on Promotion of Measures to Cope with Global Warming (the Global Warming Prevention Act))




Scope 2: Indirect emissions from the use of electricity, heat and steam supplied by other companies.
(Calculated using adjusted emission factors from the "Emission Factors by Electric Utility" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.
A part of the purchased electricity is replaced by self-transmission from 2021 onwards, and the self-transmission is included in Scope 1 emissions).

Scope 3: Indirect emissions other than Scope 1 and 2 (emissions from other companies related to the company's activities)

* Data includes emissions of Hitachinaka Generation Co. Inc.

* Scope 2 and 3 cover CO₂ only. Scope 1 covers CO₂, CH₄ (methane), N₂O (nitrous oxide), SF₆ (sulphur hexafluoride), and HFC (alternative freon).

Table-4 JERA's participation in external initiatives and endorsements

External Initiatives		JERA's Initiatives
UN Global Compact		JERA participated in UN Global Compact in July 2023 to further advance its sustainability management and work towards the realization of a sustainable society.
Task Force on Climate-related Financial Disclosures (TCFD)		JERA endorses the TCFD recommendations and will use scenario analysis for identifying climate change-related business opportunities and risks. JERA is also a member of the TCFD Consortium, which is discussing how to disclose information on climate change responses in line with the TCFD recommendations.
GX League		JERA believes that the aims of the "GX League" are consistent with JERA's challenge to achieve virtually zero CO ₂ emissions from our operations in Japan and abroad by 2050, and will continue to officially participate in the "GX League" following its endorsement of the "GX League Basic Concept" in 2022.

iv. About the JERA Sustainable Finance Framework

In order to advance the initiatives toward CO₂ zero emissions set forth in "JERA Zero CO₂ Emissions 2050," and in order to raise funds for transition activities contributing to realize the Transition Roadmap for Power Sector of METI through Sustainable finance, JERA formulated the JERA Sustainable Finance Framework (hereinafter, the "Framework"). The criteria which this Framework specifically referred to is described in (3) of Section II below.

v. Fundraiser's Transition Strategy for Decarbonization

(1) Strategies by Sector (Industry) at the International/National/Regional Level

Figure-3 shows the Transition Roadmap for Power Sector of METI.

The Transition Roadmap for Power Sector of METI (see Figure-3) and JERA's Roadmap (see Figure-2) are well aligned in terms of decarbonizing power sources and increasing the efficiency of thermal power generation as a transition power source by developing and introducing the latest technologies. The Transition Roadmap for Power Sector refers to the Seventh Strategic Energy Plan, which is in line with the Plans for Global Warming Countermeasures. These are established based on Japanese government's aim to achieve carbon neutrality in 2050 and to reduce greenhouse gas emissions by 46% in FY2030 and by 60% in FY2035 compared to the FY2013 level in refer to IPCC 1.5°C Special Report. These are consistent with the Paris Agreement.

JERA will shut down all inefficient coal-fired power plants by FY2030, and promote the demonstration of ammonia substitution at high-efficiency (ultra-supercritical) coal-fired thermal power plants. In addition, JERA will replace the existing inefficient LNG thermal power stations with high-efficiency stations, and carry out the demonstration of hydrogen substitution. Through these approaches, JERA will achieve reducing its emissions intensity from thermal power plants by 20% based on the long-term energy supply-demand outlook for FY2030 as set by the government. JERA also aims to reduce CO₂ emissions from domestic operations by at least 60% (relative to FY2013) by FY2035. Thus, it is considered that JERA's policy of shutting down the inefficient coal power plants indicated in its roadmap, and its reduction target of CO₂ emission intensity by FY2030 and CO₂ emission reduction target for FY2035 are closely related to the pathway outlined in the Transition Roadmap for Power Sector of METI (Figure-3).

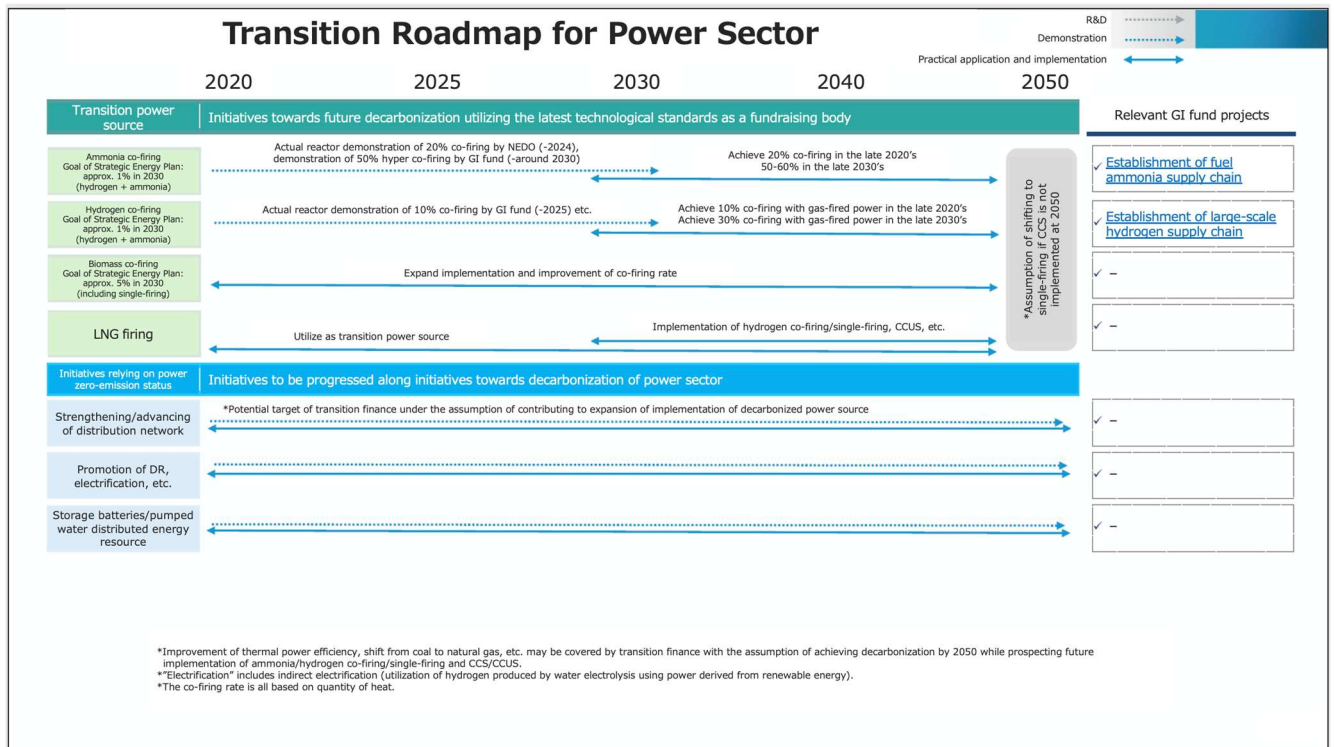
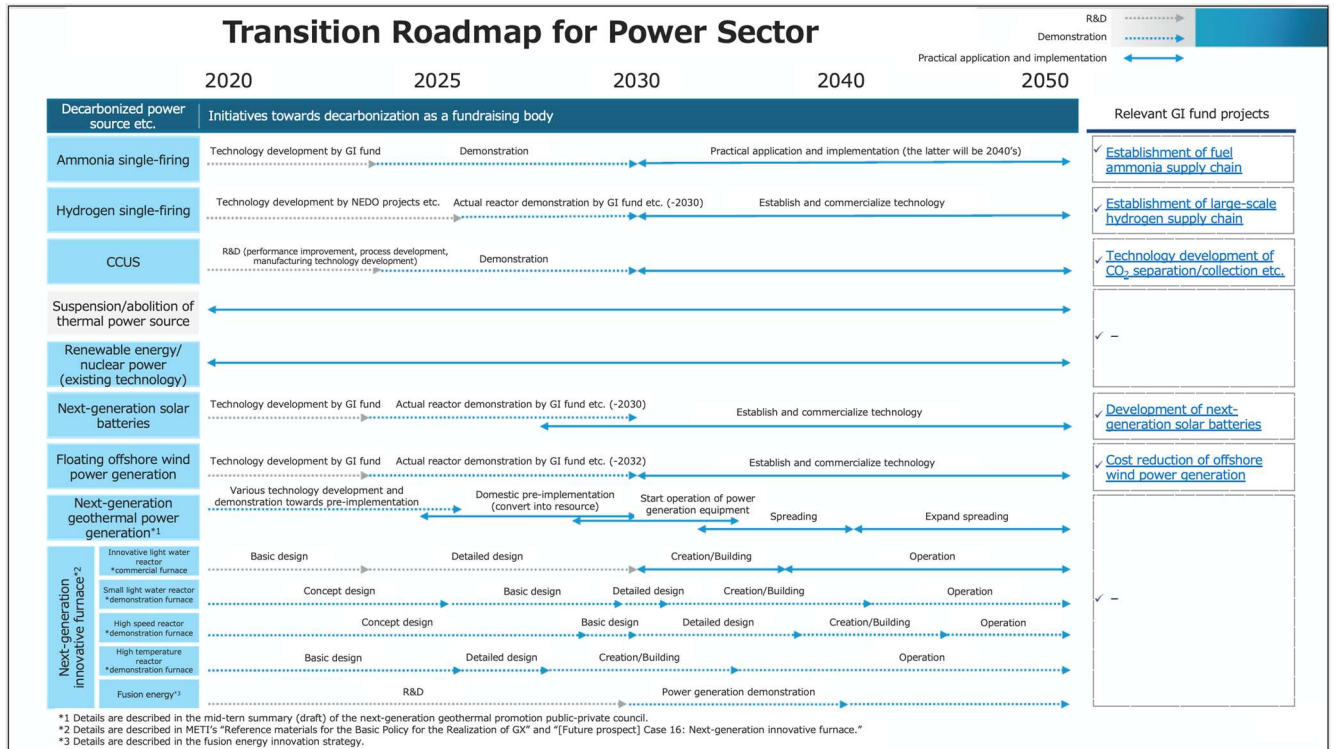


Figure-3 "Transition Roadmap for Power Sector," November 2025, Ministry of Economy, Trade and Industry (Provisional translation by DNV based on the Japanese version)

(2) Fundraiser's Transition Strategies

JERA has positioned its efforts to achieve its medium- and long-term goals, that aim at realizing CO₂ zero emissions by 2050 set out in "JERA Zero CO₂ Emissions 2050" and "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business," as its transition strategy. These are consistent with the Transition Roadmap for Power Sector.

Given the fact that indirect emissions from power generation accounts for 38% of the CO₂ emissions per final energy consumption in Japan where JERA operates, the transition strategy of JERA, whose major emissions come from its thermal power generation, will not only contribute to reducing emissions from its own business activities (Scope 1 and 2), but also contribute to achieving the decarbonization goals of diverse entities.

Table-5 below shows JERA's goal by 2050 and the medium-term goals, "JERA Environmental Target 2030" and "JERA Environmental Commitment 2035". In addition, Figure-2 below (reposted) shows the overview of JERA's transition strategy, specific initiatives and timelines. The main initiatives for achieving carbon neutrality are shown in Table-5 below.

Table-5 JERA Transition Goals

Medium-term goals	JERA Environmental Target 2030	<ul style="list-style-type: none"> ◆ Reduce carbon emissions intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY2030 as set by the government ◆ Decommission all inefficient coal power plants (supercritical or less) ◆ Conduct demonstration tests of substitution to ammonia at high-efficiency (ultra-supercritical) coal power plants ◆ Promote the development of renewable energy centered on offshore wind power projects ◆ Work to further improve the efficiency of LNG thermal power generation
	JERA Environmental Commitment 2035	<ul style="list-style-type: none"> ◆ Reduce CO₂ emissions from domestic operations relative to FY2013 by at least 60% by FY2035 ◆ Strive to develop and adopt renewable energy in Japan, given expanded adoption under the national government's 2050 carbon-neutral policy ◆ Commit to reducing carbon emissions intensity from thermal power generation by promoting hydrogen and ammonia substitution
Long-term goals	2050	<ul style="list-style-type: none"> ◆ CO₂ zero emissions

*JERA's roadmap will be refined in stages based on policy and other assumptions. The roadmap will also be revised if the assumptions change significantly.

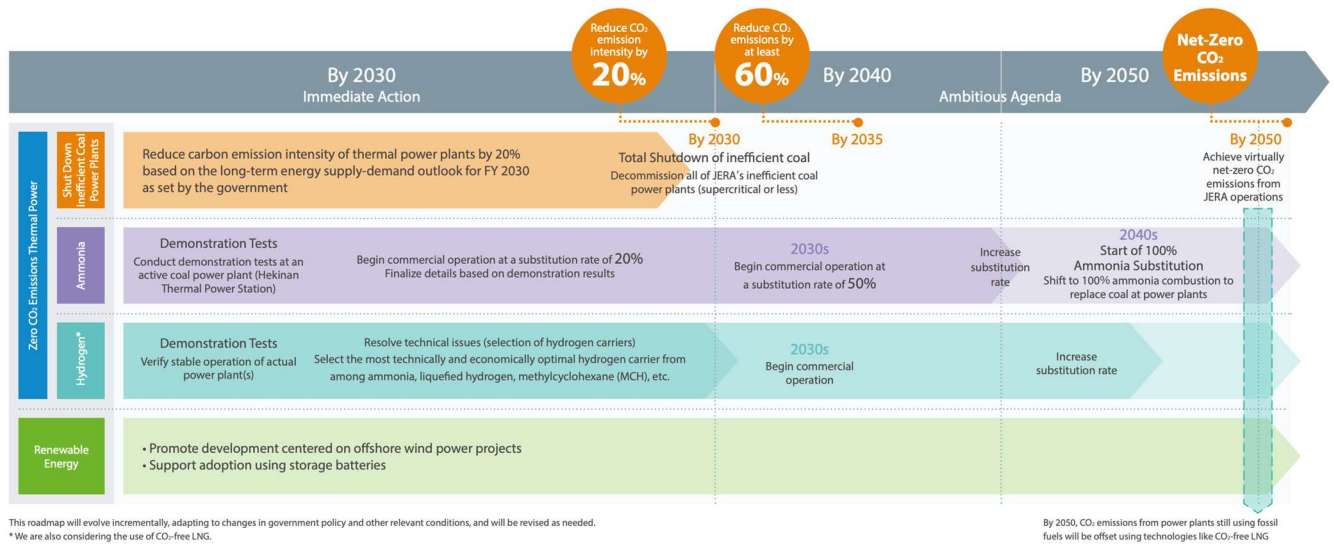


Figure-2 (reposted) "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business"

Figure-4 shows a timeline for the commercial operation of ammonia and hydrogen substitution rates in thermal power generation. Table-6 shows the major efforts to achieve carbon neutrality.

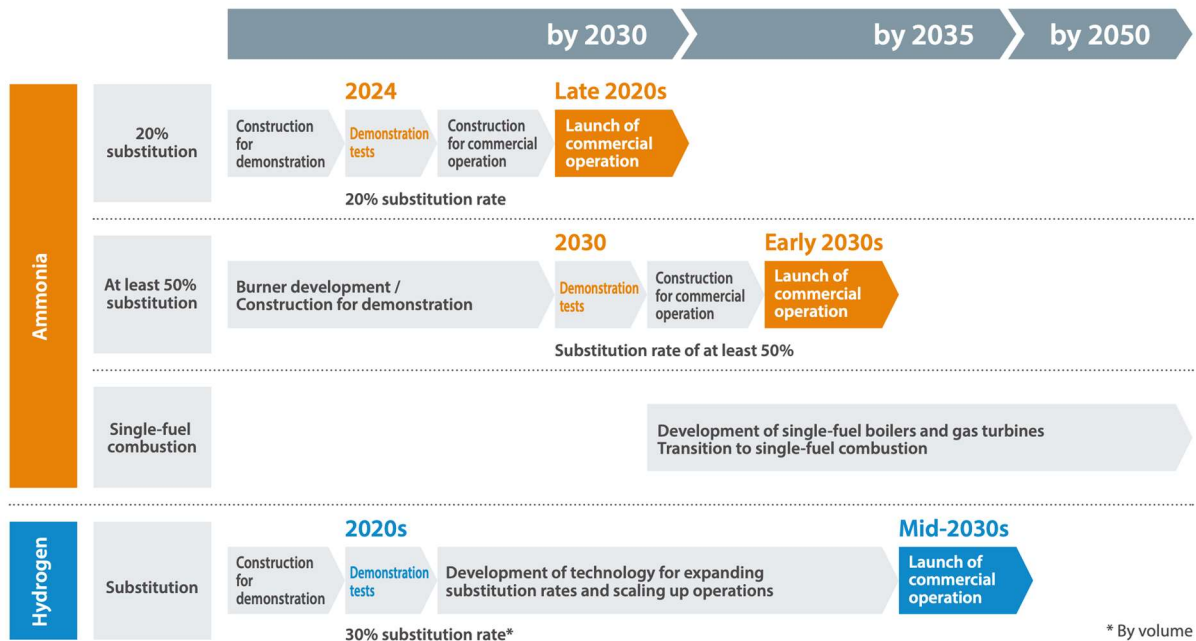


Figure-4 Specific initiatives towards decarbonization

Table-6 JERA's main initiatives to achieve carbon neutrality
(Sustainable Finance Eligibility Criteria)

<Transition Project>

Project Category	Eligibility Criteria	
Projects for the realization of zero CO ₂ emission thermal power	ICMA CTBG: Lower-carbon fuels	<ul style="list-style-type: none"> The expenditures related to upstream development, production, transportation, and technological development of hydrogen and ammonia
	ICMA CTBG: Lower-carbon fuels Fossil fuel switch	<ul style="list-style-type: none"> The expenditures related to the use of hydrogen and ammonia fuels
	ICMA CTBG: Fossil fuel switch	<ul style="list-style-type: none"> The expenditures related to the development of high-efficiency LNG thermal power generation and the establishment of a value chain
	ICMA CTBG: Early retirement and decommissioning of high-emission assets	<ul style="list-style-type: none"> The expenditures related to decommissioning of inefficient existing thermal power plants, with the aim of replacing them with high-efficiency thermal power plants
	ICMA CTBG: CCUS and carbon removal technologies	<ul style="list-style-type: none"> The expenditures related to the utilization of CCS/CCUS
Renewable energy related	<ul style="list-style-type: none"> The expenditures related to storage batteries that are intended to function as balancing resources, regardless of the type of charging source (electricity) 	

<Green Project>

Project Category	Eligibility Criteria	
Renewable energy	ICMA GBP: Renewable energy (Environmental objectives: Climate change mitigation)	<ul style="list-style-type: none"> The expenditures related to renewable energy (onshore/offshore wind, solar)
		<ul style="list-style-type: none"> The expenditures related to storage batteries where the charging source (electricity) meets the <100g-CO₂/kWh criterion

(3) Governance of the Fundraiser (Sustainable Finance Promotion Structure)

JERA considers all matters related to transition finance as matters related to its management strategy and implements the following corporate 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 familiar with JERA’s business, and outside directors who have extensive expertise shall make material business decisions and supervise business executions. Further, JERA has corporate auditors as independent officers (the "Corporate Auditors") who shall be responsible for auditing the execution of the Directors’ duties. In addition, in order to separate the decision-making and supervision of management from the execution of business and to effectuate accurate and prompt decision-making and efficient business execution, JERA has adopted an executive officer system where executive officers are responsible for business execution based on the decisions made by the Board.

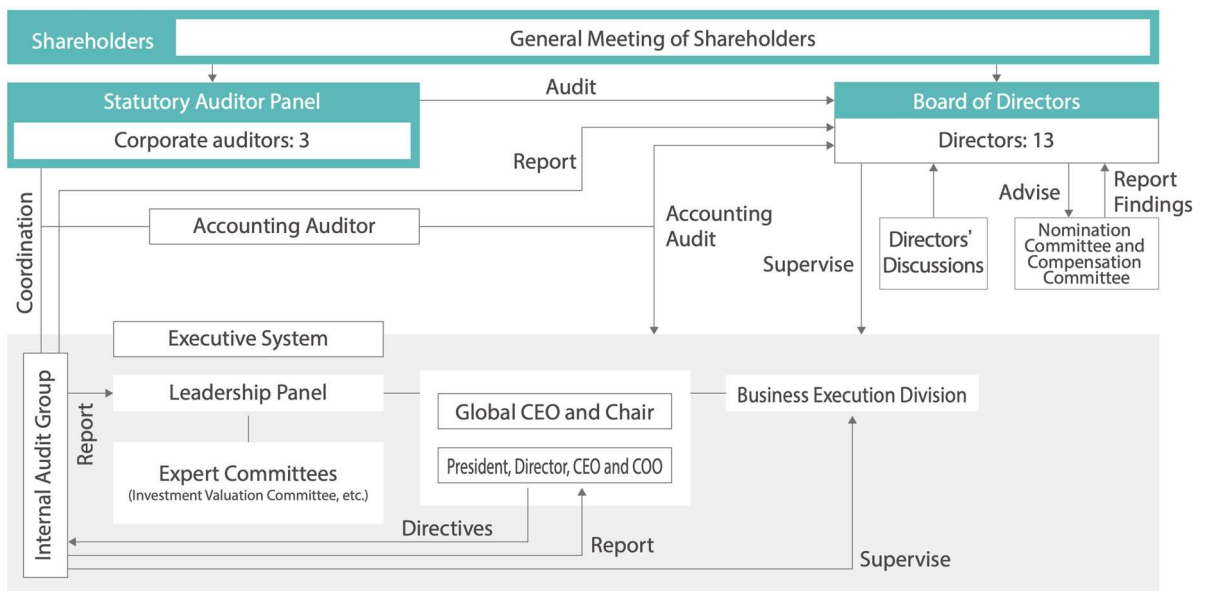


Figure-5 Corporate governance structure (as of 1 July 2025)

Internal and external issues related to ESG, sustainability, and the SDGs are handled by the Executive Committee and the "Sustainability Promotion Committee," chaired by the President CEO and COO, under the supervision of the Board of Directors, to enhance the speed and effectiveness of management decisions (Figure-6).

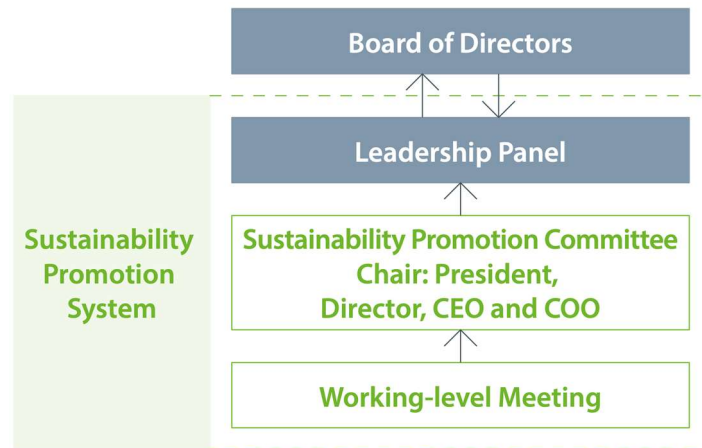


Figure-6 Sustainability promotion structure (as of 1 July 2025)

Name of Fundraiser: JERA Co., Inc. and JERA Group companies

Name of Framework: JERA Sustainable Finance Framework

Name of external reviewer: DNV Business Assurance Japan K.K.

Date of report: 1 April 2026

II. Scope and Objectives

DNV has been commissioned by JERA to provide a pre-funding assessment on JERA Sustainable Finance Framework (hereinafter, the "Framework") and the Sustainable Finance. Our objective is to implement an assessment on whether the JERA's Framework and Sustainable Finance meet the criteria established on CTFH/CTFBG, CTBG, GBP/GBGL, GLP/GLGL, SLBP/SLBGL, and SLLP/SLLGL provide a second party opinion on the eligibility of the Framework and the Sustainable Finance to be issued.

DNV, as an independent external reviewer, has identified no real or perceived conflict of interest associated with the delivery of this second party opinion for JERA.

In this report, no assurance is provided regarding the financial performance of the Finance, the value of any investments in the Finance, or the long-term environmental impacts of the transaction.

Sustainable Finance with specific use of proceeds

*Below are listed based on GBP but replaced with loan-specific items as appropriate.

(1) Scope of review*

The review assessed the following elements and confirmed their alignment with the four core elements of GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

*The scope of review is to be applied as a part of the evaluation of the Sustainable Finance (Green or Transition) with use of proceeds.

*The four disclosure elements of CTFH/CTFBG and the four core elements of CTBG are included in the scope of review.

(2) Role(s) of review provider (specific use of proceeds)

- | | |
|---|--|
| <input checked="" type="checkbox"/> Second party opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Sustainable Finance with general corporate purpose

*Below are listed based on SLBP but replaced with loan-specific items as appropriate.

(1) Bond/loan structure at the time of bond issuance/loan implementation

- | | |
|---|---|
| <input checked="" type="checkbox"/> A step-up structure | <input checked="" type="checkbox"/> A variable redemption structure |
|---|---|

*Any of the above or others (e.g., donations) is set individually based on the fundraiser's internal processes when implementing the finance.

(2) Scope of review

The review assessed the following elements and confirmed their alignment with the five core elements of SLBP/SLLP:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Assessed all the following elements (complete review) | <input type="checkbox"/> Assessed only some elements (partial review) |
| <input checked="" type="checkbox"/> Selection of KPIs | <input checked="" type="checkbox"/> Bond/loan characteristics |
| <input checked="" type="checkbox"/> Calibration of SPTs | <input checked="" type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Verification | |
| <input checked="" type="checkbox"/> Furthermore, confirmed their alignment with SLBP/SLLP | |

*The scope of review is to be applied as a part of the evaluation of the Sustainable Finance (Transition) with general corporate purpose.

*The four disclosure elements of CTFH/CTFBG and the two core elements of CTBG are included in the scope of review.

(3) Role(s) of review provider

- | | |
|--|--|
| <input checked="" type="checkbox"/> Second party opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |

Standards/guidelines to be applied

No.	Standards/guidelines	Scheme owner
1.	Climate Transition Finance Handbook (CTFH) ^{*1}	International Capital Market Association (ICMA), 2025
2.	Climate Transition Bond Guidelines (CTBG) ^{*1}	International Capital Market Association (ICMA), 2025
3.	Basic Guidelines on Climate Transition Finance (CTFBG) ^{*1}	Financial Services Agency, Ministry of Economy, Trade and Industry, Ministry of the Environment, 2025
4.	Green Bond Principles (GBP) ^{*2*3}	International Capital Market Association (ICMA), 2025
5.	Green Bond Guidelines and Sustainability-Linked Bond Guidelines (GBGL/SLBGL) ^{*2*3}	Ministry of the Environment, 2024
6.	Green Loan Principles (GLP) ^{*2*3}	Loan Market Association (LMA) et al., 2025
7.	Green Loan Guidelines and Sustainability-Linked Loan Guidelines (GLGL/SLLGL) ^{*2*3}	Ministry of the Environment, 2024
8.	Sustainability-Linked Bond Principles (SLBP)	International Capital Market Association (ICMA), 2024
9.	Sustainability-Linked Loan Principles (SLLP) ^{*4}	Loan Market Association (LMA) et al., 2024
10.	Transition Loans Guide (GTL) ^{*5*6}	Loan Market Association (LMA) et al., 2025



- *1 Climate transition: The concept of climate transition focuses principally on the credibility of a fundraiser’s climate change-related commitments and practices (quoted from CTFH/CTFBG).
- *2 It confirms compliance with the four core elements (use of proceeds, process for project evaluation and selection, management of proceeds, and reporting) that must be met when implementing as a bond that meets the four elements of transition and has a specific use of proceeds (quoted from CTFBG).
- *3 Green projects were assessed for eligibility using the referable technical criteria of the Climate Bonds Initiative's Climate Bonds Standard.
- *4 Sustainability-Linked Loan: A Sustainability-Linked Loan is a loan that encourages borrowers to achieve ambitious sustainability performance targets (SPTs) set by borrowers in advance, and are any type of loan product and/or contingent facility (bonding loan facility, guaranteed loan facility, credit contingent facility (bonding loan facility, guaranteed loan facility, letter of credit, etc.)). (Quoted from SLLP. The evaluation for SLBP is conducted synonymously.) Note that SLLGL is based on the idea that the SLLP (2024) requirements can be evaluated to encompass SLLGL, so it is not directly applicable but is used as a reference.
- *5 Refer: Indirectly verify compliance with the core elements of the Transition Loans Guide through an assessment of CTFH/CTBG.
- *6 Used as reference as it was a published draft as of March 2026



III. Responsibilities of JERA and DNV

JERA has provided the information and data used by DNV during the delivery of this review. DNV's second party opinion represents an independent opinion and is intended to inform JERA and other interested stakeholders of JERA's Sustainable Finance whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by JERA. DNV is not responsible for any aspect of the nominated activities referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by JERA's management and used as a basis for this assessment were not correct or completed.

IV. Basis of DNV's Opinion

To provide as much flexibility for the Fundraiser, JERA as possible, we have adapted our JERA Sustainable Finance assessment methodologies, which incorporates the requirements of CTFH/CTFBG, CTBG, GBP/GBGL, GLP/GLGL, SLBP/SLBGL, and SLLP/SLLGL, to create a JERA Sustainable Finance Eligibility Assessment Protocol (hereinafter, the "Protocol"). Please refer to Schedule-3 to 5. The Protocol is applicable to the Sustainable Finance under CTFH/CTFBG, CTBG, GBP/GBGL, GLP/GLGL, SLBP/SLBGL, and SLLP/SLLGL.

DNV, as an independent external reviewer, provides a second party opinion according to the Protocol.

Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the Sustainable Finance and Sustainable-Linked Finance for emission-intensive companies as the basis for the opinion are as follows:

"enable capital-raising and investment for new and existing projects with environmental benefits"

"provide an investment opportunity with transparent sustainability credentials"

"Climate Transition Finance is important (as climate transitions) through KPIs and SPTs, quantitative, pre-determined, ambitious, and regularly monitored and externally validated and encourage the achievement of ESG (in terms of climate transitions) of fundraisers"

As per our Protocol, the criteria against which the Sustainable Finance has been reviewed are grouped into common elements bellow, represented by CTFH/CTFBG, CTBG, GBP/GBGL, GLP/GLGL, SLBP/SLBGL, and SLLP/SLLGL.

(1) Four elements of CTFH/CTFBG (disclosure elements)

Principle One: Fundraiser's Climate Transition Strategy and Governance

The financing purpose should be for enabling the Fundraiser's climate change strategy.

Principle Two: Business Model Environmental Materiality

The planned climate transition trajectory should be relevant to the environmentally-material parts of the Fundraiser's business model.

Principle Three: Climate transition strategy and targets to be science-based

Fundraiser's climate strategy should reference science-based targets and transition pathways.

Principle Four: Implementation Transparency

Market communication in connection with the offer of a financing instrument which has the aim of funding the Fundraiser's climate transition strategy should also provide transparency of the underlying investment program.



(2) Four elements of CTBG, GBP/GBGL, and GLP/GLGL

Principle One: Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that the Fundraiser of a green/transition finance must use the proceeds to eligible activities. The eligible activities should produce clear environmental benefits.

CTBG additional requirements: Five safeguards for activities covered by the CT project are required, along with an explanation of factors that must be considered when using fossil fuels. In particular, if a CT project is substantially linked to infrastructure or activities that use fossil fuels, additional safeguards may be necessary to ensure the reliability of CTB in cases not yet addressed by alignment with the taxonomy, pathways, roadmaps, or policy frameworks.

Principle Two: Process for Project Evaluation and Selection

The Process for Project Evaluation and Selection criteria are guided by the requirements that the Fundraiser of a green/transition finance should outline the process it follows when determining eligibility of an investment using green/transition finance, and outline any impacts objectives it will consider.

CTBG additional requirements: Assessment of CT projects by the issuer, taking into account technical standards (contrast between Green and Amber (Transition) categories, decarbonization measures), net-zero pathways, roadmaps, market practices and investor expectations, technical aspects of projects, and the level of ambition in transition strategies and plans. Periodic reviews of CT project eligibility criteria are required at appropriate intervals.

Principle Three: Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a green/transition finance should be tracked within the fundraising organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.

CTBG additional requirements: There are no major additional elements.

Principle Four: Reporting

The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors and loan lenders should be made of the allocation status of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

CTBG additional requirements: There are no major additional elements.

*GLGL set out requirements (internal reviews) for loan-specific elements. This is identified in the green loan requirements check.

(3) Five elements of SLBP/SLBGL and SLLP/SLLGL *Please replace “Sustainability” with “Transition” in the context if necessary.

Principle One: Selection of Key Performance Indicators (KPIs)

The Fundraiser of a sustainability-linked finance should clearly communicate (to the lender) its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed SPTs. The KPI should be reliable, material to the Fundraiser’s core sustainability and business strategy, address relevant ESG challenges of the industry sector and be under management control.

CTBG additional requirements: There are no major additional elements.

Principle Two: Calibration of Sustainability Performance Targets (SPTs)

The SPTs should be ambitious, meaningful and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.

CTBG additional requirements: There are no major additional elements.

Principle Three: Finance Characteristics

The finance will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The finance documentation needs to require the definitions of the KPI(s) and SPT(s) and the potential variation of the SLL’s financial and/or structural characteristics. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.

CTBG additional requirements: There are no major additional elements.

Principle Four: Reporting

The Fundraiser should publish and keep readily available and easily accessible up to date information on the performance of the selected KPI(s), as well as a verification assurance report (see Principle Five) outlining the performance against the SPTs and the related impact and timing of such impact on the loan’s financial and/or structural characteristics, with such information to be provided to those institutions participating in the finance or to investors participating in the finance at least once per annum.

CTBG additional requirements: There are no major additional elements.

Principle Five: Verification

The Fundraiser should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, at least once per annum. The verification of the performance against the SPTs should be made publicly available.

CTBG additional requirements: There are no major additional elements.



V. Work Undertaken

Our work constituted a comprehensive review of the available information, based on the understanding that this information was provided to us by the Fundraiser in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

i. Pre-fundraising Assessment (Sustainable Finance Framework assessment)

- Creation of a JERA-specific Protocol, adapted to the purpose of the Sustainable Finance, as described above and in Schedule-3 to this assessment.
- Assessment of documentary evidence provided by JERA on the JERA Sustainable Finance and supplemented assessment by a comprehensive desktop research. These checks refer to current assessment best practice and standards methodologies.
- Discussions with JERA, and review of relevant documentation.
- Documentation of findings against each element of the criteria.

ii. Post-fundraising Assessment (**not included in this report*)

- Interview with JERA management, and review of the relevant documentation.
- Field research and inspection (if necessary).
- Document creation of post-issuance assessment results.



VI. Findings and DNV's Opinion

DNV's findings and opinion are as described in (1), (2), and (3) below.

CTF-1 to 4 in (1) below are the findings and opinions of DNV against the four disclosure elements of CTFH/CTFBG. Please see Schedule-3 for details.

CTBG/GBP/GLP-1 to 4 in (2) below are the findings and opinions of DNV against the requirement of the four common elements of CTBG, GBP/GBGL, and GLP/GLGL. Please see Schedule-3 and 4 for details.

CTBG/SLBP/SLBGL/SLLP/SLLGL-1 to 5 in (3) below are the findings and opinions of DNV against the requirement of the five common elements of SLBP/SLBGL and SLLP/SLLGL in Sustainable-Linked Finance for emission-intensive companies^{*1} and the two core elements of CTBG. Please see Schedule-3 and 5 for details.

*1: Loans with potentially financial and structural changes linked to the achievement of future transition goals

(1) Findings and opinions of DNV against the four common elements (disclosure elements) of CTFH/CTFBG

CTF-1. Fundraiser's Climate Transition Strategy and Governance

- JERA released "JERA Zero CO₂ Emissions 2050", the goal of achieving zero CO₂ emissions by 2050, and "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" in October 2020. JERA has set a long-term goal of CO₂ zero emissions by 2050, which is consistent with the goal of the Paris Agreement, and also has set the medium-term goals "JERA Environmental Target 2030" to achieve its long-term goal. JERA disclosed its strategic plan to achieve the goal of transitioning to carbon neutrality in its roadmap.
- In May 2022, JERA added a mid-term goal to accelerate further its efforts to achieve the realization of CO₂ zero emissions, aiming to reduce CO₂ emissions from domestic operations by at least 60% (relative to FY2013) by FY2035 with the establishment of the "JERA Environmental Commitment 2035" and the update of the "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business." Furthermore, JERA has developed a more ambitious transition strategy, including clarifying the timing of full-scale operation at 20% and 50% ammonia substitution rates in thermal power generation, consistent with the Transition Roadmap for Power Sector of METI.
- Based on the plan for initiatives towards realization of zero-CO₂ emissions in 2050 as a science-based long-term target quantified by JERA, DNV has reviewed and confirmed that JERA's targets correspond to achieving the goals of the Paris Agreement. JERA sets corporate environmental strategies that are important to its business model based on the identification of risks and opportunities and scenario analysis referred to TCFD guidance.

- Specifically, JERA's Transition Strategy and medium- to long-term goals are consistent with the transition roadmap and scientifically based. In addition, an activity plan utilizing the TCFD guidance has been incorporated and an investment plan has been developed. Moreover, the main measures to achieve continuous emission reductions in the future are disclosed and will be reviewed from time to time based on the development progress of each technology and in accordance with the timeline.
- JERA recognizes that response to climate change, including the implementation of Transition Strategy, is one of the most significant issues of its business, and has established system and Framework to promote the initiatives specified in "JERA Zero CO₂ Emissions 2050" and "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" at the management level.
- As a global company that provide energy solutions not only in Japan, but also around the world, JERA considers global warming countermeasures as its highest-priority management issue. Given that there are many countries in the world experiencing such remarkable growth that the supply of power is unable to keep up while there are also many areas that remain non-electrified and are in need of power generation facilities, JERA's mission is not only to provide optimal, environmentally conscious power solutions to these countries and regions, but also to create jobs via the power facility construction process as well as to cultivate human resources through the provision of technology and expertise. In turn, these will serve as springboards for further growth and development of industries, communities, and societies. The Sustainable Finance mainly relates to the material issues (materiality) of "Establish a stable supply infrastructure and system for energy supply at affordable prices" and "Contribute to decarbonization and environmental protection by using renewable energy and zero CO₂ emission thermal power to complement each other."
- DNV has confirmed that the implementation plan provided by JERA, which is established based on the Framework, "JERA Zero CO₂ Emissions 2050" and "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business," is well aligned with JERA's Transition Strategy. Through the assessment, DNV has also confirmed that the implementation plan established based on its Transition Strategy is reliable, ambitious and achievable.

CTF-2. Business Model Environmental Materiality

- Given the fact that indirect emissions from power generation accounts for 38% of the CO₂ emissions per final energy consumption in Japan where JERA operates, the transition strategy of JERA, whose major emissions come from its thermal power generation, will not only contribute to reducing emissions from its own business activities (Scope 1 and 2), but also contribute to achieving the decarbonization goals of diverse entities. In other words, JERA's

approach towards transition aiming to achieve decarbonization at a lower cost and higher speed while maintaining stable energy supply, will directly support its own transition as well as the transition of society as a whole.

- JERA's roadmap is aligned with the Transition Roadmap for Power Sector of METI.
- DNV confirmed that JERA's plan to implement its Transition Strategy is one of the activities of JERA's core business and is closely linked to the activities that contribute to the CO₂ reduction of the society as a whole, thus will contribute to the overall environment. JERA's Transition Strategy is associated with the materiality that JERA has identified by facilitating GRI standards^{*1}, ISO26000, SASB standards^{*2}, etc., and will contribute to generate significant positive environmental impacts both qualitatively and quantitatively. Environmental materiality includes activities that contribute to transitions such as "Establish a stable supply infrastructure and system for energy supply at affordable prices" and "Contribute to decarbonization and environmental protection by using renewable energy and zero CO₂ emission thermal power to complement each other." The report also discloses Scope 1 through 3 in Japan, which are the results of activities.

*1: An international standard providing ESG-related reporting, management and analysis methods established by Global Reporting Initiative.

*2: A disclosure standard on ESG factors that are expected to have a high financial impact in the future developed by the Sustainable Accounting Standards Board.

CTF-3. Climate transition strategy and targets to be science-based

- JERA has set a transition plan consistent with the Paris Agreement, which is science-based, and a transition trajectory consistent with the Transition Roadmap for Power Sector of METI. The Transition Roadmap for Power Sector refers to the Seventh Strategic Energy Plan, which is in line with the Plans for Global Warming Countermeasures. These are established based on Japanese government's aim to achieve carbon neutrality in 2050 and to reduce greenhouse gas emissions by 46% in FY2030 and by 60% in FY2035 compared to the FY2013 level referring to IPCC 1.5°C Special Report. These plans are consistent with the Paris Agreement.

DNV has confirmed that JERA's Transition Strategy quantified emission intensity, absolute value and ratio based on a consistent methodology with prescribed assumptions. Specifically, JERA sets out the following transition targets in its roadmap.

Table-5 (reposted) JERA Transition Goals

Medium-term goals	JERA Environmental Target 2030	<ul style="list-style-type: none"> ♦ Reduce carbon emissions intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY2030 as set by the government ♦ Decommission all inefficient coal power plants (supercritical or less) ♦ Conduct demonstration tests of substitution to ammonia at high-efficiency (ultra-supercritical) coal power plants ♦ Promote the development of renewable energy centered on offshore wind power projects ♦ Work to further improve the efficiency of LNG thermal power generation
	JERA Environmental Commitment 2035	<ul style="list-style-type: none"> ♦ Reduce CO₂ emissions from domestic operations relative to FY2013 by at least 60% by FY2035 ♦ Strive to develop and adopt renewable energy in Japan, given expanded adoption under the national government's 2050 carbon-neutral policy ♦ Commit to reducing carbon emissions intensity from thermal power generation by promoting hydrogen and ammonia substitution
Long-term goals	2050	<ul style="list-style-type: none"> ♦ CO₂ zero emissions

*JERA's roadmap will be refined in stages based on policy and other assumptions. The roadmap will also be revised if the assumptions change significantly.

- JERA's Transition Strategy clarifies the process for achieving the goals, including the use of future CO₂ capture technologies. It also shows the relevant categories of Scope 3. Note that the use of carbon credits has not been decided at this time.

CTF-4. Implementation Transparency

- DNV confirmed that JERA's investment and project plans related to the Transition strategy include an overview of the investments made to date and future investments, agreements on expenditures, and their outcomes and impacts. Specifically, JERA plans to invest a cumulative total of 5 trillion yen in its three strategic business areas; "LNG," "Renewables," and "Hydrogen & Ammonia," between FY2024 and FY2035. DNV confirmed that in order to ensure transparency, JERA will discuss on the disclosure, wherever possible, of its basic investment plan (investment amount). Please note that, at this time, internal carbon prices are not taken into account in the initiative.
- DNV also reviewed the Framework and the ESG management of JERA and confirmed high transparency in the implementation. JERA explained the appropriateness of its execution to DNV and DNV agreed on the appropriateness.

(2) Findings and opinions of DNV against the four common elements of CTBG, GBP/GBGL, and GLP/GLGL

*The four elements are criteria of sustainable finance with use of proceeds, and green bonds stated below can be read as transition finance (bond/loan) partially.

CTBG/GBP/GLP-1. Use of Proceeds

JERA has defined the eligibility criteria as transition projects and green projects that aligned with its Transition Strategy and related handbooks, principles and guidelines (CTFH/CTFBG). In addition, JERA will additionally confirm that the projects defined as transition projects comply with the requirements of CTBG. Table-6 (reposted) shows the eligibility criteria of JERA's Sustainable Finance and the overview of the projects.

Table-6 (reposted) JERA's main initiatives to achieve carbon neutrality
(Sustainable Finance Eligibility Criteria)

<Transition Project>

Project Category	Eligibility Criteria	
Projects for the realization of zero CO ₂ emission thermal power	ICMA CTBG: Lower-carbon fuels	<ul style="list-style-type: none"> The expenditures related to upstream development, production, transportation, and technological development of hydrogen and ammonia
	ICMA CTBG: Lower-carbon fuels Fossil fuel switch	<ul style="list-style-type: none"> The expenditures related to the use of hydrogen and ammonia fuels
	ICMA CTBG: Fossil fuel switch	<ul style="list-style-type: none"> The expenditures related to the development of high-efficiency LNG thermal power generation and the establishment of a value chain
	ICMA CTBG: Early retirement and decommissioning of high-emission assets	<ul style="list-style-type: none"> The expenditures related to decommissioning of inefficient existing thermal power plants, with the aim of replacing them with high-efficiency thermal power plants
	ICMA CTBG: CCUS and carbon removal technologies	<ul style="list-style-type: none"> The expenditures related to the utilization of CCS/CCUS
Renewable energy related	<ul style="list-style-type: none"> The expenditures related to storage batteries that are intended to function as balancing resources, regardless of the type of charging source (electricity) 	

<Green Project>

Project Category	Eligibility Criteria	
Renewable energy	ICMA GBP: Renewable energy (Environmental objectives: Climate change mitigation)	<ul style="list-style-type: none"> The expenditures related to renewable energy (onshore/offshore wind, solar)
		<ul style="list-style-type: none"> The expenditures related to storage batteries where the charging source (electricity) meets the <100g-CO₂/kWh criterion

DNV has confirmed that JERA plans to allocate the net proceeds from Sustainable Finance to financing and refinancing R&D, capital/facilities investments, operations and renovations, investments, and other related expenditures of eligible projects that in line with JERA's investment plans for implementation of its transition strategy.

In addition, DNV confirmed the following additional elements of CTBG:

(1) Five safeguards of Climate Transition Projects (CT projects)

1. Aligning to CTFH at the fundraiser level and CT projects

- Based on Japan's Plan for Global Warming Countermeasures and the Transition Roadmap for Power Sector, JERA has established a transition strategy toward carbon neutrality by 2050 and is advancing initiatives aligned with CTFH.
- DNV confirmed through the assessment of JERA that the CT projects, along with green projects, are closely linked to initiatives toward carbon neutrality that are aligned with CTFH.

2. Technical and economic unfeasibility of low-carbon alternatives

- DNV confirmed through the assessment that JERA has established the CT projects on the condition that there are technical and/or economic constraints to the introduction of low-carbon (decarbonization) alternative technologies in place of fossil fuels as part of its decarbonization efforts.
- Furthermore, DNV judges that the CT projects described by JERA, which enable a reduction in the volume (or rate) of fossil fuel use, will play a crucial role in achieving future carbon neutrality, as they represent initiatives aimed at long-term low-carbon and decarbonized energy reduction, in addition to contributing to decarbonization in the short- to medium-term.

3. Alignment with relevant taxonomy and roadmaps

- DNV confirmed through the assessment that the CT projects are consistent with the METI's Transition Roadmap for Power Sector, as outlined in CTBG-1(1)1. Note that sector-specific technology roadmaps are illustrated as representative "transition pathways and roadmaps" in ANNEX-2 of CTBG.

4. BAT (Best Available Technology) and Not BAU (Business As Usual)

- DNV confirmed through the assessment that JERA has established eligibility criteria prioritizing advanced technologies, high-efficiency technologies, and low-carbon technologies that constitute BAT (Best Available Technology) and exceed BAU (Business As Usual), taking into account technological trends and economic viability related to the CT projects.

5. Avoidance of carbon lock-in risks

- DNV confirmed through the assessment that JERA plans to consider and implement measures to avoid carbon lock-in when implementing the CT projects.

(2) Considerations for CT projects using fossil fuels*

*Where a CT project is substantially linked to fossil fuel infrastructure or activities and is not already addressed through alignment with the taxonomy, pathways, roadmaps, or policy frameworks, additional safeguards may be required to ensure the reliability of CTB. These may include all or part of the following (i) to (vii) (quoted from CTBG).

(i) Activities/assets level transition plan

- DNV confirmed through the assessment that JERA has demonstrated an overall transition plan toward achieving carbon neutrality by 2050 and that the CT project is intended to help realize these goals.

(ii) Decommissioning/fuel switching scenarios

- DNV confirmed through the assessment that JERA plans to phase out the use of fossil fuels in the CT projects and proceed with fuel substitution.

(iii) Reporting & verification of key milestones

- DNV confirmed through the assessment that JERA plans to have its reporting on the CT projects verified by an external body and disclose it annually.

(iv) Incidental investments and supports for the realization of future low-carbon alternative measures

- DNV confirmed through the assessment that JERA plans to make a wide range of investments, including those across the value chain, to facilitate the transition.

(v) Limitations on the expansion of fossil fuel use and assets' lifetime extension

- DNV confirmed through the assessment that JERA plans to phase out inefficient thermal power plants by FY2030, and that it intends to gradually increase the use of ammonia and hydrogen as decarbonized fuels in coal-fired and gas-fired power plants, as well as the proportion of these fuels used.

(vi) Use of existing assets

- DNV confirmed through the assessment that, as the CT projects take into account both business growth and the achievement of low-carbon and decarbonization goals, some CT projects may involve not only the utilization of existing facilities but also new construction or expansion.

(vii) Introduction of CCUS for further emissions reduction

- DNV confirmed through the assessment that JERA plans to utilize CCUS as part of its CT projects.

These projects are representative projects exemplified by CTFH/CTFBG, CTBG, GBP/GBGL, and GLP/GLGL that contribute to business transformation. These projects also directly or indirectly support the decommissioning of inefficient coal-fired thermal power, fuel substitution such as the use of LNG and substitution of ammonia/hydrogen, and the implementation of renewable energy. Moreover, they contribute to the achievement of the Transition Roadmap for Power Sector of METI. These projects are regarded as having clear and positive environmental impacts in line with JERA's Transition Strategy. The projects are aligned with CTBG/GBP/GLP-1.

CTBG/GBP/GLP-2. Process for Project Evaluation and Selection

JERA will confirm that the transition projects and green projects contribute to the achievement of its Transition Strategy and do not fall under the following (<Exclusion Criteria>) specified in the Framework. Specifically, JERA’s Global Finance Group or the finance department of JERA Group companies will select nominated Eligible Projects as specified in the eligibility criteria and the related business departments will analyze and review the financial risks, technical and operational risks, market environment and ESG risks comprehensively. After that, Head of the Global Finance Group or Head of the Finance department of JERA Group companies will make the final decision. The process had been established and will be executed in line with the normal operation of JERA. DNV confirmed that the plan will be implemented in accordance with the appropriate process.

<Exclusion Criteria>

- Unfair transactions that do not comply with the laws and regulations of the country, and inappropriate relationships, such as bribery, corruption, blackmail, embezzlement.
- Transactions that can cause social problems related to human rights and the environment.

Evaluation and selection:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Conforms to the issuer’s achievement of environmental contribution goals | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> The project is eligible for use of proceeds by green bond and transparency is ensured. | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> The project is evaluated and selected based on the published standard summary | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on responsibilities and accountability:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

CTBG/GBP/GLP-3. Management of Proceeds

The proceeds will be deposited into JERA’s common account, and JERA’s Global Finance Group or the finance department of JERA Group companies will manage the allocation for each project using the accounting manual, accounting system and proceeds management forms for sustainable finance.

The usage of accounting manual and accounting system as well as other applicable systems enables JERA's Global Finance Group to trace the proceeds over the redemption or repayment period. JERA's Global Finance Group will review the allocation status at least once a year, based on the proceeds management forms for sustainable finance. Vouchers related to the management of the proceeds will be kept in accordance with accounting manual.

Such allocation to the Eligible Projects will be made within three years from the issuance. If the proceeds are to be used for refinancing existing expenditures, the look-back period is three years from the time of the financing, and the proceeds will be allocated to the eligible transition projects and green projects in accordance with the process set out in CTBG/GBP/GLP-2.

The unallocated proceeds will be managed in cash or cash equivalents until the proceeds have been fully allocated.

Prior to any sustainable finance executed under this Framework in the future, the management of proceeds will be disclosed in legal documents.

Tracking of proceeds:

- Some or all of the proceeds by green bonds that are planned to be allocated are systematically distinguished or tracked by the issuer.
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*): Unallocated proceeds are managed in cash or cash equivalents

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |



CTBG/GBP/GLP-4. Reporting

DNV confirmed that JERA will report on sustainable finance (annually) until the proceeds are allocated, and will disclose the allocation status. As for environmental benefits, DNV confirmed that JERA plans to report on the overview and progress of eligible projects been allocated at least until the proceeds of sustainable finance are fully allocated.

DNV confirmed that even after the allocation plan or the allocation itself is completed, JERA will disclose information through reports in a timely manner or to the loan lenders in the event of any significant change in transition strategy and pathway, the allocation plan and implementation status of projects.

Reports will be disclosed on the Fundraiser's website.

<Allocation status>

- ◆ Eligibility criteria target for allocation and allocated amount
- ◆ Balance of unallocated proceeds
- ◆ Amount of proceeds allocated to refinancing

<Environmental benefits>

- ◆ Environmental benefits are disclosed as overviews of the projects (including progress, completion, operation, etc.) within the scope of confidentiality, to the extent practicable, and in consideration of the characteristics of the project.
- ◆ The types of "installed capacity (MW)," "annual power generation (MWh)," "annual CO₂ emission reduction amount" for renewable energy, and "installed capacity (MWh)" for storage batteries are also disclosed.

<Other>

- ◆ Efforts to achieve zero CO₂ emissions by 2050 will be reviewed in a timely manner based on policies, technological trends, etc. and disclosed whenever necessary.

Table-7 shows a reporting plan for the environmental benefits of projects that use proceeds from Sustainable Finance.

Table-7 Reporting plan of environmental benefits

Project Category	Eligibility Criteria	Reporting Items
Projects for the realization of zero CO ₂ emission thermal power	<ul style="list-style-type: none"> The expenditures related to upstream development, production, transportation, and technological development of hydrogen and ammonia 	<ul style="list-style-type: none"> Project overview Project progress
	<ul style="list-style-type: none"> The expenditures related to the use of hydrogen and ammonia fuels 	<ul style="list-style-type: none"> Project overview Project progress
	<ul style="list-style-type: none"> The expenditures related to the development of high-efficiency LNG thermal power generation and the establishment of a value chain 	<ul style="list-style-type: none"> Project overview Project progress
	<ul style="list-style-type: none"> The expenditures related to decommissioning of inefficient existing thermal power plants, with the aim of replacing them with high-efficiency thermal power plants 	<ul style="list-style-type: none"> Project overview Project progress
	<ul style="list-style-type: none"> The expenditures related to the utilization of CCS/CCUS 	<ul style="list-style-type: none"> Project overview Project progress
Renewable energy related	<ul style="list-style-type: none"> The expenditures related to storage batteries that are intended to function as balancing resources, regardless of the type of charging source (electricity) 	<ul style="list-style-type: none"> Project overview Project progress Installed capacity (MWh)
Renewable energy	<ul style="list-style-type: none"> The expenditures related to renewable energy (onshore/offshore wind, solar) 	Reporting the following metrics by renewable energy type <ul style="list-style-type: none"> Project overview Project progress Installed capacity (MW) Annual power generation (MWh) Annual CO₂ emission reductions
	<ul style="list-style-type: none"> The expenditures related to storage batteries where the charging source (electricity) meets the <100g-CO₂/kWh criterion 	<ul style="list-style-type: none"> Project overview Project progress Installed capacity (MWh)



Use of proceeds reporting:

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other (*please specify*): Eligible Criteria basis

Information reported:

- Allocated amounts
- GB refinanced share of total investment
- Other (*please specify*):

Frequency:

- Annual
- Semi-annual
- Other (*please specify*):

Impact reporting (environmental benefits):

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other (*please specify*):

Frequency:

- Annual
- Semi-annual
- Other (*please specify*):

Information reported (expected or ex-post):

- GHG emissions / savings
- Energy savings
- Other ESG indicators (*please specify*):
Project overview, project progress,
annual CO₂ emission reductions, etc.

Means of disclosure:

- Information published in financial report (Integrated Report)
- Information published in sustainability report
- Information published in ad hoc documents
- Other (*please specify*): Disclose on website
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):



(3) Findings and Opinions of DNV against the five elements of SLBP/SLLP and the two core elements of CTBG

SLBP/SLLP-1 Selection of Key Performance Indicators (KPIs)

- DNV reviewed JERA's KPIs related to sustainable finance and confirmed that the selected KPIs are relevant and important to JERA's core transition strategy and sustainability management. The selected KPIs are detailed in Schedule-2.
- Scope 1 CO₂ emissions amount of JERA's domestic operations and Scope 1 CO₂ emissions intensity of JERA's domestic power generation business are important indicators for JERA's transition strategy and sustainability management, and are transparent KPIs that can be measured and evaluated on an annual basis. The KPIs will contribute to both transition strategy and sustainability management to realize "JERA Zero CO₂ Emissions 2050."
- DNV confirmed that the KPIs selected by JERA are consistent with the "Seventh Strategic Energy Plan" of the Agency for Natural Resources and Energy and the "Transition Roadmap for Power Sector" of METI, and that the KPIs are appropriately set as comparable indicators.
- The GHG emissions amount required for the evaluation of KPIs are in accordance with the GHG Protocol, a global standard, and are calculated based on the "Manual for Calculating and Reporting Greenhouse Gas Emissions" under the "Act on Promotion of Global Warming Countermeasures," which are externally verifiable and can be benchmarked against external references. DNV concluded that the Scope 1 CO₂ emissions amount of JERA's domestic operations and Scope 1 CO₂ emissions intensity of JERA's domestic power generation business are robust and reliable indicators.
- The evaluation results for CTBG are the same as those mentioned above.

List of selected KPIs

List of selected KPIs

- ✓ KPI 1: CO₂ emissions (Scope 1) in the JERA Group's business in Japan
- ✓ KPI 2: CO₂ emissions intensity (Scope 1) in the JERA Group's domestic power generation business

Definition, scope, and parameters:

- Clear definition of each selected KPIs
- Clear calculation methodology
- Other (*please specify*):



Relevance, robustness, and reliability of the selected KPIs:

- Credentials that the selected KPIs are relevant, core, and material to the Fundraiser’s sustainability and business strategy
- Evidence that the KPIs are externally verifiable
- Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis
- Evidence that the KPIs can be benchmarked
- Other (*please specify*):

SLBP/SLLP-2 Calibration of Sustainability Performance Targets (SPTs):

- JERA, as the largest power generation company in Japan, recognizes that it is in a position to actively lead the realization of a decarbonized society in Japan, and has set forth "JERA Zero CO₂ Emissions 2050" and "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" to clarify its long-term vision. In addition, as a target to be achieved by FY2030, JERA has announced in the "JERA Environmental Target 2030" a "Reduce carbon emission intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY 2030 as set by the government."
- This target is set as the SPT in JERA's sustainable finance, and is consistent with the "Seventh Strategic Energy Plan" of the Agency for Natural Resources and Energy and the "Transition Roadmap for Power Sector" of METI, as well as being an ambitious SPT as the largest power producer in Japan. Achieving this SPT is meaningful to JERA's business as it relates to reducing GHG emissions, a sustainability challenge faced by power generators.
- On the other hand, in the SPT setting, the SPT is set at a value of 0.477 kg-CO₂ /kWh or less after a further 20% reduction from the estimated national emissions intensity from thermal power generation, based on the estimated value of CO₂ emissions from electricity-derived energy, total electricity generation, and the ratio of thermal power generation in the "2030 Outlook for Energy Supply and Demand" released by the Japanese government in October 2021. In addition, the "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" and the "JERA Environmental Commitment 2035" have set a target for FY2035 to "reduce CO₂ emissions from domestic operations by at least 60% compared to FY2013," and a SPT for the emissions level following the achievement of this 60% reduction has also been established.
- SPT estimates assume steady progress in decarbonizing technologies, economic rationality, and policy consistency. JERA, as the largest power generation company in Japan, has made various calculations and studies on how to achieve zero emissions from thermal power generation (reduction of emission intensity, which is the SPT for this project, and reduction of CO₂ emissions from domestic operations by at least 60% by FY2035) while fulfilling its responsibility for stable energy supply, and JERA has set the SPT as an ambitious goal required for transition-linked finance, and as a feasible goal that can be guaranteed with probability.
- DNV confirmed that this SPT is related to KPI improvement. In order to achieve zero emissions by 2050, JERA aims to reduce CO₂ emissions from domestic operations by at least 60% relative to FY2013 level by FY2035, and by 20% from the emissions intensity of thermal power generation for the country as a whole, based on the long-term energy supply and demand outlook for FY2030 set by the government, a goal that goes beyond "business as usual."
- DNV confirmed that the SPT goal-setting process was based on an appropriate combination of multiple benchmarking approaches.



- The eligibility criteria defined by JERA in the Framework include expenditures in "LNG," "Renewables," and "Hydrogen & Ammonia." They are also recognized as Best Available Technology or other technologies that come close in the "Seventh Strategic Energy Plan" of the Agency for Natural Resources and Energy and the "Transition Roadmap for Power Sector" of METI.
- DNV confirmed that SPT target setting was properly disclosed.
 - Through the Framework and the "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business," it explains how GHG emission reductions will be achieved.
- DNV confirmed that SPTs will not be set annually in consideration of responding to electricity supply and demand, etc., but that their progress will be verified annually by an external organization.
- The evaluation results for CTBG are the same as those mentioned above.

Table-II (reposted) JERA Transition-Linked Finance KPIs and SPTs

KPI 1	CO₂ emissions (Scope 1) in the JERA Group's business in Japan
Definition of KPI 1	CO ₂ emissions in the JERA Group's ^(*1) business in Japan in the relevant fiscal year (Scope 1) (*1) Equivalent to JERA's investment ratio in the JERA Group Companies and Joint Thermal Power Business
KPI 2	CO₂ emissions intensity (Scope 1) in the JERA Group's domestic power generation business
Definition of KPI 2	CO ₂ emissions intensity in the JERA Group's ^(*2) domestic power generation business in the relevant fiscal year (Scope 1) ^(*3) (*2) Equivalent to JERA's investment ratio in the JERA Group Companies and Joint Thermal Power Business (*3) Calculated on a sending-end power basis
SPT 1	JERA Group's emissions from domestic operations in FY2035 to be 72.85 million t-CO₂ or less
Definition of SPT 1	The "JERA Zero CO ₂ Emissions 2050 Roadmap for Our Japan Business" and the "JERA Environmental Commitment 2035" have set a target for FY2035 to "reduce CO ₂ emissions from domestic operations by at least 60% compared to FY2013," and a SPT for the emissions level following the achievement of this 60% reduction. Specific trigger criteria for individual transition linked finance will be set by an appropriate method around the SPT, and disclosed prior to the execution of the financing in the bond disclosure documents or loan agreement documents.
SPT 2	JERA Group's emissions intensity in domestic power generation business in FY2030 to be 0.477 kg-CO₂/kWh or less^(*4)
Definition of SPT 2	The "JERA Zero CO ₂ Emissions 2050 Roadmap for Our Japan Business" and the "JERA Environmental Target 2030" have set a target for FY2030 to "reduce 20% compared to the national emissions intensity from thermal power generation based on the government's long-term energy supply and demand outlook for FY2030." The SPT has been set as the value after achieving this 20% reduction, calculated using the latest long-term energy supply and demand outlook etc. Specific trigger criteria for individual transition linked finance will be set by an appropriate method around the SPT, and disclosed prior to the execution of the financing in the bond disclosure documents or loan agreement documents. (*4) Based on the CO ₂ emissions from electricity generation, total electricity generation, and the share of thermal power generation in the power mix shown in the "2030 Outlook for Energy Supply and Demand" released by the Japanese government in October 2021, JERA calculated an estimated national emissions intensity from thermal power generation and set the SPT at 0.477 kg-CO ₂ /kWh or less, which represents the value achieved after a further 20% reduction from that estimate.



(SPTs) rationale and level of ambition:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evidence that the SPTs represent a material improvement | <input checked="" type="checkbox"/> Credentials on the relevance and reliability of selected benchmarks and baselines |
| <input checked="" type="checkbox"/> Evidence that SPTs are consistent with the Fundraiser's sustainability and business strategies | <input checked="" type="checkbox"/> Credentials that the SPTs are determined on a predefined timeline |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Benchmarking approach:

- | | |
|--|---|
| <input checked="" type="checkbox"/> The Fundraiser's own performance | <input type="checkbox"/> The Fundraiser's peers |
| <input checked="" type="checkbox"/> Reference to the scientific evidence | <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Explanations on potential recalculations or adjustments | <input checked="" type="checkbox"/> Explanations on the Fundraiser's strategy towards achievement |
| <input checked="" type="checkbox"/> Identification of key factors that may affect the achievement of SPTs | <input type="checkbox"/> Other (<i>please specify</i>): |

SLBP/SLLP-3 Bond/Loan Characteristics

- DNV confirmed that the sustainable finance with general corporate purpose (bonds or loans) to be implemented under the Framework will have financial and structural characteristics that will change depending on the achievement of SPTs. DNV also confirmed that JERA has internal procedures to ensure that each time a financing is executed, the trigger event and its scope of impact with specific SPT measurement timing and performance requirements will be linked to target achievement and financial incentives, and details including conditions will be disclosed in the bond disclosure documents, loan agreement documents, etc.
- DNV confirmed that JERA has reviewed the appropriate fallback mechanisms (preliminary alternatives) and, as a result, has decided not to establish alternative SPTs or calculation methods at this time because the risks that cannot be calculated or observed are very small.
- DNV confirmed that JERA intends to disclose an explanation of the changes in the event of unforeseen events (such as significant changes in regulatory or other systems or the occurrence of unusual events) that may materially affect the measurement method and scope of KPIs, the setting of SPTs, and assumptions due to circumstances unforeseeable at the time of the execution of transition financing (general corporate purpose) in the bond disclosure documents, the loan agreement documents.
- In addition, if there is a reasonable reason for the SPT to be temporarily not achieved due to transient changes in the domestic electricity supply, changes in the characteristics of bonds and loans may be postponed.

Financial impact:

- Fluctuation of interest rates
- Other (*please specify*): Changes in financial and structural characteristics

Structural characteristics:

- Other (*please specify*): The conditions of trigger judgement (judgement date and SPT) will be set by the period of an individual bond or loan etc., and will be disclosed in the bond disclosure documents, loan agreement documents, etc.



SLBP/SLLP-4 Reporting

- DNV has confirmed that the required information will be made available to the public in a timely manner for the following details required by SLBP/SLLP.
 - KPIs performance against SPTs: After the implementation of the Transition-Linked Finance and until the final judgement date, JERA will obtain verification from an external body at least once a year, and disclose this information on its website.
 - SPTs achievement status: Subject to annual verification by an independent third party to determine financial and structural characteristics.
 - When SPTs change are required : JERA will discuss with the parties concerned the establishment of SPTs with a level of ambition equal to or greater than the existing evaluation standards based on the changes, and will obtain second party opinions from third-party evaluation organizations as necessary.

Information reported:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance of selected KPIs | <input checked="" type="checkbox"/> Verification report (second party opinion) |
| <input checked="" type="checkbox"/> Level of ambition of SPTs | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Means of disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Disclose on the Fundraiser's website |
| <input type="checkbox"/> Reporting reviewed | |

Level of assurance reporting:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Limited assurance | <input type="checkbox"/> Reasonable assurance |
| <input type="checkbox"/> Other (<i>please specify</i>): | |



SLBP/SLLP-5 Verification:

- DNV has confirmed that JERA plans to undergo independent verification of the data related to the KPIs at least once a year by a qualified external evaluation body with relevant expertise in SPT triggering events.

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Limited assurance | <input type="checkbox"/> Reasonable assurance |
| | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Material changes:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Boundary (scope) | <input checked="" type="checkbox"/> KPI methodology |
| <input checked="" type="checkbox"/> SPTs adjustment (change) | |

VII. Assessment Conclusion

On the basis of the information provided by JERA and the work undertaken, it is DNV's opinion that the JERA Sustainable Finance Framework and Sustainable Finance executed by JERA meet the criteria established in the Protocol, and that they are aligned with the following stated definition or purpose of bonds and loans with use of proceeds or general corporate purpose, within the CTFH/CTFBG, CTBG, GBP/GBGL, GLP/GLGL, SLBP/SLBGL, and SLLP/SLLGL.

- "enable capital-raising and investment for new and existing projects with environmental benefits"
- "provide an investment opportunity with transparent sustainability credentials"
- "Climate Transition Finance is important (as climate transitions) through KPIs and SPTs, quantitative, pre-determined, ambitious, and regularly monitored and externally validated and encourage the achievement of ESG (in terms of climate transitions) of fundraisers"

DNV Business Assurance Japan K.K.

1 April 2026



Masato Kanedome

Technical Reviewer

DNV Business Assurance Japan K.K.



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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

Disclaimer

Responsibilities of the Management of the Issuer and the Second-Party Opinion Providers, DNV: The management of Issuer has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform the Issuer management and other interested stakeholders in the Bond as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by the Issuer. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by the Issuer's management and used as a basis for this assessment were not correct or complete.

Schedule-1 JERA Sustainable Finance Nominated Eligible Projects

The projects listed in the table are nominated sustainable finance projects that have been evaluated for eligibility at the time of pre-implementation eligibility assessment (as of April 2026).

In the future, finance implemented under the JERA Sustainable Finance Framework will be selected from one or more of the nominated eligible projects and disclosed prior to finance implementation in the legal documents or post-implementation reporting.

If additional transition and green projects are included, eligibility will be evaluated in advance by JERA in accordance with the JERA Sustainable Finance Framework and, if necessary, DNV will evaluate them in a timely manner.

<Transition Project>

Project Category	Eligibility Criteria	
Projects for the realization of zero CO ₂ emission thermal power	ICMA CTBG: Lower-carbon fuels	The expenditures related to upstream development, production, transportation, and technological development of hydrogen and ammonia
	ICMA CTBG: Lower-carbon fuels Fossil fuel switch	The expenditures related to the use of hydrogen and ammonia fuels
	ICMA CTBG: Fossil fuel switch	The expenditures related to the development of high-efficiency LNG thermal power generation and the establishment of a value chain
	ICMA CTBG: Early retirement and decommissioning of high-emission assets	The expenditures related to decommissioning of inefficient existing thermal power plants, with the aim of replacing them with high-efficiency thermal power plants
	ICMA CTBG: CCUS and carbon removal technologies	The expenditures related to the utilization of CCS/CCUS
Renewable energy related	The expenditures related to storage batteries that are intended to function as balancing resources, regardless of the type of charging source (electricity)	

<Green Project>

Project Category	Eligibility Criteria	
Renewable energy	ICMA GBP: Renewable energy (Environmental objectives: Climate change mitigation)	The expenditures related to renewable energy (onshore/offshore wind, solar)
		The expenditures related to storage batteries where the charging source (electricity) meets the <100g-CO ₂ /kWh criterion

Schedule-2 Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs)

KPIs Key Performance Indicators

KPIs		Description
KPI 1	CO₂ emissions (Scope 1) in the JERA Group's business in Japan	CO ₂ emissions in the JERA Group's ^(*1) business in Japan in the relevant fiscal year (Scope 1) (*1) Equivalent to JERA's investment ratio in the JERA Group Companies and Joint Thermal Power Business
KPI 2	CO₂ emissions intensity (Scope 1) in the JERA Group's domestic power generation business	CO ₂ emissions intensity in the JERA Group's ^(*2) domestic power generation business in the relevant fiscal year (Scope 1) ^(*3) (*2) Equivalent to JERA's investment ratio in the JERA Group Companies and Joint Thermal Power Business (*3) Calculated on a sending-end power basis

SPTs Sustainability Performance Targets

SPTs		Description
SPT 1	JERA Group's emissions from domestic operations in FY2035 to be 72.85 million t-CO₂ or less	The "JERA Zero CO ₂ Emissions 2050 Roadmap for Our Japan Business" and the "JERA Environmental Commitment 2035" have set a target for FY2035 to "reduce CO ₂ emissions from domestic operations by at least 60% compared to FY2013," and a SPT for the emissions level following the achievement of this 60% reduction. Specific trigger criteria for individual transition linked finance will be set by an appropriate method around the SPT, and disclosed prior to the execution of the financing in the bond disclosure documents or loan agreement documents.
SPT 2	JERA Group's emissions intensity in domestic power generation business in FY2030 to be 0.477 kg-CO₂/kWh or less^(*4)	The "JERA Zero CO ₂ Emissions 2050 Roadmap for Our Japan Business" and the "JERA Environmental Target 2030" have set a target for FY2030 to "reduce 20% compared to the national emissions intensity from thermal power generation based on the government's long-term energy supply and demand outlook for FY2030." The SPT has been set as the value after achieving this 20% reduction, calculated using the latest long-term energy supply and demand outlook etc. Specific trigger criteria for individual transition linked finance will be set by an appropriate method around the SPT, and disclosed prior to the execution of the financing in the bond disclosure documents or loan agreement documents. (*4) Based on the CO ₂ emissions from electricity generation, total electricity generation, and the share of thermal power generation in the power mix shown in the "2030 Outlook for Energy Supply and Demand" released by the Japanese government in October 2021, JERA calculated an estimated national emissions intensity from thermal power generation and set the SPT at 0.477 kg-CO ₂ /kWh or less, which represents the value achieved after a further 20% reduction from that estimate.



Schedule-3 Transition Finance Framework Eligibility Assessment Protocol

The checklists (1-4) below are DNV assessment protocol created for eligibility assessment of the Green/Transition Finance (with use of proceeds) out of the JERA Sustainable Finance Framework based on the disclosure requirements of CTFH/CTFBG. The "confirmed documents" in the Work Undertaken include public or private documents (internal documents of the issuer or fundraiser) etc., and are provided by JERA as evidence of eligibility judgement for DNV.

*Please replace "Issuer" and "Investor" to "Fundraiser" and "Lender" in the context in the following requirements.

CTFH: Transition Finance Handbook Common Checklist (with use of proceeds / general corporate purpose)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1	Issuer's Climate Transition Strategy and Governance	<p>The green, sustainability or sustainability-linked financing should be directed toward enabling an issuer's GHG emissions reduction strategy in alignment with the goals of the Paris Agreement.</p> <p><i>Recommended information and indicators:</i></p> <ul style="list-style-type: none"> a long-term, science-based target to align with the goals of the Paris Agreement; relevant and credible interim science-based targets in the short and medium-term on the trajectory towards the long-term goal, in line with the relevant regional, sector, or international climate change scenarios; disclosure on an issuer's transition plan or climate transition strategy. This should include specific itemisation of the main levers towards GHG emissions reduction, such as a detailed capital expenditure (CapEx) plan and relevant technological implications (i.e., amounts to be spent, what carbon cost is considered for 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - METI, "Transition Roadmap for Power Sector" <p>Interviews with stakeholders</p>	<p>JERA has established a framework and has introduced various plans and initiatives to manage and enhance the organization's environmental sustainability and related performance against JERA's broad environmental strategy.</p> <p>Based on the science-based long-term targets quantified by JERA, DNV has reviewed and confirmed that JERA's targets correspond to achieving the goals of the Paris Agreement. JERA sets corporate environmental strategies that are important to its business model based on the identification of risks and opportunities and scenario analysis referred to TCFD guidance.</p> <p>JERA released "JERA Zero CO₂ Emissions 2050", the goal of achieving zero CO₂ emissions by 2050, and "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" in October 2020. JERA has set a long-term goal of CO₂ zero emissions by 2050, which is consistent with the goal of the Paris Agreement, and also has set the medium-term goals "JERA Environmental Target 2030" to achieve its long-term goal. JERA disclosed its strategic plan to achieve the goal of transitioning to carbon neutrality in its roadmap and the "JERA Environmental Target 2030."</p> <p>In May 2022, JERA added a target to accelerate further its efforts to achieve the realization of CO₂ zero emissions, aiming to reduce CO₂ emissions from domestic operations by at least 60% (relative to FY2013) by FY2035 with the establishment of the "JERA</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>implementing such CapEx programme, operational impacts, regulatory considerations, etc.);</p> <ul style="list-style-type: none"> • clear oversight and governance of an issuer’s climate transition strategy, including management/board level accountability; and • evidence of a broader sustainability strategy to mitigate relevant environmental and social externalities, including ‘just transition’ considerations where appropriate, and contributions to the UN Sustainable Development Goals (UN SDGs). 		<p>Environmental Commitment 2035" and the update of the "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business." Furthermore, JERA have developed a more ambitious transition strategy including clarifying the timing of full-scale operation at 20% and 50% ammonia substitution rates in coal-fired thermal power generation, which is consistent with the Transition Roadmap for Power Sector of METI. Specifically, JERA's Transition Strategy is consistent with the Transition Roadmap for Power Sector of METI and is incorporated with its activity plan which referred to the TCFD guidance. In addition, in order to achieve continuous emission reductions in the future, JERA plans to review its efforts in a timely and appropriate manner, considering the development status of the corresponding technology and the timeline.</p> <p>JERA recognizes that response to climate change, including the implementation of Transition Strategy, is one of the most significant issues of its business, and has established system and Framework to promote the initiatives specified in "JERA Zero CO₂ Emissions 2050" and "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business," "JERA Environmental Target 2030," and "JERA Environmental Commitment 2035" at the management level.</p> <p>As a global company that provide energy solutions not only in Japan, but also around the world, JERA considers global warming countermeasures as its highest-priority management issue. Given that there are many countries in the world experiencing such remarkable growth that the supply of power is unable to keep up while there are also many areas that remain non-electrified and are in need of power generation facilities, JERA's mission is not only to provide optimal, environmentally conscious power solutions to these countries and regions, but also to create jobs via the power facility construction process as well as to cultivate human resources through the provision of technology and expertise. In turn, these will serve as springboards for further growth and development of industries, communities, and societies.</p> <p>The Sustainable Finance mainly relates to the material issues (materiality) of "Establish a stable supply infrastructure and system</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings																				
				<p>for energy supply at affordable prices" and "Contribute to decarbonization and environmental protection by using renewable energy and zero CO2 emission thermal power to complement each other."</p> <p>DNV confirmed that the implementation plan provided by JERA, which is established based on the Framework, "JERA Zero CO₂ Emissions 2050," and the "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business," are well aligned with JERA's Transition Strategy. Through the assessment, DNV also confirmed that the implementation plan established based on its Transition Strategy is reliable, ambitious and achievable.</p>																				
2	Business model environmental materiality	<p>The climate transition strategy should be relevant to the environmentally material parts of an issuer's business model, taking into account potential future scenarios which may impact current determinations concerning materiality.</p> <p><i>Recommended information and indicators:</i></p> <p>Discussion on the materiality of the planned climate transition strategy may:</p> <ul style="list-style-type: none"> • be disclosed in the form of a materiality matrix made publicly available by an issuer or be covered in an issuer's annual reports; • address the materiality of climate-related eligible projects and/or KPI(s) on the overall emissions profile of an issuer; and <p>Where Scope 3 emissions are expected to be material but are not yet identified or measured, a timeline for reporting should be disclosed.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero Co₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - METI, "Transition Roadmap for Power Sector" <p>Interviews with stakeholders</p>	<p>DNV assessed whether the key activities related to JERA's business correspond to the contribution to the environment and the JERA's transition strategy evaluated.</p> <p>JERA's non-consolidated greenhouse gas emissions in Japan (FY2022-FY2024) are shown below.</p> <table border="1" data-bbox="1292 820 2114 1023"> <thead> <tr> <th>Scope</th> <th>FY2022</th> <th>FY2023</th> <th>FY2024</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>118.69 million t-CO₂</td> <td>113.76 million t-CO₂</td> <td>113.24 million t-CO</td> </tr> <tr> <td>Scope 2</td> <td>60,000 t-CO₂</td> <td>70,000 t-CO₂</td> <td>170,000 t-CO</td> </tr> <tr> <td>Scope 3</td> <td>31.89 million t-CO₂</td> <td>31.72 million t-CO₂</td> <td>30.82 million t-CO</td> </tr> <tr> <td>Total amount</td> <td>150.64 million t-CO₂</td> <td>145.55 million t-CO₂</td> <td>144.23 million t-CO</td> </tr> </tbody> </table> <p>Scope 1: Direct emissions of greenhouse gases by the company itself (combustion of fuels, industrial processes). (Calculated in accordance with the Act on Promotion of Measures to Cope with Global Warming (the Global Warming Prevention Act))</p> <p>Scope 2: Indirect emissions from the use of electricity, heat and steam supplied by other companies. (Calculated using adjusted emission factors from the "Emission Factors by Electric Utility" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. A part of the purchased electricity is replaced by self-transmission from 2021 onwards, and the self-transmission is included in Scope 1 emissions).</p> <p>Scope 3: Indirect emissions other than Scope 1 and 2 (emissions from other companies related to the company's activities)</p> <p>*Data includes emissions of Hitachinaka Generation Co. Inc. *Scope 2 and 3 cover CO₂ only. Scope 1 covers CO₂, CH₄ (methane), N₂O (nitrous oxide), SF₆ (sulphur hexafluoride) and HFC (alternative freon).</p>	Scope	FY2022	FY2023	FY2024	Scope 1	118.69 million t-CO ₂	113.76 million t-CO ₂	113.24 million t-CO	Scope 2	60,000 t-CO ₂	70,000 t-CO ₂	170,000 t-CO	Scope 3	31.89 million t-CO ₂	31.72 million t-CO ₂	30.82 million t-CO	Total amount	150.64 million t-CO₂	145.55 million t-CO₂	144.23 million t-CO
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Total amount	150.64 million t-CO₂	145.55 million t-CO₂	144.23 million t-CO																					

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>Given the fact that indirect emissions from power generation accounts for 38% of the CO₂ emissions per final energy consumption in Japan where JERA operates, the transition strategy of JERA, whose major emissions come from its thermal power generation, will not only contribute to reducing emissions from its own business activities (Scope 1 and 2), but also contribute to achieving the decarbonization goals of diverse entities. In other words, JERA's approach towards transition aiming to achieve decarbonization at a lower cost and higher speed while maintaining stable energy supply, will directly support its own transition as well as the transition of society as a whole.</p> <p>JERA's roadmap is aligned with the Transition Roadmap for Power Sector of METI. JERA's specific goals and implementation plan are key initiatives to achieve METI's Transition Roadmap for Power Sector, and its goals and implementation plan are based on quantified indicators.</p> <p>DNV confirmed that JERA's plan to implement its Transition Strategy is one of the activities of JERA's core business and is closely linked to the activities that contribute to the CO₂ reduction of the society as a whole, thus will contribute to the overall environment. JERA's Transition Strategy is associated with the materiality that JERA has identified by facilitating GRI standards^{*1}, ISO26000, SASB standards^{*2}, etc., and will contribute to generate significant positive environmental impacts both qualitatively and quantitatively.</p> <p>Environmental materiality includes activities that contribute to transitions such as "Adopt and Expand Renewable Energies" and "Decarbonization of Thermal Power and Fuel Supply Chains". The report also discloses domestic Scope 1 through 3, which are the results of the activities.</p> <p><small>*1: Global Reporting Initiative (an international standard providing ESG-related reporting, management and analysis methods)</small></p> <p><small>*2: A disclosure standard developed by the Sustainable Accounting Standards Board on ESG factors that are expected to have a high financial impact in the future</small></p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings					
3	Climate transition strategy and targets to be science-based	<p>An issuer’s climate transition strategy should reference science-based targets and transition pathways. There is scientific guidance around the required rate of GHG emission reductions (the “GHG emissions reduction trajectory”) to align the global economy with the goals of the Paris Agreement.</p> <p>The planned transition trajectory should:</p> <ul style="list-style-type: none"> • be quantitatively measurable and aligned with the latest available methodology; • be aligned with, benchmarked, or otherwise referenced to recognised third-party, science-based trajectories, where such trajectories exist; when third-party trajectories are not available, consider industry peer comparison and/or internal methodologies/historical performance; • be publicly disclosed (ideally in mainstream financial filings), including interim targets; and • be supported by independent assurance or verification. <p><i>Strongly recommended information and indicators:</i></p> <ul style="list-style-type: none"> • short, medium, and long-term GHG emission reduction targets aligned with the Paris Agreement; • baseline year and historic emissions (including absolute emissions, where intensity metrics are the main indicator); • scenario utilised and methodology applied (e.g., ACT, SBTi, IEA etc.). When third-party trajectories are not available, industry 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - METI, "Transition Roadmap for Power Sector" <p>Interviews with stakeholders</p>	<p>JERA has set a transition plan consistent with the Paris Agreement, which is science-based, and a transition trajectory consistent with the Transition Roadmap for Power Sector of METI.</p> <p>This plan is a realistic goal and pathway for reducing CO₂ emissions, and is a plan to reduce absolute (total) CO₂ emissions.</p> <p>DNV has confirmed that JERA's Transition Strategy is based on a consistent measurement methodology based on prescribed assumptions, and that the long-term and medium-term targets for CO₂ emission reductions from its own activities are quantified as emissions intensity and absolute values or ratios. Transition targets are set voluntarily based on initiatives to utilize the TCFD etc. for sustainable CO₂ emission reductions, and are consistent with METI’s Transition Roadmap for Power Sector, which serves as a benchmark.</p> <p>Specifically, JERA sets out the following transition targets in its roadmap.</p> <p style="text-align: center;">Table: JERA Transition Targets</p> <table border="1" data-bbox="1285 826 2121 1316"> <tbody> <tr> <td data-bbox="1285 826 1368 1070" rowspan="2">Mid-term goals</td> <td data-bbox="1375 826 2121 1070"> <p>FY2030</p> <ul style="list-style-type: none"> • Reduce carbon emissions intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY2030 as set by the government • Decommission all inefficient coal power plants (supercritical or less) • Conduct demonstration tests of substitution to ammonia at high-efficiency (ultra-supercritical) coal power plants • Promote the development of renewable energy centered on offshore wind power projects • Work to further improve the efficiency of LNG thermal power generation </td> </tr> <tr> <td data-bbox="1375 1075 2121 1241"> <p>FY2035</p> <ul style="list-style-type: none"> • Reduce CO₂ emissions from domestic operations relative to FY2013 by at least 60% by FY2035 • Strive to develop and adopt renewable energy in Japan, given expanded adoption under the national government's 2050 carbon-neutral policy • Commit to reducing carbon emissions intensity from thermal power generation by promoting hydrogen and ammonia substitution </td> </tr> <tr> <td data-bbox="1285 1246 1368 1316">Long-term goals</td> <td data-bbox="1375 1246 2121 1316"> <p>2050</p> <ul style="list-style-type: none"> • CO₂ zero emissions </td> </tr> </tbody> </table> <p>*JERA's roadmap will be refined in stages based on policy and other assumptions. The roadmap will also be revised if the assumptions change significantly.</p>	Mid-term goals	<p>FY2030</p> <ul style="list-style-type: none"> • Reduce carbon emissions intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY2030 as set by the government • Decommission all inefficient coal power plants (supercritical or less) • Conduct demonstration tests of substitution to ammonia at high-efficiency (ultra-supercritical) coal power plants • Promote the development of renewable energy centered on offshore wind power projects • Work to further improve the efficiency of LNG thermal power generation 	<p>FY2035</p> <ul style="list-style-type: none"> • Reduce CO₂ emissions from domestic operations relative to FY2013 by at least 60% by FY2035 • Strive to develop and adopt renewable energy in Japan, given expanded adoption under the national government's 2050 carbon-neutral policy • Commit to reducing carbon emissions intensity from thermal power generation by promoting hydrogen and ammonia substitution 	Long-term goals	<p>2050</p> <ul style="list-style-type: none"> • CO₂ zero emissions
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Long-term goals	<p>2050</p> <ul style="list-style-type: none"> • CO₂ zero emissions 								

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>peer comparison and/or internal methodologies/historical performance;</p> <ul style="list-style-type: none"> • GHG emission objectives covering all scopes and most relevant sub-categories (Scopes 1, 2 and 3); • targets formulated in either intensity or absolute terms, noting, that where intensity targets are used, projections on the change to absolute emissions should also be provided; and • where applicable, use of carbon capture technology as well as of high-quality and high-integrity carbon credits, and their relative contribution to the GHG emissions reduction trajectory in line with best industry practices (e.g., SBTi, VCMI and ICVCM). 		<p>In Japan, where indirect emissions from electricity account for 38% of the total CO₂ JERA's transition strategy contributes not only to the reduction of emissions from its own operations (Scope 1 and 2), but also to the achievement of the decarbonization targets of various bodies.</p> <p>Transition initiatives and respective scope emissions are disclosed in "JERA Zero CO₂ Emissions 2050," "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" and "JERA Group Integrated report 2025," etc.</p> <p>JERA's Transition Strategy clarifies the process for achieving the goal, including the future use of CO₂ capture technologies. In addition, the relevant categories of Scope 3 are indicated. Note that the use of carbon credits has not been decided at this time.</p>
4	Implementation transparency	<p>Market communication regarding the offer of a GSS financing instrument intended to fund an issuer's climate transition strategy should also be transparent, to the extent practicable, on the underlying investment program including capital and operational expenditures (CapEx and OpEx). <i>Recommended information and indicators:</i></p> <ul style="list-style-type: none"> • CapEx roll-out plan consistent with the overall climate transition strategy and climate science and discussion of how it informs CapEx decision-making within the organisation; • phase-out plan regarding activities/products incompatible with the climate transition strategy (when such activities or products 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero Co₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - METI, "Transition Roadmap for Power Sector" 	<p>DNV confirmed that the investment and project plans related to JERA's transition strategy included consensus building as well as its summarized results and impacts towards investments and expenditures that has been implemented and are scheduled in the future. Specifically, JERA plans to invest a cumulative total of 5 trillion yen in its three strategic business areas; "LNG," "Renewables," and "Hydrogen & Ammonia," between FY2024 and FY2035. DNV confirmed that the overall investment plan (investment amount) will be executed in accordance with the timeline. DNV also confirmed that in order to ensure transparency, JERA will discuss on the disclosure, wherever possible, of its basic investment plan (investment amount). At this time, the internal carbon prices are not taken into account in the initiative.</p> <p>DNV also reviewed the Framework and the ESG management of JERA and confirmed high transparency in the implementation. JERA explained the appropriateness of its execution to DNV and DNV agreed on the appropriateness.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>are significantly harmful or display levels of performance inconsistent with science-based GHG emission reduction trajectories);</p> <ul style="list-style-type: none"> • green CapEx, for example those referenced under the eligible green project categories in the Green Bond Principles, as a percentage of total CapEx and how the ratio may be expected to evolve over time; • disclosure on the percentage of assets/revenues/ expenditures/divestments aligned to the various levers; • a qualitative and/or quantitative assessment of the potential locked-in GHG emission from an issuer’s key assets and products; • assumptions on the internal cost of carbon; and • disclosure on adverse impacts on the workforce, community and surrounding environment, and related strategies used to mitigate those negative impacts. 	Interviews with stakeholders	



CTBG: Climate Transition Bond Guidelines Checklist

The checklists below are DNV assessment protocol created for eligibility assessment based on the disclosure requirements of CTFH.

The "confirmed documents" in the Work Undertaken include public or private documents (internal documents of the issuer) etc., and are provided by JERA as evidence of eligibility judgement for DNV.

Eligible Climate Transition Labels may be issued as Climate Transition Bonds (CTB) with use of proceeds, in accordance with CTBG.

CTBG-1: Climate Transition Bonds with Use of Proceeds

CTBG recommends the use of CTB labels when the issuer intends that all or substantial part of the proceeds determined by the issuer will be allocated to a Climate Transition Projects (CT Projects). This CTBG-1 checklist summarizes the elements required for CTB.

CTBG-1.1 Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1.1	Target activities	<ol style="list-style-type: none"> ① The cornerstone of a CTB is the utilisation of the proceeds of the bond for eligible CT Projects which should be appropriately described in the legal documentation of the security. ② CT Projects are defined as including assets, investments and activities, early phase-out and decommissioning, and other expenditures such as R&D related to high-emission activities that lead to substantial and quantifiable GHG emissions avoidance, reduction, or removal. CT Projects complement and go beyond the scope of Green Projects under the GBP in pursuit of the goals of the Paris Agreement. 	Confirmed documents: - Framework Interviews with stakeholders	DNV confirmed that, for projects classified as CT Projects, in addition to compliance with the five safeguards required by CTBG (described below), projects requiring additional explanations regarding alignment with transition roadmaps in the power sector, particularly those involving the use of fossil fuels, have provided the necessary information.
	Five safeguards	To ensure the integrity of their CT Projects, the issuer should meet, or explain how it aims to meet, the following safeguards: <ol style="list-style-type: none"> 1) Existence of an issuer-level sustainability and/or climate transition strategy to which the CT Projects contribute and incorporating disclosures which align on a best-efforts basis with the four key elements of the Climate Transition Finance Handbook (CTFH). 	Confirmed documents: - Framework Interviews with stakeholders	For detailed evaluation results for each safeguard, refer to Table-1 in Executive Summary and Section V "Findings and DNV's Opinion" of the main text.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>2) Analysis supporting the technological and/or economic unfeasibility of low-carbon alternatives for the issuer considering also the local context. For practical purposes, this assessment can be made by referencing existing official sector or other authoritative third-party resources and issuers’ cost-benefit analyses⁶.</p> <p>3) Alignment or compatibility with official sector and market-based taxonomies⁷, decarbonisation pathways and roadmaps, and/or other international and national decarbonisation policy frameworks, where available and relevant. Annex-2 provides a non-exhaustive list and an overview of existing official sector and market-based taxonomies and pathways and roadmaps to help issuers identify the relevant resources.</p> <p>4) Mitigation of substantial and quantifiable GHG emissions beyond business-as-usual (BAU), considering sector standards, practices, proxies and best available technologies (BAT), where available and feasible.</p> <p>5) Identification, analysis, best-efforts mitigation, and disclosure of carbon-lock in risks. In this respect, sunset provisions and/or the restriction of interim performance categories (also known as the “amber” category) primarily for existing assets and activities in some taxonomies should be noted⁸.</p> <p>The lock-in assessment may consider, where relevant, factors such as a project’s lifetime and amortisation period, utilisation rate, emission profile over time, rebound effects, potential barriers to low(er)-carbon substitutes (e.g. contractual, labour, or supply chain constraints), readiness for future incorporation of lower-carbon feedstock or change in end-use, reversibility (e.g. retrofitting, repurposing, or repowering), and displaceability, and monitoring of a project’s end-use emissions. Annex-3 provides a non-exhaustive overview of existing resources for evaluating and avoiding carbon lock-in risks.</p>		

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
	CT Projects using fossil fuels	<p>Where a CT Project substantially relates to fossil fuel infrastructure or activities, and to the extent not already addressed by alignment with a taxonomy, pathway, roadmap or policy framework as per above, additional safeguards may be needed to ensure the credibility of a CTB.</p> <p>These may include some or all of the following:</p> <ul style="list-style-type: none"> i) activity/asset level transition plans; ii) commitment to decommission/phase-out assets or switch to a low-carbon alternative within a certain timeframe consistent with credible scenarios; iii) annual reporting on forward-looking metrics such as key milestones, sunset dates, and external verification thereof; iv) implementation of accompanying investments and flanking measures to enable low-carbon alternatives in the future; v) limitations to fossil fuel capacity expansion or assets' lifetime extension as a result of or in the context of a CT Project's implementation; vi) limitation of CT Project eligibility to assets already in existence as of a certain date (i.e., brownfield investments); and/or, vii) commitment to implement CCUS for further abatement. 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework <p>Interviews with stakeholders</p>	<p>For detailed evaluation results regarding each item related to the use of fossil fuels, refer to Table-1 in the Executive Summary and Section V "Findings and DNV's Opinion" (2) in the main text.</p> <p>*It is not required that all CT Projects implement all measures listed in (i) through (vii), but it is important that the necessary items be considered based on the specific content and other factors of each CT Project.</p>
	Proceeds allocation plan	<p>In the event that all or a proportion of the proceeds are or may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced, and, to the extent relevant, the expected look-back period for refinanced eligible CT Projects.</p> <p>For the avoidance of doubt, financial institutions issuing CTBs can also (re)finance portfolios of transition loans⁹ for CT Projects.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework <p>Interviews with stakeholders</p>	<p>DNV confirmed that the Issuer plans to limit refinancing to existing expenditures incurred within the past three years and disclose the estimated amount (or percentage) allocated to refinancing in the post-issuance reporting.</p>

6 See the OECD report "Mechanisms to Prevent Carbon Lock-in in Transition Finance," for which an overview is provided under Annex-3.

7 In light of the usability and data unavailability challenges of some taxonomies and some policymakers' recognition of the concept of "partial alignment," the Guideline recommends the issuer to consider, when faced with similar challenges, the material aspects of the testing criteria (e.g., quantitative performance thresholds or a required degree of certification) that aim to ensure the substantial contribution to the climate change mitigation objective. It is acknowledged that the use of estimates and proxies may also be needed in some cases to address data gaps.

8 See Annex-2.

9 The APLMA, LMA, and LSTA have published the "Transition Loans Guide" in October 2025 to provide guidance for transition finance in the loan markets.

CTBG-1.2 Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1.2	Evaluation and selection procedures (in consideration of CTBG-1.1)	<p>① The issuer should provide information on the eligibility, safeguards, classification, and exclusion criteria, as relevant, for its CT Projects as described above.</p> <p>② This should include any alignment or compatibility with official sector and market-based taxonomies, decarbonization pathways and roadmaps, and/or other international and national decarbonisation policy frameworks (see Annex-2).</p>	<p>Confirmed documents: - Framework</p> <p>Interviews with stakeholders</p>	<p>① DNV confirmed that the Issuer had clearly stated the CT Project’s eligibility and compliance with safeguards within the Framework.</p> <p>② DNV confirmed through the assessment of the Issuer that the CT Projects are consistent with the METI's Transition Roadmap for Power Sector.</p>
	Explanation of the taxonomy and technical criteria referenced	The assessment of CT Projects by the issuer may include, among other things: The levels of ambition and technical performance thresholds existing in taxonomies (e.g., green vs. amber or decarbonization measures), net-zero pathways and roadmaps, established market practices and investor expectations, the analysis of relevant contextual factors such as the technical aspects of projects, and/or the ambition level of the issuer’s transition strategy and plan.	<p>Confirmed documents: - Framework</p> <p>Interviews with stakeholders</p>	DNV confirmed through the assessment of the Issuer that the Issuer has developed transition strategies aimed at achieving Japan’s 2050 carbon neutrality goals, including climate action plans, Japan’s NDC, and the Transition Roadmaps for Power Sector, and that CT Projects, as initiatives aligned with CTFH, are closely linked to carbon neutrality initiatives that take these factors into account, alongside green projects.
	Revision of project evaluation criteria	The issuer should also commit to regularly review and update its project eligibility criteria at appropriate intervals to assess, among other things, the availability and feasibility of low-carbon alternatives ¹⁰ .	<p>Confirmed documents: - Framework</p> <p>Interviews with stakeholders</p>	DNV confirmed through the assessment of the Issuer that the Issuer plans to periodically review its low-carbon strategy in light of international and domestic conditions.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
	Negative impact & just transition	The issuer should clearly communicate to investors information on their processes to mitigate material adverse social or environmental impacts. This should include, where relevant, how “just transition,” climate adaptation, and the protection of nature and biodiversity will be considered ¹¹ .	Confirmed documents: - Framework Interviews with stakeholders	DNV confirmed that the Issuer has a process in place to ensure that eligible projects do not have significant adverse social or environmental impacts.

10 For the avoidance of doubt, such updates do not require however a re-qualification of existing issuances and a declassification of financed or committed projects.

11 The issuer can refer to the “Handbook – Harmonised Framework for Impact Reporting” and the “Practitioner’s Guide on Sustainable Bonds for Nature.”

CTBG-1.3 Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1.3	Proceeds management procedures	The net proceeds of the CTB, or an amount equal to these net proceeds, should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer's lending and investment operations for eligible CT Projects and any other eligible projects.	Confirmed documents: - Framework Interviews with stakeholders	DNV has confirmed that the proceeds from Climate Transition Bonds can be tracked and managed on a project-by-project basis using the Issuer's internal management systems.
	Management of allocated/unallocated proceeds	As long as the CTB is outstanding, the balance of the tracked net proceeds should be periodically adjusted to match allocations to eligible CT Projects made during that period. The issuer should make known to investors the intended types of temporary placement for the balance of unallocated net proceeds.	Confirmed documents: - Framework Interviews with stakeholders	DNV confirmed that, from the issuance to the redemption of the Climate Transition Bond, the Issuer plans to report annually on the allocation status of proceeds on the website, within the scope of confidentiality obligations and to the extent reasonably practicable. DNV confirmed that the Issuer intends to manage all unallocated proceeds in cash until the allocation of proceeds is determined. DNV also confirmed that the unallocated proceeds will not be allocated to other temporary investments (including green investments) etc.
	Management unit	The proceeds of CTB can be managed per bond (bond-by-bond approach) or on an aggregated basis for multiple bonds (portfolio approach).	Confirmed documents: - Framework Interviews with stakeholders	DNV confirmed that, from the issuance to the redemption of the Climate Transition Bond, the Issuer plans to report annually on the allocation status of proceeds on the website, within the scope of confidentiality obligations and to the extent reasonably practicable.
	External verification	This Guideline recommends a high level of transparency and recommends that the issuer's fund management be supplemented by external auditors or other third parties with internal tracking methods and the allocation of CTB funds.	Confirmed documents: - Framework Interviews with stakeholders	DNV confirmed through the assessment that the proceeds will be tracked and managed by the Issuer, and that the Issuer plans to obtain an SPO from a third-party evaluation body when disclosing information such as allocation status of proceeds.

CTBG-1.4 Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1.4	Annual reporting	<p>① The issuer should make and keep readily available up-to-date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments.</p> <p>② The annual report should include a list of the projects to which CTB proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact.</p> <p>③ Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GBP recommends to present information in generic terms or on an aggregated portfolio basis (e.g., percentage allocated to certain project categories).</p>	<p>Confirmed documents: - Framework</p> <p>Interviews with stakeholders</p>	<p>Common to ① and ②</p> <p>DNV confirmed that the Issuer will disclose the allocation status of proceeds annually on the website until at least the proceeds are fully allocated.</p> <p>Even after the proceeds have been fully allocated, the Issuer plans to disclose any significant changes in the progress of the allocated projects or in the environmental benefits (such as major changes in the project schedule or specifications, or delays in the expected environmental benefits or the timing of their realization).</p> <p>③ DNV confirmed that the Issuer plans to disclose information on a project-by-project basis, while ensuring maximum transparency and taking into account practical considerations and confidentiality obligations.</p>
	Quantification & calculation methods	<p>① Transparency is of particular value in communicating the expected and/or achieved impact of projects. This Guideline recommends the use of qualitative performance indicators and, where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination.</p> <p>② The issuer should refer to and adopt, where possible, the guidance and impact reporting templates provided in the Harmonised Framework for Impact Reporting¹².</p>	<p>Confirmed documents: - Framework</p> <p>Interviews with stakeholders</p>	<p>① DNV confirmed that, regarding the disclosure of environmental benefits, the Issuer will select appropriate indicators for key environmental benefit items (such as direct and indirect GHG reduction effects and expected future GHG reduction effects) based on the characteristics of eligible projects.</p> <p>DNV confirmed that, for projects where quantification is practically feasible, the Issuer will estimate quantitative environmental benefits and report them, along with calculation methods and assumptions, as necessary.</p> <p>② DNV confirmed that the Issuer plans to include the following in its disclosures regarding project impact. Impact reporting is scheduled to be</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>published annually on the Issuer’s website on a project-by-project basis, taking into account confidentiality obligations and practical considerations.</p> <p>[Impact reporting] (Reporting on environmental benefits)</p> <ul style="list-style-type: none"> • Installed capacity (MW or MWh) • Annual power generation (MWh) • Annual CO₂ emission reductions
12	The use of summary	The use of a summary, which reflects the main characteristics of a CTB or a programme and illustrates its key features in alignment with the four core components of the Guideline, may help inform market participants. To that end, a template will be made available in the sustainable finance section of ICMA’s website which once completed can be made available online for market information.	Confirmed documents: - Framework Interviews with stakeholders	It is not clear whether to utilize the summary at this point, but DNV recommends to utilize it when appropriate.

12 Although the “Handbook - Harmonised Framework for Impact Reporting” does not explicitly mention CT Projects, the issuer may be able to use some of the impact reporting indicators proposed there, where appropriate.

CTBG-1.5 Key Recommendations (Framework, External Reviews)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1.5	Framework	<p>① The issuer should explain the alignment of its CTB or CTB program with the four core elements of the Guideline (i.e., Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting) in a CTB Framework or in its legal documentation.</p> <p>② The CTB Framework and/or legal documentation should be available in a readily accessible format to investors.</p> <p>③ It is recommended that the issuer summarizes in its CTB Framework the issuer’s overarching sustainability and/or climate transition strategy to which the CT Projects contribute and incorporating disclosures which align on a “best-efforts” basis with the four key elements of the Climate Transition Finance Handbook. This communication may also include other relevant contextual information such as external dependencies¹³, enablers, barriers, infrastructure needs, fiscal incentives, etc.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework <p>Interviews with stakeholders</p>	<p>① DNV confirmed that the Issuer has described the alignment with the CTBG elements in the Framework.</p> <p>② The CTB framework (prior to CTBG application) and documents related to the bond issuance are disclosed on the Issuer’s website.</p> <p>③ The Issuer has incorporated key information and background details regarding its strategy, including the CT Projects, into the Framework.</p>
	External reviews	<p>① It is recommended that the issuer appoints (an) external review provider(s) to assess through a pre-issuance external review the alignment of its CTB or CTB program and/or Framework with the four core elements (i.e., Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting) as defined above.</p> <p>② Post issuance, it is recommended that the issuer’s management of proceeds be</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework <p>Interviews with stakeholders</p>	<p>① As an external reviewer, DNV conducts an assessment of the Issuer and, based on the Framework and additional assessments of the Issuer, verifies that the CTB is aligned with the key aspects of the four core components additionally required by CTBG, and issues this report (Second Party Opinion).</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>supplemented by the use of an external auditor, or other third party, to verify the internal tracking and the allocation of funds from the CTB proceeds to eligible CT Projects.</p> <p>③ There are various ways for the issuer to obtain external input to their CTB process and there are several types of review that can be provided to the market. The issuer should consult the “Guidelines for External Reviews” which have been developed to promote best practice, for recommendations and explanations on the different types of reviews. They are a market-based initiative to provide information and transparency on the external review processes for issuers, underwriters, investors, other stakeholders and external reviewers themselves.</p> <p>④ The Guideline encourages external review providers to disclose their credentials and relevant expertise and communicate clearly the scope of the review(s) conducted. The issuer should make external reviews publicly available on its website and/or through any other accessible communication channel as appropriate and if feasible, as well as use the template for external reviews available in the sustainable finance section of ICMA’s website.</p>		

13 For a list of potential dependencies, see the entity-level Guidelines by the UK Transition Finance Council.



CTBG-2 Sustainability-Linked Bonds for High-Emission Companies with General Corporate Purpose

Issuers with high emissions who are willing to explicitly commit to future emission reductions at the corporate level can issue sustainability-linked bonds (SLB). The issuers issue SLB aligned with the Sustainability-Linked Bond Principles (SLBP) to finance the implementation of climate response strategies. When publishing sustainability and/or climate response strategies, the issuers are strongly recommended to incorporate disclosures on a "best effort" basis in line with the following four core elements (as defined in CTFH).

In addition, the following guidance extracted from ICMA's "Guidance Handbook" related to sustainability finance should be given particular consideration.

This checklist summarizes the elements required for SLB for high-emission companies with general corporate purpose.

CTBG-2.1 Selection of Key Performance Indicators (KPIs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings						
1	Selection of key performance indicators	<p>① For SLB high-emitting issuers, one or more of their key performance indicators (KPI) should monitor greenhouse gas (GHG) emission reduction. Specifically, either direct outcomes (absolute/intensity-based GHG emission indicators) or supportive indicators (indicators that can be used to drive GHG reduction targets)¹⁴. Since 2021, the principle provides a regularly updated "Reference KPI Register," which includes high-level recommendations and reference examples for KPI selection. If Scope 3 GHG emissions KPI/SPT are not applicable, the issuers may consider leveraging "green" capital expenditure KPI or complementary indicators to demonstrate the initiatives in their industry and progress in reducing greenhouse gas emissions¹⁵.</p> <p>② SLB high-emitting issuers should select KPI that are relevant to specific sectors and regional conditions, and set</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - SPT calculation sheet <p>Interviews with stakeholders</p>	<p>① All of JERA's KPIs are designed to monitor reductions in GHG emissions (both in volume and percentage).</p> <p>② The KPIs selected this time are as follows and are explained in detail in Schedule-2. CO₂ emissions amount from domestic operations and CO₂ emissions intensity from domestic power generation business are key indicators for JERA's transition strategy and sustainability management, which are transparent KPIs that are measurable and can be evaluated annually. These KPIs are expected to contribute to both the transition strategy and sustainability management aimed at achieving "JERA Zero Emissions 2050."</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">KPIs</th> </tr> </thead> <tbody> <tr> <td>KPI 1</td> <td>CO₂ emissions (Scope 1) in the JERA Group's business in Japan</td> </tr> <tr> <td>KPI 2</td> <td>CO₂ emissions intensity (Scope 1) in the JERA Group's domestic power generation business</td> </tr> </tbody> </table>	KPIs		KPI 1	CO ₂ emissions (Scope 1) in the JERA Group's business in Japan	KPI 2	CO ₂ emissions intensity (Scope 1) in the JERA Group's domestic power generation business
KPIs										
KPI 1	CO ₂ emissions (Scope 1) in the JERA Group's business in Japan									
KPI 2	CO ₂ emissions intensity (Scope 1) in the JERA Group's domestic power generation business									

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>ambitious SPTs based on a combination of benchmarking methodologies (e.g., historical data, externally validated values, values selected by the issuers' peers, industry and sector standards). The "best available technology (BAT)" and other alternative indicators recognized by the sector/industry are also needed to be incorporated. The targets should be set at a minimum in line with official national, regional, and international targets and, where possible, aim for a level that exceeds them. For example, climate-related targets should be set in line with "science-based" scenarios¹⁶.</p>		

14 See "Introduction" of CTFH 2023.

15 See Q 4.2.4 of the Guidance Handbook, "Can 'green' capital expenditures be used as KPIs?".

16 See Q 4.3.1 of the Guidance Handbook, "How should the differences in sector, geography, applicable law, and environmental policy be reflected in defining ambitions of SPTs?".

CTBG-2.2 Alignment and Independent Validation of Sustainability Performance Targets (SPTs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings						
1		<p>① Where credible decarbonization pathways exist in specific regions and/or sectors, SLB high-emitting issuers are strongly encouraged to set ambitious targets in line with these. Annex-2 of the Guideline provides a non-exhaustive list and overview of existing public sector and market-based taxonomies, pathways, and roadmaps to help the issuers identify relevant sources. In June 2022, the Principles also published a methodology registry that is not exhaustive but comprehensive of available tools, methods, scenarios, and initiatives dedicated to the validation of specific emission reduction pathways.</p> <p>② While independently verified or approved targets are not strictly mandatory to support SLB issuance, it is recognized that for high-emitting SLB issuers, investors may rate independent verification of targets as "science-based." In addition, investors may evaluate such verification (or intention to obtain verification) where available and feasible (through science-based target setting initiatives (SBTi) or equivalent science-based frameworks, or scientific decarbonization scenarios such as the Accelerated Climate Transition (ACT) initiative or the International Energy Agency (IEA)).</p> <p>③ Consider verification (or intention to obtain verification) where feasible (e.g., through the Science Based Targets initiative (SBTi))</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - SPT calculation sheet <p>Interviews with stakeholders</p>	<p>③ In setting its SPTs, JERA calculated an estimated national emission intensity from thermal power generation based on data from the "Outlook for Energy Supply and Demand in FY2030" published by the Japanese government in October 2021, including CO₂ emissions from electricity generation, total electricity generation, and the share of thermal power in the power mix, and then set its SPT at 0.477 kg-CO₂/kWh or less as the SPT. Furthermore, in the "JERA Zero Emissions 2050 Japan Roadmap" and "Environmental Commitment 2035," JERA has set a target for FY2035 to "reduce CO₂ emissions from domestic operations by at least 60% compared to FY2013," and has also set the value after achieving this 60% reduction as the SPT. The SPT estimates are based on the premise of steady progress in decarbonization technologies, economic rationality, and consistency with policy. As Japan's largest power generator, JERA has conducted various calculations and studies to determine how to reconcile the stable supply of energy with the goal of zero emissions from thermal power generation (including the reduction in emission intensity, the subject of this SPT, and the separately defined target of reducing CO₂ emissions from domestic operations by 60% or more by 2035). Based on various calculations and analyses, JERA has set this SPT as an ambitious target required by Transition-Linked Finance, while also ensuring it is a feasible goal with a high probability of success.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #00AEEF; color: white;"> <th colspan="2" style="text-align: center;">SPTs</th> </tr> </thead> <tbody> <tr> <td style="width: 15%;">SPT 1</td> <td>JERA Group's emissions from domestic operations in FY2035 to be 72.85 million t-CO₂ or less</td> </tr> <tr> <td>SPT 2</td> <td>JERA Group's emissions intensity in domestic power generation business in FY2030 to be 0.477 kg-CO₂/kWh or less^(*4)</td> </tr> </tbody> </table>	SPTs		SPT 1	JERA Group's emissions from domestic operations in FY2035 to be 72.85 million t-CO ₂ or less	SPT 2	JERA Group's emissions intensity in domestic power generation business in FY2030 to be 0.477 kg-CO ₂ /kWh or less ^(*4)
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SPT 2	JERA Group's emissions intensity in domestic power generation business in FY2030 to be 0.477 kg-CO ₂ /kWh or less ^(*4)									



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>or equivalent science-based frameworks, or scientific decarbonization scenarios by the Climate Transition Acceleration Initiative (ACT) or the International Energy Agency (IEA)) as best practice. It may be regarded as contributing to improving the credibility of ambitious SPTs presented through sustainability-linked bonds¹⁷.</p>		<p>④ DNV concluded that the SPTs are realistic, the plan is feasible, and there is a reasonable prospect of achieving the SPTs outlined in the Framework, while also aligning with JERA’s sustainability and transition strategies.</p> <p>⑤ JERA has conducted an analysis based on IEA scenarios.</p>

17 See Q 4.3.8 of the Guidance Handbook, "Is it necessary to have an SBTi [or SBTN] approval target to issue an SLB?".



Schedule-4 Sustainable Finance with Use of Proceeds Eligibility Assessment Protocol

The checklist below (GBP/GLP-1 to GBP/GLP-4) is a DNV evaluation procedure created for JERA Sustainable Finance Eligibility Assessment (with use of proceeds) based on the requirements of GBP/GLP. The "confirmed documents" in the "Work Undertaken" includes documents of the Fundraiser and are provided by JERA as evidence of eligibility judgement for DNV.

In Schedule-4, it is referred to as GBP or GLP according to the practice, but these include the standard and requirements to be referred to in the case of financing that specifies the use of proceeds such as transition projects in transition finance with use of proceeds based on CTFH/CTFBG, so please read as the meaning of the transition as appropriate.

GBP/GLP-1 Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of funds	<p>The types of green/transition finance are classified into one of the following types defined by GBP/GLP.</p> <ul style="list-style-type: none"> • (Standard) Green/Transition Bond/Loan • Green/Transition Revenue Bond/Loan • Green/Transition Project Bond/Loan • Other 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework <p>Interviews with stakeholders</p>	<p>Through the evaluation work, DNV confirmed that JERA Sustainable Finance (bond/loan) falls into the following categories:</p> <ul style="list-style-type: none"> • (Standard) Green/Transition Bond/Loan
1b	Transition Project Classification	<p>The key to green/transition finance is that the proceeds will be used for a green/transition project, which should be properly stated in the legal documents relating to the security.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - Investment plan for the use of proceeds - Information related to each project <p>Interviews with stakeholders</p>	<p>DNV confirmed that JERA Sustainable Finance aims to fund transition/green projects focused on JERA's environmental goals and transition strategy, as described in the Framework and Schedule-1.</p> <p>Specifically, all Sustainable Finance nominated eligible projects listed in Schedule-1 are evaluated as conforming to the Transition Strategy, and the proceeds through Sustainable Finance are planned to be financed one or more of the Sustainable Finance nominated eligible projects. If a transition/green project is pre-selected before the financing is implemented, this will be disclosed in legal documents etc.</p> <p>Through the assessment, DNV concludes that the nominated eligible projects will bring concrete and actual environmental impacts.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings																								
				<p>Table: JERA's main initiatives to achieve carbon neutrality (Sustainable Finance nominated projects)</p> <p><Transition Project></p> <table border="1"> <thead> <tr> <th data-bbox="1341 384 1464 430">Project Category</th> <th colspan="2" data-bbox="1471 384 2092 430">Eligibility Criteria</th> </tr> </thead> <tbody> <tr> <td data-bbox="1341 435 1464 555" rowspan="5">Projects for the realization of zero CO₂ emission thermal power</td> <td data-bbox="1471 435 1695 555">ICMA CTBG: Lower-carbon fuels</td> <td data-bbox="1702 435 2092 555"> <ul style="list-style-type: none"> The expenditures related to upstream development, production, transportation, and technological development of hydrogen and ammonia </td> </tr> <tr> <td data-bbox="1471 560 1695 630">ICMA CTBG: Lower-carbon fuels Fossil fuel switch</td> <td data-bbox="1702 560 2092 630"> <ul style="list-style-type: none"> The expenditures related to the use of hydrogen and ammonia fuels </td> </tr> <tr> <td data-bbox="1471 635 1695 726">ICMA CTBG: Fossil fuel switch</td> <td data-bbox="1702 635 2092 726"> <ul style="list-style-type: none"> The expenditures related to the development of high-efficiency LNG thermal power generation and the establishment of a value chain </td> </tr> <tr> <td data-bbox="1471 730 1695 850">ICMA CTBG: Early retirement and decommissioning of high-emission assets</td> <td data-bbox="1702 730 2092 850"> <ul style="list-style-type: none"> The expenditures related to decommissioning of inefficient existing thermal power plants, with the aim of replacing them with high-efficiency thermal power plants </td> </tr> <tr> <td data-bbox="1471 855 1695 924">ICMA CTBG: CCUS and carbon removal technologies</td> <td data-bbox="1702 855 2092 924"> <ul style="list-style-type: none"> The expenditures related to the utilization of CCS/CCUS </td> </tr> <tr> <td data-bbox="1341 928 1464 997">Renewable energy related</td> <td colspan="2" data-bbox="1471 928 2092 997"> <ul style="list-style-type: none"> The expenditures related to storage batteries that are intended to function as balancing resources, regardless of the type of charging source (electricity) </td> </tr> </tbody> </table> <p><Green Project></p> <table border="1"> <thead> <tr> <th data-bbox="1341 1062 1464 1109">Project Category</th> <th colspan="2" data-bbox="1471 1062 2092 1109">Eligibility Criteria</th> </tr> </thead> <tbody> <tr> <td data-bbox="1341 1161 1464 1252" rowspan="2">Renewable energy</td> <td data-bbox="1471 1118 1695 1252" rowspan="2">ICMA GBP: Renewable energy (Environmental objectives: Climate change mitigation)</td> <td data-bbox="1702 1118 2092 1161">The expenditures related to renewable energy (onshore/offshore wind, solar)</td> </tr> <tr> <td data-bbox="1702 1166 2092 1252">The expenditures related to storage batteries where the charging source (electricity) meets the <100g-CO₂/kWh criterion</td> </tr> </tbody> </table>	Project Category	Eligibility Criteria		Projects for the realization of zero CO ₂ emission thermal power	ICMA CTBG: Lower-carbon fuels	<ul style="list-style-type: none"> The expenditures related to upstream development, production, transportation, and technological development of hydrogen and ammonia 	ICMA CTBG: Lower-carbon fuels Fossil fuel switch	<ul style="list-style-type: none"> The expenditures related to the use of hydrogen and ammonia fuels 	ICMA CTBG: Fossil fuel switch	<ul style="list-style-type: none"> The expenditures related to the development of high-efficiency LNG thermal power generation and the establishment of a value chain 	ICMA CTBG: Early retirement and decommissioning of high-emission assets	<ul style="list-style-type: none"> The expenditures related to decommissioning of inefficient existing thermal power plants, with the aim of replacing them with high-efficiency thermal power plants 	ICMA CTBG: CCUS and carbon removal technologies	<ul style="list-style-type: none"> The expenditures related to the utilization of CCS/CCUS 	Renewable energy related	<ul style="list-style-type: none"> The expenditures related to storage batteries that are intended to function as balancing resources, regardless of the type of charging source (electricity) 		Project Category	Eligibility Criteria		Renewable energy	ICMA GBP: Renewable energy (Environmental objectives: Climate change mitigation)	The expenditures related to renewable energy (onshore/offshore wind, solar)	The expenditures related to storage batteries where the charging source (electricity) meets the <100g-CO ₂ /kWh criterion
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Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1c	Environmental benefits	All green projects to which the funds are used should have clear environmental benefits, the effects of which should be assessed by the issuer and, where possible, quantitatively demonstrated.	Confirmed documents: <ul style="list-style-type: none"> - Framework - Investment plan for the use of proceeds - Information related to each project Interviews with stakeholders	Transition/green projects will contribute to goals based on JERA's Transition Strategy, and to low and decarbonized emissions through the eligibility criteria categories indicated in 1b. The environmental impact is the reduction of CO ₂ emissions, which has been quantitatively or qualitatively evaluated by the issuer. It was confirmed that, prior to the implementation of the sustainable finance, only the outline of each project shall be disclosed. In the annual report, the outline and progress of each project should be reported to the extent practicable, taking into account the characteristics of the project.
1d	Refinancing rate	If all or part of the proceeds are used or may be used for refinancing, the issuer will indicate the estimated ratio of the initial investment to the refinancing and, if necessary. Therefore, it is recommended to clarify which investment or project portfolio is subject to refinancing.	Confirmed documents: <ul style="list-style-type: none"> - Framework - Investment plan for the use of proceeds - Information related to each project Interviews with stakeholders	JERA plans to use all proceeds for new investments, refinancing, or both for nominated eligible projects included in Schedule-1. If it is clear in advance whether to make new investment or refinance before implementing financing, it will be disclosed in legal documents. DNV confirmed that if it is not yet clear, the Issuer plans to disclose the amounts of the proceeds which was allocated to refinancing through reporting (annual report).

GBP/GLP-2 Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Project selection process	<p>Green/Transition bond issuers should provide an overview of the process of qualifying projects for which green/transition bond funding will be used. This includes (but is not limited to):</p> <ul style="list-style-type: none"> • The process by which the issuer determines that the project in question is included in the business category of a qualified green/transition project. • Creation of criteria for eligibility of projects for which green/transition bond funding will be used • Environmental sustainability goals 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - Information related to each project <p>Interviews with stakeholders</p>	<p>DNV confirmed that the Fundraiser has a process and a system of determining the eligibility of projects for which the sustainable finance, and that the outline is specified in the Framework.</p>
2b	Issuer's Environmental and Social Governance Framework	<p>In addition to criteria and certifications, the information published by issuers regarding the green/transition bond process also considers the quality of performance of the issuer's framework and environmental sustainability.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - Information related to each project <p>Interviews with stakeholders</p>	<p>The Fundraiser complies with environment-related laws, ordinances and regulations, and considers that the effects of environmental improvement such as CO₂ reduction are clear in the entire life cycle or each process when selecting transition/green projects to be implemented.</p> <p>In the operation and implementation of the project, each of the departments involved is committed to the preservation of the surrounding environment.</p> <p>DNV has confirmed that the transition/green projects implemented by the Fundraiser are consistent with the Fundraiser's management and environmental policies, as well as with the transition strategy, goals, and pathways.</p>

GBP/GLP-3 Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure-1	The net proceeds from of Green/Transition bonds should be managed in sub-accounts, included in sub-portfolio, or otherwise tracked. It should also be certified by the issuer in a formal internal process related to the issuer's investment and financing operations for the Green/Transition Project.	Confirmed documents: <ul style="list-style-type: none"> - Framework - Funds management forms of transition finance - Accounting regulations Interviews with stakeholders	DNV confirmed that the proceeds from the Sustainable Finance can be tracked in line with the Fundraiser's accounting system and confirmed the systems or the systems to be planed for use and the dedicated document to be created and other documents actually used through the assessment, and confirmed that the management status of the proceeds was proved.
3b	Tracking procedure-2	During the green/transition bond redemption period, the balance of funds raised that is being tracked should be adjusted at regular intervals to match the amount allocated to eligible projects undertaken during that period.	Confirmed documents: <ul style="list-style-type: none"> - Framework - Funds management forms of transition finance - Accounting regulations Interviews with stakeholders	DNV confirmed that the Fundraiser plans to periodically (at least annually) review the balance of the sustainable finance by the accounting system, the dedicated document to be created and others described in 3a during the period from the implementation of the sustainable finance to its redemption or repayment.
3c	Temporary holding	If no investment or payment has been made in a qualified green/transition project, the issuer should also inform the investor of the possible temporary investment method for the balance of unallocated proceeds.	Confirmed documents: <ul style="list-style-type: none"> - Framework - Funds management forms of transition finance - Accounting regulations Interviews with stakeholders	DNV confirmed that the confirmation process through the Fundraiser's accounting system, the dedicated document to be created and others is structured to ensure that the balance of unallocated proceeds are recognized sequentially. DNV confirmed through the Framework and assessment that the balance of unallocated proceeds will be managed in cash or cash equivalents. DNV also confirmed that the balance of unallocated proceeds will be disclosed through reporting on the allocation status of proceeds.

GBP/GLP-4 Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical Reporting	<p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, the issuer will consider each project at least once a year for projects to which the Green/Transition bond proceeds have been allocated, taking into account the following: A list of each project should be provided.</p> <ul style="list-style-type: none"> - Confidentiality and competitive considerations - Outline of each project, expected sustainable environmental and social effects 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - Investment plan for the use of proceeds - Funds management forms of transition finance - Information related to each project <p>Interviews with stakeholders</p>	<p>DNV confirmed that the Fundraiser will report on the Sustainable Finance (annual report) until the proceeds are allocated, and disclose information on the allocation status. As for the environmental benefits, DNV confirmed that JERA plans to conduct reporting on the overview and progress of projects for which the proceeds have been allocated until at least the completion of allocation of proceeds.</p> <p>DNV also confirmed that, even after the allocation plan or allocation has been completed, the Fundraiser plans to report in a timely manner or to the loan lenders on any changes in transition strategy or pathways, or any major changes in the allocation plan or project implementation status (e.g., interruption of a project for which allocation has been started, significant postponement on an annual basis, sale or retirement, etc.).</p> <p>The report will be disclosed on the website.</p> <p><Allocation status></p> <ul style="list-style-type: none"> ◆ Eligibility criteria target for allocation and allocated amount ◆ Balance of unallocated proceeds ◆ Amount of proceeds allocated to refinancing <p><Environmental benefits></p> <ul style="list-style-type: none"> ◆ Environmental benefits are disclosed as overviews of the projects (including progress, completion, operation, etc.) within the scope of confidentiality, to the extent practicable, and in consideration of the characteristics of the project. ◆ The types of "installed capacity (MW)," "annual power generation (MWh)," "annual CO₂ emission reduction amount" for renewable energy, and "installed capacity (MWh)" for storage batteries are also disclosed. <p><Other></p> <ul style="list-style-type: none"> ◆ Efforts to achieve zero CO₂ emissions by 2050 will be reviewed in a timely manner based on policies, technological trends, etc. and disclosed whenever necessary.



Schedule-5 Sustainable Finance with General Corporate Purpose Eligibility Assessment Protocol

Since JERA Sustainable Finance is implemented as a General Corporate Purpose transition-linked bond or loan, which does not specify the use of proceeds, it is evaluated by applying the five elements of SLBP/SLLP required for eligibility assessment of a bond or loan that does not specify the use of proceeds defined by CTFH/CTFBG.

The following checklist (SLBP/SLLP-1 to SLBP/SLLP-5) is a DNV assessment protocol created for JERA Sustainable Finance (Transition-Linked Bond or Loan with general corporate purpose) based on the requirements of SLBP/SLLP.

The "confirmed documents" in the Work Undertaken include public or private documents (internal documents of the Fundraiser) etc., and are provided by JERA as evidence of eligibility judgement for DNV.

SLLP/SLBP-1 Selection of Key Performance Indicators (KPIs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	KPI – material to core sustainability and business strategy	<p>The fundraiser’s sustainability performance is measured using sustainability KPIs that can be external or internal. The KPIs should be material to the fundraiser’s core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector and be under management’s control. The KPI should be of high strategic significance to the fundraiser’s current and/ or future operations.</p> <p>It is recommended that fundraiser communicate clearly to investors the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - SPT calculation sheet <p>Interviews with stakeholders</p>	<p>DNV reviewed JERA's KPIs related to sustainable finance and confirmed that the selected KPIs are relevant and important to JERA's core transition strategy and sustainability management.</p> <p>JERA, as a global company that is committed to solving energy problems not only in Japan but around the world, considers global warming countermeasures to be a top management priority. JERA recognizes that thermal power generation using fossil fuels supports approximately 70% of Japan's electricity demand while accounting for approximately 40% of total CO₂ emissions in Japan, and that reducing CO₂ emissions from thermal power generation is essential to achieving a decarbonized society. As the largest power generation company in Japan, JERA is in a position to proactively lead the realization of a decarbonized society, and has set forth "JERA Zero CO₂ Emissions 2050" to further accelerate its efforts to date and clarify its long-term vision. JERA aims to achieve zero CO₂ emissions in its domestic and overseas operations by 2050, and has first formulated the "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business," which outlines the pathway to zero CO₂ emissions in its domestic operations.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings						
				<p>In the "JERA Environmental Target 2030" announced as a goal to be achieved by FY2030, JERA has set "decrease by 20% from the emissions intensity of thermal power generation for the country as a whole, based on the long-term energy supply and demand outlook for FY2030 set by the government." In addition, under the "JERA Environmental Commitment 2035," JERA has set a target to reduce CO₂ emissions from its domestic operations by at least 60% by FY2035 compared to the FY2013 levels. This is clearly communicated in the Framework in connection with JERA's transition strategy.</p> <p>The KPIs selected for this project are as follows and are detailed in Schedule-2. CO₂ emissions amounts from domestic operations and CO₂ emissions intensity from domestic power generation business are important indicators for JERA's transition strategy and sustainability management, and are transparent KPIs that are measurable and can be evaluated annually. These KPIs will contribute to both transition strategy and sustainability management to realize " JERA Zero CO₂ Emissions 2050."</p> <table border="1" data-bbox="1424 951 2123 1117"> <thead> <tr> <th colspan="2" data-bbox="1424 951 2123 986">KPIs</th> </tr> </thead> <tbody> <tr> <td data-bbox="1424 986 1518 1050">KPI 1</td> <td data-bbox="1518 986 2123 1050">CO₂ emissions (Scope 1) in the JERA Group's business in Japan</td> </tr> <tr> <td data-bbox="1424 1050 1518 1117">KPI 2</td> <td data-bbox="1518 1050 2123 1117">CO₂ emissions intensity (Scope 1) in the JERA Group's domestic power generation business</td> </tr> </tbody> </table>	KPIs		KPI 1	CO ₂ emissions (Scope 1) in the JERA Group's business in Japan	KPI 2	CO ₂ emissions intensity (Scope 1) in the JERA Group's domestic power generation business
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1b	KPI - Measurability	<p>KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPT's level of ambition.</p> <p>Fundraiser are encouraged, when possible, to select KPI(s) that they have already included in their previous annual reports, sustainability</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 	<p>DNV concluded that the GHG emissions required for the evaluation of KPIs are in accordance with the GHG Protocol, a global standard, and are calculated based on the "Manual for Calculating and Reporting Greenhouse Gas Emissions" under the "Act on Promotion of Global Warming Countermeasures," which are externally verifiable and can be benchmarked against external references. DNV concluded that the Scope 1 CO₂ emissions amounts from domestic operations and Scope 1 CO₂ emissions intensity</p>						

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		reports or other non-financial reporting disclosures to allow investors to evaluate historical performance of the KPIs selected. In situations where the KPIs have not been previously disclosed, fundraiser should, to the extent possible, provide historical externally verified KPI values covering at least the previous 3 years.	<ul style="list-style-type: none"> - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - SPT calculation sheet <p>Interviews with stakeholders</p>	<p>from domestic power generation business are reliable indicators.</p> <p>DNV confirmed that the KPIs selected by JERA are consistent with the "Seventh Strategic Energy Plan" of the Agency for Natural Resources and Energy and the "Transition Roadmap for Power Sector" of the METI, and that the KPIs are appropriately set as comparable indicators.</p>
1c	KPI – Clear definition	A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter as well as the calculation methodology.	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - SPT calculation sheet <p>Interviews with stakeholders</p>	<p>DNV confirmed that the KPIs selected by JERA provide a clear evaluation scope and calculation methodology. DNV concluded that the GHG emissions required for the evaluation of KPIs were in accordance with the GHG Protocol, a global standard, and were calculated and informed based on the "Manual for Calculating and Reporting Greenhouse Gas Emissions" under the "Act on Promotion of Global Warming Countermeasures."</p>

SLBP/SLLP-2 Calibration of Sustainability Performance Targets (SPTs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Target Setting - Meaningful	The SPTs should be ambitious, realistic and meaningful to the fundraiser's business and be consistent with the fundraisers' overall strategic sustainability/ESG strategy.	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - SPT calculation sheet <p>Interviews with stakeholders</p>	<p>JERA, as the largest power generation company in Japan, recognizes that it is in a position to actively lead the realization of a decarbonized society in Japan, and has set forth "JERA Zero CO₂ Emissions 2050" and "JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business" to clarify its long-term vision. In addition, as a target to be achieved by FY2030, JERA has announced in the "JERA Environmental Target 2030" a "Reduce carbon emission intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY2030 as set by the government."</p> <p>This target is set as the SPT in JERA's transition finance, and is consistent with the "Seventh Strategic Energy Plan" of the Agency for Natural Resources and Energy and the "Transition Roadmap for Power Sector" of the Ministry of Economy, Trade and Industry, as well as being an ambitious SPT as the largest power producer in Japan. Achieving this SPT is meaningful to JERA's business as it relates to reducing GHG emissions, a sustainability challenge faced by power generators.</p> <p>On the other hand, in the SPT setting, the SPT is set at a value of 0.477 kg-CO₂/kWh or less after a further 20% reduction from the estimated national emissions intensity from thermal power generation, based on the estimated value of CO₂ emissions from electricity-derived energy, total electricity generation, and the ratio of thermal power generation in the "2030 Outlook for Energy Supply and Demand" released by the Japanese government in October 2021.</p> <p>Furthermore, in the "JERA Zero Emissions 2050 Japan Roadmap" and "Environmental Commitment 2035," JERA has set a target for FY2035 to "reduce CO₂ emissions from domestic operations by at least 60% compared to FY2013," and has also set the value after achieving this 60% reduction as the SPT.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings						
				<p>SPT estimates assume steady progress in decarbonizing technologies, economic rationality, and policy consistency. JERA, as the largest power generation company in Japan, has made various calculations and studies on how to achieve zero emissions from thermal power generation (reduction of emission intensity, which is the SPT for this project, and reduction of CO₂ emissions from domestic operations by at least 60% by FY2035, while fulfilling its responsibility for stable energy supply, and JERA has set the SPT as an ambitious goal required for transition-linked finance, and as a feasible goal that can be guaranteed with probability.</p> <table border="1" data-bbox="1404 639 2107 837"> <thead> <tr> <th colspan="2" data-bbox="1404 639 2107 676">SPTs</th> </tr> </thead> <tbody> <tr> <td data-bbox="1404 676 1491 740">SPT 1</td> <td data-bbox="1491 676 2107 740">JERA Group's emissions from domestic operations in FY2035 to be 72.85 million t-CO₂ or less</td> </tr> <tr> <td data-bbox="1404 740 1491 837">SPT 2</td> <td data-bbox="1491 740 2107 837">JERA Group's emissions intensity in domestic power generation business in FY2030 to be 0.477 kg-CO₂/kWh or less^(*4)</td> </tr> </tbody> </table> <p>DNV concluded that these SPTs are realistic, the plan is feasible, and has a good chance of achieving the SPTs outlined in the Framework, as well as being consistent with JERA's Sustainability/Transition Strategy.</p>	SPTs		SPT 1	JERA Group's emissions from domestic operations in FY2035 to be 72.85 million t-CO ₂ or less	SPT 2	JERA Group's emissions intensity in domestic power generation business in FY2030 to be 0.477 kg-CO ₂ /kWh or less ^(*4)
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Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2b	Target Setting - Meaningful	SPTs should represent a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory; where possible be compared to a benchmark or an external reference and be determined on a predefined timeline, set before (or concurrently with) the issuance of the loan.	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - SPT calculation sheet <p>Interviews with stakeholders</p>	<p>DNV confirmed that these SPTs are related to KPIs improvement. This is based on the estimated emissions intensity from thermal power generation for the country as a whole, based on the CO₂ emissions from electricity-derived energy, the total amount of electricity generated, and the power source composition ratio of thermal power generation in the "energy supply and demand outlook for FY2030" released by the Japanese government in October 2021. The SPT is set at 0.477 kg-CO₂/kWh or less, which is the value after a further 20% reduction from the relevant value. Furthermore, in the "JERA Zero Emissions 2050 Japan Roadmap" and "Environmental Commitment 2035," JERA has set a target for FY2035 to "reduce CO₂ emissions from domestic operations by at least 60% compared to FY2013," and has also set the value after achieving this 60% reduction as the SPT. It can be said that it is more ambitious than the national goals and goes beyond "Business as Usual."</p>
2c	Target Setting - benchmarks	<p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The fundraiser's own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI 2. The SPTs relative positioning versus the fundraiser's peers where comparable or available, or versus industry or sector standards 3. Systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets) or official country/regional/international targets or to recognised Best-Available-Technologies or other proxies. 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - SPT calculation sheet <p>Interviews with stakeholders</p>	<p>DNV confirmed that the SPT goal-setting process was based on an appropriate combination of multiple benchmarking approaches.</p> <ul style="list-style-type: none"> • The eligibility criteria defined by JERA in the Framework include the expenditures in "LNG," "Renewables," and "Hydrogen & Ammonia." They are also recognized as Best Available Technology or other technologies that come close in the "Seventh Strategic Energy Plan" of the Agency for Natural Resources and Energy and the "Transition Roadmap for Power Sector" of METI. • DNV concludes that the SPT is appropriately related to the goals of the Japanese government. The Framework is also consistent with national guidelines consistent with achieving the goals of the Paris Agreement.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2d	Target setting – disclosures	<p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> 1. The timelines of target achievement, the trigger event(s), and the frequency of SPTs 2. Where relevant, the verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used 3. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place 4. Where possible and taking into account competition and confidentiality considerations, how the fundraiser intends to reach such SPTs 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - Framework - JERA Zero CO₂ Emissions 2050 - JERA Zero CO₂ Emissions 2050 Roadmap for Our Japan Business - JERA Environmental Target 2030 - JERA Environmental Commitment 2035 - JERA Group Integrated Report 2025 - SPT calculation sheet <p>Interviews with stakeholders</p>	<p>DNV confirmed that SPT target setting was properly disclosed.</p> <ul style="list-style-type: none"> • Through the Framework and the “JERA Zero CO₂ Emissions 2050 Roadmap Our Japan Business,” it explains how GHG emission reductions will be achieved. <p>DNV confirmed that, while SPTs are not set on an annual basis in light of factors such as electricity supply and demand, their progress is verified annually by an external organization.</p> <p>Based on each of the JERA documents provided to DNV, DNV concluded that the SPT is realistic, the plan is feasible, and the SPT goals outlined in the Framework are likely to be met.</p>

SLBP/SLLP-3 Bond Characteristics

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Bond Characteristics - SPT Financial/structural impact	The SLB will need to include a financial and/or structural impact involving trigger event(s) based on whether the KPI(s) reach the predefined SPT(s).	Confirmed documents: - Framework Interviews with stakeholders	DNV confirmed that the Framework includes trigger events and is compliant with the requirements described in the SLBP. The financial and structural characteristics of the transition finance with general corporate purpose to be implemented under the Framework will change depending on the achievement of the SPTs. DNV confirmed that JERA has internal procedures to ensure that each time a financing is executed, the trigger event and its scope of impact with specific SPT measurement timing and performance requirements will be linked to target achievement and financial incentives, and details including conditions will be disclosed in the bond disclosure documents or loan agreement documents etc.
3b	Bond Characteristics - Fallback mechanism	Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner should be explained. Fundraisers may also consider including, where needed, language in the bond or loan documentation to take into consideration potential exceptional events.	Confirmed documents: - Framework Interviews with stakeholders	DNV confirmed that JERA has reviewed the appropriate fallback mechanisms (preliminary alternatives) and, as a result, has decided not to establish alternative SPTs or calculation methods at this time because the risks that cannot be calculated or observed are very small. DNV confirmed that JERA intends to disclose an explanation of the changes in the event of unforeseen events (such as significant changes in regulatory or other systems or the occurrence of unusual events) that may materially affect the measurement method and scope of KPIs, the setting of SPTs, and assumptions due to circumstances unforeseeable at the time of the implementation of sustainable finance with general corporate purpose, either in the bond disclosure documents or loan agreement documents etc. Changes in the characteristics of the bonds and loans may be foregone if there are reasonable grounds that the achievement of the SPTs will be temporarily missed due to transient changes in domestic electricity supply.

SLBP/SLLP-4 Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Reporting	<p>Fundraisers of SLBs should publish, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant 2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the loan's financial and/or structural characteristics 3. Any information enabling investors to monitor the level of ambition of the SPTs <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB's financial and/or structural characteristics.</p>	<p>Confirmed documents: - Framework</p> <p>Interviews with stakeholders</p>	<p>DNV has confirmed that the required information will be made available to the public in a timely manner for the following details required by the SLBP/SLLP:</p> <ul style="list-style-type: none"> · KPI performance against SPT: After the implementation of the Transition-Linked Finance, JERA will obtain verification from an external organization etc. at least once a year, and disclose this information on its website before the final judgement date. · SPT achievement status: Subject to annual verification by an independent third party to determine financial and structural characteristics <p>When SPT changes are required: JERA will discuss with the parties concerned the establishment of SPTs with a level of ambition equal to or greater than the existing evaluation standards based on the changes, and will obtain a second party opinion from a third-party evaluation organization as necessary.</p>



SLBP/SLLP-5 Verification

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
5a	External Verification	Fundraisers should have its performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year and for each SPT trigger event.	Confirmed documents: - Framework Interviews with stakeholders	DNV has confirmed that JERA plans to undergo independent verification of the data related to the KPIs at least once a year by a qualified external evaluation body with relevant expertise in SPT triggering events.