

Overview of Measures to Prevent the Restriction on JERA Business Activities

① Rules for appropriately securing funds to support JERA growth (Dividend rules)

- After retained earnings required to invest for JERA business growth, deal with risks and maintain investment grade rating, any remaining capital will be labeled as “capital available for dividends.”
- Dividend level shall be determined based on “market average payout ratio” within the range of the “capital available for dividends.”
- Normally, dividend amounts shall be determined after agreement by both shareholders referring the dividend level mentioned above “as a guideline.”

② Mechanism for complying with dividend rules (Measures for restricting right over dividends)

- If material concerns arise over the financial situation of a shareholder, the right of the aforementioned shareholder to set dividends shall be immediately restricted and capital flow limited by “strictly” enforcing the dividend rules.
- If the aforementioned concerns are materialized, the other shareholder shall become the majority shareholder by acquiring one additional share.