Information Disclosure Based on TNFD Recommendations

Introduction

The Chugoku Electric Power Group aims to create a "new, bright, warm and dynamic society." To this end, we are committed to realizing a sustainable society that simultaneously achieves environmental compliance, energy security, and economic efficiency, with safety as our top priority.
The Chugoku region, where our Group operates, is home to the Setonaikai National Park and Daisen-Oki National Park. About 74% of the region is mountainous, providing a rich natural environment that is home to many endemic species, such as *Rhodeus suigensis*, a species of temperate freshwater ray-finned fish, and the Oki salamander.
However, like many other parts of the world, the Chugoku region is now facing a series of threats to its natural environment from such things as climate change and the rapid extinction and decline of species, leading to concerns about the deterioration of its natural environment, including the loss of biodiversity. It was against this backdrop that the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted, and Japan formulated its National Biodiversity Strategy 2023–2030. Of particular significance, Target 15 of the GBF and Basic Strategy 3 of the National Biodiversity Strategy stress the need to accelerate efforts to address biodiversity in business, and companies need to take proactive steps toward achieving "nature positive" outcomes aimed at halting the loss of natural capital and working toward its restoration. Our Group is determined to play its part in achieving the goals of the Paris Agreement and the GBF by incorporating biodiversity conservation into our business activities in line with these international and domestic frameworks. Our Group will use TNFD*1 disclosure as an opportunity to clarify the extent of our dependencies and impacts on nature, identify risks and opportunities in an appropriate manner, and strengthen our efforts to address issues related to nature. In doing so, we hope to enhance the sustainability of our business.

Installed artificial nesting boxes at Shin-Onoda Power Station (Sanyo-Onoda City, Yamaguchi Prefecture) to protect peregrine falcons, a threatened species

Onbara Dam (Kagamino-cho, Okayama Prefecture), the oldest buttress dam for power generation in Japan, surrounded by lush forests of white birch, larch, and other trees

General requirements

Item	Details
Application of materiality	We have adopted a double materiality approach that evaluates both the relationship between natural capital and business activities and the impact of business activities on natural capital.
Scope of disclosure	At the Chugoku Electric Power Group, we have determined that the scope for our activities shall be the power generation business and the power transmission and distribution business operated by Chugoku Electric and Chugoku Electric Power Transmission & Distribution in the Chugoku region, which have a high dependency and impact on nature. For the upstream side of the supply chain, we utilized ENCORE*2 to evaluate dependencies and impacts at the fuel procurement stage. We evaluated direct operations by referring to the ENCORE assessment, organizing each process for inputs, production processes, and emissions by each of the seven types of power generation, identifying dependencies and impacts, and evaluating the associated risks and opportunities.
Regions with issues related to nature	We used publicly available tools such as IBAT*3 and Aqueduct*4 to assess the importance of biodiversity and water stress in the areas surrounding all of our power stations (nuclear, thermal, hydroelectric, solar, and internal combustion engine power stations) that we operate directly. We disclose detailed information on the natural environment surrounding our key sites and sites that are important from the perspective of nature and biodiversity conservation.
Integration with other forms of sustainability-related disclosures	The Chugoku Electric Power Group publishes an integrated report in which it aligns the content of its disclosures with the TCFD recommendations.
Periods under consideration	In line with the TCFD recommendations, we have set short-term (2026) as well as medium-term (2030) and long-term (2050) targets, taking into consideration the target years set by the Kunming-Montreal Global Biodiversity Framework and other initiatives.
Stakeholder engagement	We disclose information to stakeholders in our annual integrated reports. In 2024, we held a briefing session on our ESG initiatives for investors. Also, our management regularly engages in dialogue with external experts on sustainability issues. Every year, we offer environmental training to our employees to share information on the latest social trends and the relationship between our business activities and the environment.

Governance

Chugoku Electric has established a system to promote environmental management and carbon neutrality under the command of the President and CEO, who bears ultimate responsibility for the company's environmental management. Under the supervision of the Board of Directors, we deliberate on the formulation of strategies and basic policies, including those related to climate change and other issues related to nature, as well as the monitoring of progress of measures we have taken. For more information on governance related to engagement with local communities, please see Promotion of Sustainability Management (Promotion structure and materiality assessment and identification) (P23).

Environmental Management & Carbon Neutrality Promotion Organization P49

In addition, all Group executives and employees follow the Chugoku Electric Power Group Human Rights Policy in working to bring about a society that truly respects human rights.

Respect for Human Rights P92

*1 TNFD = Taskforce on Nature-related Financial Disclosures.
*2 A tool developed by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) that enables corporations to gauge the dependencies and impacts of each business process on nature.
*3 IBAT = Integrated Biodiversity Assessment Tool.
*4 An online data platform provided by the World Resources Institute (WRI) that aggregates information on water risks.

Information Disclosure Based on TNFD Recommendations

Management of risks and impacts

We evaluated nature-related issues, such as interface with nature, dependencies, impacts, risks, and opportunities, using the LEAP approach advocated by the TNFD. For more information on GHG emissions, please see Information Disclosure Based on TCFD Recommendations (P59).
Below is an overview of the specific steps we have taken using the LEAP approach.
In addition, in the operation of our power stations, we carry out regular monitoring to confirm that we comply with a) regulatory values stipulated by laws and regulations and b) regulatory values stipulated in agreements, etc., we have entered into with local communities based on the results of environmental assessments and other information.

LEAP approach

Locate	Using IBAT and Aqueduct, we organize information related to nature (PA/KBA/STAR/water stress areas) in the vicinity of all power stations and identify sites that are important in terms of biodiversity.
Evaluate	Using ENCORE, we assess our dependencies and impacts on nature in terms of direct operations and fuel procurement. With regard to direct operations, in order to gain a more detailed understanding of our dependencies and impacts, we identify ecosystem services and impact factors that are dependent on each process for inputs, production processes, and emissions by each of the seven power generation types.* *Coal-fired, biomass-fired, LNG-fired, heavy oil-fired, internal combustion, nuclear, hydroelectric, and solar power generation.
Assess	We identify related risks and opportunities from dependencies and impacts. We then hold internal workshops to analyze scenarios and evaluate the timing and impact of the identified risks and opportunities.
Prepare	Finally, we organize data related to Core Global Disclosure Metrics to the fullest extent possible.

Strategy (dependencies and impacts)

We have conducted an in-depth review since FY 3/2025 of the direct operations within our power generation and transmission/distribution businesses that have significant impacts in Japan.

Upstream in the value chain

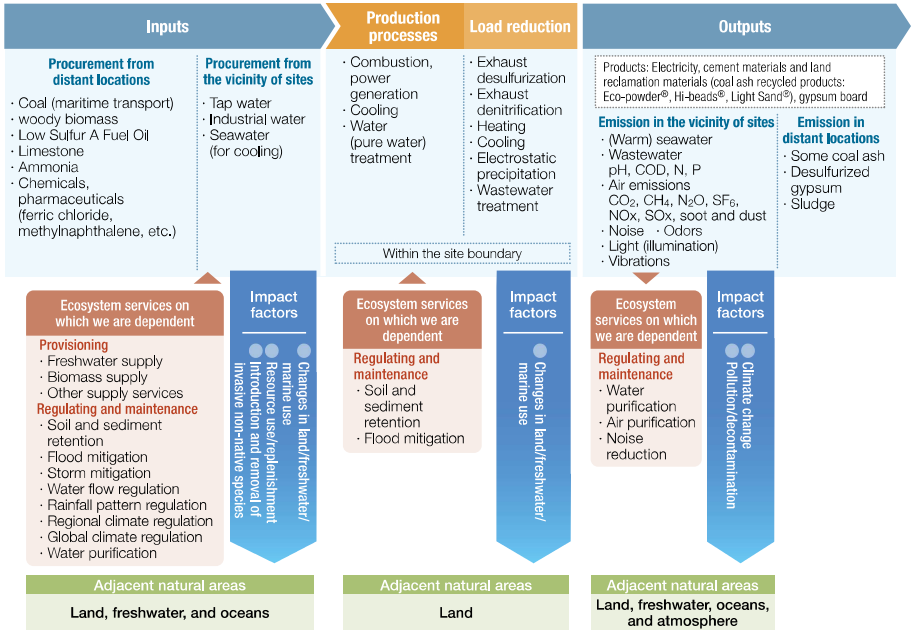
In line with the LEAP approach advocated by the TNFD, we used the ENCORE tool to gauge and assess the dependencies and impacts of our activities on nature. As a result, we determined that for fuel procurement (mining at the upstream end of the value chain, etc.), freshwater supply (provisioning services) and global climate regulation (regulating and maintenance services) are highly important in terms of dependencies.
In addition, we determined that in terms of impact factors, changes in land/freshwater/marine use are highly important in terms of inputs, while climate change and pollution/pollution control are highly important in terms of emissions.

Direct operations

Having evaluated dependencies and impacts using ENCORE, we organized each process for inputs, production processes, and emissions, and identified and reviewed dependencies and impacts. We also organized our responses to the identified dependencies and impacts as shown on the next page.

Examples of how inputs, production processes, and emissions are organized

Coal + biomass thermal power generation



Information Disclosure Based on TNFD Recommendations

Direct operations processes and dependencies/impacts on nature

Red text: Items corresponding to H and VH in ENCORE

		Operating processes	Dependencies	Impacts	Main measures to address dependencies and impacts
Nuclear power	Inputs	Procurement from distant locations: Nuclear fuel, chemical substances Procurement from the vicinity of sites: Tap water, industrial water, seawater (for cooling)	Provisioning: Freshwater supply Regulating and maintenance: Soil and sediment retention, flood mitigation, storm mitigation, water flow regulation, rainfall pattern regulation, regional climate regulation, global climate regulation, water purification	Changes in land/freshwater/marine use Resource use/replenishment	· For seawater used as cooling water, we conduct environmental impact assessments when constructing facilities, and based on environmental protection agreements with the relevant local governments, we ensure thorough management of differences in temperature between water intake and discharge to reduce any impacts on natural capital, etc. In addition, to reduce these temperature differences we draw water from deep water, and discharge warm wastewater underwater to quickly return it to the surrounding seawater temperature. · We strive to reduce overall usage by collecting and reusing water (freshwater) for power generation. · In addition to using wastewater treatment equipment to appropriately treat and release wastewater, we ensure thorough management of air pollution, waste, sound pollution, and other impacts through compliance with the relevant standards based on laws, regulations, and agreements with local governments. · We take measures to minimize light pollution in consideration of the surrounding environment, such as by not using more lighting than is absolutely necessary. · In line with the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors, in terms of nuclear power generation, we implement measures to prevent any impacts from radioactive materials on surrounding environments, continuously monitor and measure radiation levels in surrounding areas, and regularly measure levels of radiation in soil, seawater, crops, marine produce, etc.
	Production processes	Production processes: Nuclear fission, steam generation, power generation and cooling Load reduction: Cooling	Regulating and maintenance: Soil and sediment retention, flood mitigation	Changes in land/freshwater/marine use	
	Outputs	Emission in the vicinity of sites: Seawater, wastewater (pH, etc.), noise, light (illumination), vibrations Emission in distant locations: Gaseous waste (iodine), liquid waste (high-level radioactive waste), spent fuel Products: Electricity	Regulating and maintenance: Water purification, noise reduction	Climate change Pollution/decontamination	
Thermal power	Inputs	Procurement from distant locations: Coal, LNG, heavy fuel oil (maritime transport), woody biomass, low sulfur A fuel oil, limestone, chemical substances (ammonia, etc.) Procurement from the vicinity of sites: Tap water, industrial water, seawater (for cooling)	Provisioning: Freshwater supply, biomass supply Regulating and maintenance: Soil and sediment retention, flood mitigation, storm mitigation, water flow regulation, rainfall pattern regulation, regional climate regulation, global climate regulation, water purification	Changes in land/freshwater/marine use Resource use/replenishment Introduction and removal of invasive non-native species	
	Production processes	Production processes: Combustion, steam generation, power generation and cooling Load reduction: Exhaust desulfurization, exhaust denitrification, heating, cooling, electrostatic precipitation, wastewater treatment	Regulating and maintenance: Soil and sediment retention, flood mitigation	Changes in land/freshwater/marine use	
	Outputs	Emission in the vicinity of sites: Seawater, wastewater (pH, etc.), air emissions (CO_2, NOx, SOx, soot and dust, etc.), noise, light (illumination), vibrations Emission in distant locations: Coal ash, desulfurized gypsum, sludge Products: Electricity, coal ash recycling (Hi-beads, ground improvement material), gypsum	Regulating and maintenance: Water purification, air purification, noise reduction	Climate change Pollution/decontamination	
Hydroelectric power	Inputs	Procurement from the vicinity of sites: Freshwater surface water	Provisioning: Freshwater supply Regulating and maintenance: Soil and sediment retention, flood mitigation, storm mitigation, water flow regulation, rainfall pattern regulation, regional climate regulation, global climate regulation	Changes in land/freshwater/marine use Resource use/replenishment	· When constructing facilities, in line with the local land and local conditions, we design appropriate land development plans for disaster preparedness, environmental conservation, and landscape preservation, taking care to minimize any impacts on the surrounding environment. · Through regular monitoring, we check any impacts on ecosystems caused by changes in water quality, sediment accumulation, and other factors.
	Production processes	Production processes: Dropping of water from a height, power generation and cooling	Regulating and maintenance: Soil and sediment retention, flood mitigation, storm mitigation, rainfall pattern regulation	Changes in land/freshwater/marine use	
	Outputs	Emission in the vicinity of sites: Discharged water, noise, light (illumination), vibrations Emission in distant locations: Soil, sediment Products: Electricity	Regulating and maintenance: Water level regulation, noise reduction	Changes in land/freshwater/marine use Pollution/decontamination	
Solar power	Inputs	N/A	Regulating and maintenance: Rainfall pattern regulation, regional climate regulation, global climate regulation	Changes in land/freshwater/marine use Resource use/replenishment	· When constructing facilities, in line with the local land and local conditions, we design appropriate land development plans for disaster preparedness, environmental conservation, and landscape preservation, taking care to minimize any impacts on the surrounding environment. · We conduct appropriate maintenance, inspections, and ongoing management to minimize the impact on ecosystems.
	Production processes	Production processes: Power generation	Regulating and maintenance: Soil and sediment retention, flood mitigation, storm mitigation, rainfall pattern regulation, air purification	Changes in land/freshwater/marine use	
	Outputs	Procurement from distant locations: Light (reflected light)	N/A	N/A	
Power transmission and distribution	Inputs	N/A	Regulating and maintenance: Soil and sediment retention, flood mitigation, storm mitigation	Climate change	· When installing transmission and distribution equipment, we select locations where there is little danger of landslides. · For flooding and strong winds, we are reinforcing resilience (toughness and ability to recover in a disaster) by implementing measures to prevent flooding at substations (increasing watertightness).
	Production processes	Production processes: Power transformation, transmission, distribution			
	Outputs	N/A			

Information Disclosure Based on TNFD Recommendations

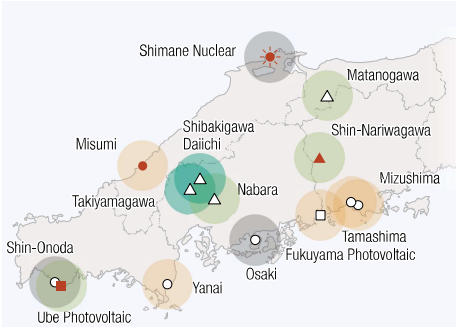
(Relationship between our business activities and water)

Analysis of dependencies and impacts (previous page) confirmed that our power generation operations depend on freshwater supply and have an impact on changes in land/freshwater/marine use. Accordingly, we have organized and identified the relationship between power generation operations and water by type of power generation.

Type	Item	Specifics of water-related issues
Nuclear power	Dependencies/ impacts	· Changes in land use adjacent to freshwater and marine areas due to land reclamation, landfill development, etc. · During operation, water needs to be used continuously for cooling, and the heated water is discharged as wastewater through heat exchange · 20,000 m^3 of freshwater was used for power generation in FY 3/2025
	Risks	· Increased risk of ecosystem destruction, regulatory restrictions on operations, and social criticism if consideration for the natural environment is insufficient
	Measures	· Conduct environmental assessments based on various laws and regulations at the time of construction; during construction and operation, comply with new regulatory standards set by the Nuclear Regulation Authority and monitor radiation levels in the surrounding environment in accordance with the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors; implement further voluntary measures · With regard to wastewater discharge, maintain strict control over environmental impacts in accordance with laws and regulations, ensuring that there are no effects from radiation during normal operation · With regard to warm wastewater, ensure thorough management of differences in temperature between water intake and discharge to minimize impacts on natural capital, etc.
Thermal power	Dependencies/ impacts	· Changes in land use adjacent to freshwater and marine areas due to land reclamation, landfill development, etc. · During operation, seawater needs to be used continuously mainly for cooling, and the heated seawater is discharged as wastewater through heat exchange · Also used in cleaning and treatment equipment for boiler water and exhaust gas, etc., during operation · 5.22 million m^3 of freshwater was used for power generation in FY 3/2025
	Risks	· Increased risk of ecosystem destruction, regulatory restrictions on operations, and social criticism if consideration for the natural environment is insufficient
	Measures	· With regard to warm wastewater, having considered measures to conserve the environment, such as environmental impact assessments during construction, ensure thorough management of the temperature difference between water intake and discharge to reduce the impact on natural capital, etc., in accordance with environmental conservation agreements concluded with the relevant municipalities · Reduce the temperature difference between discharged water and seawater near the outlet by taking in low-temperature seawater from deep layers of the ocean and discharging it underwater · Reduce water consumption by recovering and reusing some of the fresh water used for power generation · Perform neutralization, flocculation, sedimentation, and other forms of treatment using wastewater treatment equipment, and discharge wastewater in accordance with the Water Pollution Prevention Act, the Act on Special Measures concerning Conservation of the Environment of the Seto Inland Sea, and other laws and regulations
Hydroelectric power	Dependencies/ impacts	· Dam construction can have impacts on nature, such as loss of land-based habitats, obstruction of animal migration due to the disruption of river flow, changes in water quality, and changes in sediment distribution · Impacts on local communities can also occur, including the need to resettle nearby communities, increased noise and traffic in surrounding areas, and loss of cultural services
	Risks	· Increased risk of ecosystem destruction, regulatory restrictions on operations, and social criticism if consideration for the natural environment is insufficient
	Measures	· When constructing facilities, strive to minimize the impact on the surrounding environment by designing appropriate land development plans that take into consideration the local conditions, such as the land and the surrounding area, incorporating the necessary measures for disaster preparedness, environmental conservation, and landscape preservation · Ensure appropriate maintenance, inspections, and ongoing management during operation to minimize the impact on the ecosystem · Commitment to maintaining and managing forests for recharging owned water resources to ensure a steady supply of water for hydroelectric power generation

(Representative power stations and the state of nature in surrounding areas)

We used IBAT, a publicly available tool, to analyze and evaluate our interface with nature at all of our business sites. As a result, we identified 18 of our 102 sites (1 nuclear power station, 3 internal combustion thermal power stations, 1 coal and wood biomass-fired power station, 1 solar power station, and 12 hydroelectric power stations) as being located within protected areas or other areas of importance for biodiversity conservation. Business operations at all of our sites consider how to exist in harmony with the surrounding natural environment. The map and list below show the state of nature at our representative power stations, considering the scale of output and the importance of the surrounding natural environment.



Legend
Power generation type: ○: Thermal △: Hydroelectric ☀: Nuclear □: Solar
Symbol color (indicates whether the facility is located within the boundaries of a protected area or an area of importance for biodiversity conservation) ■: Located within □: Not located within
Buffer color for STAR*-related organisms
(Level of importance for biodiversity conservation for a 20 km radius)
■:High ■:Medium ■:Low ■:None

*STAR = Species Threat Abatement and Restoration
A high STAR score indicates that the area is home to many endangered species. Or, it may be considered a critical habitat for specific species, meaning that conservation efforts in the area are likely to contribute significantly to global biodiversity conservation.

(Selected locations: nuclear power stations, thermal power stations, pumped-storage power stations, solar power stations, hydroelectric power stations (in part))

Site name	Type of power generation	Output (kW)	Surrounding environment	Surrounding protected areas
Shimane Nuclear	Nuclear	820,000	Japan Sea coast	Daisen-Oki National Park, Kataku Wildlife Protection Area, etc.
Misumi	Coal + woody biomass	2,000,000	Japan Sea coast	Misumi Coast Nature Conservation Area, Misumi Coast Wildlife Protection Area, etc.
Yanai	LNG	1,539,000	Seto Inland Sea and Iyo-nada coast	Setonaikai National Park, Hannya-ji Green Space Conservation Area, etc.
Tamashima	Heavy crude oil/LNG	1,200,000	Seto Inland Sea and Bisan-Seto Coast	Setonaikai National Park and other protected areas, etc.
Shin-Onoda	Coal + woody biomass	1,000,000	Seto Inland Sea and Suonada Coast	Ryuozan Wildlife Protection Area, etc.
Mizushima	LNG	625,000	Seto Inland Sea and Bisan-Seto Coast	Kurashiki City Tanematsuyama Wild Grass Transplant Protection Area and other wildlife protection areas
Osaki (suspended)	Coal	259,000	Osakikamijima	Setonaikai National Park, Tsuzukishima Wildlife Protection Area, etc.
Matanogawa	Hydroelectric	1,200,000	Inland along the Matano River	Daisen-Oki National Park, etc.
Nabara	Hydroelectric	620,000	Inland along the Nabara River	Nanbarakyo Prefectural Natural Park, Fukuojji Wildlife Protection Area, etc.
Shin-Nariwagawa	Hydroelectric	303,000	Inland along the Nariwa River	Takahashi River Upstream Prefectural Natural Park, Shin-Nariwagawa Dam Wildlife Protection Area, etc.
Takiyamagawa	Hydroelectric	52,500	Inland along the Ota River	Miyama Gorge, etc.
Shibakigawa Daiichi	Hydroelectric	24,000	Inland along the Shibaki River	Western Chugoku Mountains, Sandan Gorge, etc.
Ube Photovoltaic	Solar	3,000	Seto Inland Sea and Suonada Coast	Suonada Coast, etc.
Fukuyama Photovoltaic	Solar	3,000	Seto Inland Sea and Bisan-Seto Coast	Setonaikai National Park, etc.

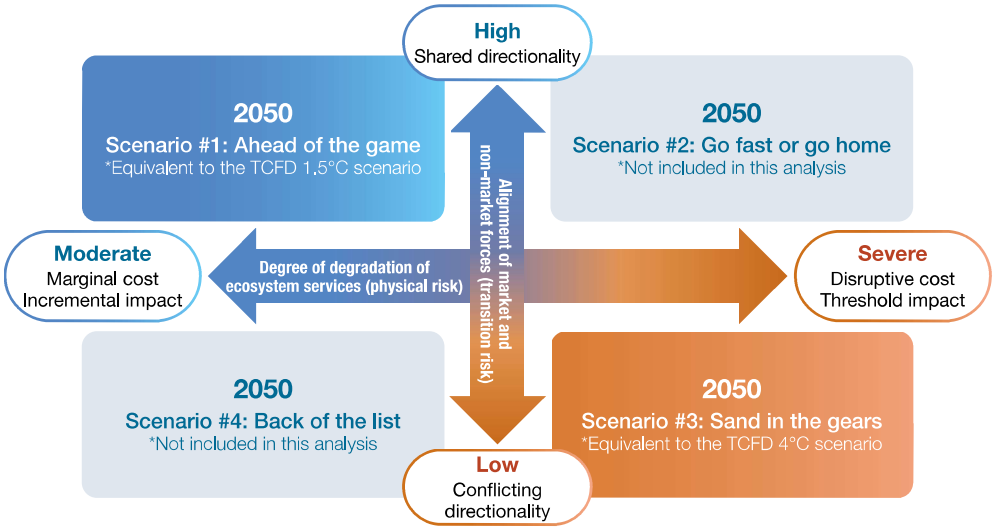
Information Disclosure Based on TNFD Recommendations

(Scenario analysis)

TNFD guidance outlines how scenario analysis is a useful and important tool for developing strategies and testing their resilience in the face of complex uncertainty. In keeping with TNFD guidance on scenario analysis, we set two driving forces and described two scenarios within the four quadrants. We then evaluated the risks and opportunities for our organization through workshops involving multiple business divisions.

〈Two driving forces identified and two scenarios considered〉

As per the scenario analysis guidance, we set two driving forces related to physical risks and transition risks. Of the four scenarios we identified, we chose two (Scenarios #1 and #3) that we believed could be linked to the TCFD scenarios (1.5°C and 4°C scenarios), also taking into account the scenarios we are considering for our climate change efforts.



Workshop in progress

Description of scenarios

		Scenario #1	Scenario #3
Worldview		**Moderate degradation of nature/ Alignment of market and non-market forces** · Strict CO_2 emission regulations are in place, and businesses are compared on the basis of their emissions · There is a balance between environmental regulations and business initiatives—i.e. between the environment and the economy—resulting in an ideal power source mix · A world where progress is being made toward carbon neutrality, a recycling-oriented society, and coexistence with nature	**Severe degradation of nature/ Non-alignment of market and non-market forces** A world with no unified goals at the global level and disparity in the extent of efforts to protect the environment, where extreme weather events are causing an increase in natural disasters and competition for resources, and where nature positivity has not been achieved
Worldview for each category	Climate/nature	· Climate change is being mitigated and extreme weather events are occurring less frequently · Deterioration of the natural environment is moderate	· Climate change is progressing, abnormal weather conditions cause rising sea temperatures and water shortages · The natural environment is deteriorating significantly · Strong winds and landslides are occurring in fuel production regions · Natural disasters are becoming increasingly severe
	Macroeconomics	· Population decline in the Chugoku region · Increased demand for electricity, accompanied by the advancement of DX and GX · Growing calls to cut CO_2 emissions	· Population decline in the Chugoku region · Increased demand for electricity, accompanied by the advancement of DX and GX · Countries around the world respond differently to the situation, with some prioritizing their own interests, making it increasingly important for companies to make decisions and take action on their own
	Consumers	· Better understanding of nature among companies and the general public · Increased ethical awareness among consumers concerning the environment	· Inconsistency in consumer ethical awareness (some consumers have high ethical awareness regarding nature, while others do not)
	Regulations	· Tighter environmental regulations and regulations on resource procurement	· Maintenance or relaxation of environmental regulations and regulations on resource procurement
	Technology	· Reduction of environmental impact and development of low-carbon technologies · Diffusion of technologies for CO_2 reduction, storage, and utilization · Increased utilization of clean energy (hydrogen and ammonia fuels) · Development and spread of AI	· Slowdown in technological innovation related to reducing the environmental impact and low carbon emissions
	Funding	· Expansion of support systems for achieving carbon neutrality and nature positivity	· Lack of alignment of market and non-market forces leads to an opaque funding environment

Information Disclosure Based on TNFD Recommendations

(Risks and opportunities)

The following is a summary of the results of the scenario analysis we conducted in the form of workshops, as well as the risks and opportunities we identified last fiscal year for items related to direct operations that were evaluated as having a high degree of importance in terms of dependencies and impacts in Strategy (dependencies and impacts) (P67). In accordance with the TNFD recommendations, we categorized risks into physical risks and transition risks, and opportunities into market, resource efficiency, products and services, and capital flows and financing. As a result, we recognized that the impact of physical risks (acute) in Scenario #3 and resource efficiency in Scenarios #1 and #3 is high. For risks and opportunities related to GHG emissions, please see Information Disclosure Based on TNFD Recommendations (P59). We are conducting a phased review to identify and evaluate risks and opportunities. As the current assessment is only preliminary, we will refine our financial impact assessment by analyzing in more depth the results of the scenario analysis conducted in the workshops, as well as by carrying out more detailed analyses of our dependences and impacts on nature.

Nature-related risks and opportunities

Category			Main dependencies and impacts	Potential occurrences	Related businesses	Risks and opportunities for Chugoku Electric Level of financial impact*1 (Low: Less than 3 billion yen Moderate: Between 3 billion yen and 10 billion yen High: More than 10 billion yen)	scenario #1		scenario #3	
							Timeline	Degree of impact*2	Timeline	Degree of impact*2
Risks	Physical risks	Acute	Climate change	Increase in extreme weather events		Suspension of mining and unstable supplies caused by equipment damage due to strong winds or landslides in fuel-producing regions, and ensuing output restraints (Nuclear power: Low; Thermal power: High)	Long term	Small	Medium term	Large
			Flood and storm mitigation	Increase in extreme weather events		Damage to transmission and distribution equipment (Moderate)	Long term	Medium	Long term	Large
		Chronic	Freshwater supply	Rise in seawater temperature		Reduction in power generation efficiency caused by a drop in equipment cooling efficiency (Nuclear power: Low; Thermal power: Low)	Long term	Small	Long term	Medium
			Climate regulation Freshwater supply	Changes in rainfall patterns		Reduction in power generation volume caused by water resource shortages and the ensuing drop in water flow rate (Low)	Long term	Small	Long term	Medium
			Climate regulation	Rise in average temperature		Reduction in power generation efficiency (Low)	Long term	Small	Long term	Medium
	Transition risks	Policy and legislation	Freshwater supply	Tighter regulations on water use due to rise in water stress		Output restraints due to difficulties securing service water (Nuclear power: Low; Thermal power: Low)	Long term	Small	Long term	Medium
			Changes in land/ freshwater/ marine use	Tighter regulations on the protection of ecosystems due to their deterioration		Unstable supplies due to limitations on mining in fuel-producing regions, and ensuing output restraints (Nuclear power: High; Thermal power: Low)	Long term	Medium	Long term	Medium
			Changes in land/ freshwater/ marine use	Tighter regulations on the protection of ecosystems due to changes in the ecosystems of aquatic life		Reduction in power generation volume caused by limitations on water intake and discharge and the ensuing drop in water flow rate (Low)	Long term	Small	Long term	Medium
		Markets/ reputation	Changes in land/ freshwater/ marine use	Drop in trust due to biodiversity response being deemed inadequate		Reduction in market share due to a drop in reputation, and ensuing fall in electricity sales (Low)	Medium term	Medium	Medium term	Small
Opportunities	Market			Rising social interest in biodiversity		Acquisition of new market opportunities and improvements in corporate value through the creation and use of J Blue Credits from the artificial reef at Shimane Unit 3 Acquisition of new market opportunities and improvements in corporate value through the creation and use of J Credits from company-owned forests Biodiversity Initiatives P55	Short-term	Small	Medium term	Small
	Resource efficiency			Reduction in use of resources, such as water and fossil fuels		Reduction in use of fossil fuels through the below, and contribution to the decarbonization of energy sources Startup of Shimane Unit 3/Replacement of Yanai Unit 2/Fuel conversion to ammonia/hydrogen Repowering of existing hydroelectric power stations Renewable energy initiatives P36	Medium term	Large	Medium term	Large
	Products and services			Rising demand for carbon-neutral electricity		Roll out of off-site PPA using farm-based solar power stations	Short-term	Medium	Medium term	Small
	Capital flow and financing			Expansion of green finance and ESG investment	All	New financing through disclosure of ESG and other non-financial information	Medium term	Medium	Medium term	Small

*1 Based on current assessments. These assessments are not definitive and will fluctuate in line with changes in the external environment, including future national policies, etc.
*2 These are the results of evaluations we conducted during internal workshops. We will continue to evaluate the data going forward.

Measurement indicators and targets

As for indicators, for items that were evaluated as having high importance in the assessment of dependencies and impacts, we will disclose the results for FY 3/2025 in line with the TNFD recommendations for global core disclosure indicators as follows. Regarding targets, we have already set targets in the Chugoku Electric Power Group Environmental Action Plan, and will continue to work toward achieving these targets. Regarding targets, we have already set targets in the Chugoku Electric Power Group Environmental Action Plan, and will continue to work toward these. To do so, we will implement reliable management and endeavor to reduce the environmental impact of our business activities. In terms of water use, we will move forward with setting and disclosing indicators and targets in line with both the results of our identification and evaluation of nature-related issues and TNFD recommendations. Going forward, we will continue to identify and evaluate nature-related issues and set and disclose indicators and targets in line with the TNFD recommendations.

GHG emissions

◆ **GHG emissions across the supply chain**
Scope 1: 15.83 million t-CO_2, **Scope 2**: 20 t-CO_2, **Scope 3**: 11.85 million t-CO_2

Water use/Surface water

◆ **Water for nuclear and thermal power generation**
5.24 million m^3

◆ **Wastewater from nuclear and thermal power generation**
2.70 million m^3

Solid waste

◆ **Waste generated**
873,000 t

◆ **Waste recycled**
831,000 t

Non-GHG air pollutants

◆ **SOx**
2,000 t

◆ **NOx**
4,000 t