

Environment

We will strive to reduce the environmental impact of our business activities, including the decarbonization of energy, and contribute to the decarbonization of our customers and communities.



Omoto Hiroaki
Managing Executive Officer
Chief Operating Officer of Carbon Neutrality Promotion Division

We wish to keep the environmental impact that comes with our business activities to a minimum, and to that end the entire Group has come together and recognized that we have a responsibility to work on conserving the environment. In our business activities, we promote environmental management through the initiatives listed in our action plan, such as Promotion of Global Warming Countermeasures and Promotion of the Formation of a Recycling-oriented Society, founded in the basic policy from the Chugoku Electric Power Group Environmental Action Plan. In addition, based on the Basic Policy of the Chugoku Electric Power Group Carbon Neutral Strategy, we are working to implement priority measures set from the

perspectives of the decarbonization of energy and decarbonization for the customer and community in order to become carbon neutral by 2050. We will continue to enhance disclosure information (in accordance with the TCFD, TNFD, etc.) on these environmental initiatives. From FY 3/2027, the Chugoku Electric Power Group Environmental Action Plan and the Basic Policy of the Chugoku Electric Power Group Carbon Neutral Strategy have been integrated into the new Chugoku Electric Power Group Environmental Management Policy, designed to further promote environmental management based on trends in national environmental policy and other factors.

[Chugoku Electric Power Group Environmental Management Policy](#) **P58**

Environmental Awareness

Opportunities

Opportunities arising from initiatives

- Acquisition of decarbonized power source-oriented customers
- Capturing new market opportunities
- Development of services and businesses that contribute to regional decarbonization

Risks

Risks arising from failure to act

- Increase in carbon costs due to stricter CO₂ emission regulations
- Customer turnover/decreased sales mainly due to high CO₂ emission coefficients
- Increase in financing costs due to deteriorating ESG ratings

Desired outcomes

The need to address environmental issues is becoming more and more important amid societal demands for decarbonization and biodiversity preservation, and ESG (environmental, social, and governance) investment is expanding. As for the Chugoku Electric Power Group, we preceded these demands by promoting environmental initiatives since 2015 (for Chugoku Electric itself, these began in 1993) by establishing an environmental action plan.

Basic Policy

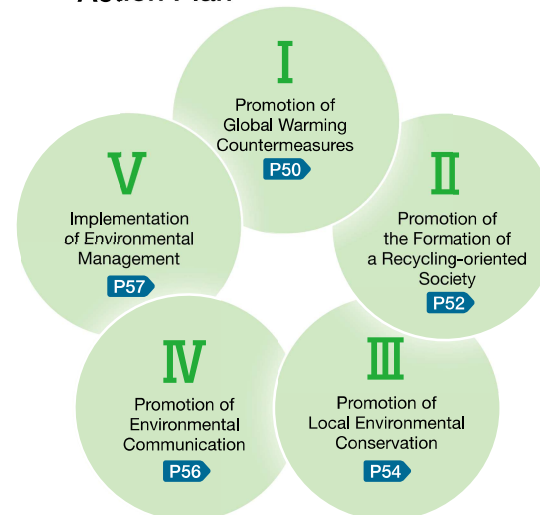
The Chugoku Electric Power Group will:

- Contribute to realizing a society that enables sustainable development through simultaneously achieving compatibility with the environment, stable supply of power, and profitability, with our ultimate priority being on ensuring safety as a corporate group handling energy.
- We will contribute to the mitigation of climate change through efforts to achieve carbon neutrality by 2050.
- Always cherish the environment based on the following three policies and aim to be a corporate group trusted by our customers.

1. Vigorously approach global warming countermeasures and other important issues such as promoting formation of a recycling-oriented society and promoting local environmental conservation, etc.
2. Contribute to building a society in harmony with the environment by providing customers with products and services that are environmentally friendly.
3. Actively implement two-way communications with local communities comprising dialogue, activities, and other efforts related to environmental conservation.

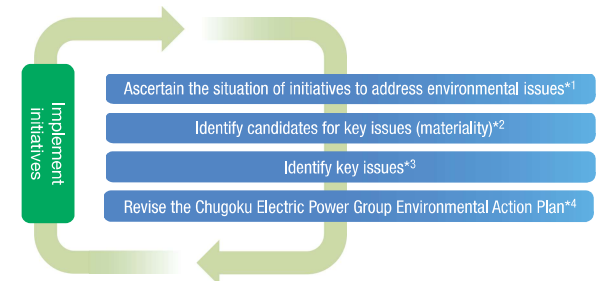
Major initiatives

Action Plan



Identification and review of key issues

Key environmental issues at the Group are determined by the process indicated in the following diagram, and reviews are carried out periodically based on the situation of ongoing initiatives.



*1 Ascertain the situation of initiatives to address environmental issues throughout the entire Group.

*2 Identify environmental issues likely to have higher importance based on factors such as relevant laws/regulations and social demands pertaining to the environment.

*3 Identify key issues by referring to in-house review and opinions of outside experts.

*4 Incorporate identified key issues into the Chugoku Electric Power Group Environmental Action Plan following decision by the President (important revisions are submitted to the Board of Directors).

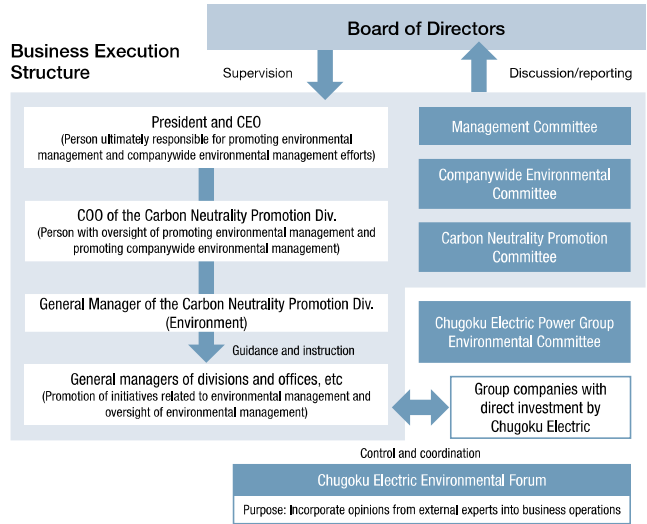
Environment

Environmental Management & Carbon Neutrality Promotion Organization

At Chugoku Electric, the head of the Carbon Neutrality Promotion Division oversees companywide environmental management under the command of the President and CEO, who bears ultimate responsibility for the company's environmental management.

We reflect the results of reviews conducted by the Environmental Management Promotion Committee, the Chugoku Electric Power Group Environmental Committee, and other committees in our environmental management. This enables us to undertake initiatives in line with our environmental policies in a unified manner across the entire group.

The Board of Directors receives reports from the President and CEO twice a year on the status of environmental initiatives and other matters, and oversees the execution of tasks related to the environment, including environmental management.



	Composition	Frequency
Companywide Environmental Committee	Chair: COO of the Carbon Neutrality Promotion Div. Members: Heads of business divisions and departments	Twice yearly (in principle)
Carbon Neutrality Promotion Committee	Chair: COO of the Carbon Neutrality Promotion Div. Members: General managers of divisions and relevant departments	Four times a year (in principle)
Chugoku Electric Power Group Environmental Committee	Chair: General Manager of the Carbon Neutrality Promotion Div. (Environment) Members: Environmental management leaders at each company of the Chugoku Electric Power Group	Twice yearly (in principle)
Management Committee	Members: Ten outside experts	At least once a year

Chugoku Electric Power Group Environmental Targets

FY 3/2025 Results and FY 3/2026 Targets

Of the fourteen environmental targets, we achieved ten, nearly achieved two, and fell short on two. We will continue working toward our environmental targets for FY 3/2026.

Chugoku Electric Power Group Environmental Management Policy **P58**

Achieved Almost achieved Not yet achieved

Action Plan	Item	Target	FY 3/2025 Results	Evaluation	Remarks
I. Promotion of global warming countermeasures	Use of nuclear power generation, provided safety is ensured	Early operation restart of Unit 2, and start of operation of Unit 3, at the Shimane Nuclear Power Station*1	Unit 2: Began commercial operation in January 2025 Unit 3: Currently responding to conformity reviews for new regulatory requirements		
	New introduction of renewable energy	FY 3/2021-3/2031 300-700 MW	370 MW		
	Responding to growing introduction of renewable energy	Introduction wherever possible (grid connections)	16.73 GW · Connections completed: 13.14 GW · Connection applications: 3.59GW		
	Thermal power station heat efficiency	Achievement of benchmark indicators*1,2 based on the Act on Rationalizing Energy Use by FY 3/2031	Thermal power A: 1.04 Thermal power B: 44.3% Coal: 45.51%		
	Provision of energy-saving products and services to customers	FY 3/2031 No. of EcoCute units installed: More than 900,000	750,000 units		FY 3/2025 plan: 750,000 units (cumulative total) vs. FY 3/2025 results: 750,000 units (up 10,000 units from FY 3/2024 results)
	Promotion of vehicle electrification	FY 3/2031 Electrification rate of company-use vehicles (excl. special vehicles, etc.): 100%	30.3%		FY 3/2025 plan: 31% vs. FY 3/2025 results: 30.3% (8% increase on FY 3/2024 results)
	CO ₂ emissions	Halve CO ₂ emissions by FY 3/2031 for both the retail business and power generation business (compared to FY 3/2014)*1	Retail: 19.69 million t-CO ₂ (53.4% reduction) Power generation: 15.62 million t-CO ₂ (37.6% reduction)		
	CO ₂ emissions factors	Undertake the challenge to achieve the national emission factor based on the FY 3/2031 Forecast for Energy Supply and Demand*1,3	FY 3/2024 0.422 kg-CO ₂ /kWh*4		
II. Promotion of the formation of a recycling-oriented society	Effective utilization rate for coal ash	99% or higher	95.7%		Decline in effective utilization rate for coal ash due to reduced demand for cement, etc.
	Waste recycling rate (excluding coal ash)	95% or higher	93.6%		Decline in the waste recycling rate due to industrial waste contaminated with chemicals incurred during the removal of steel towers, etc.
III. Promotion of local environmental conservation	Proper disposal of PCBs	Disposal of full amount by the end of FY 3/2027	Making steady progress with disposal		
IV. Promotion of environmental communication	Activities supporting education on energy and the environment for the next generation	Active implementation	No. of visiting schools, etc. 233		Held events including a nature observation session at Kirarabama (Yamaguchi City, Yamaguchi Prefecture) and a forest event (Kitahiroshima Town, Hiroshima Prefecture)
V. Implementation of environmental management	Thorough environmental management	Implementation of groupwide environmental management measures and thorough compliance with environmental laws and regulations	Received guidance on one occasion		Received guidance from a municipality regarding the improper disposal of fluorocarbons (took measures to prevent a recurrence)
	Percentage of employees participating in environmental education	100%	100%		

*1 At Chugoku Electric. *2 Standards for energy conservation to be achieved in the medium to long term. As levels to aim for, the following have been established for electricity suppliers: Indicator A (1.00 or higher), Indicator B (44.3% or higher), and coal-fired thermal power generation efficiency indicator (43% or higher). *3 This goal is a target of the Electric Power Council for a Low Carbon Society (ELCS), and is a forecast that assumes various issues in terms of both supply and demand have been overcome for the national government's goal of -46% (compared to FY 3/2014). If this forecast is achieved, the emission factor for all of Japan will be about 0.25 kg-CO₂/kWh (on used end). *4 As the ELCS CO₂ emission factor FY 3/2025 results are not yet confirmed, the previous year's results were used for this evaluation (as of September 2025). *5 Training related to topics such as global warming countermeasures, the creation of a recycling-oriented society, and biodiversity.

Environment



Promotion of Global Warming Countermeasures

Further use of non-fossil energy

- Nuclear**
- Use of nuclear power generation while making safety a top priority
 - Developing new nuclear power as a key countermeasure for global warming
 - Investigation and utilization of cutting-edge technologies
- Renewable energy and decarbonized power sources**
- Further introduction of hydro, solar, wind, biomass, and other forms of renewable energy
 - Expansion of dispersed/renewable energy connection capacity via more sophisticated electricity network facilities
 - Investigation into introduction of hydrogen/ammonia power generation technology, etc.

Efficient use of fossil energy

- Use of the economically best available technology (BAT) in developing new thermal power stations. Optimizing operation and maintenance of existing power stations
- Development of advanced technology such as power generation based on an integrated coal gasification fuel cell (IGFC) combined cycle, carbon recycling, etc.

Promotion of efficient use of energy and electrification

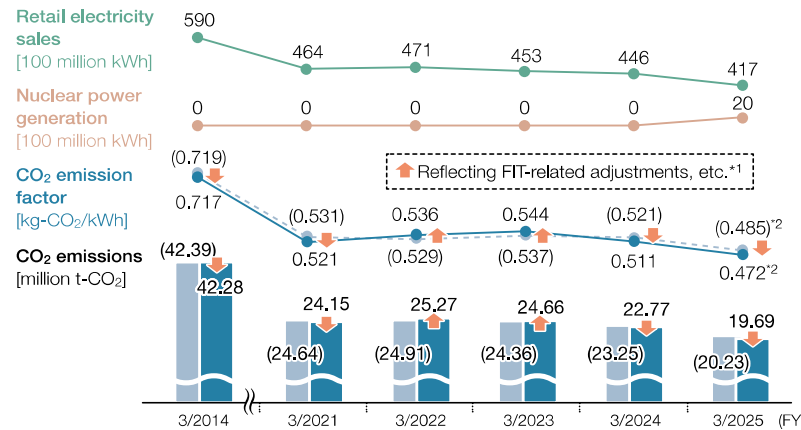
- Support for customers' energy-saving measures through use of smart meters, etc.
- Provision of heat pumps and other energy-saving products
- Development of services and roll out of businesses that contribute to decarbonization among customers and regions

Other measures

- Efficient operation of power transmission/distribution equipment
- Curbing emissions of greenhouse gases other than CO₂ (SF₆, etc.)
- International technical support toward decarbonization

CO₂ Emissions Record

In FY 3/2025, CO₂ emissions for our electricity retail business were 19.69 million t-CO₂, and the CO₂ emission factor was 0.472 kg-CO₂/kWh. CO₂ emissions decreased over FY 3/2024 due to a drop in retail electricity sales. The CO₂ emission factor decreased compared to FY 3/2024 despite the drop in retail electricity sales due to factors such as the increase in the non-fossil fuel energy ratio with the restart of commercial operations at Shimane Nuclear Power Station Unit 2. (Numerical values are adjusted*1)



*1 Reflects adjustments relating to feed-in-tariffs (FIT) and deductions from CO₂ emissions credits based on the Act on Promotion of Global Warming Countermeasures, etc.
 Figures in parentheses indicate values before reflection (emissions and emissions factors before adjustment).
 *2 CO₂ emission factor for FY 3/2025 is a provisional value; the official value will be announced by the government.

TOPICS

Joining the GX League

With an eye on achieving carbon neutrality and bringing about societal change in the run up to 2050, we have joined the GX League with the aim of achieving sustainable growth for society now and in the future.



WEB GX League website
<https://gx-league.go.jp/>

Participation in Challenge Zero (Challenge Net Zero Carbon Innovation)

We are a participant in Challenge Zero, an initiative to realize a decarbonized society promoted by the Japan Business Federation (Keidanren).



WEB Challenge Zero website
<https://www.challenge-zero.jp/>

Environment

Further Use of Non-fossil Energy

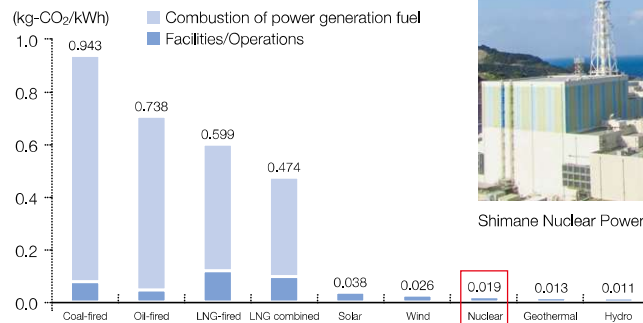
Use and development of nuclear power

Nuclear power is outstanding in terms of fuel supply stability and economy. It also does not emit CO₂ during operation, and thus is superior for combating global warming.

Therefore, it is important to maintain a certain level of nuclear power in the energy mix. While ensuring that safety is the top priority, we will strive to ensure the continued stable operation of Shimane Unit 2 and start up Shimane Unit 3 as early as possible, and develop the Kaminoseki Nuclear Power Station as a vital power source for the future.

Further Improvement of Safety of Nuclear Power Stations **P33**

CO₂ emissions factors by power source in Japan



Shimane Nuclear Power Station

Note: CO₂ emissions are calculated for combustion of power generation fuel, as well as for energy consumed in every phase from raw material mining, to facility construction, fuel transport/refining, operation, maintenance, etc.

Source: Central Research Institute of Electric Power Industry (CRIEPI) Report "Life Cycle CO₂ Emissions Evaluation of Japanese Power Generation Technology (July 2016)"

Further introduction of renewable energy

At the Chugoku Electric Power Group, we have set ourselves the target of 300–700 MW more renewable energy by FY 3/2031 (compared to FY 3/2020). In addition to our efforts in Japan—repowering existing hydroelectric power stations, developing solar and wind power, and promoting biomass power generation—we are actively working toward the decarbonization of society through participation in hydro power projects overseas.

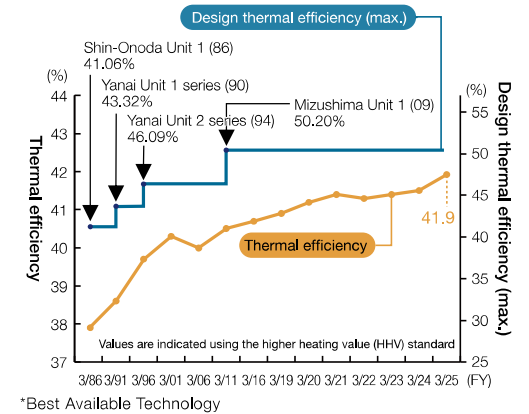
Operation of highly efficient thermal power plants and increased use of mixed-fuel combustion **P37** Further introduction of renewable energy **P36**

Rate Plans and Services in Line with Customers' Needs and Supply-demand Situation **P29** Response to increasing introduction of renewable energy to achieve decarbonization **P43**

Initiatives in the international business **P46** Energy-saving and CO₂-reduction Proposals **P30**

Efficient Use of Fossil Energy

In order to curb CO₂ emissions and attain the benchmark indicators of the Act on Rationalizing Energy Use through efficient use of fossil energy, we are working to improve thermal efficiency by using BAT* in developing new thermal power generation facilities, and optimizing operation and maintenance of equipment at existing power stations. As a result, we maintained a high thermal efficiency in FY 3/2025 of 41.9%. If we assume the thermal efficiency of each of our thermal power stations is improved by 1%, then CO₂ emissions will be reduced by approximately 360 thousand t-CO₂ every year, and this will save roughly 120 thousand kL of fuel (in heavy oil equivalent).

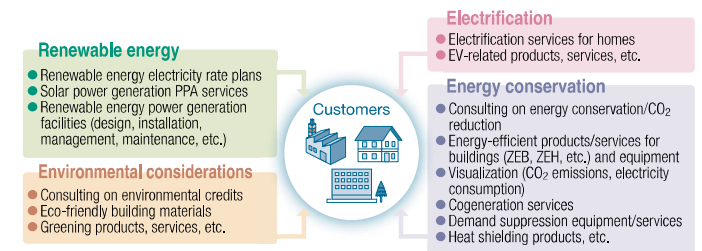


We achieved the target levels for the FY 3/2025 benchmark indicators based on the Act on Rationalizing Energy Use due to factors including an increase in the proportion of high-efficiency coal-fired thermal power generation.

Promotion of Efficient Use of Energy and Electrification

Our Group is working to make efficient use of energy more prevalent through approaches such as recommending high-efficiency systems suited to the needs of each customer, and providing information to help people conserve energy.

Elsewhere, as a part of our efforts to realize the decarbonization of society, we offer customers electricity rate plans for electricity with low CO₂ emissions, install solar power generation equipment at customers' buildings or on their property, and provide services that enable them, to use the power generated for a monthly service.



WEB Carbon neutrality topics and examples
https://www.enrgia.co.jp/tokusetu_site/carbon-neutral/topics/

Environment



Promotion of the Formation of a Recycling-oriented Society

Promoting the 3Rs, that is reduction, reuse and recycling, putting a primary focus on reducing generation of wastes

Encouraging switches to recyclable resources as a plastic recycling measure

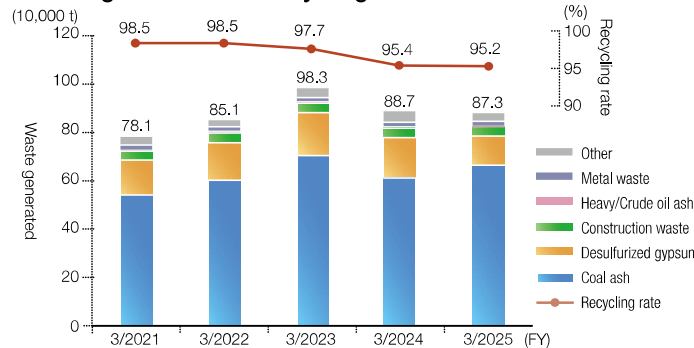
Developing advanced recycling technologies and offering waste-derived products such as products using coal ash to customers

Promoting the 3Rs

To help promote a recycling-oriented society, at the Chugoku Electric Power Group we are promoting initiatives in environmentally friendly product purchases and projects, and engaged in efforts to recycle waste. In FY 3/2025, we were able to recycle 95.2% of the waste we generated,* because although the amount of waste produced dropped, the percentage of coal ash that we were able to use effectively decreased.

*Includes the amount of coal ash effectively utilized

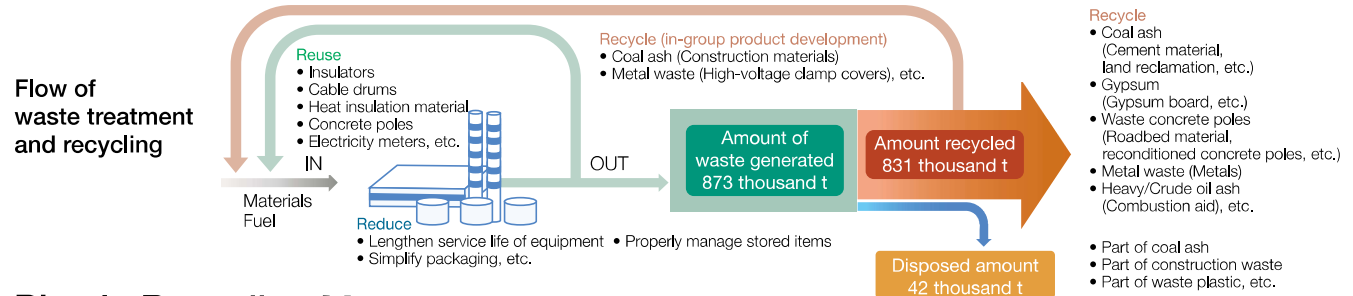
Waste generated and recycling rate



TOPICS Reuse and Recycling of Solar Panels

We work with local businesses and municipalities to promote the reuse and recycling of solar panels. Through these efforts, we aspire to create a recycling-oriented society in which solar power can be utilized continuously as a power source and resource.

- COCCO**: Collection, transportation, and recycling of waste panels
- CPC (CHUGEN PLANT COLTD)**: Design, construction, maintenance, and management of power stations
- Enercia**: Design and development of business models, Establishment of regional frameworks, Supply of power



Plastic Recycling Measures

We have set targets based on the Plastic Resource Circulation Act and other rules, and are working to control emissions and recycle such resources.

Targets for curbing industrial waste for products that use plastics and toward plastic recycling

- ◆ Maximum controls on waste
 - ◆ Maximum shift toward plastic recycling, etc.*1
- *1 Plastic recycling (material recycling & chemical recycling) and heat recovery.
Note: These targets apply to both Chugoku Electric and Chugoku Electric Power Transmission & Distribution

FY 3/2025

	Chugoku Electric	Chugoku Electric Power Transmission & Distribution
Waste	110 t	396 t
Proportion recycled	74 t	265 t
Recycling rate	67%	67%

Example initiatives

- Use of recycled plastics and paper materials for PR goods
- Switch to paper for packaging materials, etc.



PR product made from recycled plastic

Environment




Developing Advanced Recycling Technologies and Offering Waste-derived Products to Customers

Development of coal ash products

We are actively developing coal ash products to recycle the coal ash produced by coal-fired thermal power stations. These efforts include developing construction materials exploiting coal ash characteristics, as well as application technologies for such products.

In recent years, we have gone beyond the Chugoku region and are working to expand our sales channels outside the area, so that now a whole range of customers are utilizing our Light Sand and other products.

Overview of coal ash products

Coal ash serving as raw material	Fly ash		Clinker ash
Product name	Eco-powder	Hi-beads	Light Sand
Product description	Made by sorting and grading fly ash 	Made by adding a small amount of cement and water to fly ash, and then granulating 	Made by crushing lumps of clinker ash into a sandy form 
Track record of use	Tunnel spraying material, fly ash concrete, construction material, etc.	Material for environmental remediation of bottom sediments in coastal regions and estuaries, and ground improvement in ports, etc.	Lightweight banking material, retaining wall backfill material, backfill/drainage material around structures (for athletic fields), etc.

Product manufacturing capacity at each power station

Manufacturing location	Product manufacturing capacity (annual)
Misumi Power Station	Hi-beads: Approx. 50 thousand t Light Sand: Approx. 30 thousand t Eco-powder: Approx. 20 thousand t
Shin-Onoda Power Station	Light Sand: Approx. 30 thousand t Eco-powder: Approx. 40 thousand t



Artificial soil was used in the slopes on the northeast side of a football stadium in Hiroshima (Light Sand)

Examples of use



Concrete admixture used in a pedestrian bridge over the Oda Shizuma Road in Shimane Pref. (Eco-powder)



Greening material used in the open space around Hotel Okura (Tokyo) (Light Sand)

TOPICS

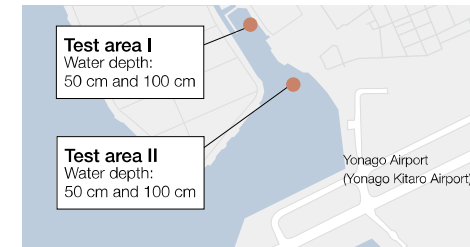
Adoption of Our Coal Ash Products for the Sakaiminato Blue Carbon Promotion Project (Nakahama Port Seaweed Farming Pilot Test)

Hi-beads, our coal ash product, has been adopted for the Sakaiminato Blue Carbon Promotion Project (Nakahama Port Seaweed Farming Pilot Test) being run by Sakaiminato City in Tottori Prefecture. Sakaiminato City's port has many artificial structures, such as concrete revetments, a characteristic which has prevented the formation of large seaweed beds here. Seaweed beds are thought to have a blue carbon effect, absorbing carbon dioxide from the sea through photosynthesis. For this reason, the city is conducting research and studies aimed at preserving and restoring seaweed beds. We provided approximately 160 kg of Hi-beads samples to Sakaiminato City, which were installed underwater at two locations in Nakahama Port in May 2025, along with concrete blocks and other structures. In addition to contributing to the formation of seaweed beds, Hi-beads are expected to increase phytoplankton through water purification and other effects, thereby enhancing the blue carbon effect of seaweed beds.

In the future, we will continue to work with Sakaiminato City, which is monitoring the growth of seaweed beds and verifying the effectiveness of Hi-beads, with the aim of helping to improve the local environment.

Locations

Nakahama Port
(Koshinozu-cho, Sakaiminato City, Tottori Prefecture)



Amount

Provided samples of approximately 160 kg (8 bags) stored in mesh bags as a measure to prevent leakage



WEB Adoption of Our Coal Ash Products for the Sakaiminato Blue Carbon Promotion Project (Nakahama Port Seaweed Farming Pilot Test)

<https://www.energia.co.jp/info/2025/15912.html>

WEB Effective use of coal ash (Information on coal ash products)
<https://www.energia.co.jp/business/sekitanbai/index.html>

Environment



Promotion of Local Environmental Conservation

Reduction of environmental impact on air, water, etc.

Prevention of noise, vibration, soil contamination, and foul odors, and harmonization with the surrounding landscape

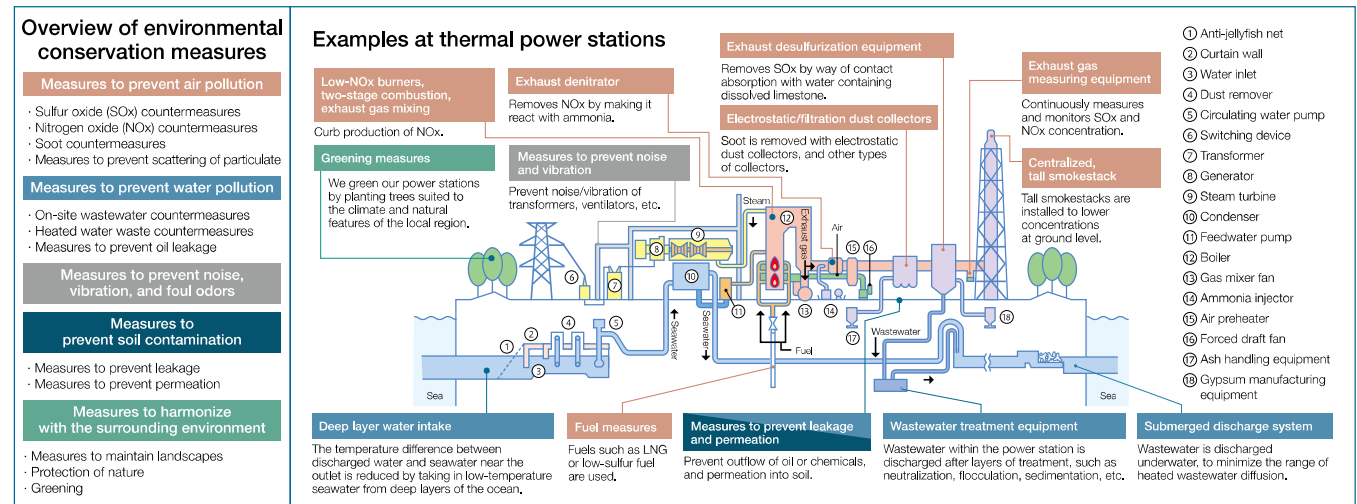
Proper management of chemical substances such as PCBs and asbestos

Protection of biodiversity in accordance with local characteristics, through implementation of environmental assessments, etc.

Reduction of Environmental Impact and Harmonization with the Surrounding Landscape

Environmental conservation measures at power stations

In order to conserve the local environment, we measure and monitor soot, wastewater, and other power station emissions based on laws established by the national and local governments, and environmental conservation agreements with local governments. We are also introducing environmental protection equipment employing state-of-the-art technologies.



Proper Management of Chemical Substances

Efforts to detoxify PCBs

Our Group is striving to treat 100% of PCB (polychlorinated biphenyl) waste within the statutory time limit.

Treatment of high-concentration PCB waste was completed by the end-of-FY 3/2021 deadline. Low-concentration PCB waste is detoxified at a certified facility outside our company. This treatment will be done in a planned fashion by the deadline (end of FY 3/2027).

WEB High-concentration PCB waste treatment situation (Environmental Data Collection)
<https://www.energia.co.jp/energy/energia/kaiji/index.html>

Response to the asbestos issue

Our Group established a policy on response to the asbestos issue in FY 3/2006. We are dealing appropriately with this issue by banning new use of asbestos, and periodically investigating the usage situation.

WEB Efforts to address the asbestos issue
<https://www.energia.co.jp/energy/energia/ishiwata/index.html>

Environment

Protection of Biodiversity in Accordance with Local Characteristics

Implementation of environmental assessments

When newly constructing or expanding a power station or other facility, we conduct an environmental impact assessment based on legal and regulatory requirements to evaluate the potential impacts of construction work and the start of operations on the surrounding natural and social environments, with the aim of minimizing such impacts. In addition to thoroughly investigating, predicting, and evaluating these impacts in advance using the latest technologies, we also listen to the views of the local community and take appropriate measures to conserve the environment, thereby minimizing the environmental impact on the surrounding area.

At Yanai Power Station Unit 2, we plan to replace it with a new Unit 2 with an output of around 500 MW. As this plan qualifies as a business covered by the Environmental Impact Assessment Act, we are carrying out environmental assessments.*1

*1 In surveys such as upper-atmosphere meteorological observations, we observe the air temperature, wind direction, wind speed, and other characteristics of the sky above power stations, in order to measure and evaluate the spread of exhaust gases from chimneys

Monitoring the surrounding environment after the start of power station operation

We conclude environmental conservation agreements with the relevant local governments prior to the start of power station operations with the aim of ensuring that the living and natural environments of nearby communities are properly preserved. We monitor the condition of the air, sea, and other aspects of the environment surrounding the power station, report the results to these local governments, and provide disclosure to the general public.



High-altitude weather observation
(August 2024)

TOPICS Certification as a Nationally Certified Sustainably Managed Natural Site by the Ministry of the Environment for Our Company-owned Forests

To continually secure and utilize the water necessary for hydroelectric power generation, we have roughly 1,500 ha of forest for recharging water resources. These forests are located in the upper reaches of the Yoshii River and Takahashi River in Okayama Prefecture, and the Ota River in Hiroshima Prefecture, where we carry out proper management. These forests have many functions aside from recharging water resources, including absorbing CO₂, preventing soil runoff, and protecting the habitat environments of wild animals and plants.

In October 2024, we received certification from the Ministry of the Environment as a Nationally Certified Sustainably Managed Natural Site*2 for a portion (approximately 150 hectares) of our company-owned forest in Kitahiroshima Town, Yamagata County, Hiroshima Prefecture. This is in recognition of our efforts to preserve biodiversity through private initiatives and other measures in this area of forest.

In addition, from the perspective of effectively utilizing environmental value, we plan to create approximately 2,000 tons of J-Credits (for forest absorption) over eight years through the maintenance and management of company-owned forests, including this Nationally Certified Sustainably Managed Natural Site.

We will continue our efforts to preserve biodiversity based on the Chugoku Electric Power Group Environmental Action Plan with the aim of helping to bring about a more sustainable society.



Company-owned forest in Kitahiroshima Town certified as a Nationally Certified Sustainably Managed Natural Site



*2 A program that certifies areas where biodiversity conservation is being promoted through private sector initiatives, etc., and promotes private sector activities

TOPICS Biodiversity Initiatives

Creating a habitat environment for fish and shellfish by installing an artificial reef

By installing an artificial reef (shoal) in the sea area in front of the seawall at Unit 3 of our Shimane Nuclear Power Station, we have reduced the water depth, making it easier for sunlight to reach the seabed. This creates a favorable habitat for the propagation and growth of fish, shellfish, and seaweed species such as *Ecklonia kurome*.

At Chugoku Electric, focusing on the ability of seaweed beds to absorb CO₂ and reduce greenhouse gases, we acquired J Blue Credits for the 15.7 t of CO₂ absorbed by these seaweed beds between 2017 and 2021 following a J Blue Credits Scheme review. We are using the credits that we acquire for events such as travel tours in Matsue City and basketball matches.

Travel packages

Nippon Travel Agency Co., Ltd. now offer individual traveler travel packages with J-Credits. This offsets the CO₂ emissions produced moving around Matsue and Tamatsukuri Onsen by public transport.



Basketball matches

In October 2024, B.League home games for the Shimane Susanoo Magic professional men's basketball team were held as carbon-neutral matches. The CO₂ emissions of the electricity used at the venue was offset.



PAC-MAN™ & ©Bandai Namco Entertainment Inc.

Horikawa Pleasure Boat

We offset the CO₂ emissions associated with the electricity used to power the electric boats that tour the moat at Matsue Castle and the charcoal briquettes used to heat their seats in winter.



Beauty and Fashion Muse Festival

Muse Festival 2025, a beauty and fashion festival featuring popular salons from the San'in region, was held in Matsue City. The event offset the CO₂ emissions generated during the festival, making it a carbon-neutral event.



Environment

IV

Promotion of Environmental Communication

Two-way communication

- Proactive information disclosure/distribution and consultation with the public

Partnership with society

- Voluntary implementation of environmental conservation activities, and participation in and cooperation with community events
- Promotion of activities to support energy/environmental education for the next generation
- Promotion of technical cooperation with developing countries and international exchange by accepting trainees, etc.

Two-way Communication

Enhancement of information disclosure

At Chugoku Electric, we are continuing with efforts to enhance our disclosure of environmental information.

Climate change	TCFD	We have continued to disclose information since FY 3/2021, and in FY 3/2025 as in FY 3/2024 our efforts were cited as a positive example in the Ministry of the Environment's Recommendations for Management Strategies That Use Sustainability (Climate- and Nature-related) Information Disclosure Information Disclosure Based on TCFD Recommendations P59-P63
	CDP	Evaluation results for responses to the 2024 CDP questionnaire Climate change: B Water security: B- Response to CDP
Nature	TNFD	Disclosed since FY 3/2025. The main improvements for FY 3/2026 were as follows: <ul style="list-style-type: none"> • Organize each process for inputs, production processes, and emissions by each power generation method to identify dependencies and impacts specific to our business activities • Develop proprietary scenarios and identify risks/opportunities through internal workshops, etc. Information Disclosure Based on TNFD Recommendations P66-P71
ESG topics	SASB	Disclosed since FY 3/2022 Information Disclosure in Line with SASB Standards
	Chugoku Electric Power Group Environmental Data	The Chugoku Electric Power Group discloses its key environmental data on its website Acquired third-party evaluations to enhance the reliability of the environmental information contained in this report Chugoku Electric Power Group Environmental Data

Partnership with Society

To spark an interest in energy and the environment, we conduct education support activities for the next generation (e.g., visiting schools, electricity seminars, and uploading videos to YouTube).

Date held	Educational activities (examples)	Venue	Target audience
2024.5.21	Lecture, Yamaguchi Prefectural Assembly (Special Committee for Promoting the Decarbonization of Industry)	Yamaguchi City, Yamaguchi Prefecture	General public
2024.6.6	Lecture, GX Seminar	Online	General public
2024.9.29	Energia Nature Observation Event in Kirarahama	Yamaguchi City, Yamaguchi Prefecture	Elementary school students and younger
2024.10.20	Forest event in a forest for recharging water resources	Kitahiroshima Town, Hiroshima Prefecture	Elementary school students and younger
2025.1.10	Lecture, Hiroshima University	Higashihiroshima City, Hiroshima Prefecture	University students
2025.6.21	Participation in World Environment Day Hiroshima	Hiroshima Prefecture, Hiroshima City	Elementary school students and younger

In 2024, as part of our efforts to promote environmental education for the next generation, we teamed up with Kitahiroshima Town in Hiroshima Prefecture, with whom we concluded a comprehensive partnership agreement on biodiversity conservation, to hold a forest event at our forest for recharging water resources in Kitahiroshima Town. This was the first time we had collaborated with a company from a different industry for such an event (cooperation: Asahi Group Japan, Ltd.).



Forestry event at a company-owned forest (Kitahiroshima) in October 2024 (co-organized by Kitahiroshima Town and with the assistance of Asahi Group Japan)

Environment



Implementation of Environmental Management

Compliance with environmental laws, agreements, etc., through approaches such as bolstering environmental education and training for employees

Continual improvement of the Environmental Management System (EMS)

Reducing electricity use in our own offices, promoting paperless operations using information and communications technology, actively purchasing green products, and otherwise implementing green office activities

Strengthening in-group collaboration and coordinating with business partners

Compliance with Environmental Laws, Agreements, Etc., and Continual Improvement of the Environmental Management System

Bolstering environmental education and training for employees

As part of its efforts to raise environmental awareness among all employees, in addition to providing environmental education at each workplace, since FY 3/2017, the Group has been conducting training sessions for employees at business sites and other locations. These sessions, led by the Carbon Neutrality Promotion Division, focus on environmental laws and regulations, including the Act on Waste Management and Public Cleaning and the Fluorocarbon Emissions Control Act, with the aim of reducing environmental risks.

Continual improvement of the Environmental Management System (EMS)

We operate our own environmental management system that incorporates the thinking behind ISO 14001, and work to enact the Chugoku Electric Power Group Environmental Action Plan and promote environmental risk management.

In managing these risks, each of our business offices works to make risk visible by identifying environmental laws and regulations applicable to work/equipment at their office, and manage compliance according to a list of compliance matters. Compliance status is also reviewed periodically, as are management methods where necessary. By steadily implementing the PDCA cycle, we work to make continuous improvements.

The Carbon Neutral Promotion Division, meanwhile, through environmental management reviews*1 and Group environmental audits*2 for each office or group company, works to verify legal compliance and identify points for improvement, and where necessary reflects these in rules to ensure environmental management takes root and environmental risks are lessened.

The results of the environmental management reviews and Group environmental audits are reported to the Companywide Environmental Committee and Chugoku Electric Power Group Environmental Committee.

*1 Plan to visit all offices over a three-year period, conducting reviews at approx. 12 offices per year

*2 Assess the impact of environmental risks on the business activities of Group companies, conducting environmental audits at approx. three selected companies per year

Environmental award system

At Chugoku Electric we have run an environmental award system since FY 3/2006. Through this system, we commend employees and business offices that have achieved outstanding results in their efforts to counter environmental issues.



Environmental awards ceremony

Environmental awards FY 3/2025

Name of activity

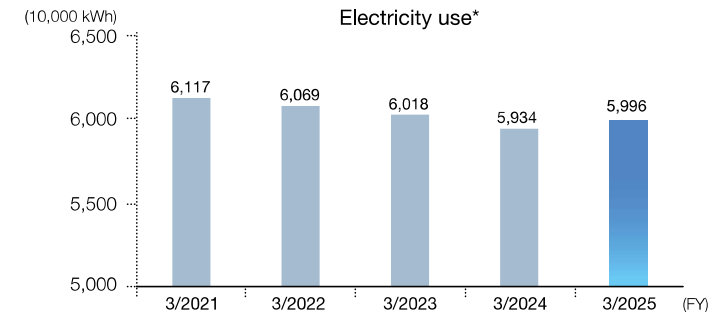
Promotion of carbon neutrality through the development of solar power generation equipment and off-site PPAs

Commended department

Decarbonization Solutions Promotion Office
Energy Sales Division

Implementing Green Office Activities

In our Group, we have established an Action Plan for Green Office Implementation, and we are promoting efforts to save energy such as improving electricity/water use and gasoline fuel efficiency, as well as initiatives relating to resource saving and recycling, including reduction in waste volume, reduction/recycling of office paper, and green purchasing.



*Electricity use for each fiscal year in the chart is the average of the most recent three years.

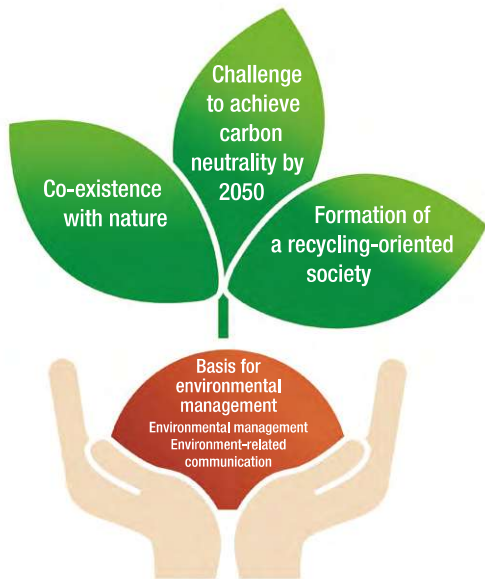
Chugoku Electric Power Group Environmental Management Policy

The Chugoku Electric Power Group is founded in the Chugoku region and as such we strive to reduce the environmental impact of our business activities. To do so, our efforts towards environmental conservation have so far been driven by two policies—the Chugoku Electric Power Group Environmental Action Plan and the Basic Policy of the Chugoku Electric Power Group Carbon Neutral Strategy.

To reflect factors such as trends in Japanese environmental measures, and to further promote environmental management, we have formulated the new Chugoku Electric Power Group Environmental Management Policy. Going forwards, we will promote environmental initiatives based on the new policy, and help to make society more sustainable. We also aim to actively share information on the results of these initiatives outside our Group, and to create opportunities to work with people in the region and encourage them to learn more about our energy business.

Policy

- ◆ We will strive to be carbon neutral by 2050.
- ◆ We will promote the formation of a recycling-oriented society.
- ◆ We will contribute to co-existence with nature.
- ◆ We will enhance efforts that form the basis of our environmental management.



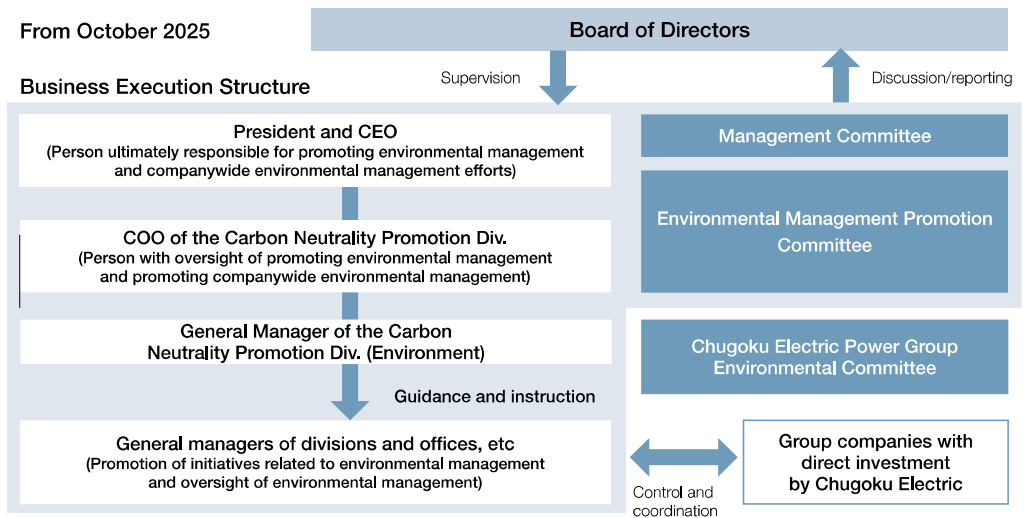
- We have organized our ongoing efforts to reduce our environmental impact into three categories: challenge to achieve carbon neutrality by 2050, formation of a recycling-oriented society, and co-existence with nature. We have chosen to represent our approach to environmental management as leaves of a growing plant.
- Promoting environmental management requires enhanced management of environmental indicators and better communication of environmental issues with stakeholders. As such we have represented the three main initiative themes as the soil that feeds the plant.

Changes to the environmental management promotion framework

In line with the new policy, we have merged the Companywide Environmental Committee with the Carbon Neutrality Promotion Committee, and created the new Environmental Management Promotion Committee to have discussions related to environmental management plans and similar in one place. The President and CEO will continue to bear ultimate responsibility for environmental management promotion and environmental management while under his or her command the chief operating officer (COO) of the Carbon Neutrality Promotion Division oversees it companywide.

By appropriately reflecting in environmental management the results of discussions by the committees, we will continue to promote groupwide efforts based on policies related to the environment.

The Board of Directors hears from the President and CEO on the status of environmental initiatives twice a year, and supervises the execution of duties related to the environment, including environmental management.



Chugoku Electric Environmental Forum
 Purpose: Incorporate opinions from external experts into business operations

	Composition	Frequency
Environmental Management Promotion Committee	Chair: COO of the Carbon Neutrality Promotion Div. Members: General managers of divisions and relevant departments	Four times a year (in principle)
Chugoku Electric Power Group Environmental Committee	Chair: General Manager of the Carbon Neutrality Promotion Div. (Environment) Members: Environmental management leaders at each company of the Chugoku Electric Power Group	Twice a year (in principle)
Chugoku Electric Environmental Forum	Members: Ten outside experts	At least once a year