

# Review of the Action Plan 2024-2025

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- In the Action Plan 2024-2025, we prioritized regaining trust lost due to a series of inappropriate incidents and restoring our revenue and financial base weakened by surging fuel prices and increased competition in FY 3/2022 and FY 3/2023, dedicating all our efforts to these tasks.

## Initiatives to Regain Trust

### Effective measures to prevent recurrence

- All direct recurrence prevention measures, based on a series of inappropriate incidents, have been implemented except for the termination of the shared system status with Chugoku Electric Power Transmission & Distribution, scheduled for completion in June 2026.
- We will continue to enhance internal controls based on assessments and advice from the Corporate Ethics Committee and the Internal Control Enhancement Committee, which include external experts.

### Stimulating change in corporate culture

- Established the Corporate Culture Reform Promotion Committee composed of heads from relevant organizations to drive cultural change based on root cause analysis of inappropriate incidents.
- One initiative, the Chugoku Electric “Motto Kawareu” Project, gathers employees through a volunteer system to discuss how we should change, broadening understanding and empathy toward transformation, encouraging personal ownership and action.

#### Measures (excerpt):

- ✓ Chugoku Electric “Motto Kawareu” Project
- ✓ Action declarations by executives, department heads, and business site managers
- ✓ EnerGia LOUNGE (a collaborative learning space led by executives and department heads)
- ✓ Adopting a free seating system

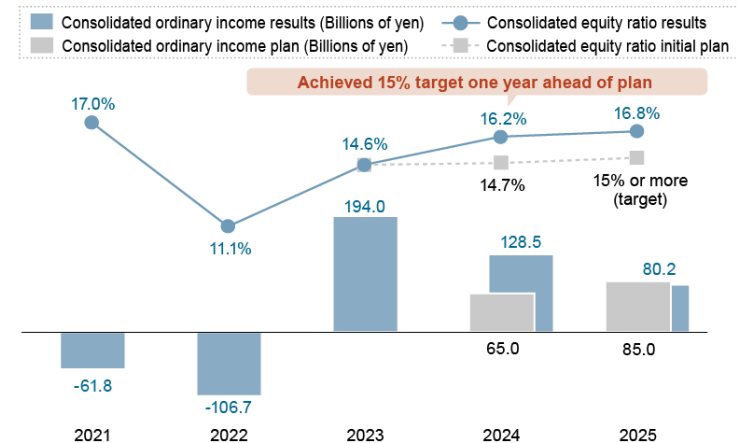
## Initiatives to Restore Our Revenue and Financial Base

### Restart of Shimane Unit 2 operations

- We successfully restarted this unit in December 2024 after 13 years offline. This greatly contributes to the restoration of our revenue base by balancing the enhancement of power source competitiveness and decarbonization.

### Growing profits from power retailing/wholesaling

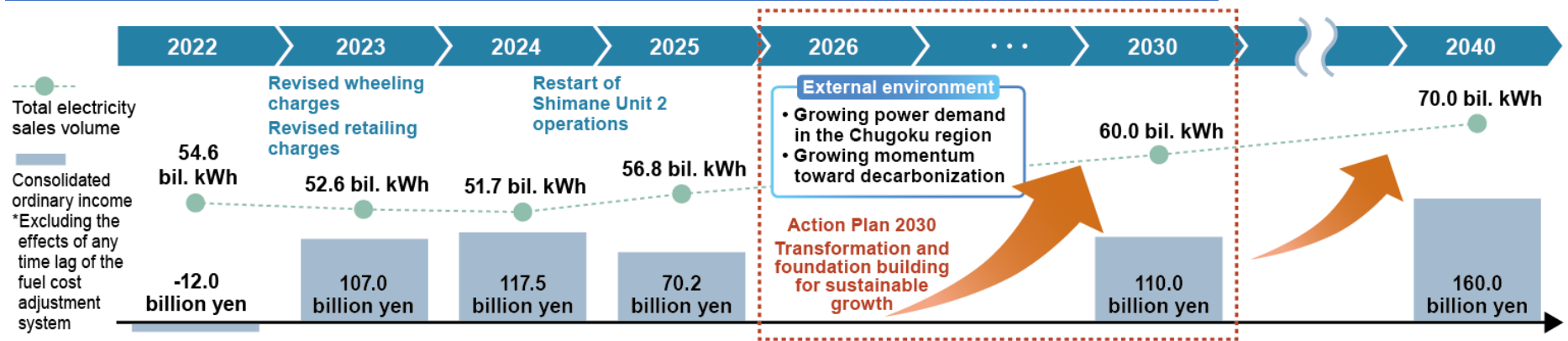
- Established a project team directly under the President to aggressively optimize power and fuel procurement and expand offerings tailored to customer needs. As a result, significantly boosted total electricity sales for FY 3/2026 (56.8 billion kWh) by +5.1 billion kWh year on year.



# Toward the Action Plan 2030

- In the Action Plan 2024-2025, we achieved some success in restoring our revenue and financial base. Now, we must elevate our consolidated ordinary income for FY 3/2031 to a higher level of 110 billion yen, while maintaining a focus on capital efficiency to achieve the financial targets outlined in our Group Corporate Vision.
- Therefore, in Action Plan 2030, under the concept of “transformation and foundation building for sustainable growth,” we view the expansion of future electricity demand and the growing momentum toward decarbonization as growth opportunities. As a result, we will advance the construction of large-scale decarbonized power sources and the development of next-generation transmission and distribution networks, while also developing and offering products and services that customers choose, thereby enhancing our earning power.

## KPIs for Achieving Financial Targets (Consolidated Ordinary Income/Total Electricity Sales)



Group Corporate Vision financial targets		FY 3/2026		FY 3/2031 Target		FY 3/2041 Target
	ROE	8.3%*		8% or more		10% or more
	ROIC	1.7%*		3% or more		WACC +1% or more
	Equity ratio	16.8%*		20% or more		Approx. 25% to 30%

\* Excluding the effects of any time lag of the fuel cost adjustment system