

The information shown below is an English translation of the "Kyu Torishimariyaku ni Taisuru Songaibaisho Seikyu Sosho no Teiki ni tsuite", notice regarding the filing of lawsuit claiming compensation for damages against former directors released on October 4, 2023.

\* The "Kyu Torishimariyaku ni Taisuru Songaibaisho Seikyu Sosho no Teiki ni tsuite" in Japanese is the official document. This English translation is prepared for convenience.

October 4, 2023

Name of Listed Company: THE CHUGOKU ELECTRIC POWER CO., INC.  
Code: 9504 (Prime of Tokyo Stock Exchange)  
Representative: Nakagawa Kengo, Representative Director President & Chief Executive Officer  
Contact: Ishii Hideharu, Manager, Legal Management & Operational Audit Group, Audit and Supervisory Committee Members Office  
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Notice Regarding the Filing of Lawsuit Claiming Compensation  
for Damages against Former Directors

In March 2023, Chugoku Electric received the cease and desist order and the surcharge payment order in accordance with the Japan Antimonopoly Act from the Japan Fair Trade Commission (disclosed in the "Receipt of Cease and Desist Order and Surcharge Payment Order from The Japan Fair Trade Commission," on March 30, 2023).

With regard to this matter, in June 2023, Chugoku Electric received the "Request to File a Liability Action, etc." from 20 individual shareholders of the Company which addressed to the Company's Audit and Supervisory Committee Member (disclosed in the "Notice Regarding a Request from Shareholders to File Lawsuit" dated June 8, 2023). Then, we have investigated the necessity of filing an action to enforce liability with regard to the 22 current and former Directors of the Company for whom the request to file was received.

As a result, the Audit and Supervisory Committee has decided to file an action to enforce liability regarding three former Directors (disclosed in the "Response to the Request from Shareholders to File Lawsuit Against Current and Former Directors" dated August 3, 2023).

This notification is to inform you that Chugoku Electric filed lawsuit claiming compensation for damages to the Hiroshima District Court on October 4, 2023.

- Attachment: Summary of lawsuit claiming compensation for damages

## Summary of lawsuit claiming compensation for damages

## 1. Date of filing of lawsuit

October 4, 2023

## 2. Court

The Hiroshima District Court

## 3. Plaintiff

The Chugoku Electric Power Co., Inc.

(Representative: Audit and Supervisory Committee Member Tamura Norimasa)

Note: Audit and Supervisory Committee Member will represent the Company in this lawsuit pursuant to the provisions of the Companies Act.

## 4. Defendants

Shimizu Mareshige, Watanabe Nobuo, Takimoto Natsuhiko

## 5. The amount of compensation for damages

59,926,297 yen and delinquent charge

Note: The above amount is demanded payment jointly and severally to each of the defendants.

The claim will be expanded if new damages are determined in the future.

## 6. Cause of action

Using as a premise the cease and desist order and the surcharge payment order from the Japan Fair Trade Commission are legally valid at this time, we have determined that Mr. Shimizu<sup>\*1</sup>, Mr. Watanabe<sup>\*2</sup> and Mr. Takimoto<sup>\*3</sup> held liable for the violation of the obligation to comply with laws and regulations, the violation of the obligation to perform monitoring and supervision, and the violation of the obligation to construct and operate a system for internal controls at the time of the violations identified by the Commission (November 2018 to October 2020).

Specifically, at the time, the three directors were directly involved in acts that violated laws and regulations (the violation of the obligation to comply with laws and regulations), failed to take actions to correct or restrain the acts of each other or their employees (the violation of the obligation to perform monitoring and supervision), and failed to establish and operate a specific internal control system to prevent such acts (the violation of the obligation to construct and operate a system for internal controls).

Therefore, we are making a claim for compensation for damages suffered by us as a result of the breach of these obligations.

\*1 At the time, Representative Director, President & Chief Executive Officer

\*2 At the time, Representative Director, Vice President & Senior Managing Executive Officer, Chief Operating Officer of Energy Sales Div. (Resigned in June 2019)

\*3 At the time, Managing Executive Officer, Member of the Board, Chief Operating Officer of Corporate Planning Div.

From June 2019, Managing Executive Officer, Member of the Board, Chief Operating Officer of Energy Sales Div.

From June 2020, Representative Director, Vice President & Senior Managing Executive Officer, Chief Operating Officer of Energy Sales Div.

We filed a lawsuit for revocation of the cease and desist order, etc. from the Japan Fair Trade Commission (disclosed in the "Notice Regarding the Filing of Litigation for Revocation of the Cease and Desist Order and the Surcharge Payment Order from the Japan Fair Trade Commission dated September 28, 2023).

Thus, we may retract or change our allegations in this lawsuit depending on the results of the lawsuit for revocation which is possible to be revoke in whole or in part in the future.