Note: This document has been translated from a part of the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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Notice Regarding Formulation of "Chugoku Electric Power Group Corporate Vision 2040"

The Chugoku Electric Power Co., Inc. (the "Company") hereby announces that today it has formulated "Chugoku Electric Power Group Corporate Vision 2040".

Since the formulation of the Chugoku Electric Power Group's previous corporate vision, in January 2020, the environment surrounding the group, particularly in the energy business, has changed drastically, including the acceleration of tide of decarbonization, progress in electricity system reforms, and revision of the Japanese government's Strategic Energy Plan.
In the Chugoku region, its business base, future electricity demand is expected to increase. Additionally, the effects of population decline and other factors are becoming apparent. In light of these, the Chugoku Electric Power Group perceives that expectations are rising for its wide range of initiatives to resolve regional and social issues, not limited to the energy business.

"Chugoku Electric Power Group Corporate Vision 2040", which targets FY 3/2041, was formulated by viewing those major changes in the business environment as opportunities for transformation and growth for the Chugoku Electric Power Group.

Through the realization of the corporate vision, the Chugoku Electric Power Group will meet the expectations of its stakeholders.

(Overview of "Chugoku Electric Power Group Corporate Vision 2040")

Our Desired Outcomes

The Chugoku Electric Power Group maximizes corporate value by improving economic and social value

- Leading the region with energy solutions
- Becoming the best partner for prosperous lifestyles and community development
- All employees take on challenges and shine in their positions

Management targets

		FY 3/2031	FY 3/2041
Financial targets (Economic value) *On a consolidated basis	ROE	8% or more	10% or more
	ROIC	3% or more	WACC+1% or more
	Equity ratio	20% or more	Approx. 25% to 30%*

*Target for FY 3/2036 to FY 3/2041

Sustainability targets (Social value)	E	Integrated actions toward carbon neutrality, creation of a recycling-oriented society, and coexistence with nature
		Supply chain GHG emissions (Scope 1, 2, and 3) 50% reduction by FY 3/2031 (vs. FY 3/2014) 60% reduction by FY 3/2036 (vs. FY 3/2014)
	S	Earning the trust of our community and society
		Diverse personnel achieve empowerment and greater engagement
	G	Building fair, transparent, and effective governance

Materiality

- Continuous evolution of the energy business
- Expanding the value provided by the Group's collective capabilities to solve community and social issues
- Creating an environment where diverse human resources can demonstrate their abilities
- Strengthening the management foundation to achieve higher corporate value

The Company also announces that today it published "Chugoku Electric Power Group Integrated Report 2025", which incorporates the content of "Chugoku Electric Power Group Corporate Vision 2040".

(Reference)
Chugoku Electric Power Group Corporate Vision 2040: https://www.energia.co.jp/e/ir/info/corporate_vision.html
Chugoku Electric Power Group Integrated Report 2025: https://www.energia.co.jp/ir/irzaimu/annual.html(Japanese only*)
*An English version of the integrated report will be published later.

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