



September 30, 2025

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## Notice Regarding Future Direction of Shareholder Returns

The Chugoku Electric Power Co., Inc. (the “Company”) hereby announces that at the Board of Directors meeting held today, the Company resolved on the direction of shareholder returns from the FY 3/2027 onward, when it will begin to carry out “Chugoku Electric Power Group Corporate Vision 2040” (the “New Corporate Vision”) <sup>\*1</sup>, as future direction of shareholder returns based on the New Corporate Vision.

<sup>\*1</sup> This matter was disclosed in the following release today: “Notice Regarding Formulation of “Chugoku Electric Power Group Corporate Vision 2040” ”

The details are as follows:

### 1. Future Direction of Shareholder Returns

In formulating the New Corporate Vision, the Company will review the dividend policy from FY 3/2027 in the interest of alignment with the financial strategy and enhancing predictability of dividends.

#### (Direction of Shareholder Returns)

- In order to provide shareholders with stable dividends even during the process of rebuilding our financial base, we will introduce the concept of dividend on equity (DOE) in deciding dividends from FY 3/2027 onward, when we will begin to carry out the Chugoku Electric Power Group Corporate Vision 2040.
- Specific dividend levels will be determined based on a comprehensive consideration of factors such as the status of rebuilding our financial base, while aiming for a DOE of 2% until the start of commercial operation at Shimane Nuclear Power Station Unit 3.
- After the commencement of commercial operation of Shimane Nuclear Power Station Unit 3, we plan to further enhance shareholder returns in light of improved business performance and stable positive free cash flow expected.

#### (Illustration of the direction of shareholder returns)

FY 3/2024      FY 3/2027      After commencement of commercial operation of Shimane Unit 3



## 2. Background

Currently, the Company's basic policy is to pay dividends based on performance in accordance with the aim for its dividend ratio of 12%, taking into consideration the priority of restoring and strengthening its financial base. The Company had planned to consider revising this dividend policy when the consolidated shareholders' equity ratio was expected to return to 20%.<sup>\*2</sup>

The Company formulated the New Corporate Vision and set financial targets, such as "the consolidated shareholders' equity ratio of 20% or more" for FY 3/2031 as management targets and decided to take concrete measures to achieve them from FY 3/2027.

To ensure alignment with the financial strategy of the New Corporate Vision and to enhance the predictability of dividends, we have decided to revise our dividend policy from FY 3/2027, when the New Corporate Vision will be put into practice.

<sup>\*2</sup> This matter has been disclosed in the following release:

"Notice Regarding Dividends of Surplus for the Fiscal Year Ended March 31, 2025, Dividend Policy for the Fiscal Year Ending March 31, 2026, and beyond, and Dividend Forecast for the Fiscal Year Ending March 31, 2026." (April 30, 2025)

## 3. Next Steps

The dividend forecast for FY 3/2027 will be disclosed together with the earnings forecast for FY 3/2027.

(Reference)

Current Dividend Policy has been disclosed as per the following releases:

"Notice Regarding Dividends of Surplus for the Fiscal Year Ended March 31, 2025, Dividend Policy for the Fiscal Year Ending March 31, 2026, and beyond, and Dividend Forecast for the Fiscal Year Ending March 31, 2026."

(April 30, 2025)

<https://www.energia.co.jp/e/ir/info/pdf/ir10-c2025b14.pdf>

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