

**Investors Meeting for Chugoku Electric Power Group Corporate Vision 2040:
Message from Top Management and Summary of the Meeting**

[Message from Top Management]

On September 30, we formulated and announced the Chugoku Electric Power Group Corporate Vision 2040.

This vision has been established as a new growth strategy looking ahead to the next milestone in our business operations, namely the commencement of operation of Shimane Nuclear Power Station Unit 3 and the replacement project for Yanai Power Station (new Unit 2), and further toward FY 3/2041.

This new Group Corporate Vision consists of two stages:

the period up to FY 3/2031, during which we will steadily advance transformation and the establishment of a foundation for growth; and the period beyond FY 3/2031, during which we will aim to achieve further growth and enhance corporate value, thereby expanding returns to our stakeholders.

Up to FY 3/2031, we will maintain rigorous management of the processes and investment amounts for the commencement of operation of Shimane Unit 3, while steadily improving profits even amid increasing liabilities to establish a solid financial base.

Beyond FY 3/2031, we expect to reap the rewards of these investments, realizing high capital profitability and a stable financial base supported by a competitive power supply mix that balances economic efficiency and environmental performance. We also aim to achieve sustainable growth by accelerating our initiatives toward carbon neutrality by 2050, while further expanding returns to our stakeholders.

We hope to share our desired outcomes and roadmap with you and realize growth together.

[Summary of the Meeting]

<Review of the Past>

(Presentation material, page 4)

Before presenting our new Group Corporate Vision, I would like to look back on the period from 2020, when we established our previous vision, to the present. During this time, both the environment surrounding us and the management conditions of our Group have changed significantly.

In the external environment, volatility in fuel and wholesale electricity market prices expanded, alongside the accelerating movement toward decarbonization and the progress of electricity system reforms, including the development of various electricity markets.

Within our Group, we recorded our largest-ever losses for two consecutive years, reflecting the impact of soaring fuel prices and other effects arising from international developments such as the crisis in Ukraine. Even thereafter, as market prices declined, competition intensified and we continued to face challenging conditions in terms of income and expenditures as well as financial performance.

(Presentation material, page 5)

Against this backdrop, we were able to raise our consolidated ordinary income to a level exceeding our target, partly reflecting the effects of electricity rate revisions. On the other hand, our efforts to restore financial soundness are still underway, and our consolidated shareholders' equity ratio remains below the level initially anticipated.

(Presentation material, page 6)

The Group has been working to strengthen profitability in order to restore sound income and expenditures and rebuild a stable financial base, while also striving to enhance asset efficiency through the decommissioning of aged thermal power plants and the sale of assets.

Against this backdrop, last December we reached a major milestone in our business operations when Shimane Unit 2 was restarted for the first time in approximately 13 years, which marked the resolution of a long-standing and important management challenge for our company. In February this year, the 7th Strategic Energy Plan was decided by the Cabinet, resulting in a review of the national energy policy. Amid these environmental changes, our Group decided to revise its Group Corporate Vision.

<The World We Seek in the Chugoku Electric Power Group Corporate Vision 2040>

(Presentation material, page 8)

This represents the future vision our Group seeks to achieve by FY 3/2041.

Our Group possesses the technologies, experience, and expertise cultivated over the years

through the support of our customers and local communities, primarily in the energy business. Leveraging these strengths, we will view changes in the business environment as opportunities for growth, so that we can continue to support the energy needs of the Chugoku region into the future and expand our businesses to help address community and social issues.

Through our contributions to the revitalization and sustainable development of local communities and society, we aim to maximize our corporate value.

<Future Prospects and Business Opportunities for the Chugoku Electric Power Group>

(Presentation material, page 9)

The Chugoku region is home to a concentration of Japan's leading manufacturing industries, where a portion of energy consumption has traditionally relied on coal-fired on-site power generation facilities that operate independently of the power grid. Amid the trend toward green transformation, there is now a growing movement to shift from on-site power generation to power supplied through the grid.

(Presentation material, page 10)

In the Chugoku region, where the risk of natural disasters is relatively low, the construction of data centers is expected, and new or expanded semiconductor plants are also planned.

Against the backdrop of these digital and green transformations, electricity demand in the Chugoku region is projected to increase by nearly 10% over the next decade, outpacing the national average.

(Presentation material, page 11)

As in other regions, various issues are also emerging in the Chugoku region. By mobilizing the collective strengths of our Group, we are committed to contributing to the resolution of these regional issues, thereby supporting the sustainable development of the region and driving the growth of our Group.

<Overview of the Chugoku Electric Power Group Corporate Vision 2040>

(Presentation material, page 12)

In this vision, we first defined "our desired outcomes" for FY 3/2041.

We then established the "management targets" and "materiality" necessary to realize these desired outcomes. The management targets comprise "financial targets," which aim to enhance economic value, and "sustainability targets," which aim to enhance social value.

<Our Desired Outcomes>

(Presentation material, page 13)

This is "our desired outcomes" for FY 3/2041 set by our Group.

Our Group is committed to meeting the expectations of our stakeholders and maximizing corporate value by continuously enhancing both economic and social value through our business activities. To this end, we have defined our desired outcomes from two perspectives:

business activities themselves and the employees who drive them.

The phrase "Leading the region with energy solutions" represents not only our commitment to the continued stable supply of energy, but also our strong determination to support the region's energy needs by providing a wide range of solutions in response to rising electricity demand and increasing decarbonization needs in the Chugoku region.

The phrase "Becoming the best partner for prosperous lifestyles and community development" embodies our desire to stand by our customers and local communities as a trusted partner, working together to shape the future of the region not only through our energy business, but through all the businesses of our Group.

To realize these desired outcomes, we will foster an environment in which our employees, who are the driving force behind these efforts, can work with a sense of purpose and fully demonstrate their capabilities, as we strive to make the Chugoku Electric Power Group an organization where "All employees take on challenges and shine in their positions."

<Management Targets (Financial Targets) >

(Presentation material, page 14)

The financial targets have been set from the perspective of achieving growth based on high capital profitability and a stable financial base.

From the perspective of transforming toward more efficient management that takes capital cost into account, we have established "ROE" and "ROIC" as indicators of capital profitability. From the perspective of transforming our financial structure, we have set the "equity ratio" as an indicator of financial soundness.

Toward FY 3/2031, we will focus on steadily increasing profits while controlling the growth of assets and liabilities, with the goal of swiftly establishing a solid financial base. Specifically, we aim to achieve ROE of at least 8%, ROIC of at least 3%, and an equity ratio of at least 20%. Beyond FY 3/2031, we expect to reap the rewards of our investments, particularly those related to Shimane Unit 3, and further enhance capital profitability. Accordingly, we have set our targets for FY 3/2041 at ROE of 10% or higher and ROIC of WACC + 1% or higher. To achieve these targets, we will maintain a certain level of leverage while securing sufficient debt financing capacity for future investment opportunities, aiming for an equity ratio of approximately 25% to 30%.

In addition, we have established "ordinary income" and "total electricity sales volume" as indicators of growth.

<Management Targets (Sustainability Targets)>

(Presentation material, page 15)

In this vision, we have set sustainability targets from an ESG perspective, with an emphasis on sustainability management.

From the perspective of "E," we will promote integrated initiatives toward carbon neutrality, the realization of a recycling-oriented society, and coexistence with nature. In particular, as part

of our efforts to achieve carbon neutrality, we have newly set targets to reduce supply chain GHG emissions by 50% by FY 3/2031 and by 60% by FY 3/2036, compared with FY 3/2014 levels.

From the perspective of "S," we have set targets related to the communities and society that form our Group's business base, as well as targets to promote the active participation and continual challenge of diverse human resources.

From the perspective of "G," we have set targets to ensure the Group's continued growth and maximize corporate value amid an ever-changing business environment.

We will steadily advance Group-wide initiatives to achieve these targets.

<Materiality>

(Presentation material, page 16)

In this vision, we identified the issues that need to be addressed to realize our desired outcomes and consolidated them to define our materiality themes as key areas of focus.

Alongside the materiality themes, we have also presented the major issues on which we will specifically focus our efforts going forward.

<Business Portfolio>

(Presentation material, pages 18 and 19)

This represents the concept behind our business portfolio.

In the business portfolio set forth in this vision, the domestic electricity business centered on the Chugoku region is positioned as a pillar of growth in light of rising electricity demand and increasing decarbonization needs.

Our initiatives by business are as follows. In the retail electricity business, in addition to procuring low-carbon and competitive power sources, we will expand our lineup of decarbonization solutions, including energy-saving and electrification services, demand response services, and PPAs.

In the power generation and wholesaling business, we will make full use of Shimane Unit 2 and aim to commence operation of Shimane Unit 3 by FY 3/2031, thereby enhancing the competitiveness of our power supply mix. Furthermore, with large-scale introduction of renewable energy and growing demand anticipated, thermal power plants are playing an increasingly important role as sources of both supply and balancing capability. We will enhance the profitability of thermal power generation through the effective use of power trading markets and other mechanisms, thereby maximizing the value of our power sources.

In the power transmission and distribution business, we will work to secure stable profits under the regulated business framework while contributing to attracting new industries to the Chugoku region through the development of next-generation networks.

In our international/group businesses, we will improve the profitability of existing businesses in line with their respective characteristics, and over the medium to long term, selectively invest

in highly profitable businesses to drive growth.

We recognize the importance of continuously optimizing our business portfolio in response to changing circumstances. To this end, we will use indicators such as ROIC to evaluate businesses and assets and improve profitability, while continually considering the streamlining of assets and rebalancing of our business portfolio.

<Financial Strategy>

(Presentation material, page 20)

Now, I will outline our financial strategy for realizing the vision.

Up to FY 3/2031, we will continue to invest in projects such as Shimane Unit 3, which is essential for ensuring stable electricity supply, advancing decarbonization, stabilizing management, and strengthening future competitiveness.

Even amid these investments, we are committed to steadily improving profits by carefully selecting projects other than Shimane Unit 3 and the new Yanai Unit 2 for investment, pursuing asset streamlining, and minimizing the increase in interest-bearing liabilities.

(Presentation material, page 21)

We expect to continue requiring funding through FY 3/2031, and we recognize the importance of securing a stable base for capital procurement. To date, we have received strong support from financial institutions and bond investors and have made use of sustainable finance. Going forward, we will continue to diversify our financing methods as we pursue future growth.

(Presentation material, page 22)

Beyond FY 3/2031, when Shimane Unit 3 and the new Yanai Unit 2 are expected to begin operation, our Group will enter a new phase.

With the operation of these units, the competitiveness of our power sources is expected to increase, and our cash flow is projected to turn positive. Beyond FY 3/2031, by reaping the rewards of these investments, we plan to allocate a greater share of cash to debt repayment and shareholder returns. Based on this premise, we intend to pursue investments for sustainable growth through diversified financing. Through these initiatives, we aim to reduce debt from FY 3/2031 onward while further enhancing capital profitability.

<Future Direction of Shareholder Returns>

(Presentation material, page 23)

Under this financial strategy, we have also announced the “Future Direction of Shareholder Returns”.

From FY 3/2027 onward, we plan to adopt the DOE (Dividend on Equity) approach, under which dividends will be paid in proportion to shareholders' equity, in accordance with our policy

of aligning dividend payments with the recovery of our financial base.

While aiming for a DOE of 2% until the start of commercial operation of Shimane Unit 3, the actual level will be determined by comprehensively taking into account the progress in restoring our financial base. The dividend forecast for FY 3/2027 will be announced together with the business performance forecast for the same fiscal year. Considering our current financial situation, paying dividends at a DOE of 2% from FY 3/2027 may be difficult; however, we will continue our efforts to restore our financial base and aim to achieve a DOE of 2% at the earliest possible timing.

Following the start of commercial operation of Shimane Unit 3, we plan to further expand shareholder returns.

(Presentation material, page 24)

This page summarizes our Group's financial targets toward FY 3/2041.

Up to FY 3/2031, we will advance transformation and strengthen the foundation for sustainable growth, including ensuring the successful start of operations of Shimane Unit 3 and the new Yanai Unit 2. From FY 3/2031 onward, we aim to reap the rewards of our investments and maintain a PBR consistently above 1x, supported by high capital profitability and a stable financial base.

<Initiatives To Realize the Chugoku Electric Power Group Corporate Vision 2040>

From page 25 onward in the presentation materials, we outline our initiatives for realizing this vision. Details of each initiative will be presented in the Action Plan, which is published annually in April. Here, I will focus on highlighting the key points.

(Presentation material, page 26)

Through the start of commercial operation of Shimane Unit 3 and the replacement of the Yanai Power Station (new Unit 2), we will evolve our power supply mix into a highly competitive one that balances economic efficiency and environmental performance.

Looking ahead, while maintaining economic efficiency, we will advance initiatives toward carbon neutrality by 2050, including the decarbonization of thermal power plants and the development of offshore wind power and the Kaminoseki Nuclear Power Station.

(Presentation material, page 31)

As business practices such as nondiscriminatory wholesale transactions (treating affiliated and non-affiliated retailers equally) become more widespread, we aim to strengthen the power source procurement function of our retail electricity business and maximize the value of power sources in our power generation and wholesaling business. To this end, we will enhance trading in both the retail electricity and the power generation and wholesaling businesses by expanding

trading areas and periods under appropriate market risk management.

(Presentation material, page 32)

Regarding retail electricity sales, we will accurately capture business opportunities within the Chugoku region while proactively expanding operations outside the region, aiming to increase our retail electricity sales volume to 60 billion kWh by FY 3/2041, which is more than 1.3 times the current year's forecast.

<Value Creation Story: Conclusion>

(Presentation material, page 49)

This page presents our Group's value creation story.

This cycle of value creation represents the Group's management philosophy: "Trust. Creation. Growth." It expresses our commitment to "create" economic and social value based on the capital generated from the "trust" of our stakeholders, and to "grow" together with them.

By returning the fruits of our growth to our stakeholders, we further strengthen this "trust," which leads to the next cycle of value creation.

Under this value creation story, our Group will meet the expectations of its stakeholders and contribute to building a sustainable society through the realization of the Chugoku Electric Power Group Corporate Vision 2040.

End

* In this document, the term "FY 3/2026" refers to the period between April 1, 2025 and March 31, 2026.

* This document has been translated from 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.