

Investors Meeting for FY 3/2026-2Q Financial Results**Message from Top Management**

<Financial Results for FY 3/2026-2Q, Full-Year Business Performance Forecasts, and Dividend Policy for FY 3/2026>

The consolidated financial results for FY 3/2026-2Q progressed steadily in relation to the plan. Although there were negative factors, such as the intensification of competition in the wholesale and retail businesses due to declining market prices, profit increased year on year. This was attributable to profit improvement from the stable operation of Shimane Nuclear Power Station Unit 2, the acquisition of demand both inside and outside the Chugoku area, and an increase in the gain from the time lag of the fuel cost adjustment system, which was supported by fuel prices trending at lower levels.

Our business performance forecasts for the current fiscal year have been revised upward relative to the previously announced forecasts, to 100 billion yen in ordinary profit and 81.0 billion yen in profit. This revision is based on improved supply- and demand-related profit, an increase in the gain from the time lag of the fuel cost adjustment system, an increase in standard connection and wheeling revenue in the power transmission and distribution business, and a decrease in expenses related to supply and demand adjustments.

Going forward, we will thoroughly manage risks associated with profit fluctuations arising from factors such as increases in procurement costs for materials and equipment due to rising prices, and potential impacts on electricity demand from winter temperatures and U.S. tariff measures, as well as fluctuations in exchange rates and fuel prices. We will also work to achieve further profit growth by ensuring the stable operation of the Shimane Nuclear Power Station, capturing earnings opportunities through market utilization, and improving efficiency across overall management.

Our policy is to pay dividends at a payout ratio of approximately 12% of the current fiscal year's profits. Based on this policy and the revised business performance forecasts, we have revised our annual dividend per share to 27 yen, up from the 21 yen per share announced in April, and set the interim dividend at 10 yen per share.

<Initiatives for Improving PBR>

Let me now explain our initiatives for improving PBR. As indicated in the Group Corporate Vision 2040 announced on September 30, we intend to improve our PBR by realizing future growth through increased electricity demand in the Chugoku area and the commencement of operation of Shimane Unit 3 and the new Yanai Power Station Unit 2. Specifically, our goal is to achieve a PBR of 1x at an early stage from FY 3/2031 onward and to maintain that level on a sustained basis. We consider the period through FY 3/2031 to be critically important for achieving this goal, during which we will advance investments in Shimane Unit 3 and the new Yanai Unit 2, while promoting transformation and foundation-building toward sustainable growth. Thus, the next medium-term management plan, which will begin in FY 3/2027 and

cover the five-year period through FY 3/2031, will promote business management that places strong emphasis on both capital efficiency and stock price performance.

In improving capital efficiency, we will work to achieve an ROE of 8% or higher, the target set for FY 3/2031, by commencing operation of Shimane Unit 3 and the new Yanai Unit 2 as planned, and by advancing initiatives to enhance total asset turnover through asset streamlining, the use of project finance, and stricter cash management through the prioritization of investment projects. Furthermore, in addition to enhancing total asset turnover, we intend to work toward improving our operating profit margin through measures such as expanding high value-added services, advancing sales and procurement strategies aimed at increasing gross profit, and strengthening trading activities.

In improving PBR, we recognize that, just as with enhancing capital efficiency, it is also important to ensure that expectations for future growth are appropriately reflected in our stock price. In this regard, we intend to advance initiatives for promoting sustainability management, enhancing information disclosure, and engaging in constructive dialogue with our shareholders and investors.

As for shareholder returns, we will introduce the DOE concept beginning in FY 3/2027 as indicated in the new Group Corporate Vision, and while taking into account the progress in restoring our financial base, we intend to enhance the specific DOE level in stages.

<In Conclusion>

I have explained our initiatives to improve PBR and the direction of our next medium-term management plan formulated to achieve this. We plan to announce the specific initiatives in the Action Plan in April 2026, and will incorporate feedback received today to enhance its effectiveness and disclosure. Any feedback we receive today will be thoroughly discussed by management, and we intend to use it to enhance the effectiveness of the medium-term management plan and to improve the disclosure in the Action Plan. We appreciate your continued support.

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.