Energia

CHUGOKU ELECTRIC POWER GROUP

INTEGRATED REPORT

SUSTAINABILITY DATA BOOK 2026

Editorial Policy/Contents

Editorial Policy

This Sustainability Data Book, which complements the Integrated Report, has been compiled to deepen understanding of sustainability initiatives at the Chugoku Electric Power Group (also referred to throughout as "the Group"). To do so, it comprehensively reports on a qualitative and quantitative basis a number of items—categorized into policies and approaches, systems and governance, metrics and targets, and initiatives—for each of the environmental, social, and governance sections.

To gain a fuller understanding of how these fit into the Group's medium-to-long-term corporate value enhancement, please also refer to the Chugoku Electric Power Group Integrated Report 2026.

Reporting Period

April 1, 2025–March 31, 2026 (Information from outside the above period is also included)

Reporting Scope

The Chugoku Electric Power Co., Inc. and its group companies

Published

September 2026

Main Guidelines Referenced

METI: Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation
IFRS: International Integrated Reporting Framework
GRI: GRI Standards, Financial Stability Board
FSB: Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
TNFD: Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations (version 1.0), etc.

Caution Regarding Forward-looking Statements

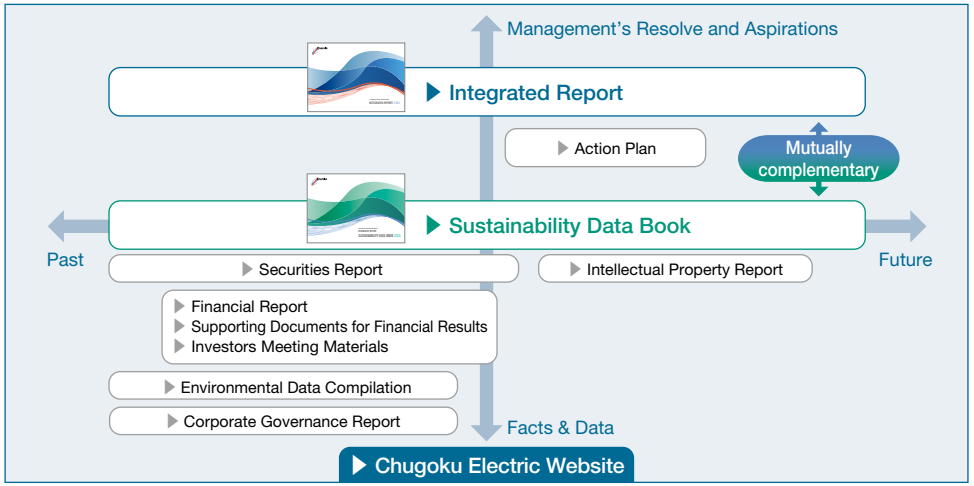
The forward-looking statements contained in this report are based on currently available information and certain assumptions, and include risks and uncertainties. As such, due to various factors, actual results may differ greatly to those in this report.
Note 1: The company's fiscal year begins on April 1 and ends on March 31 of the following year.
FY 3/2026 is used to denote the year ended March 31, 2026.
Note 2: Throughout this report, "ton," or its abbreviation "t," refers to a metric ton, i.e. 1,000 kilograms.

Third-party Evaluation

Items in the Environmental Data section of this report that are marked with the ✓ symbol have been verified by a third party for the Chugoku Electric Power Group Environmental Data document.

WEB Chugoku Electric Power Group Environmental Data Compilation
https://www.energia.co.jp/energy/energia/kaiji/index.html

Information Disclosure Framework



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Practicing Sustainability Management

Policies/Approach

In order to enhance corporate value and achieve sustainable growth, the Chugoku Electric Power Group has established the Energia Group Corporate Charter of Conduct as guidelines at the Foundation of Sustainability Management. Furthermore, we have formulated the Chugoku Electric Power Group Corporate Vision 2040 and will implement specific initiatives to realize the established desired outcomes and management targets by incorporating them into the Chugoku Electric Power Group Medium-term Management Plan.
Through these efforts, we will continue to pursue our management philosophy, "Trust. Creation. Growth.," linking this to value creation to promote sustainability management.

Value Creation Story

Further building trust from stakeholders and creating a virtuous cycle by linking trust to the next source of value creation

Management Philosophy **Trust. Creation. Growth.**

Trust (INPUT)
Utilizing human, financial, and other capital resources, which are the source of value creation based on the trust of our stakeholders, in the business activities of our Group.

Creation (ACTIVITY)
Working to build workplaces where employees can demonstrate their creativity, and creating economic and social value to be delivered to customers, the community, and other stakeholders through the Group's energy and other business activities.

Growth (OUTCOME)
Through the creation of economic and social value from our business activities, we will grow together with our stakeholders and return benefits to them in a balanced manner, while achieving the goals of the Group Corporate Vision.

Potential and issues in the Chugoku region × The Chugoku Electric Power Group's strengths

Source of value creation

Produced based on trust from stakeholders

Human capital
- Employees

Intellectual capital
- Technical capabilities/expertise
- Registered patents

Social capital
- Good relationships from our involvement with customers, the community, local governments, business partners, etc.
- Permits and licenses

Natural capital
- Local resources to generate hydro, solar, wind, and biomass power

Financial capital
- Total assets
- Interest-bearing debt
- Shareholders' equity

Manufacturing capital
- Power generation facilities
- Transmission, distribution, and substation facilities
- Information and telecommunications facilities, etc.

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

Chugoku Electric Power Group Medium-term Management Plan (Action Plan Toward Realization of the Group's Corporate Vision)

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)	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 and 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

Energia Group Corporate Charter of Conduct (foundation for sustainability management)

- Promotion of compliance management
- Respect for human rights
- Provision of products and services useful to society
- Formation of a vibrant corporate culture
- Promotion of environmental management
- Enhancement of communication with society
- Contributions to local community development
- Rigorous crisis management
- Assurance of industrial safety and health
- Duties of executives (governance)

Note: Energia stands for a "new, bright, warm and dynamic society," and signifies Chugoku Electric's attitude towards achieving such a society.

Contributing to the creation of a sustainable society through energy-focused businesses

Achieving the Energia concept

Practicing Sustainability Management

Energia Group Corporate Charter of Conduct

We have codified how we should behave as the Energia Group Corporate Charter of Conduct, guidelines that form the basis of our sustainability management, with the aim of properly responding to the wishes of society, raising our corporate value, and achieving sustainable growth.

We at the Energia Group believe it is our mission to create and grow value that is meaningful to society in competition that is both fair and free through sound business activities founded on trust from society, and by doing so, contribute to the achievement of a sustainable society.
Holding such awareness, the executives and employees in the Energia Group will think and act independently and in a highly ethical manner based on the following principles of conduct, and will carry out their responsibilities as members of society as well as achieve both improved corporate value for our Group and continuous growth.

■ Promotion of Compliance Management
Both in Japan and overseas, we will strictly abide by laws, regulations, and rules as well as social norms including the underlying ethics and morals, and each individual will practice the three conducts of “reflecting on good judgment,” “speaking honestly,” and “proactively making corrections.”
Specifically, we will engage in fair and free competition, appropriate transactions, and responsible procurement, as well as maintain sound relationships with governments and administrations. In our international business activities, we will respect the local culture and customs and work to contribute to local development.

■ Promotion of Environmental Management
We consider environmental problems to be problems shared by all of humanity, and will proactively engage in efforts including the promotion of global warming countermeasures, the formation of a recycling-oriented society, and environmental preservation.

■ Respect for Human Rights
With respect for the human rights of all people at the very core of our business activities, we will strive toward the realization of a society in which there is no discrimination whatsoever and human rights are truly respected.

■ Enhancement of Communication with Society
By proactively, effectively, and fairly publishing our corporate information as well as engaging in constructive dialogue with a wide variety of stakeholders, we will precisely grasp and reflect the demands of an ever-changing society and the needs of our customers in our business activities.

■ Provision of Products and Services Useful to Society
By making tireless efforts for improved quality and creating new value through innovation, we will safely and stably provide quality products and services that bring our customers satisfaction. We will also provide information related to our products and services in an appropriate manner and engage in sincere communication.

■ Contributions to Local Community Development
As a corporate group rooted in the Chugoku region, we will participate in efforts aimed at solving social issues through our business activities to contribute to the development of the local community.

■ Assurance of Industrial Safety and Health
Placing top priority on assuring safety as well as mental and physical health, which are the foundation of our business activities, we will strive to prevent industrial accidents as well as to maintain and promote health.

■ Formation of a Vibrant Corporate Culture
In order to enable diverse human resources to demonstrate their capabilities to solve issues and create new value, we will engage in training human resources and enabling technology and skills to be passed on to the new generation, as well as promote efforts to create an open workplace that not only values unfettered discussions between individuals from different organizations and posts, but is also comfortable and provides job satisfaction.

■ Rigorous Crisis Management
We will construct a crisis management structure in terms of our organization and our systems and rigorously carry out efforts toward preventing impact from occurring and minimizing any losses from impacts that do occur with regard to natural disasters, cyber attacks, actions by anti-social forces, terrorism, and other such threats to the social lives of citizens and our corporate business activities.

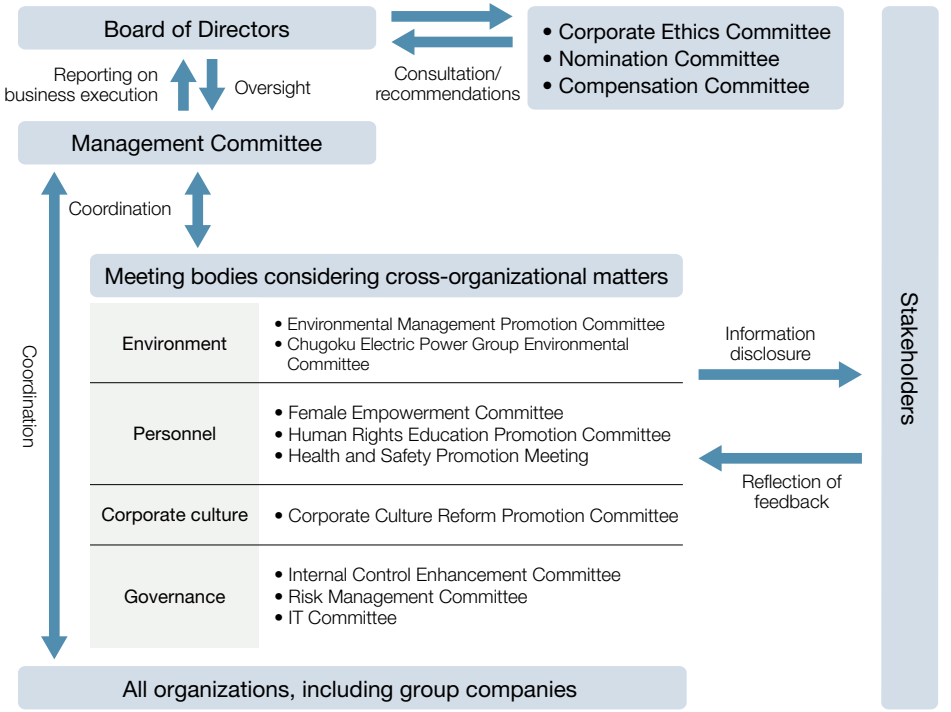
■ Duties of Executives
Executives of the Energia Group will engage in management with awareness that it is their duty to implement this Charter, and will construct governance with fairness, transparency, and viability, with an aim to improve the corporate value of the Group and achieve continuous growth. Furthermore, in implementing this Charter, they will take the lead and form an example, not only ensuring that all employees act in accordance with this Charter but also encouraging other parties in the Group’s supply chain to act in accordance with the spirit of this Charter.
If there is ever a situation that violates the spirit of this Charter and causes the Group to lose the trust placed in us by society, the executives will declare their intent to solve the said issue, working to discover the causes and prevent recurrence. Furthermore, the executives will fulfill their responsibility to provide explanations through prompt and accurate disclosure of information, and, having clarified the relevant authority and responsibility, impose strict punishments where appropriate, including on themselves.

Systems and Governance

Sustainability management promotion system

To address sustainability issues, we formulate specific measures under the Group Medium-term Management Plan to achieve the objectives set forth in the Group Management Vision and the Energia Group Corporate Charter of Conduct. We monitor progress and regularly report on the measures to the Management Committee and Board of Directors for discussion as part of the PDCA cycle.
Specific initiatives under each measure are promoted primarily by the organizations responsible for them, in collaboration with the dedicated organization for promoting sustainability. For initiatives that require cross-organizational deliberation, we establish forums to address them. Each organization and forum submits updates on its response to sustainability issues to the Management Committee and Board of Directors in a timely and appropriate manner. At Management Committee meetings held in the month following Board meetings, key opinions expressed by the Board are reported and shared to strengthen coordination between oversight and execution.
We have revised the performance indicators used to evaluate executive compensation (performance-linked stock-based remuneration) for FY 3/2027 onward to align them with the management objectives set forth in the Group Corporate Vision and strengthen incentives to achieve these objectives.

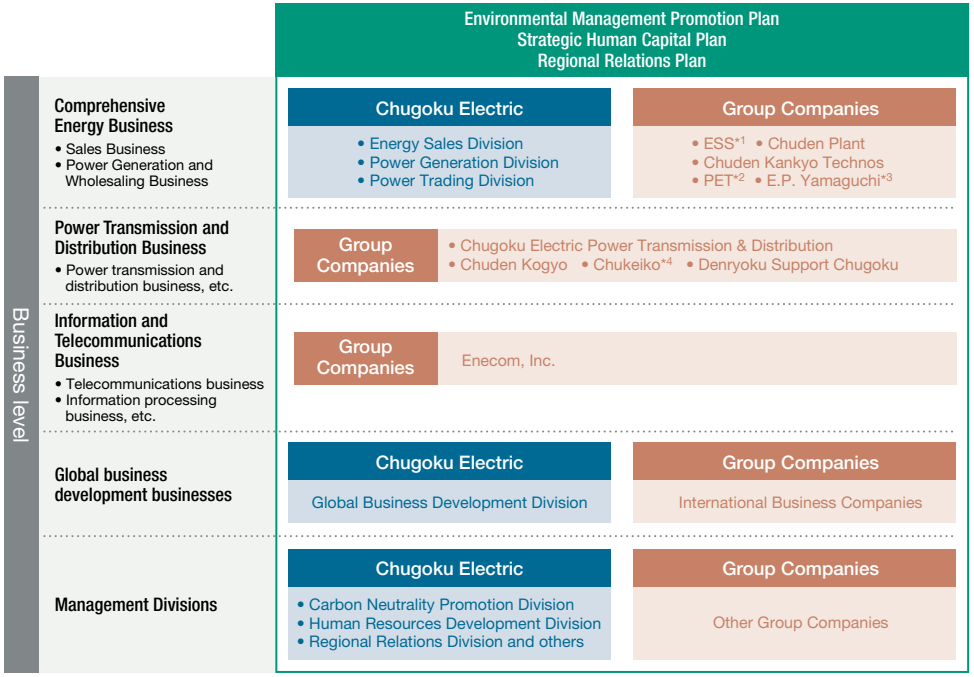
Integrated Report Policy on Director Compensation P65



Practicing Sustainability Management

Business Management Framework

We have formulated our Group Medium-term Management Plan as an action plan for realizing the Group Corporate Vision and are practicing ROIC management and sustainability management as the two pillars of our management approach to maximizing corporate value.
To achieve the financial targets set forth in the Group Corporate Vision, we have established business levels and assigned Chugoku Electric and relevant group companies to each. At the same time, to achieve our sustainability targets, we formulate Group-wide plans covering the environment, human capital, and regional co-creation, and address the key issues identified in these plans.
For our financial and sustainability initiatives, we set targets and regularly assess progress against them. We also provide support for achieving the targets through meetings and other forums involving group companies.



Note: As of June 25, 2026
*1 Abbreviation of Energia Solution & Service
*2 Abbreviation of Power Engineering and Training Services
*3 Abbreviation of Energia Power Yamaguchi
*4 Abbreviation of Chugoku Electrical Instruments

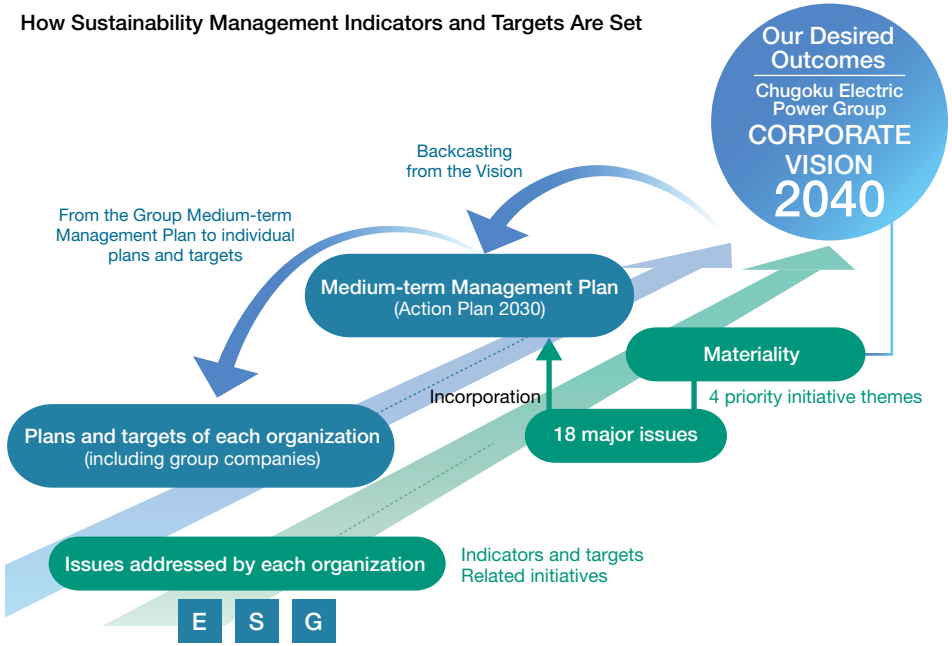
Metrics and Targets

We have identified four priority initiative themes for realizing our vision and are addressing 18 major issues related to these under our Group Medium-term Management Plan.

Integrated Report Approach to Extracting and Identifying Materiality P20

To manage progress on each initiative, we set annual business profit targets for each business level based on backcasting from the management objectives (financial and sustainability targets) set forth in the Group Corporate Vision. We also set management indicators, which are Group-wide targets aimed at strengthening competitiveness and achieving sustained growth.
We incorporate the business profit targets and management indicators into the plans and targets of each group company and other organizations. We use a PDCA cycle to manage progress while raising awareness that initiatives across the Group contribute to achieving the targets set forth in the Group Corporate Vision.

How Sustainability Management Indicators and Targets Are Set



Initiatives addressing major issues at each organization contribute to realizing the Vision (enhancing corporate value).

Practicing Sustainability Management

Initiatives

Stakeholder Engagement

We will maximize the Chugoku Electric Power Group's corporate value by earning the trust as the foundation of our business and linking it to further expansion of profit opportunities through two-way communication that is to communicate information to a wide range of stakeholders including customers, community, society, shareholders and investors as well as reflect their needs and opinions in our business activities.

Customers	• Reflecting customer feedback accurately in business operations Reflecting customer feedback in business operations P36
Community/society	• Stimulating communication with customers, our community, and society through social contribution activities, active messaging and dialogue activities, etc. The Chugoku Electric Power Group's approach to regional relations P35
Business partners	• Conducting procurement activities incorporating business partners' opinions and requests Supply Chain Management P48
Financial institutions/ creditors/ shareholders/ investors	• Disseminating information on the Chugoku Electric Power Group's initiatives and sustainability information through investor relations, and reflecting opinions in management Integrated Report Strengthening engagement activities with investors P49
Young people/ students who will lead the next generation	• Conducting energy and environmental education support activities for the next generation • Communicating the attractiveness of the Chugoku Electric Power Group through various public relations and recruiting activities, etc. Education support activities for the next generation P40
Employees	• Creating opportunities for dialogue between employees and management, and for intergenerational and interdepartmental exchange Integrated Report Message from the Executive Officer Responsible for Corporate Culture Reform P40

Environmental Management

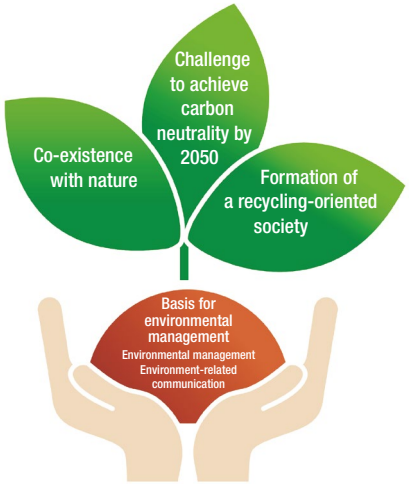
Policies/Approach

Chugoku Electric Power Group Environmental Management Policy

We have positioned tackling environmental issues as a key management issue for the Group, and in the interest of enhancing our environmental management, we have formulated the Chugoku Electric Power Group Environmental Management Policy.

This policy takes into account the Japanese government's Sixth Basic Environment Plan and other sources to cover the three topics of carbon neutrality by 2050, formation of a recycling-oriented society, and co-existence with nature. It also sets out targets and efforts for the environment-related communication and environmental management that form the basis of such endeavors.

We recognize that we have a responsibility to work to minimize the environmental impact produced as part of our business activities. To this end, we stand united as a group in striving to advance our environmental management.



Policy

- We will strive to achieve carbon neutrality by 2050.
- We will promote the formation of a recycling-oriented society.
- We will contribute to co-existence with nature.
- We will enhance efforts that form the basis of our environmental management.

Integrated Report Practicing Sustainability Management Environment P51

Systems and Governance

Environmental management promotion framework

We established our Environmental Management Promotion Committee to bring together discussions related to environmental management plans and similar in one place. The President and CEO will continue to bear ultimate responsibility for environmental management promotion and environmental management while under his or her command the chief operating officer (COO) of the Carbon Neutrality Promotion Division oversees it companywide.

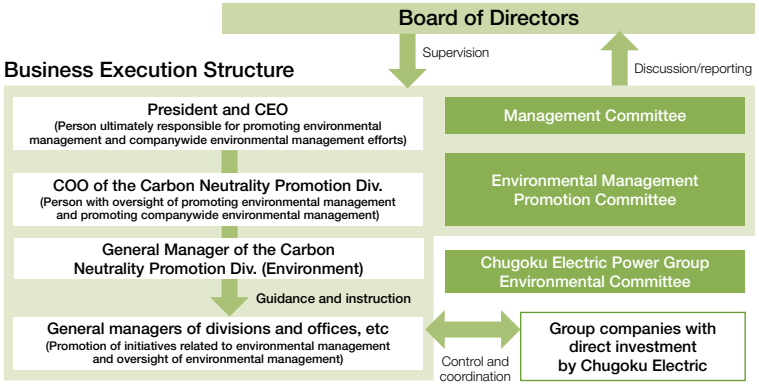
The committee regularly reports to the Board of Directors on the progress of environmental measures; it discusses and determines important matters and operates under the Board of Directors' supervision.

Furthermore, with the goal of ensuring fuller disclosure and transparency for our environmental information, we established the Chugoku Electric Environmental Forum, which includes outside experts.

By appropriately reflecting in environmental management the results of discussions by different committees and their opinions, we will continue to promote groupwide efforts based on the Chugoku Electric Power Group Environmental Management Policy. In doing so, we strive to enhance the overall corporate value of the Group.



A meeting of the Chugoku Electric Environmental Forum



Chugoku Electric Environmental Forum

Purpose: Incorporate opinions from external experts into business operations

	Composition	Frequency
Environmental Management Promotion Committee	Chair: COO of the Carbon Neutrality Promotion Div. Members: General managers of divisions and relevant departments	Four times a year (in principle)
Chugoku Electric Power Group Environmental Committee	Chair: General Manager of the Carbon Neutrality Promotion Div. (Environment) Members: Environmental management leaders at each company of the Chugoku Electric Power Group	Twice a year (in principle)
Chugoku Electric Environmental Forum	Members: Ten outside experts	At least once a year

Environmental Management

Metrics and Targets

Carbon neutrality by 2050 P9

On our path to carbon neutrality by 2050, we have taken actions such as setting new reduction targets for supply chain greenhouse gas (GHG) emissions for the entire Group, taking into account each country's nationally determined contributions (NDCs). In such ways, we are setting targets related to our initiatives to decarbonize energy and achieve decarbonization of the customer and community.

Formation of a recycling-oriented society P17

In addition to target recycling rates for the waste produced during our business activities, we are responding to the global issue of plastic waste by also newly setting targets for our efforts to reduce plastic use. Moreover, we have also set targets for our initiatives to help create a recycling-oriented society among our customers and communities by providing more eco-friendly products and services.

Co-existence with nature P19

As part of our efforts to both conserve and improve the richness of nature and biodiversity while also making sustainable use of natural resources, we have set a number of targets. These include targets for the environmental impact produced during our business activities and for initiatives related to our protection of local natural environments and biodiversity in accordance with local characteristics.

Basis of our environmental management P21

To advance our environmental management, we have set targets for proactive information disclosure and our environmental communication, which drives mutual understanding between the Group and our customers and communities. We also have targets covering areas such as appropriately responding to environment- and energy-related laws, regulations, and government policy; and our environmental management efforts to ensure a high degree of environmental awareness among employees.

Initiatives

Carbon neutrality by 2050 P11

On our path to carbon neutrality by 2050, we are doing what we can to reduce GHG emissions through efforts such as diversifying energy supplies, optimizing energy mixes, and promoting renewable energy.

Formation of a recycling-oriented society P17

In order to make effective use of resources, and curb the amount of waste we generate, we are promoting the 3Rs and an extra one, Renewable.* We also make thorough efforts to treat waste appropriately. In this way, we are engaged in the formation of a recycling-oriented society.

*3Rs: Reduce, Reuse, and Recycle; Renewable: switch to reusing plastics.

Co-existence with nature P19

We are focused on protecting biodiversity and reducing our impact on the natural environment. In addition to our conventional activities to reduce environmental impact, such as our environmental assessments, we are also running initiatives that take our region's characteristics into consideration. In doing so, we promote co-existence with nature.

Basis of our environmental management P21

We have positioned communication and management that are conscious of the environment as universal initiatives forming the basis of our environmental management. We are also working on education support activities for the next generation and to encourage greater understanding among employees.

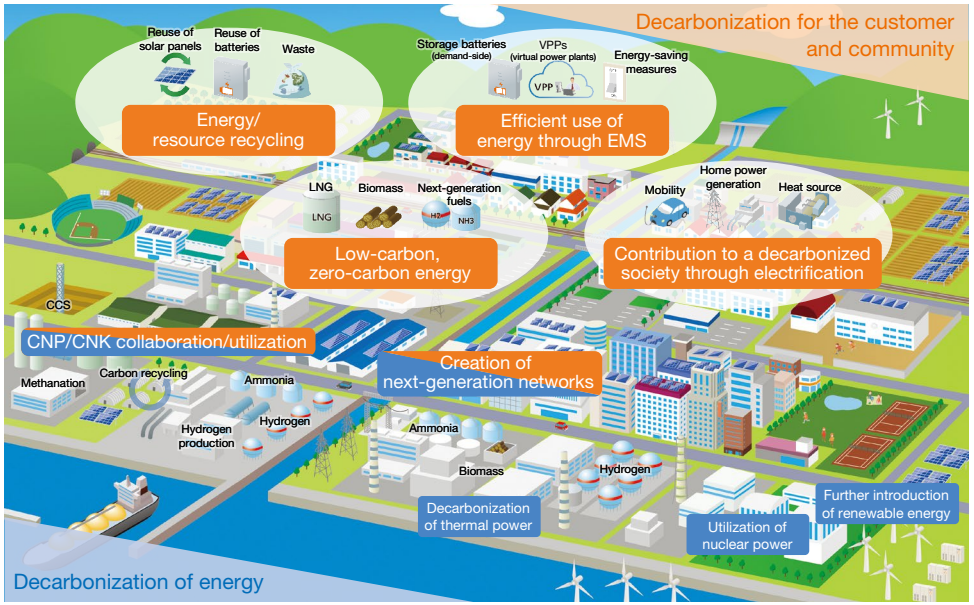
Information Disclosure Based on TCFD & TNFD Recommendations P23

Challenge to Achieve Carbon Neutrality by 2050

Policies/Approach

As an organization that has contributed to the development of the region through our energy business, we realize that addressing climate change is a key management issue. In February 2021, we announced that we would strive for carbon neutrality by 2050 and since that time we have advanced initiatives to decarbonize society.
In recent years, we have faced issues such as fluctuating energy prices and rising geopolitical risks. Against this backdrop, we have gained renewed awareness of the importance of energy security. We predicted that energy demand will also grow in the Chugoku region due to factors such as increased electrification. In light of these changes to the business environment, and predicated on ensuring stable supplies, we believe it is imperative that we also work to decarbonize, from a medium-to-long-term perspective.
With this understanding, and ensuring a fundamental stance of balancing stable power supplies with decarbonization, we have identified two areas to advance efforts in as we work to achieve carbon neutrality by 2050: the decarbonization of energy and decarbonization of the customer and community. Through these initiatives, we will contribute to decarbonizing society, while also strengthening our business foundations and enhancing corporate value.

The Chugoku Electric Power Group's vision for carbon neutrality by 2050



Note:
CNP: Carbon neutral port CNK: Carbon neutral complex EMS: Energy management system
CCS: The storage of separated and captured CO_2 underground, etc.
Carbon recycling: Reuse of separated and captured CO_2 Methanation: The synthesis of methane from hydrogen and CO_2

Decarbonization of energy

Centered on a policy of utilizing nuclear power generation while making safety the top priority, we will continue to introduce more renewable energy and expand its use. As we do, we will transition thermal power generation through measures such as switching to highly efficient LNG-fired units, introducing next-generation fuels like hydrogen and ammonia, and studying how to implement carbon capture and storage (CCS) technologies. With well-balanced combinations of these measures, we will secure stable supplies and make phased reductions to our CO_2 emissions.

Decarbonization of the customer and community

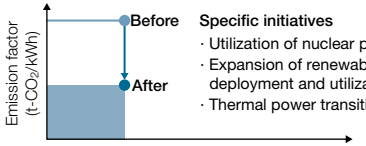
In addition to the promoting greater electrification and energy-saving activities, by offering services that back efficient energy use and low- or no-carbon energy sources, we contribute to reducing the region's overall CO_2 emissions. Furthermore, we aim to aid decarbonization and the region's development through initiatives with diverse partners that seek to resolve issues and that take into account the region's industrial structure and actual energy use.

Our contributions to lowering society's overall CO_2 emissions through our initiatives

Through two key pillars—decarbonization of energy and decarbonization of the customer and community—we are reducing our own emissions but also by reducing the carbon emissions of the power we supply to our customers, and by encouraging them to switch how they use energy and similar, we aim to help lower CO_2 emissions for society overall and to bring about sustainable development alongside the Chugoku region.
As a reference metric to determine our level of contribution, we have calculated the reduction amount for FY 3/2036 compared to our starting point of FY 3/2026. This metric differs from the Group's emissions reductions by showing the reduction effect throughout society we achieve by providing our products and services.
If you include the effects of our reducing or eliminating carbon emissions from the power we supply when evaluating our customers' indirect emissions, we forecast a reduction of around 10 million tons of CO_2 equivalent.
Moreover, if you then include the reduction resulting from lower energy consumption and switches to energy use through the services we provide when evaluating customers' indirect emissions, we forecast an additional reduction of around 2 million tons of CO_2 equivalent.

Reductions from the decarbonization of energy

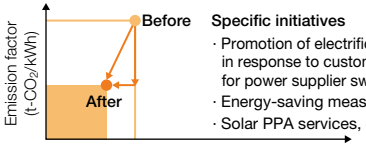
Customers' indirect emissions decrease as a result of our low- or no-carbon power



Specific initiatives
- Utilization of nuclear power
- Expansion of renewable energy deployment and utilization
- Thermal power transition, etc.

Reductions from decarbonization of the customer and community

Customers' indirect emissions decrease as a result of lower energy consumption and switches to energy use through the services we provide



Specific initiatives
- Promotion of electrification in response to customer needs for power supplier switching, etc.
- Energy-saving measures
- Solar PPA services, etc.

Metrics and Targets

We have set the following new targets in accordance with the measures outlined in the Group Corporate Vision.

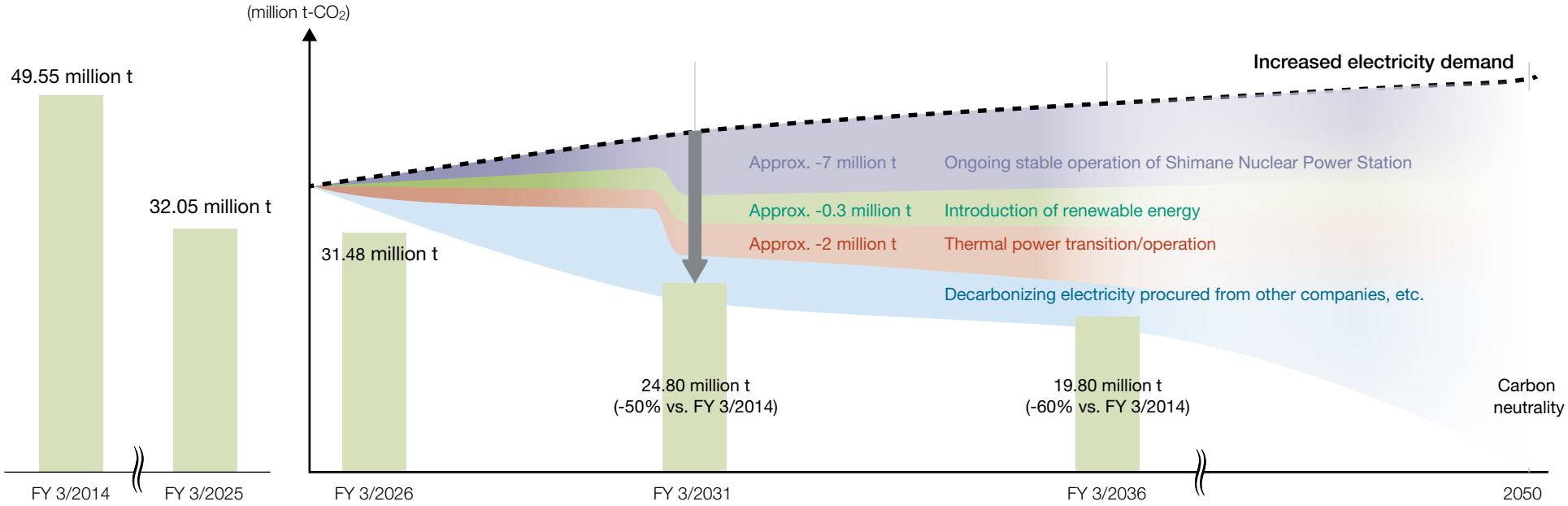
Item	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2031	FY 3/2036
Supply chain GHG emissions (compared to FY 3/2014)	Group	%	Approx. -36	-50	-60
Retail business CO_2 emissions (compared to FY 3/2014)	Chugoku Electric	%	Approx. -50	-50	—
Power generation business CO_2 emissions (compared to FY 3/2014)	Chugoku Electric	%	Approx. -38	-50	—
New introduction of renewable energy (compared to FY 3/2020)	Group	kW	+420,000 (+560,000*)	+700,000	+1,000,000
Development and business expansion of services contributing to customer/community decarbonization	Group	—	—	—	—

*Result based on the new target scope Further introduction of renewable energy P12

Challenge to Achieve Carbon Neutrality by 2050

Illustration of supply chain GHG emissions reductions

We will explore various options in the interest of ensuring a stable power supply, achieving carbon neutrality, and strengthening competitiveness, working to strategically decarbonize energy while achieving appropriate power procurement in a comprehensive economic and environmental performance, aiming to achieve our FY 3/2031 and FY 3/2036 targets.



Note 1: Emissions reduction effects are calculated based on emissions volume in the supply chain.
Note 2: May be revised based on the results of further studies from various economic and technological perspectives

			FY 3/2027-3/2031	FY 3/2032-3/2036
Decarbonization-related investments	Power source	Nuclear power	Approx. 800 billion yen	After the start of operations at Shimane Unit 3, we will prioritize initiatives based on an assessment of economic viability, environmental performance, and risk, while strategically selecting investment targets, including the diversification of funding methods.
		Renewable energy	Approx. 80 billion yen	
		Thermal power	Approx. 70 billion yen	
	Power transmission and distribution business		Approx. 550 billion yen	
	Total*		Approx. 1,500 billion yen	

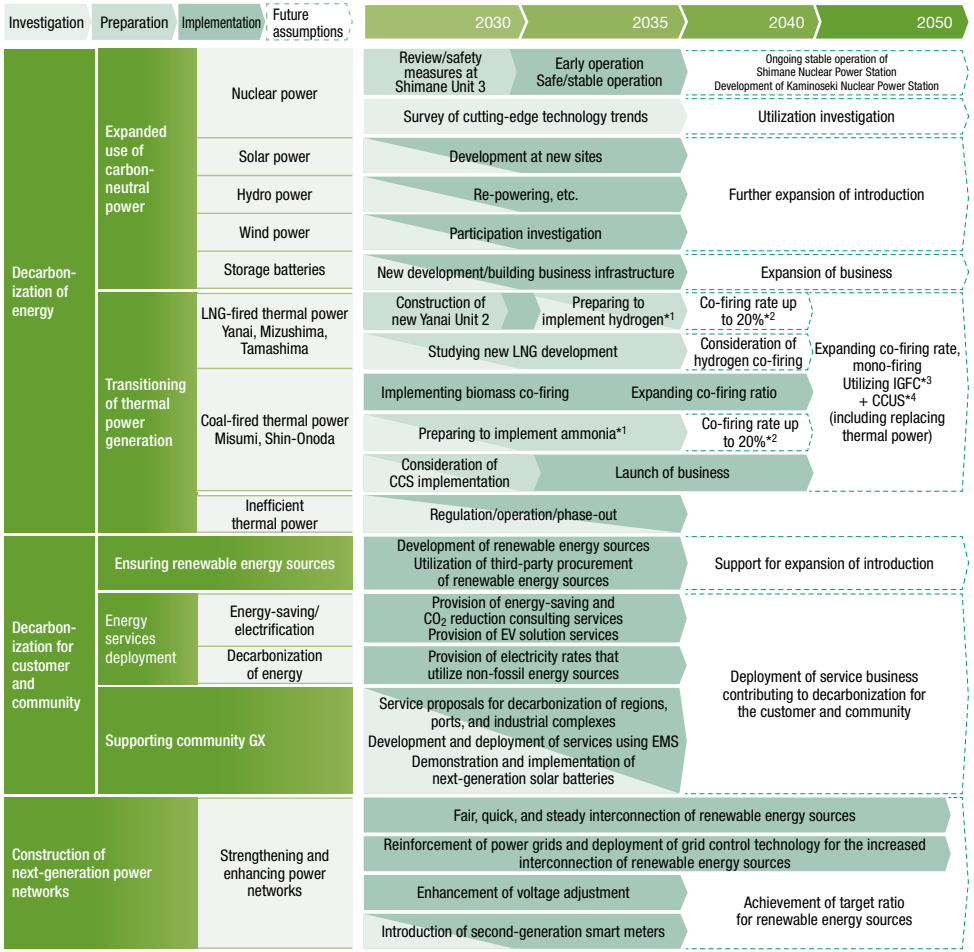
*Investments made in FY 3/2025: 218.7 billion yen
Investments made in FY 3/2026: 162.5 billion yen

Challenge to Achieve Carbon Neutrality by 2050

Initiatives

Priority measures to achieve carbon neutrality by 2050

With the goal of achieving carbon neutrality by 2050, we have established priority measures for meeting our targets for FY 3/2031 and FY 3/2036, and we will effectively advance these efforts.



*1 We will proceed toward full-scale operation once the various conditions are in place *2 Co-firing rates indicated based on the calorific value
*3 Integrated Coal Gasification Fuel Cell Combined Cycle Technology *4 Utilization of CO_2 that has been separated and stored
Note: We are currently focusing on the measures above, for which we expect to see technical progress toward practical application.
The measures will be evaluated and reviewed as appropriate based on future trends in technology development.

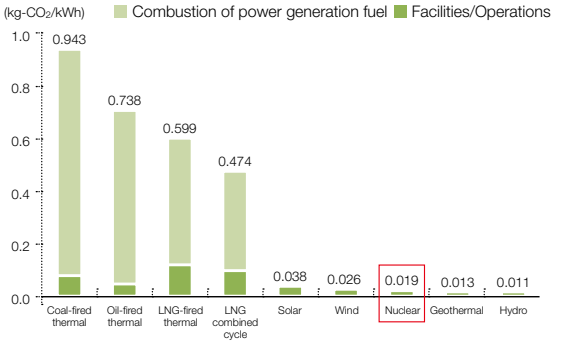
Utilization and development of nuclear power

Nuclear power is outstanding in terms of fuel supply stability and economic efficiency. It also does not emit CO_2 during operation, and is thus highly effective at mitigating climate change.
Therefore, it is important to maintain a certain level of nuclear power in the energy mix. While ensuring that safety is the top priority, we will strive to ensure the continued stable operation of Shimane Unit 2 and start up Shimane Unit 3 as early as possible, and develop the Kaminoseki Nuclear Power Station as a vital power source for the future.

Development of Kaminoseki Nuclear Power Station

As we work toward carbon neutrality by 2050, we recognize that nuclear power will play an increasingly important role in the practical application stage for decarbonization.
In Kaminoseki, our new nuclear power station location, we are working on construction plans to allow us to meet the growing need for decarbonized energy sources.

CO_2 emissions factors by power source in Japan



Source: Central Research Institute of Electric Power Industry's Comprehensive Assessment of Life Cycle CO_2 Emissions from Power Generation Technologies in Japan (July 2016).



Shimane Nuclear Power Station



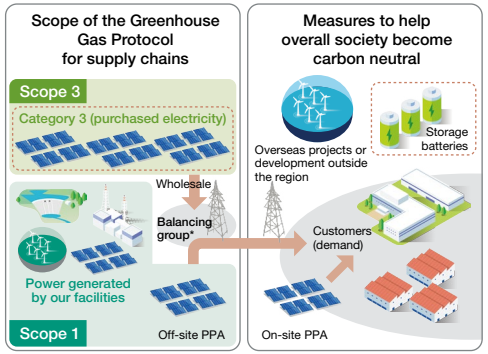
Artist's impression of the power station

Challenge to Achieve Carbon Neutrality by 2050

Further introduction of renewable energy

We have established revised renewable energy deployment targets of +700 MW by FY 3/2031 and +1 GW by FY 3/2036 (vs. FY 3/2020).
Previously, our targets placed importance on new or additional capacity, but with these new targets we have broadened the scope to other initiatives to better reflect the securing of adjustment capabilities aimed at maximizing the utilization of renewable energy and our diversification of business models.
As we tread the path toward carbon neutrality by 2050, we will continue to advance our efforts to expand the introduction of renewable energy and securing greater adjustment capabilities.

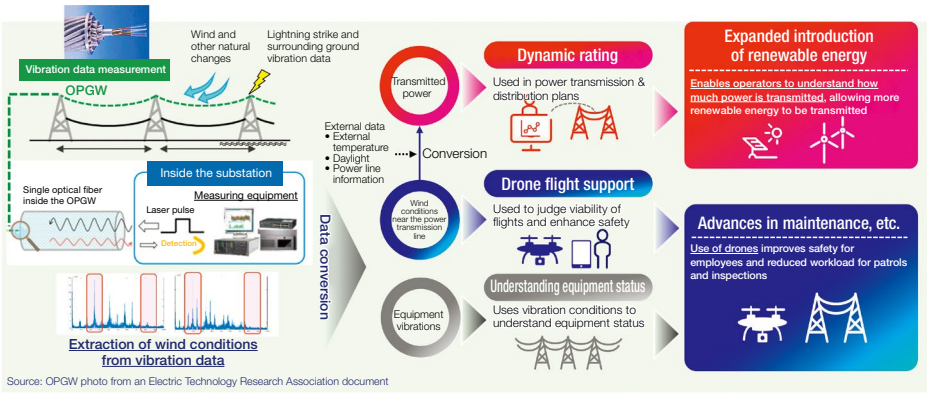
Scope of targets



*Refers to the operators that account for imbalances (discrepancies) between planned generated power and demand in a system that aims to simultaneously the amount of power consumed and produced.

Response to increasing introduction of renewable energy to achieve decarbonization

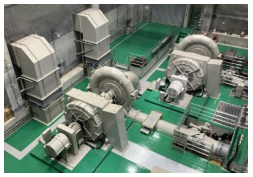
To ensure power producer predictability in the face of an increasing number of connection applications for renewable energy, the website of Chugoku Electric Power Transmission & Distribution discloses the volume of renewable energy, such as solar power, for which applications are received and information on available grid capacity, and measures are being taken to enable the grid to handle increased introduction.
Furthermore, through dynamic line rating and other measures aimed at expanding operating capacities for transformer equipment and managing grid congestion, we work proactively to enhance our grid supervision and control technologies.



Source: OPGW photo from an Electric Technology Research Association document

Re-powering and new development of hydroelectric power and development of AI systems

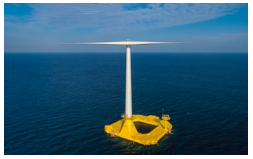
With a close eye on factors such as profitability and future environmental value, we are actively proceeding with re-powering and new developments. At reservoir-based hydroelectric power stations, we are using AI to optimize generation plans and measures to make more effective use of water resources and expand the introduction of renewable energy.



Toyokawa Power Station (post-re-powering)

Development of floating offshore wind power

With the goal of gaining expertise related to running floating offshore wind operations, and to tie this in to our own future development, in November 2024, we became an investment partner in Kitakyushu Hibikinada Offshore Wind Farm (output: 3 MW), which began commercial operation in April 2025.



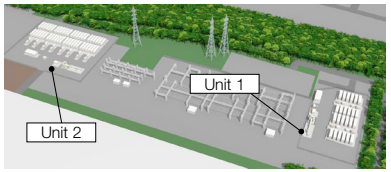
Kitakyushu Hibikinada Offshore Wind Farm

New onshore wind power developments

In April 2026, we became an investment partner in the Masuda-Hikimi Wind Farm project (output: 54 MW). Construction work on the wind farm has now begun in earnest with plans to commence operations in January 2030.

Development of grid storage batteries

We are moving forward with the project to build the new Kudamatsu Power Storage Station Units 1 & 2 on the former site of the Kudamatsu Power Station, which will fulfill an important role in giving us the ability to adjust output according to supply and demand, supporting the greater introduction of renewable energy. Going forward, through a special purpose company established in August 2026, we will centralize control of these projects to develop our grid power storage business.

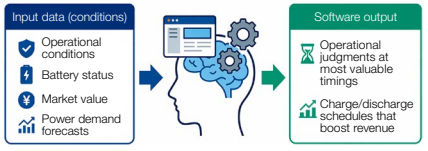


Artist's impression of the completed Units 1 & 2

Facility	Kudamatsu Power Storage Station Unit 1	Kudamatsu Power Storage Station Unit 2
Location	Kudamatsu City, Yamaguchi Prefecture	
Output	16,000 kW	32,000 kW
Capacity	48,000 kWh	96,000 kWh
Scheduled start	FY 3/2029	FY 3/2030

Joint development of storage battery operation optimization systems with Asahi Kasei

Having concluded an agreement with Asahi Kasei Corporation to jointly develop systems to optimize how storage batteries are operated, we are proceeding with this joint development to commercialize software that can come up with storage battery charge and discharge plans.

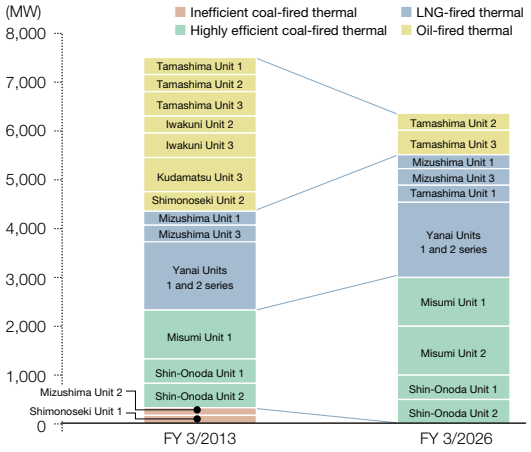


Challenge to Achieve Carbon Neutrality by 2050

Decarbonization of thermal power generation

Based on plans to transition thermal power generation, we are moving forward with actions such as expanding mixed-fuel combustion using biomass at coal-fired thermal power stations, or replacing them using LNG-fired equipment utilizing the highly efficient gas turbine combined cycle (GTCC) generation method, as well as closing aging thermal power facilities.

Additionally, toward the goal of carbon neutrality by 2050, we are studying introducing or preparing to implement next-generation fuels like hydrogen and ammonia or CCS technologies.



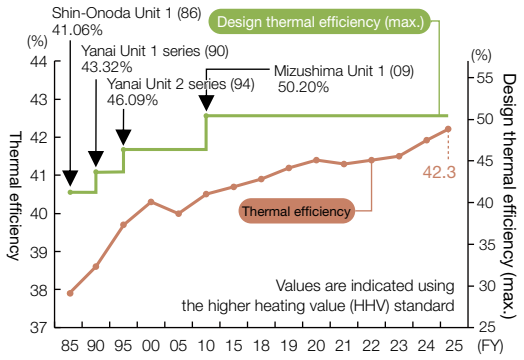
Note: The Osaki 1-1 series is excluded as it halted operations in December 2011. Also, Shin-Onoda Units 1 and 2 are supercritical generators, but are used for co-combustion with woody biomass so are classified as highly efficient coal-fired thermal energy facilities.

Efficient use of fossil energy

In order to curb CO_2 emissions and attain the benchmark indicators of the Act on Rationalizing Energy Use through efficient use of fossil energy, we are working to improve thermal efficiency by using best available technologies (BAT) in developing new thermal power generation facilities, and optimizing operation and maintenance of equipment at existing power stations.

As a result, we maintained a high thermal efficiency in FY 3/2026 of 42.3%, and followed our FY 3/2025 achievement of meeting benchmark indicators based on the Act on Rationalizing Energy Use.

If we imagine that thermal efficiency at each of our thermal power stations could be improved by just 1%, that would make it possible to reduce annual CO_2 emissions by around 350,000 tons.

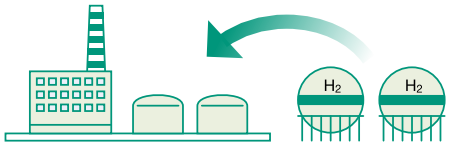


Yanai Power Station (new Unit 2) replacements

As part of our decarbonization efforts, we are preparing to replace Yanai Power Station Unit 2 (two of four LNG plants).

These replacements are predicted to reduce CO_2 emissions by improving power generation efficiency, but to go even further, we will look at the equipment required for hydrogen co-firing.

Investigation into future hydrogen co-firing



Power station name	New Yanai Unit 2 (provisional name)
Fuel (generation method)	LNG (highly efficient GTCC)
Output	522 MW (+126 MW*)
Scheduled start of preparation work	July 2027
Scheduled start of facility construction	September 2027
Scheduled start of commercial operations	July 2030

*Additional output by replacing existing power sources

Operation of highly efficient thermal power plants and increased use of biomass mixed-fuel combustion

At Misumi Power Station Unit 2, which began commercial operations in November 2022, we have installed ultra-supercritical generation equipment, which is the best available power generation method, with the goal of enhancing our economic and environmental performance.

Further, through mixed-fuel combustion at Misumi Unit 2 and Shin-Onoda Units 1 and 2, we are working to achieve further reductions in CO_2 emissions.

Misumi Unit 2	Biomass percentage	Approx. 10%
	CO_2 reduction	Approx. 500,000 t-CO_2 per year
Shin-Onoda Units 1 and 2	Biomass percentage	Approx. 8%
	CO_2 reduction	Approx. 400,000 t-CO_2 per year

Safety measures for biomass mixed-fuel combustion

To prevent spontaneous combustion or fires starting in wood pellets, we have put in place a range of measures, including optimizing storage silo operations and installing equipment to monitor and prevent such incidents. We also implement measures to prevent particulate matter being released, including cleaning and dust collectors.

In the future, we will enact continuous safety measures and use biomass fuel effectively to continue to reduce our CO_2 emissions.



Dust collection equipment designed and manufactured via tie-ups with group and local companies



Pelletizing equipment turns collected particulate matter into pellets that can be reused as fuel

Challenge to Achieve Carbon Neutrality by 2050

Studies into the introduction of CCS at thermal power plants

In FY 3/2025 and FY 3/2026, we were commissioned to undertake two studies into Engineering Design Work for Advanced CCS Projects by the Japan Organization for Metals and Energy Security (JOGMEC) at our Misumi Power Station and Energia Power Yamaguchi Corporation's Hofu Biomass Power Station. These studies are continuing in FY 3/2027. Moreover, at Hofu Biomass Power Station, we are also combining a study into the effective use of CO_2 that is captured.
Through these studies, we are constructing a CCS value chain that goes from capturing CO_2 at power plants to transporting it and storing it, and we continue to look at launching a CCS business in the early 2030s.

Misumi Power Station



Project	Malaysia Southern Malay Peninsula CCS Project
CO_2 capture amount	Approx. 1 million tons/year

Hofu Biomass Power Station



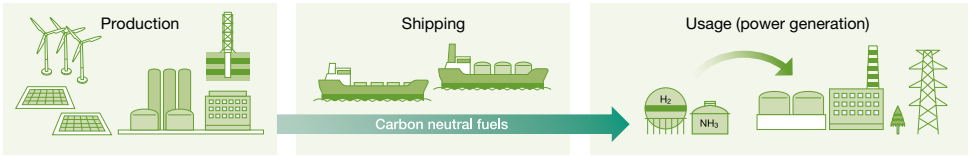
Project	Malaysia Sarawak CCS Project
CO_2 capture amount	Approx. 500,000 tons/year

Investigation of supply chains for rollout of next-generation fuels

We will continue with examinations into how to build an economically rational supply chain for next-generation fuels.

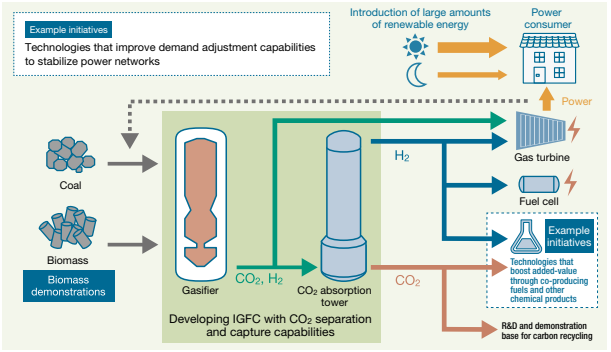
Procurement (production, shipping)
We will examine specific procurement methods, including carrier selection.

Usage (power generation)
We will examine introducing and expanding use of ammonia in coal-fired thermal power, and hydrogen in LNG-fired thermal power.



Promotion of the Osaki CoolGen Project as a trial of technologies that produce virtually zero CO_2 emissions and can be adjusted to meet supply and demand fluctuations

Through the demonstration projects undertaken by Osaki CoolGen Corporation, a company we established jointly with Electric Power Development Co., Ltd., we worked to develop integrated coal gasification combined cycle (IGCC)*1 technologies with CO_2 separation and capture capabilities, first and foremost highly efficient integrated coal gasification fuel cell combined cycle (IGFC)*2 technologies. Having achieved targets in all tests, including plant performance and reliability, in FY 3/2023 we ended the demonstration. In FY 3/2024 and FY 3/2025, we worked to develop the technology for the gasification of biomass-mixed fuel for use in an IGCC with CO_2 separation and capture capabilities. As well as achieving a biomass fuel mix ratio of 50%, we were also able to make forecasts toward commercialization by confirming equipment specifications and operating methods to achieve stable operations.

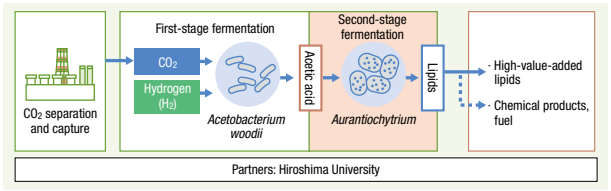


From FY 3/2026 onward, focused on bringing about a decarbonizing society that makes extensive use of renewable energy, we are working on the development and trial of two types of technologies—those that can improve our ability to adjust output according to supply and demand, and those that boost added-value by co-producing fuels and other chemical products—that will help toward practical implementation of IGCC technologies with CO_2 separation and capture capabilities.

*1 Coal is gasified, and the product gas is used to drive gas turbines alongside steam turbines to generate power in a combined cycle.
*2 Triple combined cycle coal-fired thermal power generation that combines fuel cells with IGCC.

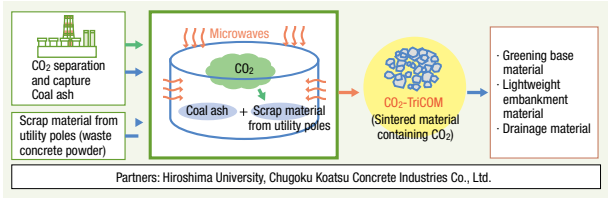
Development and practical application of a Gas-to-Lipids bioprocess

Aiming to develop a bioprocess for CO_2 recycling, we have been working with Hiroshima University to research and develop technologies to make use of the fermentation functions of two microorganisms to develop a technology that can use hydrogen and CO_2 emitted from power plants to manufacture high-value-added lipids that are ingredients in health foods, chemicals, and other products. From FY 3/2026, to commercialize this technology, we are improving and trialing it to overcome the performance and cost issues identified in our research so far.



Development of "Triple C" recycling technology (CO_2-TriCOM)

We are currently working to develop technologies that create materials that can be used in civil engineering work. The process first involves mixing CO_2 and coal ash from power plants, as well as scrap materials from utility poles. The CO_2 is then solidified through a sintering process using microwaves.
We continue to investigate reduction targets for CO_2 emissions produced during the sintering process, and aim to begin commercialization.



Challenge to Achieve Carbon Neutrality by 2050

Energy rate plans that use renewable energy and non-fossil fuel certificates

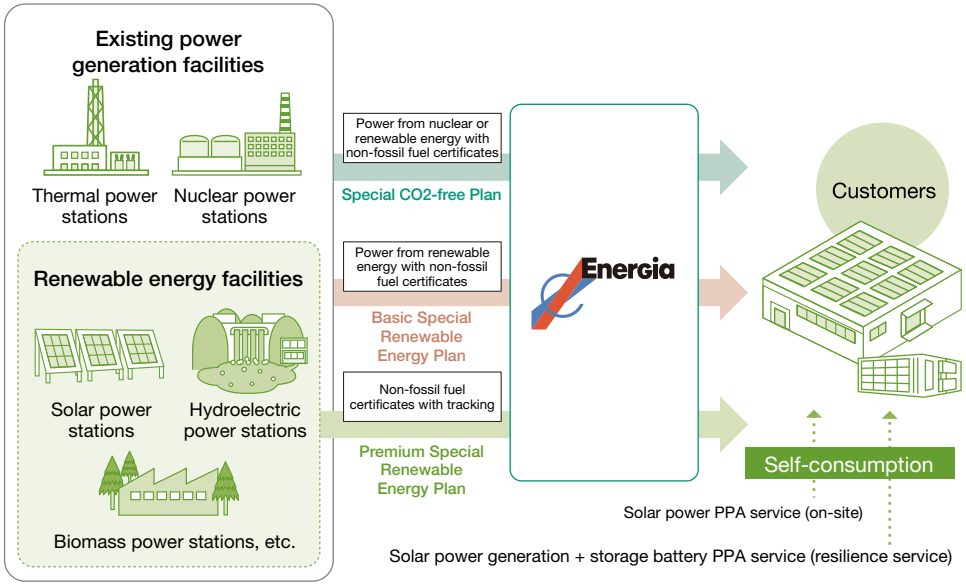
Electricity rate plans with low CO_2 emissions we offer customers.

Household	Gutto Zutto. Renewable Energy Green Plan*1
Corporate customers	Special CO_2-free Plan, Basic Special Renewable Energy Plan,*2 Premium Special Renewable Energy Plan,*3 Special Off-site Power Plan

Solar power PPA service

This service involves installing solar power generation equipment in customers' buildings or on their property, enabling them to use the power generated for a monthly service fee.

How the rate plans/services work



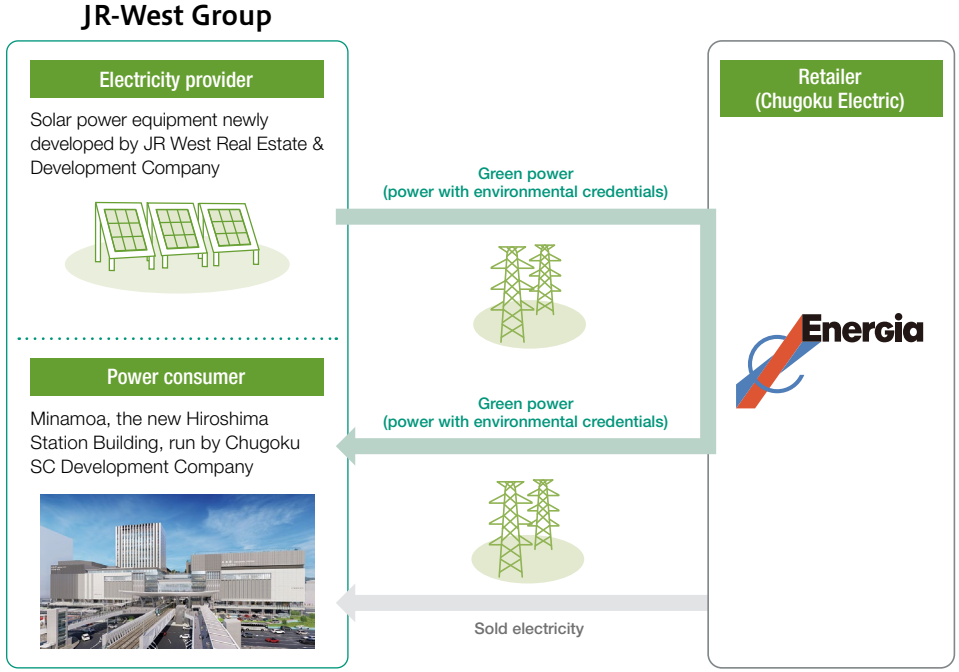
*1 In FY 3/2027, we plan to offer an electricity supply that combines electricity generated from solar power and electricity with non-fossil fuel certificates.
*2 Supplied as electricity from thermal, nuclear, and renewable energy sources procured from wholesale power exchanges (including electricity purchased under a feed-in tariff, "FIT electricity"*4) with non-fossil fuel certificates.
*3 In FY 3/2027, we plan to supply FIT electricity with non-fossil fuel certificates.
*4 Part of our FIT electricity procurement costs are funded by a levy on electricity users, including those who are not our customers.
Note: For more details about the composition of our energy sources, etc., please refer to the website.

WEB Gutto Zutto, Renewable Energy Green Plan
https://www.energia-support.com/pricemenu/greenplan.html

WEB Special CO_2-free Plan, Basic Special Renewable Energy Plan, & Premium Special Renewable Energy Plan
https://www.energia.co.jp/elec/b_menu/co2_free/index.html

Example of an off-site corporate PPA: the new Hiroshima Station building "Minamoa" (October 2025 press release)

JR West Real Estate & Development Company and Chugoku SC Development Company have concluded an agreement to provide Minamoa, the new Hiroshima Station building, with a solar power supply. Based on this agreement, we will purchase the "green power" (combining electricity and environmental value) generated by solar power equipment newly developed by JR West Real Estate & Development Company and supply it to the Minamoa facility operated by Chugoku SC Development Company.



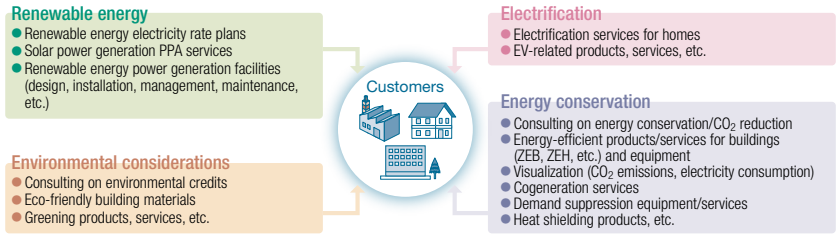
WEB Off-site corporate PPA agreement on a solar power supply for Minamoa, the new Hiroshima Station building
https://www.energia.co.jp/press/2025/16175.html

Challenge to Achieve Carbon Neutrality by 2050

Promotion of efficient use of energy and electrification

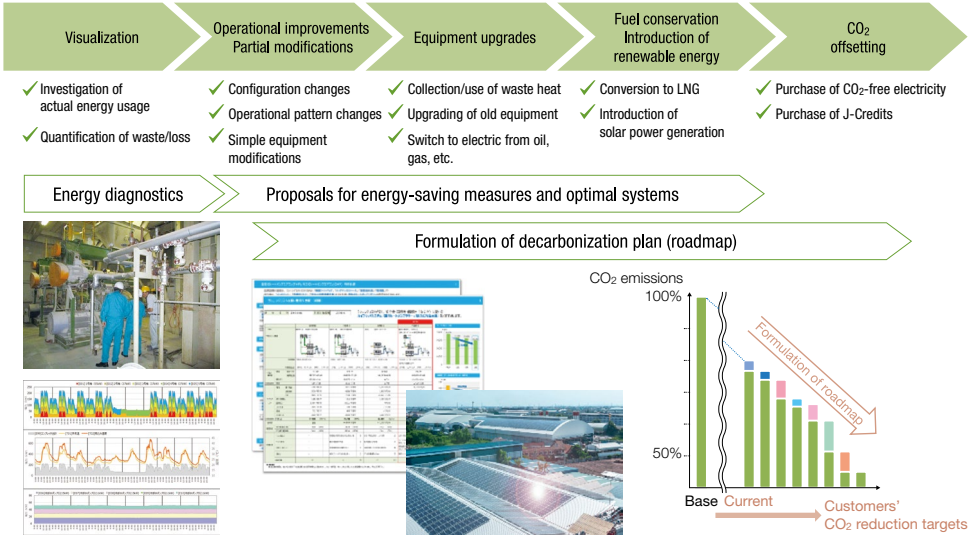
Our Group is working to make efficient use of energy more prevalent through approaches such as recommending high-efficiency systems suited to the needs of each customer, and providing information to help people conserve energy.

Elsewhere, as a part of our efforts to realize the decarbonization of society, we offer customers electricity rate plans for electricity with low CO_2 emissions, install solar power generation equipment at customers' buildings or on their property, and provide services that enable them to use the power generated for a monthly service.



Energy-saving and CO_2-reduction proposals

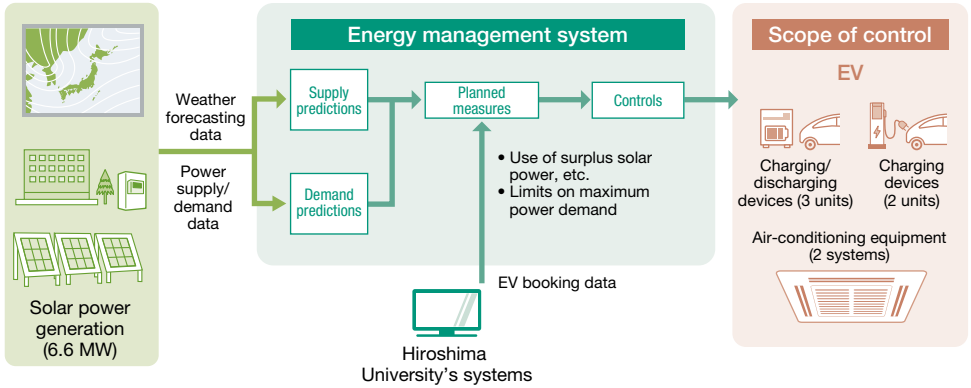
To cater to customers' decarbonization needs, we are offering a package consulting service for energy-saving and CO_2 reduction measures. Specifically, we help customers formulate a roadmap that covers everything from the investigation and analysis of their energy usage to the implementation of decarbonization measures.



Developing energy management technologies and services

As part of its activities, Hiroshima University Smart City Co-Creation Consortium is looking at the university's Higashi-Hiroshima Campus, home to around 20,000 students and teaching staff, as a single "town." By combining varied, decentralized generation facilities, it is trialing forms of energy management that make maximum use of renewable energy.

How the trial works



Trials toward practical application of next-generation solar panels

We have been selected for inclusion in a NEDO*1 subsidy project*2 to develop transparent organic thin-film solar panel module system. For activities to develop the module system and implement it, we are working with a number of organizations, including the company Reiko, Hiroshima University, the University of Osaka, and Kanazawa University. As well as being lightweight and flexible, organic thin-film solar panels are characterized by their high degree of translucency. We have also been selected for inclusion in another NEDO subsidy project for the research and development of photovoltaic generation technologies. In collaboration with Sumitomo Mitsui Construction (now Arsocia Construction) and Chuden Engineering Consultants, we have started R&D into solar power systems that can be placed offshore.

*1 New Energy and Industrial Technology Development Organization
*2 Technology development project for expanding photovoltaic power generation (R&D Category 2: Site-Specific Photovoltaic Power Generation System Technologies)

A transparent organic thin-film solar panel



Trial location for floating offshore solar systems



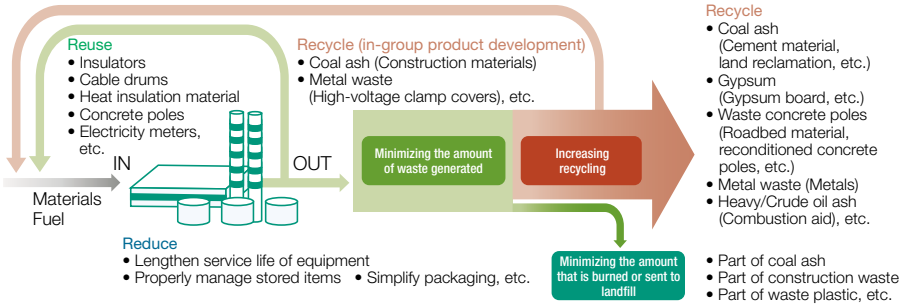
Sea close to Osakikamijima, Hiroshima Prefecture
Source: Image created in-house based on maps from the Geospatial Information Authority of Japan accessed at https://www.gsi.go.jp/

Formation of a Recycling-oriented Society

Policies/Approach

We are cognizant of how important it is to minimize our environmental impact in terms of the waste we produce and finite resources we consume as part of our business activities. To curb the amount of byproducts that go to waste, we promote initiatives that aim toward a recycling-oriented society that turns its “waste” into a resource to be utilized.

How we recycle resources



Metrics and Targets

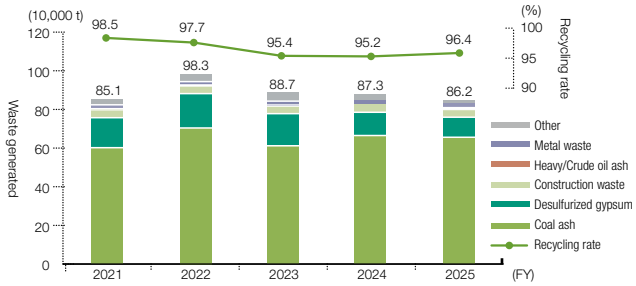
Item	Scope	Unit	Result	Target
			FY 3/2026	FY 3/2027–3/2031
Waste recycling rate (incl. the amount of coal ash effectively utilized)	Group	%	96.4	95+
Reduce plastic waste	Group	—	—	Promote 3Rs + Renewable
Initiatives to make customers and the region more recycling-oriented society	Group	—	—	Promote initiatives

Initiatives

Waste recycling

To help promote a recycling-oriented society, at the Chugoku Electric Power Group we are promoting initiatives in environmentally friendly product purchases and projects, and engaged in efforts to recycle waste. In FY 3/2026, we were able to recycle 96.4% of the waste we generated, because although the amount of waste produced dropped, the percentage of coal ash that we were able to use effectively decreased.

Waste generated and recycling rate



Note: Since FY 3/2024, Energia Power Yamaguchi Corporation has been included in the scope for data.

Plastic waste reduction

We endeavor to reduce the amount of plastic that goes to waste, through measures such as utilizing recycled plastic and sorting waste products into those that can or cannot be recycled.

Example initiatives

Utilizing recycled plastic

- Use of recycled plastics and paper materials for PR goods
- Switch to paper for packaging materials, etc.
- Use of recycled plastic and eco-friendly products
- Thorough sorting of plastics



PR product made from recycled plastic

Sorting and recycling used smart meters

Employees at EnerGia Smile CO., INC. take apart used smart meters and sort through waste plastic and scrap metal components as appropriate. Those elements that can be recycled are passed on to undergo that process, contributing to the recycling of resources.



Employees taking apart and sorting used smart meters

Formation of a Recycling-oriented Society

Promotion of initiatives to make customers and the region more recycling-oriented

Development of coal ash products

We are actively developing coal ash products to recycle the coal ash produced by coal-fired thermal power stations. These efforts include developing construction materials exploiting coal ash characteristics, as well as application technologies for such products.
In recent years, we have gone beyond the Chugoku region and are working to expand our sales channels outside the area, so that now a whole range of customers are utilizing our Hi-beads® and other products.

Overview of coal ash products

Coal ash serving as raw material	Fly ash		Clinker ash
Product name			
Product description	Made by sorting and grading fly ash	Made by adding a small amount of cement and water to fly ash, and then granulating	Made by crushing lumps of clinker ash into a sandy form
Track record of use	Tunnel spraying material, fly ash concrete, construction material, etc.	Material for environmental remediation of bottom sediments in coastal regions and estuaries, and ground improvement in ports, etc.	Lightweight banking material, retaining wall backfill material, backfill/drainage material around structures (for athletic fields), etc.

Examples of use


Concrete admixture used in a pedestrian bridge over the Oda Shizuma Road in Shimane Pref. (Eco-powder)

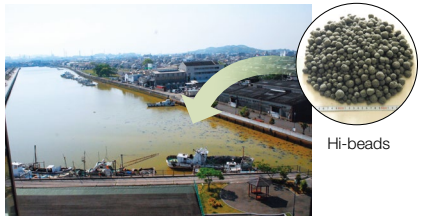

Greening material used in the open space around Hotel Okura (Tokyo) (Light Sand)


Artificial soil was used in the slopes on the northeast side of a football stadium in Hiroshima (Light Sand)

WEB **Making effective use of coal ash (coal ash products)**
https://www.energia.co.jp/business/sekitanbai/index.html

Using coal ash beads (Hi-beads) to create tidal flats

In the inner harbor at Fukuyama Port (Fukuyama, Hiroshima Pref.), we are using our coal ash bead product Hi-beads and other materials to create tidal flats, for which we were awarded J Blue Credits. This initiative has been verified as improving the quality of the harbor floor and regenerating its ecosystem, while also absorbing 17.6 tons of CO_2 per annum (of which 5.8 tons is ours). This project—made possible through a collaboration with JFE Steel Corporation, Fukuyama City, and Hiroshima University—is making effective use of recycled resources, but also helping to conserve Japan's natural capital.



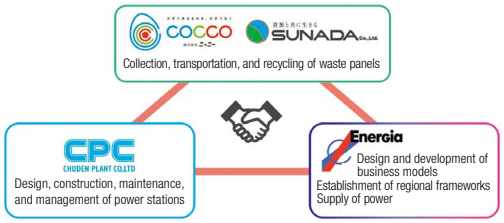
Inner harbor at Fukuyama Port (before): May 2015


Inner harbor at Fukuyama Port (after): Aug 2023

WEB **J Blue Credits acquired for using coal ash beads to create tidal flats in Fukuyama Port**
https://www.energia.co.jp/assets/info/2025/info20260319.pdf

Reuse and recycling of solar panels

We work with local businesses and municipalities to promote the reuse and recycling of solar panels and are working to ensure solar power can be utilized continuously as a power source and resource.



Promoting reuse of power distribution materials

Chugoku Electric Power Transmission & Distribution Company, Inc. has established a power distribution materials reuse center on the former site of Iwakuni Power Station, where it carries out light repairs to minimize the amount that becomes industrial waste (thereby lowering our environmental impact) and promote further reuse. This project was awarded the Minister of Economy, Trade and Industry Award at the FY 3/2026 3Rs Promoter Awards. This is one way in which our efforts to bring about a recycling-oriented society are being lauded.


Reuse center for power distribution materials

Co-existence with Nature

Policies/Approach

Ours is a business that makes use of natural capital and as such, we recognize the deep responsibility we hold to conserve the region's environment. We therefore ensure we are aware of how our business activities impact it, and through a number of measures, starting with environmental assessments, we strive to reduce our environmental impact and protect biodiversity.

Metrics and Targets

Item	Scope	Unit	Result	Target
			FY 3/2026	FY 3/2027–3/2031
Reduction of environmental impact on air, water, etc. (to meet or fall below agreed environmental conservation standards)	Group	—	Not to exceed agreed standards	Not to exceed agreed standards
Biodiversity initiatives	Group	—	—	Promote initiatives

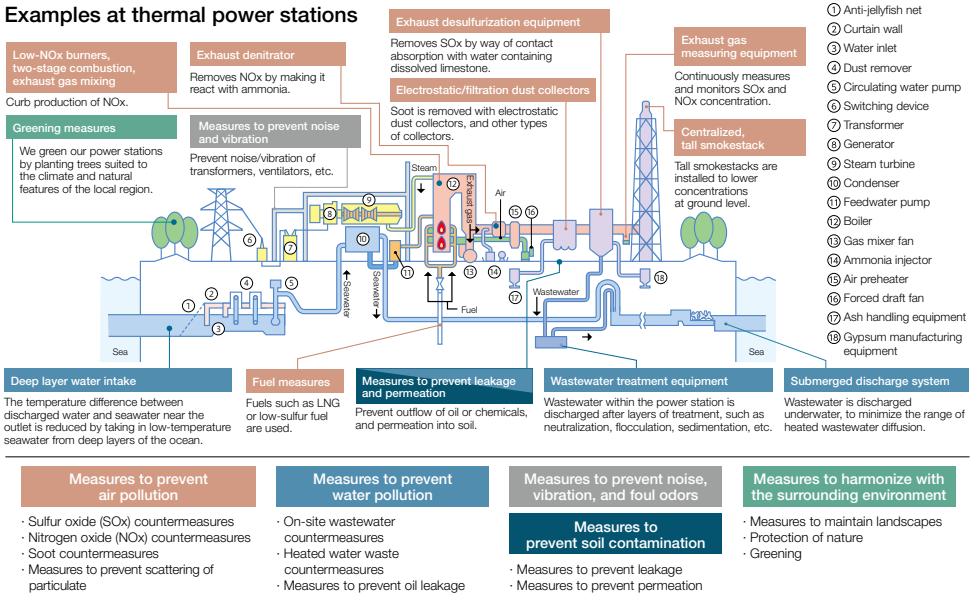
Initiatives

Reduction of environmental impact on air, water, etc.

Environmental conservation measures at power stations

In order to conserve the local environment, we measure and monitor soot, wastewater, and other power station emissions based on laws established by the national and local governments, and environmental conservation agreements with local governments. We are also introducing environmental protection equipment employing state-of-the-art technologies.

Examples at thermal power stations



Measures to prevent air pollution
- Sulfur oxide (SOx) countermeasures
- Nitrogen oxide (NOx) countermeasures
- Soot countermeasures
- Measures to prevent scattering of particulate

Measures to prevent water pollution
- On-site wastewater countermeasures
- Heated water waste countermeasures
- Measures to prevent oil leakage

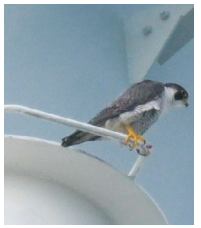
Measures to prevent noise, vibration, and foul odors

Measures to prevent soil contamination
- Measures to prevent leakage
- Measures to prevent permeation

Measures to harmonize with the surrounding environment
- Measures to maintain landscapes
- Protection of nature
- Greening

Implementation of environmental assessments

When newly constructing or expanding a power station or other facility, we conduct an environmental impact assessment based on legal and regulatory requirements to evaluate the potential impacts of construction work and the start of operations on the surrounding natural and social environments, with the aim of minimizing such impacts. In addition to thoroughly investigating, predicting, and evaluating these impacts in advance using the latest technologies, we also listen to the views of the local community and take appropriate measures to conserve the environment, thereby minimizing the environmental impact on the surrounding area.



Bird of prey survey (April 2025)

At Yanai Power Station Unit 2, we plan to replace it with a new Unit 2. As this plan qualifies as a business covered by the Environmental Impact Assessment Act, we are carrying out environmental assessments.*

*In surveys such as upper-atmosphere meteorological observations, we observe the air temperature, wind direction, wind speed, and other characteristics of the sky above power stations, in order to measure and evaluate the spread of exhaust gases from chimneys

Co-existence with Nature

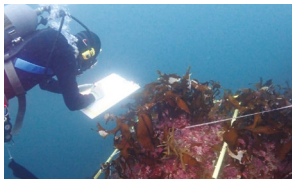
Monitoring the surrounding environment after the start of power station operation

We conclude environmental conservation agreements with the relevant local governments prior to the start of power station operations with the aim of ensuring that the living and natural environments of nearby communities are properly preserved. We monitor the condition of the air, sea, and other aspects of the environment surrounding the power station, report the results to these local governments, and provide disclosure to the general public.

WEB **Misumi Power Station: Environmental Monitoring Results**
https://www.energia.co.jp/area/shimane/entry/12008.html

WEB **Shimane Nuclear Power Station: Surrounding Environment Radiation Survey Results**
https://www.pref.shimane.lg.jp/bousai_info/bousai/bousai/genshiryoku/sihannki.html

WEB **Shimane Nuclear Power Station: Construction Environmental Monitoring Survey Results**
https://www.energia.co.jp/atom/atom13-07-1.html



Sealife survey (November 2024)

Proper management of chemical substances

Efforts to detoxify PCBs

We promote the appropriate disposal of PCB (polychlorinated biphenyl) waste within the statutory time limit. Treatment of high-concentration PCB waste was completed by the end of FY 3/2021, and we are systematically disposing of low-concentration PCB waste at a certified facility to finish by the end of FY 3/2027.

WEB **Proper disposal of PCBs**
https://www.energia.co.jp/energy/energia/pcb/

Response to the asbestos issue

Our Group established a policy on response to the asbestos issue in FY 3/2006. We are dealing appropriately with this issue by banning new use of asbestos, and periodically investigating the usage situation.

WEB **Efforts to address the asbestos issue**
https://www.energia.co.jp/energy/energia/ishiwata/index.html

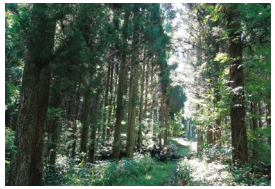
Promotion of biodiversity initiatives

Through a number of biodiversity initiatives we are contributing to activities in the region to co-exist with nature. These include absorbing CO_2 through the forests we also use to recharge water resources, gaining certification for our sustainably managed natural sites, acquiring J Blue Credits, and making effective use of our natural capital, all while taking part in efforts like the Nature Positive Declaration through working with local authorities.

Company-owned forests	Awarded J-Credits
	Certified as a sustainably managed natural site
Artificial reef	Awarded J Blue Credits
Hi-beads® P18	
Working with local authorities	Agreement with the Tottori Nature Positive Declaration

Generation of J-Credits through our maintenance and management of our company-owned forests, and how we used them

We own and manage roughly 1,500 ha of forest for recharging water resources, which supports stable operations for hydroelectric power generation. As well as securing water resources, the forests enable us to absorb CO_2, stabilize soil, prevent erosion, and help to conserve biodiversity.
Through our maintenance and management of these forests, we work to generate and use forest-based J-Credits (planned to cover around 2,000 tons of CO_2 over 8 years), and we are contributing to decarbonization for the customer and community. In FY 3/2026, we were awarded 289 tons' worth of credits, which offsets the CO_2 emissions from providing power to an event in Hiroshima City and in transporting participants to the venue.
Furthermore, some of our forests have been designated Nationally Certified Sustainably Managed Natural Sites by the Ministry of the Environment.



Company-owned forest in Kitahiroshima Town certified as a Nationally Certified Sustainably Managed Natural Site

What we used the J-Credits to offset in FY 3/2026

Event

- HIROSHIMA CONTI-NeW FeS 2025
It was held with CO_2 emissions from power use and transport to the venue for participants offset.

Generation of J Blue Credits through our creation of an artificial reef, and how we used them

By installing an artificial reef in front of the seawall at Unit 3 of our Shimane Nuclear Power Station, which has created a breeding site for seaweed species, we have improved biodiversity and created natural capital. Thanks to their ability to absorb CO_2, the seaweed beds have allowed us to generate J Blue Credits for the 15.7 tons they absorbed between 2017 and 2021. We use these credits to offset events and similar in the region.

What we used the J-Credits to offset in FY 3/2026

Transport

- Horikawa Pleasure Boat
We offset CO_2 produced by electric pleasure boats, etc.



Sports

- Basketball matches
B.League home games for the Shimane Susanoo Magic professional men's basketball team were held as carbon-neutral matches.



PAC-MAN™ & ©Bandai Namco Entertainment Inc.

Event

- Beauty and Fashion Muse Festival
We offset CO_2 emissions from Muse Festival 2025, a beauty and fashion festival held in Matsue City.



Basis of Our Environmental Management

Policies/Approach

To promote the three topics laid out in the Chugoku Electric Power Group Environmental Management Policy—carbon neutrality by 2050, formation of a recycling-oriented society, and co-existence with nature—we understand that the understanding of local people and a higher awareness of environmental issues among all employees is essential. As a result, we have positioned environmental communication and environmental management as the basis of our environmental management.

Environmental communication

By engaging in dialogue with people in our region and disclosing environmental information, we aim to encourage a better understanding of our environmental initiatives. At the same time, we run support activities to educate about the environment and energy to foster environmental awareness among the next generation.

Environmental management

To more quickly and accurately respond to changes in laws, regulations, and government policies concerning the environment and energy, we operate our own environmental management systems, and manage risk. Additionally, we strive to enhance environmental education and training to ensure we have the required knowledge on environmental laws and regulations, and to remain highly aware of environmental issues.

Metrics and Targets

Environmental communication

Item	Scope	Unit	Result	Target
			FY 3/2026	FY 3/2027–3/2031
Energy and environment education support activities for the next generation	Group	—	230 sessions	Steadily implement
Environmental dialogue with customers and the region	Group	—	—	Steadily implement

Environmental management

Item	Scope	Unit	Result	Target
			FY 3/2026	FY 3/2027–3/2031
Environmental compliance/meeting societal needs	Group	Breaches	0	Zero breaches
Raising employee understanding of environmental initiatives	Group	—	—	Steadily implement education

Initiatives

Environmental communication

Partnership with society

With the aim of deepening understanding and interest toward energy and the environment among the next generation, we promote education support activities.
Moreover, to achieve our goal of increasing contact points with the region and boosting environmental awareness, we work to share information on our efforts, through environmental events and similar.
In FY 3/2026, we gained the assistance of Kitahiroshima Town in Hiroshima Prefecture, with whom we concluded a comprehensive partnership agreement on biodiversity conservation, and Yamabiko Corporation to hold a forest event. This event, in which participants could experience forest maintenance and management efforts, was put on to help inform those in the region about our environmental initiatives. As a collaboration with partners from different industries, it was an opportunity for environmental education and exchanges together with the community.

Major activities in FY 3/2026

Date held	Educational activities	Venue	Target audience
June 21, 2025	Participation in World Environment Day Hiroshima	Hiroshima Prefecture, Hiroshima City	Elementary school students and younger
August 3, 2025	Energia Nature Observation Event in Kirarahama	Yamaguchi City, Yamaguchi Prefecture	Elementary school students and younger
October 11, 2025	Forest event	Kitahiroshima Town, Hiroshima Prefecture	Elementary school students and younger
December 17, 2025	Lecture, Hiroshima University	Higashihiroshima City, Hiroshima Prefecture	University students
January 18, 2026	Water and electricity learning event	Kofu Town, Tottori Prefecture	Elementary school students and younger



World Environment Day Hiroshima (June 2025)



Forest event in October 2025 (with the assistance of Kitahiroshima Town and Yamabiko Corporation)

Basis of Our Environmental Management

Enhancement of information disclosure

We are continuing with efforts to enhance our disclosure of environmental information.

Climate change	TCFD	We have continued to disclose information since FY 3/2021. Our efforts have been cited as a positive example in the Ministry of the Environment's Recommendations for Management Strategies That Use Sustainability (Climate- and Nature-related) Information Disclosure Information Disclosure Based on TCFD & TNFD Recommendations ▶ P23-33
Nature	TNFD	Disclosed since FY 3/2025 Information Disclosure Based on TCFD & TNFD Recommendations ▶ P23-33
ESG	CDP	Evaluation results for responses to the 2025 CDP questionnaire Climate change: B Water security: B WEB Response to CDP https://www.energia.co.jp/e/environment/other/index.html
	SASB	Disclosed since FY 3/2022 WEB Information Disclosure in Line with SASB Standards https://www.energia.co.jp/e/environment/other/index.html
	Chugoku Electric Power Group Environmental Data Compilation	The Chugoku Electric Power Group discloses its key environmental data on its website Acquired third-party evaluations to enhance the reliability of the environmental information contained in this report WEB Chugoku Electric Power Group Environmental Data Compilation https://www.energia.co.jp/energy/energia/kaiji/index.html

Implementation of environmental management

Thorough environmental compliance

In complying with environmental laws and regulations, each of our business offices works to make risks visible by identifying environmental laws and regulations applicable to work/equipment at their office, and manage compliance according to a list of compliance matters. Compliance status is also reviewed periodically, as are management methods where necessary. By steadily implementing the PDCA cycle, we work to make continuous improvements.

The Carbon Neutrality Promotion Division, meanwhile, through environmental management reviews and Group environmental audits for each office or group company, works to verify legal compliance and identify points for improvement, and where necessary reflects these in rules to ensure environmental management takes root and environmental risks are lessened.

The results of environmental management reviews and similar are reported to the Environmental Management Promotion Committee and others.

Bolstering environmental education and training for employees

In addition to providing environmental education at each workplace, since FY 3/2017, as part of our efforts to minimize environmental risks and raise environmental awareness among all employees, members of the Carbon Neutrality Promotion Division conduct environmental supervisor training at each site.

Environmental award system

At Chugoku Electric we have run an environmental award system since FY 3/2006. Through this system, we commend employees and business offices that have achieved outstanding results in their efforts to counter environmental issues.

Environmental awards FY 3/2026



Name of activity

Reduction of customer CO_2 emissions through LNG sales

Commended department

Gas Solutions Group Energy Sales Division

Name of activity

Reduction of CO_2 emissions through energy management at office buildings

Commended department

General Affairs and Construction Group
Property Management Division

Information Disclosure Based on TCFD & TNFD Recommendations

As a group, we recognize the importance of addressing climate change and other nature-related issues. As such, we promote better responses to risk and opportunities and fuller information disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD).

We became a signatory to the TCFD recommendations in June 2019.

Governance TCFD TNFD

We have constructed an environmental management promotion framework in which the President and CEO holds ultimate responsibility. Under the supervision of the Board of Directors, the constituent parts of the framework formulate strategies, policies, and targets connected to climate change and other issues related to nature. They also manage progress toward the targets and the status of any measures being implemented.

Moreover, one part of directors' bonuses (excluding that for external directors and Audit & Supervisory Committee directors) takes into account the results of initiatives to reduce supply chain GHG emissions.

Environmental management promotion framework P7 Integrated Report Policy on Director Compensation P65

Main points of discussion at the Board of Directors, Environmental Management Promotion Committee, and elsewhere (FY 3/2026)

	Main points of discussion
Task Force on Climate-related Financial Disclosures	✓ Formulation of the Chugoku Electric Power Group Environmental Management Policy (policies/targets) ✓ Chugoku Electric Power Group Environmental Targets FY 3/2025 results/evaluation ✓ Status of implementation of priority issues to achieve carbon neutrality by 2050 ✓ Risk management status
Taskforce on Nature-related Financial Disclosures	✓ Formulation of the Chugoku Electric Power Group Environmental Management Policy (policies/targets) ✓ Chugoku Electric Power Group Environmental Targets FY 3/2025 results/evaluation ✓ Disclosure based on TNFD recommendations

Risk management TCFD TNFD

Environmental risks such as climate change and other nature-related issues are managed as part of the Group's overall integrated risk management.

We understand that the tightening of GHG emissions regulations is a risk with the potential to have a serious impact on the Group's business, and have listed it as a business risk in our Securities Report.

Integrated Report Risk Management P68

Strategy TCFD

In line with future uncertainties, we have analyzed various scenarios to enable us to strategically engage in efforts to achieve carbon neutrality by 2050.

These analyses are not intended to predict future results. They are for the purpose of examining long-term events and countermeasures based on certain assumptions.

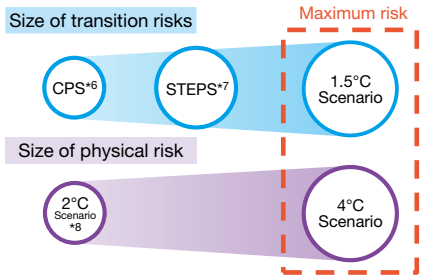
Assumed scenarios

At Chugoku Electric, to allow for science-based assessments of the risks and opportunities associated with climate change, we have set a 1.5°C Scenario and a 4°C Scenario (both detailed in the table below) based on data published by the International Energy Agency (IEA), Japan Meteorological Agency, and other organizations.

1.5°C Scenario	4°C Scenario
• Reinforcement of global climate change countermeasures and the steady reduction of GHG emissions • Limitation of global average temperature rises to below 1.5°C above pre-industrial (1850–1900) levels by the end of the 21st century • Achieve Japan's NDC*3 and carbon neutrality by 2050 (Reference) • IEA: World Energy Outlook 2025 NZE Scenario*4 • Seventh Strategic Energy Plan • GX2040 Vision	• Insufficient global climate change coun-termeasures and inadequate reduction of GHG emissions • Global average temperature rises reach approximately 4°C above pre-industrial (1850–1900) levels by the end of the 21st century (Reference) • Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, SSP5-8.5 scenario*5 • Based on the 4°C warming scenario in the Japan Meteorological Agency's Climate Change in Japan 2025

*3 Nationally Determined Contribution. GHG emissions reduction targets provided by each party under the Paris Agreement. As a country, Japan has set its targets to reduce its emissions from FY 3/2014 levels by 46% by FY 3/2031 (while striving for 50%), 60% by FY 3/2036, and 73% by FY 3/2041.
*4 Scenario in which the global average temperature rise is kept to 1.5°C.
*5 Scenario in which climate measures are not introduced due to development being reliant on fossil fuels.

Transition risks and physical risks



Under the 1.5°C Scenarios in which stricter climate-related measures are implemented, transition risks are largest, while under the 4°C Scenario in which climate-related measures are inadequate, it is physical risks that are largest.

*6 Current policies scenario. Based on existing measures only, not taking into account any future strengthening of measures or similar. (IEA World Energy Outlook 2025 CPS scenario)
*7 Officially announced measures scenario. In addition to current policies, it is based on future measures that have been announced. (IEA World Energy Outlook 2025 STEPS scenario)
*8 A scenario in which the 2°C target of the Paris Agreement is largely achieved. (Based on the 2°C warming scenario in the Japan Meteorological Agency's Climate Change in Japan 2025)

Information Disclosure Based on TCFD & TNFD Recommendations

Changes in business environment

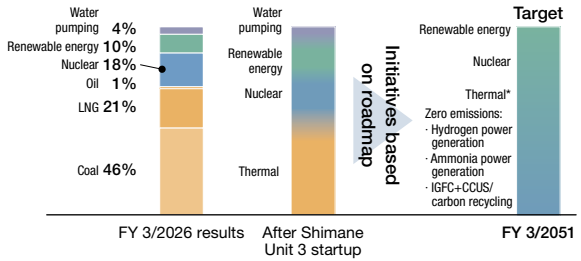
Following analysis of the assumed business environment changes in each scenario, in the 1.5°C Scenario, there would be a significant impact on our business on both the supply and demand sides, while climate change would have a significant impact on our business in the 4°C Scenario.

1.5°C Scenario

Energy supply

According to the IEA's World Energy Outlook 2025, the global ratio of non-fossil energy sources is set to significantly increase ahead of 2050. In Japan, the Seventh Strategic Energy Plan outlines the country's policy to introduce renewable energy as the main power source to the maximum extent possible, and includes a non-fossil fuel energy ratio of approx. 60 to 70% for FY 3/2041.
Through efforts such as the commencement of operations at Shimane Unit 3 and expanded introduction of renewable energy, we as a group aim for an optimal energy mix that will help us to achieve carbon neutrality by 2050.

Proportion of generated electric power (generated ourselves)

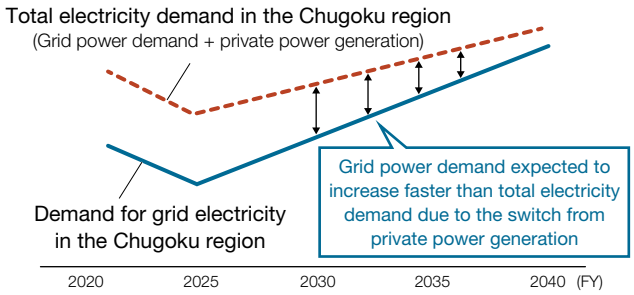


*Measures to achieve zero emissions are for reference purposes, and may be revised based on the results of further studies from various economic and technological perspectives

Energy demand

According to the IEA's World Energy Outlook 2025, global electricity demand and electrification rates will continue to rise ahead of 2050. In Japan, the Seventh Strategic Energy Plan predicts that while final energy consumption will decrease, electricity demand will increase due to such factors as advances in electrification driven by GX and DX and the new construction and expansion of data centers and semiconductor factories.
The Chugoku region is also predicted to see this rise in electricity demand supported by growing demand for data centers and increasing electrification in a manufacturing industry aiming for GX.

Electricity demand in the Chugoku region

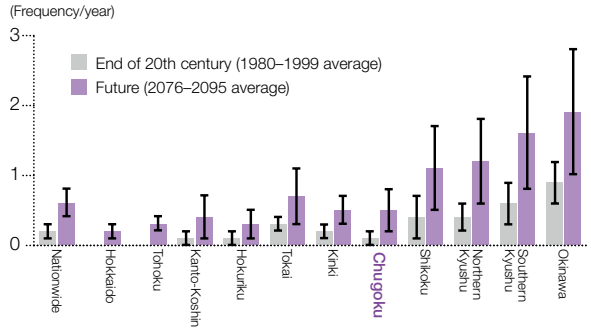


4°C Scenario

Climate change

According to the Sixth Assessment Report from the IPCC, global average temperatures are set to continue to rise during the 21st century. Likewise in Japan, temperatures are predicted to continue rising. The result of this is an increase in the amount of moisture in the atmosphere and rising sea levels with more frequent cloudbursts (defined as where 50 mm or more rain falls in an hour or less) and stronger typhoons.
The same effects are predicted for the Chugoku region, with concerns about the increasing severity of natural disasters.

Frequency of cloudbursts



Created in-house based on the Japan Meteorological Agency's Climate Change in Japan 2025; the thin vertical black lines show the range of annual change.

Main impacts on group business

- ✓ Tightening of GHG emissions regulations
- ✓ Increasing needs for non-fossil energy sources
- ✓ Increasing needs for highly efficient/decarbonized thermal power generation
- ✓ Increasing needs outside Japan for non-fossil energy sources
- ✓ Accelerated introduction of renewable energy in line with technology advancements

Main impacts on group business

- ✓ Increasing social desire for decarbonization
- ✓ Progress of electrification for decarbonization
- ✓ Increasing need among customers for energy conservation and decarbonization in their business activities

Main impacts on group business

- ✓ Increasing severity of natural disasters (cloudbursts, typhoons, etc.)
- ✓ Changing rainfall patterns
- ✓ Rising average temperatures and sea levels

Information Disclosure Based on TCFD & TNFD Recommendations

Climate change risks and opportunities

Based on the scenarios outlined above, we recognize climate change risks and opportunities facing us as seen in the table on the following page.
The maximum risks vary for the two scenarios: transition risks for the 1.5°C Scenario and physical risks for the 4°C Scenario. By advancing measures based on both, we will be able to respond to either and engage in business with our resilience assured.
As a group, we have taken into consideration the risks and opportunities we have identified and set priority measures to achieve carbon neutrality by 2050, which we are rolling out.

Priority measures to achieve carbon neutrality by 2050 P11

Trade-off between risks and opportunities

We believe that our response to climate change presents an opportunity for medium-to-long-term growth. In this light, we are advancing initiatives to decarbonize energy and decarbonize our customers and community. Equally, these efforts carry potential risks such as impacting the natural environment or regional society, or driving up costs.
In terms of changes to our business environment resulting from climate change, each business faces both risks and opportunities. Responding to one may incur the other, so there may need to be trade-offs.
Therefore, when determining strategy or approach, we have to comprehensively assess risks and opportunities from a pan-business perspective.

: Priority measures to achieve carbon neutrality by 2050

	Business area	Changes in business environment	Group risks and opportunities		Timeline*1 Short-term	Timeline*1 Medium term	Timeline*1 Long term	Major impact*2	Financial impact		Main measures
1.5°C Scenario	Generation/wholesale	Tightening of GHG emission regulations (Act on GX Promotion, etc.)	Transition risks (Policy/Law)	Increase in costs in line with tightened GHG emissions regulations	○	○	○	○	Increase in CO_2 emissions costs for missing CO_2 emissions targets*3,4	Approx. 62 billion yen	Decarbonization of energy sources • Promoting priority measures toward further introduction of renewable energy, expanded use of nuclear power, etc.
		Increasing needs for non-fossil energy sources	Opportunities (Energy sources)	Increase in demand for renewable energy	○	○	○	○	Decrease in CO_2 emissions costs and fuel costs by expanding introduction of renewable energy Renewable energy investment: Approx. 80 billion yen (FY 3/2027 to FY 3/2031)	—	Further introduction of renewable energy • Further introduction of solar, hydroelectric, and wind power • New development of storage batteries and business expansion
			Opportunities (Energy sources)	Expanded use of nuclear power	○	○	○	○	Decrease in CO_2 emissions costs by operating Shimane Unit 3*3,4 Nuclear power investment: Approx. 800 billion yen (FY 3/2027 to FY 3/2031)	Approx. 76 billion yen	Use and development of nuclear power • Initiatives for the stable operation of Shimane Unit 2 and early commencement of operations at Unit 3, all while making safety the top priority • Trend surveys and trial studies for state-of-the-art technologies • Development of Kaminoseki Nuclear Power Station
									Decrease in fuel costs if the utilization rate for Shimane Unit 2 were raised 1%*4	Approx. 0.7 billion yen	
		Increasing needs for highly efficient/ decarbonized thermal power generation	Transition risks (Market)	Decrease in market competitiveness and utilization rates	○	○	○	○	Decrease in profits due to lower utilization rates for thermal power stations	—	Transitioning of thermal power generation • Construction of new Yanai Unit 2 (LNG) • Examination and preparation of hydrogen/ammonia mixed-fuel combustion • Expansion of biomass mixed-fuel combustion • Investigation into introducing CCS technologies • Promotion of the Osaki CoolGen Project • Phase out of inefficient coal-fired thermal power
			Opportunities (Energy sources)	Expanded use of high-efficiency thermal power and biomass mixed-fuel combustion	○	○	○	○	Decrease in CO_2 emissions costs and fuel costs from expanding the use of high-efficiency thermal power Decrease in CO_2 emissions costs from expanding the use of biomass mixed-fuel combustion Thermal power investment: Approx. 70 billion yen (FY 3/2027 to FY 3/2031)	—	
			Opportunities (Acute)	Utilization of carbon-free power sources (hydrogen/ammonia power generation, IGFC+CCUS, etc.)			○		Decrease in CO_2 emissions costs from utilizing carbon-free power sources	—	
		Increasing needs outside Japan for non-fossil energy sources	Opportunities (Market)	Increase in demand for renewable energy outside Japan	○	○	○	○	Increase in profits from expanding renewable energy projects outside Japan	—	Expansion of International Business • Increase projects with a focus on renewable energy

Continued on next page

Information Disclosure Based on TCFD & TNFD Recommendations

: Priority measures to achieve carbon neutrality by 2050

	Business area	Changes in business environment	Group risks and opportunities		Timeline*1 Short-term	Timeline*1 Medium term	Timeline*1 Long term	Major impact*2	Financial impact		Main measures
1.5°C Scenario	Power transmission and distribution	Rapid adoption of renewable energy due to technological advancements	Transition risks (Technologies)	Increase in grid countermeasure costs to further introduce renewable energy	○	○	○	○	Increase in power transmission and distribution business investment associated with grid countermeasures	Approx. 550 billion yen (FY 3/2027 to FY 3/2031)	Construction of next-generation power networks • Expand grid connections to renewable energy sources fairly, swiftly, and steadily • Strengthen the grid and develop control technologies to expand grid connections to renewable energy sources • Evolution of high-voltage adjustment • Introduction of 2G smart meters
	Retail	Tightening of GHG emission regulations (Act on Sophisticated Methods of Energy Supply Structures, etc.)	Transition risks (Policy/Law)	Increase in power procurement costs due to tightening GHG emissions regulations	○	○	○	○	Increase in power procurement costs (Including the effect of soaring prices of non-fossil fuel certificates as companies act to comply with the Sophisticated Methods Act)	–	Securing of renewable energy sources • Development of renewable energy sources • Procurement from other companies' renewable energy sources Rolling-out of energy services • Provision of energy-savings and CO_2 reduction consultation • Provision of EV solutions services • Provision of electricity rate plans that use non-fossil fuel certificates Regional GX response • Provision of services for regional, port, and industrial complex decarbonization • Development and rolling-out of services using EMS • Trial and application of next-generation solar cells
		Progress of electrification for decarbonization	Opportunities (Market)	Expanded electricity demand from progress in electrification	○	○	○	○	Increase in income from electricity rates if electricity sales rise by 1%*4	Approx. 10 billion yen	
		Increasing needs among customers for energy-saving and decarbonization measures in their business activities	Transition risks (Market)	Increase in turnover for customers focused on CO_2 emission factors	○	○	○	○	Decrease in profits due to higher customer turnover	–	
			Opportunities (Products and services)	Advancement of DR,*5 Solar PPA,*6 and other services	○	○	○	○	Increase in profits from DR,*5 Solar PPA,*6 and other services	–	
	Groupwide	Heightened social awareness of decarbonization	Transition risks (Reputation)	Impact on fund procurement and business opportunities from reputational loss if decarbonization initiatives are deemed too slow	○	○	○	○	Impact on interest expenses if interest rates fluctuate by 0.1%*4	Approx. 0.9 billion yen	Stronger engagement with investors • Improve and enhance initiatives considering dialogue with shareholders and investors Promotion of sustainable finance • Issue transition bonds and finance through transition-linked loans • Transition loans using financial support from the GX Acceleration Agency
									Decrease in profits from fewer business opportunities	–	
			Transition risks (Policy/Law, Reputation)	Increase in lawsuits due to delays to de-carbonization efforts		○	○		Decrease in profits from higher legal costs and drop in social trust	–	
			Opportunities (Technologies)	Development of carbon recycling technologies (CO_2-TriCOM, Gas-to-Lipids)*7			○		Decrease in CO_2 emission costs through the use of carbon recycling technologies	–	Development of carbon recycling technologies • Development and commercialization of carbon recycling technologies
4°C Scenario	Generation/ wholesale Power transmission and distribution	Increasing severity of natural disasters (cloudbursts, typhoons, etc.)	Physical risks (Acute)	Increase in recovery and countermeasure costs in line with facility damage	○	○	○	○	Damage costs*8 (Impact of the heavy rainfall disaster in July 2018)	Approx. 3.7 billion yen	Greater resilience • Stronger power infrastructure • Better adaptability to disasters • Firmer cooperation with relevant external organizations, local authorities, etc. • Groupwide comprehensive disaster preparedness drills
			Physical risks (Acute)	Stronger resilience measures (equipment countermeasures, etc.)	○	○	○	○	Increase in equipment investment and maintenance costs used in strengthening resilience measures	–	
	Generation/ wholesale Power transmission and distribution	Changing rainfall patterns	Physical risks (Chronic)	Stronger resilience measures (equipment countermeasures, etc.)			○		Increase in equipment investment and maintenance costs used in strengthening resilience measures	–	
	Generation/ wholesale	Rising average temperatures and rising sea levels	Physical risks (Acute)	Fluctuating water flow rates (fluctuating levels of hydropower)	○	○	○		Impact on fuel costs if water flow rates fluctuate 1%*4,9	Approx. 0.3 billion yen	Effective use of water resources • Conduct hydroelectric re-powering • Optimize power generation planning through AI

*1 Short term: FY 3/2027; Medium term: FY 3/2028 to FY 3/2031 (covered by the current Medium-term Management Plan); Long term: FY 3/2032 to FY 3/2051 (period to achieve carbon neutrality by 2050).
*2 In addition to evaluating current impact on the Group's businesses, considerations have also been made based on priority initiatives. Note that these impact evaluations are not final, and may fluctuate based on external environmental changes such as new national policies and energy circumstances.
*3 Assuming full-scale introduction of carbon pricing in FY 3/2031 or beyond. For carbon prices, we have referred to the NZE Scenario and Advanced Economies (Net-zero Commitments) section for FY 3/2031 from the IEA's World Energy Outlook 2025, basing the calculations on \$140/tCO_2.
*4 Calculated based on FY 3/2026 achievements. Values are not definitive and fluctuate based on the achievements of the fiscal year used for calculation.
*5 Demand response. A mechanism whereby holders of users' energy resources or third parties control these resources to change power demand patterns.
*6 Power purchase agreement.
*7 Technologies that solidify CO_2 so it can be reused in civil engineering materials and concrete (CO_2-TriCOM) and a technology that uses a bioprocess to generate high-value-added lipids from CO_2 (Gas-to-Lipids).
*8 Actual expenses as an indicator of future financial impact.
*9 The average water flow rate for the past ten years is 97% (range: 76–116%)

Information Disclosure Based on TCFD & TNFD Recommendations

Metrics and Targets TCFD

On our path to achieving carbon neutrality by 2050, we have previously set CO_2 emission targets and set FY 3/2031 targets for power supply and demand initiatives, and have worked to achieve these.
In the Chugoku Electric Power Group Corporate Vision 2040, which we created in September 2025, we set ourselves new targets for groupwide supply chain GHG emissions (Scope 1, 2, and 3) to strive toward that equal Japan's NDC: a 50% reduction by FY 3/2031 and 60% reduction by FY 3/2036 (both compared to FY 3/2014 levels).
From FY 3/2027, we are adding to our supply chain GHG emissions (Scope 1, 2, and 3) and CO_2 emissions targets. After a review, we have set a new target on the amount of newly introduced renewable energy.
Moreover, in FY 3/2026, we achieved the results detailed below against our climate-related targets.

Climate-related targets and progress

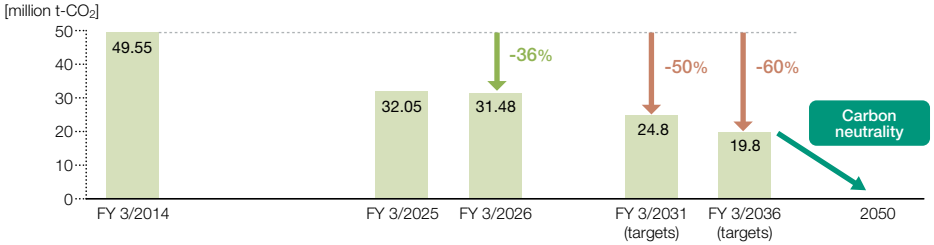
Challenge to Achieve Carbon Neutrality by 2050 Metrics and Targets P9

	Item	Scope	Target	FY 3/2026 results
	Supply chain GHG emissions (Scope 1, 2, and 3)*1	Group	50% reduction by FY 3/2031 60% reduction by FY 3/2036 (compared to FY 3/2014)	31.48 million t-CO_2 (approx. 36% reduction)
	CO_2 emissions*2	Chugoku Electric	Halve CO_2 emissions by FY 3/2031 for both retail business and power generation business (compared to FY 3/2014)	Retail business: 20.98 million t-CO_2*3 (approx. 50% reduction) Power generation business: 15.42 million t-CO_2 (approx. 38% reduction)
Energy supply	Further introduction of renewable energy	Group	FY 3/2021 to FY 3/2031: 300–700 MW*4	+420 MW
Energy supply	Utilize nuclear power generation while making safety the top priority	Chugoku Electric	Early operation restart of Unit 2, and start of operation of Unit 3, at the Shimane Nuclear Power Station	Unit 2: Continued stable operation Unit 3: Currently responding to conformity reviews for new regulatory requirements
Energy supply	Thermal power station heat efficiency	Chugoku Electric	Achievement of benchmark indicators based on the Act on Rationalizing Energy Use by FY 3/2031*5	Thermal power A: 1.04 Thermal power B: 44.5% Coal: 45.75%
Energy demand	Provision of energy-saving products and services to customers	Group	FY 3/2031 No. of EcoCute units installed: More than 900,000 units*6	810,000 units

*1 Calculated based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.8) (Ministry of the Environment, Ministry of Economy, Trade and Industry), etc.
As we do not directly measure GHG emissions, we calculate them using an estimation method using activity data and emissions factors.
*2 Retail business: Calculated based on Calculations and Announcements for Individual Power Companies' Unadjusted Emission Coefficients, Basic Emission Coefficients, and Adjusted Emission Coefficients (Ministry of the Environment, Ministry of Economy, Trade and Industry).
Power generation business: Calculated based on The Calculating and Reporting Manual for Greenhouse Gas Emissions (Ministry of the Environment, Ministry of Economy, Trade and Industry).
*3 Third-party verified by KPMG AZSA Sustainability Co., Ltd.
*4 Covers newly developed equipment, with a starting point of FY 3/2020.
*5 Calculated based on the Standards of Judgment for Business Operators on the Rational Use of Energy for Factories etc. (Ministry of Economy, Trade and Industry). It sets our medium-to-long-term targets for electricity suppliers as: Metric A of 1.00 or above, Metric B of 44.3% or above, and a coal-fired thermal power generation efficiency of 43% or above.
*6 Cumulative (conjectural) total for new installations and units bought to replace gas- or kerosene-fired water heaters or electric water heaters.

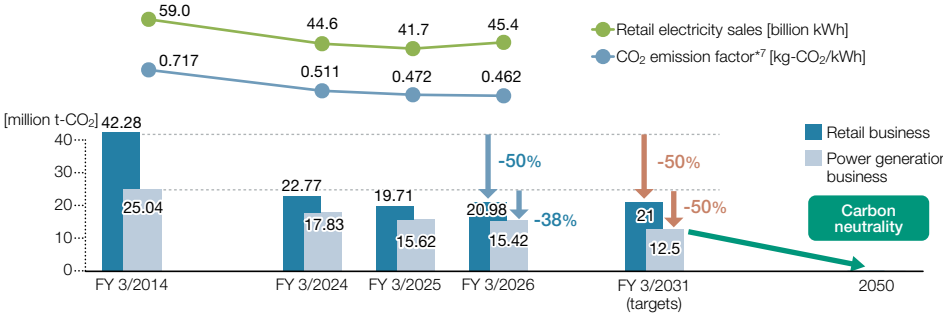
Reduction of supply chain GHG emissions

Supply chain GHG emissions (Scope 1, 2, and 3) were 31.48 million t-CO_2 (a 36% reduction from FY 3/2014 levels), so we are making steady progress toward achieving our FY 3/2031 and FY 3/2036 targets.



Reduction of CO_2 emissions

CO2 emissions for the retail business in FY 3/2026 were 20.98 million t-CO_2 (a 50% reduction from FY 3/2014 levels), so we have already largely achieved our target level. However, between now and FY 3/2031 we predict an increase in the amount of electricity we sell, so we will continue to promote energy source procurement that balances economy and environmental performance. The CO_2 emission factor*7 decreased to 0.462 kg-CO_2/kWh compared to FY 3/2025 due to a higher non-fossil fuel energy ratio resulting from increased operation of Shimane Nuclear Power Station Unit 2 and other factors.
For the power generation business, meanwhile, CO_2 emissions were 15.42 million t-CO_2 (an approx. 38% reduction from FY 3/2014 levels) so we are making steady progress toward achieving our FY 3/2031 targets.



*7 Adjusted CO_2 emission factor. Reflects adjustments, etc., related to the FIT sys-tem, and CO_2 emission credits (non-fossil fuel certificates, green electricity certifi-cates, J-Credits from renewable energy, J-Credits for non-renewable-energy rea-sons, JCM Credits).

Internal carbon pricing (ICP)

At present, we do not use ICP in our decision-making, but we are proceeding with studies that include how to apply this approach, with reference to emission allowance unit prices used by the GX-ETS (Green Transformation Emissions Trading System).

Information Disclosure Based on TCFD & TNFD Recommendations

General requirements TNFD

Item	Details
Application of materiality	We have adopted a double materiality approach that evaluates both the relationship between nature and society and business activities and the impact of business activities on nature and society.
Scope of disclosure	In addition to widening the scope to more of the Group's business activities, we have analyzed and evaluated our priority businesses from upstream operations to direct ones. Moreover, group companies included in the scope have been designated consolidated subsidiaries. For the upstream side of the supply chain, we utilized ENCORE*1 to evaluate dependencies and impacts at the fuel procurement stage, and for direct operations we evaluated dependences, impacts, and associated risks and opportunities for each type of power generation.
Regions with issues related to nature	We used publicly available tools such as IBAT*2 and Aqueduct*3 to assess the importance of biodiversity and water stress in the areas surrounding all of the power stations and concrete manufacturing and coal ash recycling sites that we operate directly. We disclose detailed information on the natural environment surrounding the Group's key sites and sites that are important from the perspective of nature and biodiversity conservation.
Integration with other ESG-related disclosure	We publish an integrated report in which we aligns the content of disclosures with the TCFD recommendations.
Periods under consideration	In line with the TCFD recommendations, we have set short-term (FY 3/2027) as well as medium-term (FY 3/2028 to FY 3/2031) and long-term (FY 3/2032 to FY 3/2051) targets, taking into consideration the target years set by the Kunming-Montreal Global Biodiversity Framework and other initiatives.
Stakeholder engagement	In addition to our disclosure of information in our annual integrated reports, we hold briefing sessions on our ESG initiatives for investors. Also, our management regularly engages in dialogue with external experts on sustainability issues and we offer environmental training to our employees, Furthermore, through environmental impact assessments and compliance with environmental protection agreements and the like, we are reducing our impact on the natural environment. At the same time, we are endeavoring to encourage greater understanding of our business and build relationships of trust through dialogue with the region.

*1 A tool developed by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) that enables corporations to gauge the dependencies and impacts of each business process on nature.
*2 Integrated Biodiversity Assessment Tool.
*3 An online data platform provided by the World Resources Institute (WRI) that aggregates information on water risks.

Management of risks and impacts TNFD

Process to evaluate nature-related dependencies, impacts, risks, and opportunities

As a group, we use scenario analysis to evaluate the nature-related dependencies, impacts, risks, and opportunities that arise in our business using the LEAP approach advocated by the TNFD. Based on the results of this analysis, we identify major risks and opportunities. Then, at the business planning and implementation stage, we conduct environmental assessments, and work to avoid or lessen the impact on ecosystems, while also carrying out continuous monitoring post-operation.

Strategy (dependencies and impacts) TNFD

LEAP approach

Utilizing the LEAP approach, we evaluated nature-related topics, such as how our business interacts with nature, dependencies, impacts, risks, and opportunities.

LEAP approach

Set Scope	We use ENCORE to comprehensively evaluate the dependence and impact on nature for the Group's direct operations. Priority is given to businesses covered by evaluations due to their dependence or impact level and individual company capital amounts. → Results of scope setting
Locate	Using IBAT, Aqueduct, and other tools, we organize information related to nature in the vicinity of selected sites and identify those that are important in terms of biodiversity. → Key power stations and status of surrounding natural environment
Evaluate	ENCORE is used to ascertain the depend-ence and impact on nature of our direct operations and fuel procurement (up-stream in the supply chain). For direct operations, to do so in a detailed manner, we organize the ecosystem services and impact causes dependent on investment resources, production processes, and emissions processes for each generation method. → Dependencies and impact
Assess	We identify related risks and opportunities from dependencies and impacts. We then hold internal workshops to analyze scenarios and evaluate the timing and impact of the identified risks and opportunities. We then study and sort countermeasures to address these. → Scenario analysis and risk/opportunity evaluation
Prepare	Finally, we organize data related to Core Global Disclosure Metrics to the fullest extent possible. → Metrics and targets

Information Disclosure Based on TCFD & TNFD Recommendations

Results of scope setting

To better understand nature-related risks associated with our business, we have adjusted the scope of businesses we assess. To do so, we comprehensively evaluated our different businesses' dependence and impact on nature, and look at which businesses should be selected for evaluation. The process for assigning a priority order is as follows.

1 Each business' dependence and impact on nature is evaluated using ENCORE

- Each group company's business is evaluated using ENCORE
- Each business' dependence and impact score is calculated (with categories "Very Low" to "Very High" equating to 1 to 5 points) based on evaluation results
- Dependencies with limited crossover with our businesses (such as cultural services) are excluded from the scope of evaluation

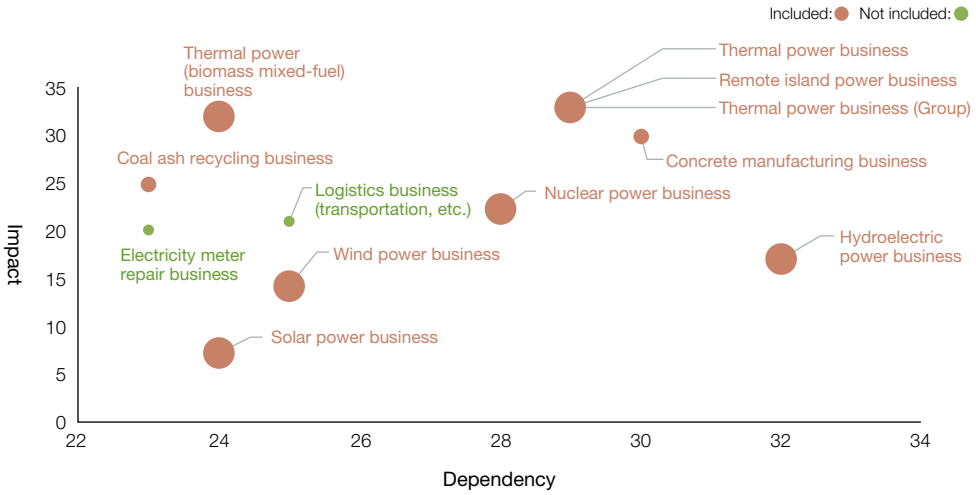
2 Level of importance is comprehensively evaluated from the ENCORE results and the group company's amount of capital

- Creation of bubble charts for evaluation results
1. Dependencies are shown on the horizontal axis, impacts on the vertical.
   ENCORE evaluation results are then plotted on the chart.
2. The size of each plot point shows the amount of capital for each company.
3. An integrated evaluation is then carried out.

3 Selection of businesses in the scope for evaluation and disclosure

Businesses in the scope for evaluation and disclosure
- Thermal power business
- Nuclear power business
- Hydroelectric power business
- Wind power business
- Solar power business
- Remote island power business
- Concrete manufacturing business
- Coal ash recycling business

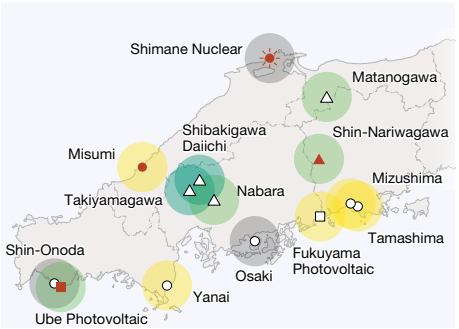
Results of the integrated evaluation of businesses subject to evaluation and disclosure (bubble chart)



Note: The bubble chart above omits businesses with evaluation impact scores of 5 or less, or dependency scores of 20 or less

Representative power stations and the state of nature in surrounding areas

We used IBAT, a publicly available tool, to analyze and evaluate our interactions with nature at business sites included in our scope setting. As a result, we identified 18 of the Group's sites (a nuclear power station, internal combustion thermal power stations, a coal and wood biomass-fired power station, a solar power station, and hydroelectric power stations) as being located within protected areas or other areas of importance for biodiversity conservation. Business operations at all of our sites consider how to exist in harmony with the surrounding natural environment. The map and list below show the state of nature at our representative power stations, considering the scale of output and the importance of the surrounding natural environment.



Legend
Power generation type: ○: Thermal △: Hydroelectric ☀: Nuclear □: Solar
Located within protected areas or other areas of importance for biodiversity conservation or not ■: Yes ■: No
Importance score for STAR*-related organisms
(Level of importance for biodiversity conservation for a 20 km radius)
■:High ■:Medium ■:Low ■:None

*STAR = Species Threat Abatement and Restoration
A high STAR score indicates that the area is home to many endangered species or, it may be considered a critical habitat for specific species. As such, conservation efforts in the area are considered likely to contribute significantly to global biodiversity conservation.

(Selected locations: nuclear power stations, thermal power stations, pumped-storage power stations, solar power stations, hydroelectric power stations (in part))

Type of power generation	Site name	Surrounding environment	Surrounding protected areas
Nuclear	Shimane Nuclear	Japan Sea coast	Daisen-Oki National Park, Kataku Wildlife Protection Area, etc.
Coal	Misumi	Japan Sea coast	Misumi Coast Nature Conservation Area, Misumi Coast Wildlife Protection Area, etc.
	Shin-Onoda	Seto Inland Sea and Suonada Coast	Ryuozan Wildlife Protection Area, etc.
	Osaki (suspended)	Osakikamijima	Setonaikai National Park, Tsuzukishima Wildlife Protection Area, etc.
LNG	Yanai	Seto Inland Sea and Iyo-nada coast	Setonaikai National Park, Hannya-ji Green Space Conservation Area, etc.
	Mizushima	Seto Inland Sea and Bisan-Seto Coast	Kurashiki City Tanematsuyama Wild Grass Transplant Protection Area and other wildlife protection areas
Heavy crude oil/LNG	Tamashima	Seto Inland Sea and Bisan-Seto Coast	Setonaikai National Park and other protected areas, etc.
Hydroelectric	Matanogawa Nabara	Inland along the Matano River Inland along the Nabara River	Daisen-Oki National Park, etc. Nanbarakyo Prefectural Natural Park, Fukuojji Wildlife Protection Area, etc.
	Shin-Nariwagawa	Inland along the Nariwa River	Takahashi River Upstream Prefectural Natural Park, Shin-Nariwagawa Dam Wildlife Protection Area, etc.
	Takiyamagawa Shibakigawa Daiichi	Inland along the Ota River Inland along the Shibaki River	Miyama Gorge, etc. Western Chugoku Mountains, Sandan Gorge, etc.
Solar	Ube Photovoltaic	Seto Inland Sea and Bisan-Seto Coast	Suonada Coast, etc.
	Fukuyama Photovoltaic	Seto Inland Sea and Bisan-Seto Coast	Setonaikai National Park, etc.

Information Disclosure Based on TCFD & TNFD Recommendations

Dependencies and impacts

Upstream in the value chain

In line with the LEAP approach advocated by the TNFD, we used the ENCORE tool to gauge and assess the dependencies and impacts of our activities on nature. As a result, we determined that for fuel procurement (mining at the upstream end of the value chain, etc.), freshwater supply (provisioning services) and global climate regulation (regulating and maintenance services) are highly important in terms of dependencies. In addition, we determined that in terms of impact factors, changes in land/freshwater/marine use are highly important in terms of inputs, while climate change and pollution/pollution control are highly important in terms of emissions.

Direct operations

As well as evaluating our dependencies and impacts on nature using ENCORE, we organized our investment resources, production processes, and emissions processes, and reviewed these dependencies and impacts. As a result of organizing those areas of our direct operations that have a significant dependency or impact, we identified that the importance of water resources as an important form of natural capital, and we have analyzed its crossover with the Group's businesses.

Dependency VH: Very High H: High M: Middle L: Low VL: Very Low

Impact VH: Very High H: High M: Middle L: Low VL: Very Low : N/A

List of dependencies and impacts in direct operations (heat map)

Own activities	Dependency																Impact									
	Supply services		Regulating and maintenance services														Climate change	Changes in land/ freshwater/sea use		Pollution/pollution removal					Resource use/ replenishment	Non-native species
Project	Freshwater supply	Biomass supply	Air filtering	Air and ecosystem based dilution	Noise reduction	Mitigation of sensory impacts	Water current regulation	Water filtering	Solid waste purification	Flood regulation	Soil and sea/ riverbed retention	Mitigation of heavy rainfalls	Biological control	Global climate regulation	Regional climate regulation	Rainfall pattern regulation	GHG emissions	Freshwater use area	Land use area	Non-GHG air pollutants	Adverse impacts on daily life (noise, light, etc.)	Generation/ emission of solid waste	Emission of hazardous materials into water/soil	Emission of nutritive salts into water/soil	Water use	Introduction of invasive species
Nuclear power	H				VL		H	M		M	H	L		VL	L		VL	M	M	L	M	H	M		M	
Hydroelectric power	VH						VH			VH	VH	M		M	L		L	H	M		H	L			L	
Solar power	M									M	M	M		VH	M				L		VL	VL	VL		L	
Power transmission and distribution	VL				VL		L		L	M	L	M		VL	L	VL	VL	L	M	VL	L	L	L		VL	
Thermal power	H	H	VL		VL		H	M	M	M	M	L		M	L		H	M	M	VH	VH	H	VH	M	M	M
Concrete manufacturing	VL		VL	L	VL	VL	VL	VL	M	VL	L	VL		VL	L	L	H	VL	L	L	L	L	VL	VL	VL	
Coal ash recycling	VL			VL	VL	VL	VL			VL	VL	VL	VL	VL		VL	L		VL		VL				VL	

Note: The titles of topics from ENCORE results have been simplified for the table below. Changes are as follows: "Other regulation and maintenance services: Air and ecosystem based dilution" becomes "Air and ecosystem based dilution"; "Other regulation and maintenance services: Mitigation of sensory impacts" becomes "Mitigation of sensory impacts"; "Regional (micro and meso) climate regulation" becomes "Regional climate regulation"; and "Emission of non-GHG air pollutants" becomes "Non-GHG air pollutants."

List of dependencies and impacts in direct operations (those scoring "High" or "Very High")

Nuclear power Hydroelectric power Thermal power

	Dependency/Impact	Related businesses	Overlap with business
Dependency	Freshwater supply	Nuclear power, Hydroelectric power, Thermal power	Water used to cool power generation equipment
	Biomass supply	Thermal power	Reliance on wood and wood resources
	Water current regulation	Nuclear power, Hydroelectric power, Thermal power	Stable securing of water needed for power generation, cooling, etc.
Impact	GHG emissions	Thermal power	Emission of GHG from operations
	Freshwater use area	Hydroelectric power	Habitat changes and impact on ecosystems from locating power stations
	Non-GHG air pollutants	Thermal power	Generation of exhaust gases from combustion
	Adverse impacts on daily life	Hydroelectric power, Thermal power	Noise and light harm during power station operating hours
	Generation/emission of solid waste	Nuclear power, Thermal power	Generation of ash, radioactive waste, and other substances from combustion at power stations

Crossover between the Group's businesses and water resources

Item	Specific water-resource-related initiatives	Related businesses
Dependency/ Impact	• Changes to soil use because of land development, etc. • Generation of hot wastewater from cooling water	Nuclear power, Thermal power
	• Reliance on climate, rainfall patterns, and water-recharging forests • Impact on ecosystems, river environments, and local communities	Hydroelectric power
Risk	• Reputational risks from a lack of consideration for the natural environment	Nuclear power, Thermal power
	• Impact on ecosystems and operational limitations due to tightening regulations, etc.	Hydroelectric power
Dependency	• Appropriate wastewater treatment based on environmental assessments, laws, regulations, etc. • Reduction of impact on marine environments by controlling hot wastewater • Reduction of water use by reusing water used in power generation	Nuclear power, Thermal power
	• Reduction of impact on surrounding environments through designs that consider the environment and landscapes	Nuclear power, Hydroelectric power, Thermal power
	• Reduction of impact on ecosystems by appropriate maintenance management • Stable securing of water resources through maintenance and management of water-recharging forests	Nuclear power, Thermal power

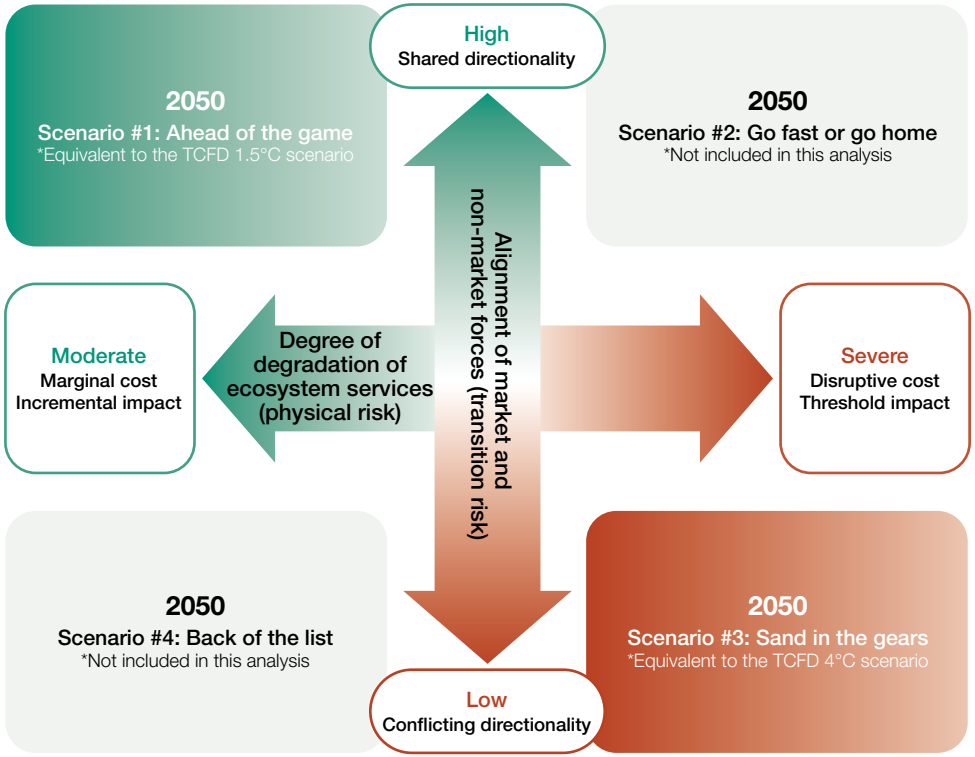
Information Disclosure Based on TCFD & TNFD Recommendations

Scenario analysis

TNFD guidance outlines how scenario analysis is a useful and important tool for developing strategies and testing their resilience in the face of complex uncer-tainty. In keeping with TNFD guidance on scenario analysis, we set two driving forces and described two scenarios within the four quadrants. We then evaluated the risks and opportunities for our organization through workshops involving multiple business divisions.

Two driving forces identified and two scenarios considered

As per the scenario analysis guidance, we set two driving forces related to physical risks and transition risks. Of the four scenarios we identified, we chose two (Scenarios #1 and #3) that we believed could be linked to the TCFD scenarios (1.5°C and 4°C scenarios), also taking into account the scenarios we are considering for our climate change efforts.



Description of scenarios

		Scenario #1	Scenario #3
Worldview		**Moderate degradation of nature/ Alignment of market and non-market forces** • Strict CO_2 emission regulations are in place, and businesses are compared on the basis of their emissions • There is a balance between environmental regulations and business initiatives—i.e. between the environment and the economy—resulting in an ideal power source mix • A world where progress is being made toward carbon neutrality, a recycling-oriented society, and coexistence with nature	**Severe degradation of nature/ Non-alignment of market and non-market forces** • A world with no unified goals at the global level and disparity in the extent of efforts to protect the environment, where extreme weather events are causing an increase in natural disasters and competition for resources, and where nature positivity has not been achieved
Worldview for each category	Climate/nature	• Climate change is being mitigated and extreme weather events are occurring less frequently • Deterioration of the natural environment is moderate	• Climate change is progressing, abnormal weather conditions cause rising sea temperatures and water shortages • The natural environment is deteriorating significantly • Strong winds and landslides are occurring in fuel production regions • Natural disasters are becoming increasingly severe
	Macroeconomics	• Population decline in the Chugoku region • Increased demand for electricity, accompanied by the advancement of DX and GX • Growing calls to cut CO_2 emissions	• Population decline in the Chugoku region • Increased demand for electricity, accompanied by the advancement of DX and GX • Countries around the world respond differently to the situation, with some prioritizing their own interests, making it increasingly important for companies to make decisions and take action on their own
	Consumers	• Better understanding of nature among companies and the general public • Increased ethical awareness among consumers concerning the environment	• Inconsistency in consumer ethical awareness (some consumers have high ethical awareness regarding nature, while others do not)
	Regulations	• Tighter environmental regulations and regulations on resource procurement	• Maintenance or relaxation of environmental regulations and regulations on resource procurement
	Technology	• Reduction of environmental impact and development of low-carbon technologies • Diffusion of technologies for CO_2 reduction, storage, and utilization • Increased utilization of clean energy (hydrogen and ammonia fuels) • Development and spread of AI	• Slowdown in technological innovation related to reducing the environmental impact and low carbon emissions
	Funding	• Expansion of support systems for achieving carbon neutrality and nature positivity	• Lack of alignment of market and non-market forces and multiple funding routes

*As climate change and natural capital are intrinsically linked, our climate-related evaluation utilized TCFD scenario analysis and looked into conformity with the TNFD's nature-related scenarios.

Information Disclosure Based on TCFD & TNFD Recommendations

Risks and opportunities

For items evaluated as having a high degree of importance in "Strategy (dependencies and impacts)," we carried out scenario analysis in the form of workshops that considered identified risks and opportunities. As a result of the evaluation, we recognized that the impact of physical risks (acute) in Scenario #3 and resource efficiency in Scenarios #1 and #3 is high. Going forward, we will continue to quantify risks and opportunities and refine our financial impact assessment.

Nature-related risks and opportunities

Nuclear power / Hydroelectric power / Thermal power / Solar power / Power transmission and distribution

Category			Main dependencies and impacts	Potential occurrences	Related businesses	Risks and opportunities for the Group Level of financial impact*1 (Low : Less than 3 billion yen Moderate : Between 3 billion yen and 10 billion yen High : More than 10 billion yen)	scenario #1		scenario #3		Countermeasures
							Timeline	Degree of impact*2	Timeline	Degree of impact*2	
Risks	Physical risks	Acute	Climate change	Increase in extreme weather events	Nuclear power, Thermal power	Suspension of mining and unstable supplies caused by equipment damage due to strong winds or landslides in fuel-producing regions, and ensuing output restraints (Nuclear power: Low ; Thermal power: High)	Long term	Small	Long term	Large	Stable power supply and resilience • Diversify fuel procurement sources • Investigate introduction of carbon-free fuels (ammonia & hydrogen) • Secure supply stability across the entire energy source portfolio considering individual source risks • Optimize energy source operations according to season and demand Strengthen equipment disaster preparedness and resilience Secure water resources and effective use • Possess, maintain, and manage upstream water-recharging forests to stably secure water (including registering Nationally Certified Sustainably Managed Natural Sites) • Optimize water measurement and generation plans using AI • Stably secure service water through water management in line with laws, regulations, and agreements with local authorities • Reduce water by reusing water used in power generation Lower impact on water environments • Temperature difference management for water intake and discharge based on environmental protection agreements with relevant local authorities, etc. Consideration for biodiversity • Implement equipment design, maintenance, management, and monitoring to reduce impacts on biodiversity • Limit use of lighting at night
			Flood and storm mitigation	Increase in extreme weather events	Power transmission and distribution	Damage to transmission and distribution equipment (Moderate)	Short term	Medium	Long term	Large	
		Chronic	Freshwater supply	Rise in seawater temperature	Nuclear power, Thermal power	Reduction in power generation efficiency caused by a drop in equipment cooling efficiency (Nuclear power: Low ; Thermal power: High)	Long term	Small	Long term	Medium	
			Climate regulation Freshwater supply	Changes in rainfall patterns	Hydroelectric power	Reduction in power generation volume caused by water resource shortages and the ensuing drop in water flow rate (Low)	Long term	Small	Long term	Small	
			Climate regulation	Rise in average temperature	Solar power	Reduction in power generation efficiency (Low)	Long term	Small	Long term	Small	
	Transition risks	Policy and legislation	Freshwater supply	Tighter regulations on water use due to rise in water stress	Nuclear power, Thermal power	Output restraints due to difficulties securing service water (Nuclear power: Low ; Thermal power: Low)	Long term	Medium	Long term	Small	
			Changes in land/ freshwater/ marine use	Tighter regulations on the protection of ecosystems due to their deterioration	Nuclear power, Thermal power	Unstable supplies due to limitations on mining in fuel-producing regions, and ensuing output restraints (Nuclear power: High ; Thermal power: Low)	Long term	Medium	Long term	Medium	
			Changes in land/ freshwater/ marine use	Tighter regulations on the protection of ecosystems due to changes in the ecosystems of aquatic life	Hydroelectric power	Reduction in power generation volume caused by limitations on water intake and discharge and the ensuing drop in water flow rate (Low)	Long term	Small	Long term	Small	
		Markets/ reputation	Changes in land/ freshwater/ marine use	Drop in trust due to biodiversity response being deemed inadequate	Nuclear power, Thermal power, Hydroelectric power	Reduction in market share due to a drop in reputation, and ensuing fall in electricity sales (Low)	Medium term	Medium	Medium term	Medium	
Opportunities	Market			Rising social interest in biodiversity	Nuclear power, Hydroelectric power	Acquisition of new market opportunities and improvements in corporate value through the creation and use of J Blue Credits from the artificial reef at Shimane Unit 3	Medium term	Small	Medium term	Small	Value creation via natural capital and biodiversity • Implement biodiversity protection through the creation of seaweed beds with artificial reefs and the maintenance and management of company-owned forests • Restore ecosystems and improve biodiversity by regenerating organisms' habitats and improve sea and river environments using the recycled coal ash product Hi-beads® • Realize nature-related value and secure new revenue sources by promoting the use of CO_2 absorption credits Switch to carbon-free energy sources • Please see the section on the TCFD. Resource recycling and circular economy • Create wooden pellets • Manufacture recycled coal ash products • Reuse solar panels and power distribution materials ESG/Finance • Improve reputation with investors by disclosing ESG and other non-financial information • Utilize sustainability finance
	Resource efficiency			Reduction in use of resources, such as water and fossil fuels	Nuclear power, Thermal power, Hydroelectric power	Reduce fuel fossil use and decarbonize energy sources	Medium term	Large	Medium term	Large	
	Products and services			Rising demand for carbon-neutral elec-tricity	Solar power	Roll out of off-site PPA using farm-based solar power stations	Medium term	Medium	Long term	Small	
	Capital flow and financing			Expansion of green finance and ESG in-vestment	All	New financing through disclosure of ESG and other non-financial information	Medium term	Medium	Medium term	Small	
	Protect, restore, and regenerate biodiversity			Expand demand for ecosystem protection and ecological restoration	All	Creation of positive impacts on water and sea ecosystems	Medium term	Small	Medium term	Small	
	Sustainably use natural resources			Encourage sustainable use of natural resources through reusing and recycling	All	Encourage sustainable use of natural resources through reusing and recycling	Medium term	Medium	Long term	Small	

*1 Based on current assessments. These assessments are not definitive and will fluctuate in line with changes in the external environment, including future national policies, etc.
*2 These are the results of evaluations we conducted during internal workshops. We will continue to evaluate the data going forward.

Information Disclosure Based on TCFD & TNFD Recommendations

Metrics and Targets TNFD

For items that were evaluated as having high importance in the assessment of dependencies and impacts, results for FY 3/2026 are disclosed in line with TNFD recommendations' core global disclosure metrics and core sector disclosure metrics. Regarding targets, we are implementing appropriate management to steadily achieve those in the Chugoku Electric Power Group Environmental Management Policy while also striving to reduce the environmental impact of our business activities.

Core global disclosure metrics

Item	Metric no.	Indicator	Metric (FY 3/2026 results)	Disclosure scope
Climate change	—	Supply chain GHG emissions (Scope 1, 2, and 3)	See TCFD disclosure information	
Driver of nature change: Pollution/pollution removal	C2.1	Wastewater discharged	• 2.78 million m^3	Thermal and nuclear power stations
Driver of nature change: Pollution/pollution removal	C2.2	Waste generation and disposal	• Volume: 862,000 tons • Recycled: 830,000 tons	Group
Driver of nature change: Pollution/pollution removal	C2.3	Plastic pollution	• Weight: 4,000 tons • Recycled: 3,000 tons	Group
Driver of nature change: Pollution/pollution removal	C2.4	Non-GHG air pollutants	• Weight of sulphur oxides: 3,000 tons • Weight of nitrogen oxides: 4,000 tons	Thermal and nuclear power stations
Driver of nature change	C3.1	Quantity of high-risk natural commodities sourced from land/ocean/freshwater	• Coal: 5.196 million tons • Heavy oil: 87,000 kL • LNG: 1.096 million tons • Woody biomass: 0.522 million tons	Thermal and nuclear power stations

Core sector disclosure metrics

Item	Metric no.	Indicator	Metric (FY 3/2026 results)	Disclosure scope
Pollution/pollution removal	E.P.C2.0	Coal combustion residuals	Coal combustion residuals generated at 9 thermal power stations and percentage reused: 770,000 tons; 97.2%	Thermal power stations
Pollution/pollution removal	E.P.C2.1	Coal combustion residuals	Coal combustion residual impoundments (broken down by hazard potential classification and structural integrity assessment): N/A	Thermal power stations
Pollution/pollution removal	E.P.C2.2	Nuclear waste storage	39,388 (200 L drum equivalents) Nuclear waste storage	Nuclear power stations

Targets

For information on targets and specific initiatives toward those targets, please see the relevant section.

Challenge to Achieve Carbon Neutrality by 2050 ▶P9
Formation of a Recycling-oriented Society ▶P17
Co-existence with Nature ▶P19
Basis of Our Environmental Management ▶P21

Initiatives TCFD TNFD

As a group, we make use of methods (scenario setting and risk and opportunity identification) put forward in the TCFD and TNFD frameworks to enhance our environmental initiatives.

Regional Relations

Policies/Approach

Creating value through trust-based regional partnerships

As a group, it is through our active and open information-sharing and constructive dialogue with a wide range of stakeholders that we are able to accurately determine the demands of society and the needs of our customers, which we reflect in our business activities. Through these activities, we have further strengthened our commitment to earning the trust of our community and society, something we have positioned as one of the most important parts of our management foundation. As an organization with roots in the Chugoku region, this will strengthen our business foundation.

With the population shrinking and changes to the local economy, the issues the region faces are increasingly complex. Through cooperation with local authorities, the region's businesses, and others, we endeavor to promote collaborations and co-creation, and we actively contribute to problem-solving and boosting the region. Making use of the Group's combined strengths, first and foremost in energy supply, we aim to support people's lives and industry in the region, while also creating value to improve our capital efficiency.

In line with our management philosophy of focusing on "Trust. Creation. Growth," we plan to build up trust to raise expectations for the future and tie this into a stronger corporate reputation. Through creation with others, meanwhile, we hope to expand opportunities for revenue to improve both our capital efficiency and profitability. The virtuous cycle that these two will set in motion sustainable improvements to corporate value and, as a result, greater returns to stakeholders.

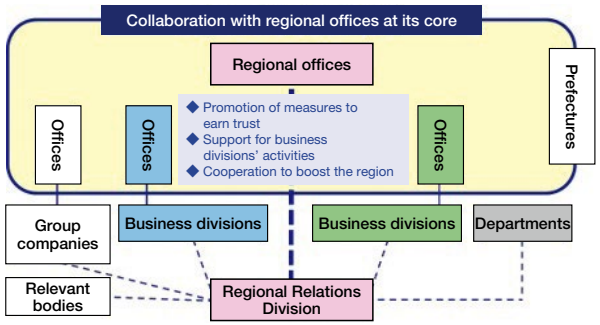
We will continue moving forward with the region and by contributing to its sustainable development, we also aim to enhance our own corporate value.

Integrated Report Practicing Sustainability Management Community and Society P52

Systems and Governance

In terms of our response to sustainability-related issues, we have set specific measures in the Group Medium-term Management Plan and are managing their progress to achieve the goals of our Group Corporate Vision and Energia Group Corporate Charter of Conduct. These efforts are regularly discussed at Management Committee meetings and using the PDCA cycle we continuously work to strengthen and improve them.

For initiatives related to our community and society too, under this system efforts are centered on the Regional Relations Division as the lead organization. We have also established a committee framework that looks at major issues on a cross-organizational, cross-Group basis. Having the Group come together like this helps further promote these activities and enables us to respond through collaboration at the right time and as appropriate.



Metrics and Targets

Target setting related to earning trust and solving regional issues

The management targets related to our community and society that are set out in Chugoku Electric Power Group Corporate Vision 2040 are quantifiable targets for specific initiatives as detailed below and we are steadily implementing each of these measures. Going forward, we will further promote initiatives as a united group to earn the trust of our community and society.

Metric	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Achievement rate of MTMP*1 targets by consolidated subsidiaries	Group	%	—	100	100
Trust in Chugoku Electric*2	Chugoku Electric	%	62.3	64.8	75 or more
Total no. of employees participating in social contribution activities	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Persons	8,095	7,200*3,4	*4
Cases of regional collaboration and co-creation	Chugoku Electric	Cases	—	40	Cumulative 200 or more

*1 Medium-term Management Plan
*2 Percentage of respondents to an online survey of Chugoku region residents that selected either of the top two positive responses for a "trustworthy" corporate image.
*3 Combined total for both companies (separately: 3,500 from Chugoku Electric and 3,700 from Chugoku Electric Power Transmission & Distribution).
*4 Set for each company each year, based on the criterion of an average one or more events per person per year.

Regional Relations

Initiatives

As well as working to earn the trust of our community and society by engaging in two-way communication and strengthening our adaptability to natural disasters and other emergencies, we are promoting industry-academia-government collaboration and developing services to address the region's needs through GX, DX, and other concepts. By doing so, we are advancing regional cooperation and collaboration. Through these efforts, we aim to contribute to the region's dynamism and development.

The Chugoku Electric Power Group's approach to regional relations

Earning the trust of our community and society

Two-way communication with communities and society

Reflecting customer feedback in business operations



- Creating mechanisms to make use of feedback

Information disclosure and communication





- Press releases as and when appropriate
- Sharing via varied channels, such as TV commercials

Nuclear-related information disclosure and dialogue to promote understanding



- Facility tours and off-site visits

Social contribution activities



- Social contributions activities rooted in the region with employee participation

Stronger adaptability to natural disasters and other emergencies

Reinforcing partnerships with external institutions and local governments P47





- Building strong face-to-face relationships to ensure smooth, mutual cooperation in the event of a disaster (drills with the Maritime Self-Defense Forces and West Nippon Expressway)

Promotion of regional collaboration and co-creation

Industry-academia-government collaboration

Links with local authorities to enhance the region's dynamism



- Cooperative agreements with local authorities

Investigative research and information-sharing helping to boost the region



- Investigative research through collaboration with economic bodies, etc.

Investigative research in collaboration with economic bodies, etc.



- Kaki Navi app, a tool supporting spat collection for oyster farming

P67

Support for companies setting up in the region

- Collaborative initiatives with partners

Development of services linked to solving regional issues

Contributing to regional GX, etc.



- Support for selection as a Decarbonization Leading Area



- Poster for a decarbonization-focused management seminar

- Electricity rate plans utilizing renewable energy and similar with non-fossil fuel certificates
- Solar power PPA service
- Promotion of efficient use of energy and electrification
- Energy-saving and CO_2-reduction proposals
- Development of energy management technologies and services
- Trials of practical applications for next-generation solar power

P15-16

- Creation of tidal flats using coal ash beads, etc. P18
- Use of forest-based J-Credits and J Blue Credits P20

Contributing to regional GX, etc.



- DX solutions
- e-sports events

Development of regional exchange hubs



- Development of the Yama Yama Mita regional exchange hub

Rate plans and services in line with customers' lifestyles

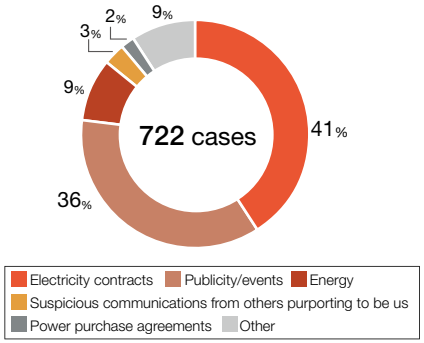
Contribution to the Chugoku region's dynamism and development

Regional Relations

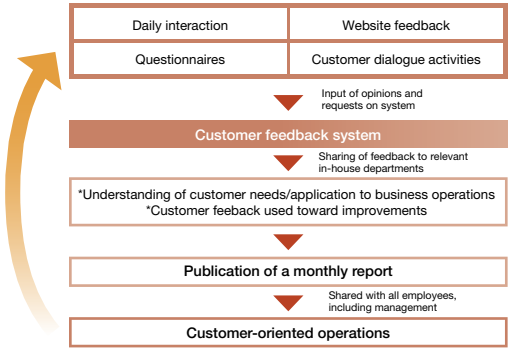
Reflecting customer feedback in business operations

Between communication with customers in the course of our daily work and through messages via our website, we receive feedback that is logged in our Customer Feedback System, and quickly passed on to relevant departments. We also summarize overall trends and concepts in a monthly report, which is shared with all employees, including management, and it is put to use to improve operations and customer services. In addition, to raise employee awareness of customers' focuses and their expectations for our Group, we take lots of examples of customer feedback that have helped to lead to improvement from among the feedback recorded on the system, and publish these on the top page of our intranet. This is just one of the opportunities we have established for more employees to come into contact with customer feedback.
In FY 3/2026, we received around 700 pieces of feedback on such varied topics as energy policies, electricity sales, and publicity events. Based on feedback we received from customers, we were able to make 38 operational improvements. We aim to continue to be trusted and chosen by customers, and we will, therefore, endeavor to improve customer service.

Customer feedback: cases and breakdown (FY 3/2026)



How we utilize customer feedback



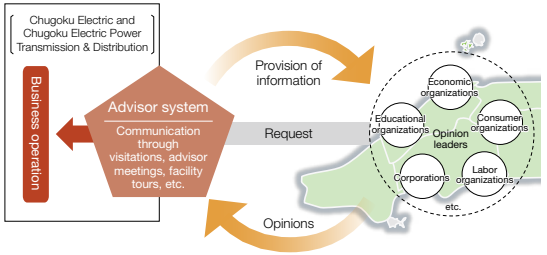
Improvements made as a result of customer feedback

Chugoku Electric (Customer feedback)	Improvement
I'd like the application process for the "Gutto Zutto. Time Service" plan to be easier to understand. I'd like you to make sure that even people not used to using the internet can apply in just a few steps.	We added screenshots showing how to apply for the "Gutto Zutto. Time Service" in an easy-to-understand way to emails introducing the service. We also added a button to take people to the "Gutto Zutto. Club" site.



Advisor system

Local opinion leaders, including representatives of other companies and various organizations, including companies and local authorities, take on the role of advisors for Chugoku Electric and Chugoku Electric Power Transmission & Distribution. Through opportunities such as visit-based dialogue activities, advisor meetings, and facility tours, we share information on our business activities, and they provide us with their opinions. These advisor opinions are shared with all executives and different parts of the Group and we work to reflect them in our operations.




Advisor meeting


Facility tour (Yanai Power Station)

Overview of the advisor system

- Composition: approx. 10 advisors from each prefecture
- Main activities: visit-based dialogue, including exchanges of opinions at advisor meetings (at least one a year) and tours of our nuclear power stations, etc. (at least once during their two-year tenure)

Major feedback from advisors

○ Feedback on nuclear power
- Shimane Unit 2 has restarted, but in particular it is vital that there is absolutely no hiding of bad information and that announcements leave no doubt that everything has been shared publicly. This approach will help to earn trust, including from the media.

○ Feedback on the interim storage facility at the Kaminoseki site
- The term "interim" storage facility suggests that the spent fuel brought there will then be taken elsewhere. To help resolve anxiety among local residents, you should explain this in detail.

○ Feedback on introducing renewable energy
- I believe that the importance of carbon neutrality will continue to grow. Even now, as nuclear power stations restart to cope with the rapid expansion of data centers and the like, there is even more of a need to introduce more renewable energy.

Regional Relations

Information disclosure and communication

Information Disclosure Guidelines

We have formulated the Information Disclosure Guidelines as a means of proactively publishing information about our business activities, with the goals of increasing transparency as a corporate group and gaining the understanding and trust of customers, shareholders, investors, and local communities. Based on the guidelines, we share information via several methods, including our website, pamphlets, and press releases. Moreover, we have created various inquiry forms on our website. In addition, we will continue to consider two-way communications as we aim to be an open company that can earn the trust of our community and society.

Communication via the company website

Through our website we communicate a wide range of information on our business activities. Moreover, we have published content on various themes, such as sustainability and carbon neutrality, dedicated to sparking customers' interest in our initiatives and energy.
In addition, we revamped our website with a focus on online accessibility. Going forward, we will endeavor to make our communications even easier to understand.



https://www.energia.co.jp/index.html

Communication via social media such as Facebook, X, and Instagram

Through social media, we publish information on a daily basis, covering topics such as our initiatives and information about our region. Should there be a disaster, we publish information in a timely manner on any power outages and how we are getting on with trying to restore the power.
Since April 2026, we have been using social media to introduce overviews of group companies and our business lines, and to raise awareness of the Group's business activities. (In FY 3/2026, we posted 802 times between our various social media accounts.)



Sharing information on the Group's businesses via social media

Communication via TV commercials and online videos

In our television commercials, as well as those sharing our brand message "Ichinichimo, Hyakunenmo," we have been informing viewers about our efforts in providing support for energy and environmental education for the next generation, local environmental conservation, and sports promotion activities.
Additionally, we are able to post videos that explain energy or nuclear power in an easy-to-understand way or that introduce equipment at our power stations on our YouTube channel. As these efforts show, we use a variety of media to share information.



"Jidai o Tsukuro to Omo" TV commercial

WEB Chugoku Electric's TV commercial gallery
https://www.energia.co.jp/pr/ad5.html

Communication for the press

To spread information about our business activities and initiatives more widely, we regularly hold events for the press, including press conferences with our President and other briefings.
In FY 3/2026, in addition to press conferences with our President to announce our financial results and the Chugoku Electric Power Group Corporate Vision 2040, we also held briefings on topics such as the electricity market. Moreover, we toured the dry storage facility at the Japan Atomic Power Company's Tokai No. 2 Power Station in connection with our consideration of building an interim storage facility at our Kaminoseki site. We also held a tour to show safety measures at Shimane Nuclear Power Station Unit 3, which we hope to start operating by FY 3/2031.



Press conference by the President on the FY 3/2026 financial results

Information-sharing to the press in collaboration with group companies

At our experimental show home, Hiroshima Zero Box, we have worked with our group company Chuden Kogyo to launch a show home where visitors can experience next-generation solar power and announced this via a joint press release.
Furthermore, we hold on-site briefings for the press and by having both companies jointly handling public relations for the initiative, we are working to make our communications more effective.



Hiroshima Zero Box

Initiatives at the experimental show home Hiroshima Zero Box

The company YKK AP Inc. chosen to place its Hiroshima Zero Box at Yama Yama Mita, the regional exchange hub being developed by Chuden Kogyo. As well as using building materials that integrate next-generation perovskite solar panels by incorporating them inside the windows, the building is fitted with assorted types of solar panel, with the electricity generated used to power its lighting and air-conditioning. As well as trialing its ability to generate electricity and its practicality in terms of reducing environmental impact and making effective use of limited urban space, it functions as a hub for interaction between local people, schools, companies, and more. By doing so, this experiment aims to boost the region and fuse the energy sources of tomorrow with local exchanges.

Regional Relations

Nuclear-related information disclosure and dialogue to promote understanding

In running nuclear power stations, while securing safety is an absolute necessity, gaining the understanding and trust of the people of the region is also of primary importance. At Shimane Nuclear Power Station, we provide information to local governments in line with safety agreements, and proactively work to disclose information via press release or on our website. We are also active in listening to feedback from those in our region, and through repeated dialogue activities, as well as holding nuclear power station tours and various briefings, we hope to help as many people as possible gain a better understanding.

Shimane Nuclear Power Station-related information disclosure

On our website, as well as press releases, we share information about the status of our efforts to improve nuclear power station systems and safety, and the status of inspections by the Nuclear Regulation Authority. We are also developing methods such as our Shimane Nuclear Power Station virtual tours that allow users to virtually tour power station systems and our safety measures, or the special page of our website, “Tackling Issues,” that shines a light on the people working at our power station and our earnest approach to tackling safety, the region, and technologies



WEB Virtual tour of Shimane Nuclear Power Station
https://www.energia.co.jp/energy/pr/virtual/index.html#sid=home/prin=0

Briefings for residents in the surrounding area

We carry out briefings for local authorities and various organizations when necessary; in FY 3/2026, we held 34 such briefings.
When holding larger-scale briefings, we publish information on our website and other locations, and try to get as many people as possible to participate.

WEB Briefings for regional customers
https://www.energia.co.jp/atom/setsumeikai/index.html


District briefing

Shimane Nuclear Power Stations tours

We host power station tours for our regional customers to explain the mechanisms of nuclear power generation and showcase our safety measures. In FY 3/2026, 557 organizations and 7,674 individuals came to visit our station.

Feedback from those who attended a tour

- ○ Until the tour, I didn’t know much about nuclear power stations, but I’m no longer worried after learning about the stringent safety measures.
- ○ I was surprised at how hard everyone works on safety measures on the premise that incidents can happen.


Explaining measures to improve safety at the Shimane Nuclear Power Exhibition Hall

Interaction visits

In Kashima Town, part of Matsue and home to our Shimane Nuclear Power Station, we visited all 1,990 or so homes. In FY 3/2026, we were able to explain the status of operations at the power station’s Unit 2, our initiatives, and other subjects.


Visiting all homes in Kashima

Regional Relations

Part of our communities

As a member of society in our region, we are actively participating in cleaning activities and local events. As well as promoting interaction with local residents, we work to deepen our contact with everyone.
At our public relations facility, Shimane Nuclear Power Exhibition Hall, we hold fun events each season (summer holidays, Christmas, etc.) and handicraft classes at the hall. We will continue to aim for power stations that grow alongside the people of their communities.


Cleaning activities at a welfare facility


Taking part in the Matsue Tenjin Festival


Street cleaning activities near our power station

Dialogue activities around Kaminoseki

At the Kaminoseki site in Yamaguchi Prefecture, where we have a plan to construct a nuclear power station, we are working to gain the understanding and trust of our regional customers, particularly through dialogue activities. For the people of the town, we distribute *Kakehashi*, a publicity newsletter, to introduce information about energy and regional topics. Each month, employees distribute these on their individual visits, and they provide an opportunity for dialogue with everyone in the region. We have also been investigating installing interim storage facilities for used fuel that would be produced by our nuclear power station at the site. As such, we gave residents overviews of the facilities and the investigations to verify potential sites for them.
For us, Kaminoseki Nuclear Power Station represents an important future power source to achieve a balanced mix of power sources, with safety as the top priority and compatible with energy security, economic efficiency, and the environment (S+3E). By holding events with regional customers and participating in cleaning activities and local events, we hope to increase interaction with local communities and to deepen understanding about these initiatives of ours.


Visiting customers around Kaminoseki


Culture classroom event


Local daffodil bulb-planting event

Publishing publicity materials

We publish a publicity newsletter sent to houses with newspapers, entitled *Anata To Tomoni*, to introduce initiatives at our Shimane Nuclear Power Station or local topics, which we send to houses in nearby cities (Matsue, Izumo, Yasugi, Unnan, Yonago, and Sakaiminato). In FY 3/2026, we published 4 issues, and the last of these from March 2026 was the 107th issue since we launched the newsletter in 1997.
In Kaminoseki, we publish the *Kakehashi* publicity newsletter every month to disseminate energy-related information and local topics. March 2026 saw the 483rd issue since the series began in 1986.



WEB
Anata To Tomoni
https://www.energia.co.jp/atom/kouhoushi.html



WEB
Kakehashi
https://www.energia.co.jp/atom/kami_jyunbi3.html

Feedback from local recipients of *Anata To Tomoni*

- ○ The explanations of the safety measures were easy to understand, and I learned a lot of things I didn't know.
- ○ It was reassuring to find out that there are diligent preparations in case of an emergency, and to read about the drills. I live within 20 km of the power station, so it was a good chance to confirm the response if something were to happen.

Social contribution activities

For us to meet the region's expectations and develop and maintain positive relationships, we are proactively running social contribution activities that are rooted in the region and that involve employee participation.
To continue to pass down our approach of moving forward with our community as a major part of the Group's values, and to tie it into our continuing efforts, in FY 3/2026 we made "Social contribution activities: Total number of employees participating" a management indicator. In FY 3/2026, a total of 8,095 employees (combined total for Chugoku Electric and Chugoku Electric Power Transmission & Distribution) took part in these activities, exceeding that year's target* of 7,600. If we include social contribution activities in which employees took part in events such as local festivals as individuals, the total for the two companies in FY 3/2026 rises to 10,054.
Going forward, our social contribution activities will continue to allow us to value our ties with our community and to contribute to its development.

*Targets are set for each company each year, based on the criterion of an average of one or more events per person per year.

Regional Relations

Education support activities for the next generation

As a country with limited resources, Japan will need to continue to address the issues of stable energy supplies and environmental problems. To inspire our children, those who will carry our future forward, and raise their interest in energy issues and the electricity industry, we visit schools, offer facility tours, and provide other activities for the next generation—efforts we collectively label “Wakuwaku E-School”—at various sites.

We also provide career education programs, including workplace lectures and work experience opportunities, to help them consider their career paths. As well as explaining the role of the energy industry and the significance of working, we provide opportunities for learning that help children—who will one day take over the reins—to independently picture their own future careers.

FY 3/2026:*1 355 events (9,292 participants*2)

Field	No. of events (participants)
School visits	92 (3,753)
Facility tours	110 (2,687)
Work seminars	23 (1,325)
Work experience sessions	99 (430)
Other	31 (1,097)

*1 Combined total for Chugoku Electric and Chugoku Electric Power Transmission & Distribution
*2 Students from elementary school to university level



Wakuwaku E-School

Groupwide social contribution activities

In 2025, a total of 114 employees from 5 group companies—Chugoku Electric, Chugoku Electric Power Transmission & Distribution, Adplex, Energia L&B Partners, and Denryoku Support Chugoku—took part in the resident’s dance at Yamaguchi Gion Festival, dancing as they paraded down the shopping arcade with other people from the region.

In April 2026, 90 employees from 7 companies—Chugoku Electric, Chugoku Electric Power Transmission & Distribution, Enecom, EnerGia Business Service, Energia Solution & Service, Denryoku Support Chugoku, and EnerGia Smile—took part in a deep-cleaning campaign prior to Hiroshima Flower Festival 2026 and cleaned the city’s Peace Boulevard.



Residents’ dance
at Yamaguchi Gion Festival



Clean-up activities prior
to the Hiroshima Flower Festival 2026

Sports promotional activities

As sports that symbolize our company, at Chugoku Electric we place particular emphasis on our track and field, women’s table tennis, and rugby clubs. To promote sport in local communities, among other activities, each of these clubs holds classes, predominantly for children, to improve the level of sport in the region.

☐ Track and field clinics (track and field club)

To help children experience the enjoyment of physical activity and learn the fundamentals of track and field, we hold the Energia Runners School and track and field classes (held 20 times in FY 3/2026).



☐ Table tennis clinics (women’s table tennis club)

The women’s table tennis club conducts table tennis classes for elementary school pupils and members of the general public. We held table tennis classes at our PR facility, and helped participants become more familiar with our company (held seven times in FY 3/2026).



☐ Rugby clinics (rugby club)

We visited local kindergartens and elementary schools to introduce children to the enjoyment of rugby through rugby classes (held 22 times in FY 3/2026).



Supporting culture and sport

In 1994, the Chugoku Electric Power Group established the Energia Culture and Sports Foundation. The foundation helps to promote culture and sport in local communities.

The foundation also awards individuals and organizations who have made outstanding achievements and who are making remarkable progress in the fields of art, music, traditional culture, and sport in the Chugoku region.

Energia Culture and Sports Foundation grants

- FY 3/2026:
  226 grants totaling ¥28.68 million
- Cumulative total for FY 3/1996–3/2026:
  4,846 grants totaling ¥920 million

Grant breakdown for FY 3/2026

(million yen)

Field	Grants	Grant value
Art	31	4.06
Music	97	13.30
Traditional culture	27	3.9
Sports	65	6.77
Other	6	0.65

Regional Relations

Links with local authorities to enhance the region's dynamism

In September 2025, we signed a comprehensive cooperation agreement with the town of Osakikamijima to boost the region and resolve local issues. Through the agreement, we will deepen our ties with the town and contribute to the development of the region.



Areas for cooperation	
1. Local support activities during disasters	3. Cooperation with educational institutions in the town
2. Sports promotion	4. Other matters connected to coexistence with nature and regional revitalization

Investigative research and information-sharing helping to boost the region

Investigative research in collaboration with economic bodies, etc.

Through investigative research with the Chugoku Economic Federation and Chugoku Regional Innovation Research Center, we support industrial development and other ways of boosting the region.

Joint research with the Chugoku Economic Federation

Jointly with the Chugoku Economic Federation and Chugoku Regional Innovation Research Center, we carry out surveys aimed at addressing issues facing the Chugoku region. Survey reports are sent to national institutions, local authorities in the Chugoku region, and other bodies, and are used in the activities of the Chugoku Economic Federation and elsewhere.

Surveys to support the Hiroshima Keizai Doyukai

Working with the Chugoku Regional Innovation Research Center, we are supporting the activities of the Tourism Promotion Committee of the Hiroshima Keizai Doyukai, an organization made up of companies from the region. We help with surveys into each fiscal year's achievements. The reports and declaration that has been created has been shared with Hiroshima's prefectural government, those of its towns and cities, and tourism-related organizations. They are also used in the business activities of the Hiroshima Keizai Doyukai and elsewhere.



Hiroshima Keizai Doyukai Tourism Promotion Committee Declaration

Information-sharing via publications

By publishing regional magazines that shine a light on topics such as the region's charms, reports that investigate and analyze the region's economic and social situation, and more besides, our sharing of information contributes to boosting the region.



Regional magazine *Aoi Kaze*

We publish this regional magazine to bring into focus the people, things, and resources that give the region its appeal, and share it widely, including with the people of the region.
In the March 2026 issue, there was a special feature on the innovations coming out of rural districts.



Chugoku Regional White Paper

Taking up the various issues that the Chugoku region is grappling with, this investigative and analytical report is jointly published with the Chugoku Regional Innovation Research Center.
The August 2025 issue featured our study on applying nudges in regional policies. We also held briefings for local governments and related organizations to share our findings.



Chugoku Regional Economic Overview

This journal, jointly published with the Chugoku Regional Innovation Research Center once a year, brings together in one place data on the economic situation in the Chugoku region, local promotional trends, and a variety of government policy data.
It is laid out in such a way as to give an overview that even someone unfamiliar with the region can understand.

Electric Technology Research Foundation of Chugoku technical research grants

Offering grants for experimental research, etc., into the supply and use of electricity in the Chugoku region, and foundational technologies related to these, via Electric Technology Research Foundation of Chugoku.

- FY 3/2026:
  30 grants totaling ¥28.56 million
- Cumulative total for FY 3/1992–3/2026
  1,731 grants totaling ¥1.35 billion

Grant breakdown for FY 3/2026

(million yen)

Field	Grants	Grant value
Experimental research	16	26.2
International exchange activities	6	1.06
Research presentations, etc.	8	1.3

Regional Relations

Support for companies setting up in the region

Initiatives in collaboration with partners

Considering such factors as the national government's regional future strategies and GX strategy regional systems, we are advancing efforts in collaboration with local authorities and other partners to set up industrial clusters and bring GX-related industries to the region.

Examples of collaboration

- Contributing to setting up industrial clusters and GX companies
- Participating in organizations aimed at regional decarbonization at industrial complexes, etc.
- Working with universities, etc., on the practical application of services that contribute to decarbonization
- Taking part in organizations related to boosting the region and urban development

*This national-government-led strategy combines investment-encouragement measures and infrastructure development focused on economic growth to advance clusters of different industries in different regions, and incorporates regional development initiatives the government has promoted in response to shrinking population and to boost areas away from the country's main urban centers.



Integrated Report
Support for companies setting up in the region P31

Contributing to regional GX, etc.

Support for selection as a Decarbonization Leading Area

We promote decarbonization efforts that bring our Group and local communities together.
As part of this, we are advancing decarbonization initiatives suited to regional characteristics in three cities that have been selected by the Ministry of the Environment as Decarbonization Leading Areas: Matsue (selected in the third round), Shimonoseki, and Higashihiroshima (both in the fifth round).

Matsue City

Matsue City has adopted a theme to transform itself into an attractive, international cultural and tourism hub and to promote carbon-neutral tourism. Through measures aimed at achieving carbon neutrality, the project aspires to sustainable tourism.
As a joint proposer, we are participating in the city's efforts.



Source: Matsue City Newsletter (July 2023 issue)

Shimonoseki City

Shimonoseki City aims to invigorate its economy and achieve decarbonization through initiatives that bring together regional financial institutions and the city's businesses.
Our group company Energia Solution & Service Company, Incorporated is taking part in the city's initiative as a joint proposer and is helping to construct a more sustainable society with its local community.

Higashihiroshima City

Higashihiroshima City, meanwhile, is advancing decarbonization efforts for the existing homes (housing complexes and detached houses) of the student area that have stood since Hiroshima University moved there 30 years ago.
We are supporting this effort by joining in the activities of the university's Smart City Co-Creation Consortium,* an organization that aims to apply the results of smart city trials to society.

*This organization uses Hiroshima University's Higashi-Hiroshima Campus in its activities to help form a Smart Campus and Smart City, with the aim of applying results to society in the surrounding region.

Development of energy management technologies and services P16

Decarbonization management seminar and discussions

By holding decarbonization management seminars and participating in discussions with local authorities and financial institutions, we are supporting the region's decarbonization.

Decarbonization management seminar

In a joint effort with the Chugoku Bureau of Economy, Trade and Industry; The Tottori Bank; and Chuden Kankyo Technos, we held a seminar of the theme of "Management Strategies to Overcome the GX Age" explaining the necessity of decarbonization-focused management and details of initiatives and hints.



Seminar on using energy-efficient devices and participation in discussions

The Chugoku Bureau of Economy, Trade and Industry's seminar and discussions on the use of energy-efficient devices was held to encourage the introduction of such devices and equipment, and to accelerate efforts toward carbon neutrality among SMEs and others. Chugoku Electrical Instruments, Chuden Kankyo Technos, and The Chugoku Electric Manufacturing Company jointly took part.

Regional Relations

Contributing to regional DX

DX solutions

To promote corporate digital transformations (DX), Enecom offers wide-ranging support for elements such as gathering, analyzing, and utilizing the enormous amounts of data generated each day, as well as introducing generative AI. As a company with a close connection to the region, Enecom contributes to DX promotion by offering optimal proposals tailored to customers' needs from among its varied solutions.



Boosting the region with e-sports

Taking advantage of e-sports' unique ability to get people thinking and having fun whoever and wherever they are, Enecom hosts events that contribute to regional revitalization and industrial development.



Development of regional exchange hubs

Yama Yama Mita regional exchange hub

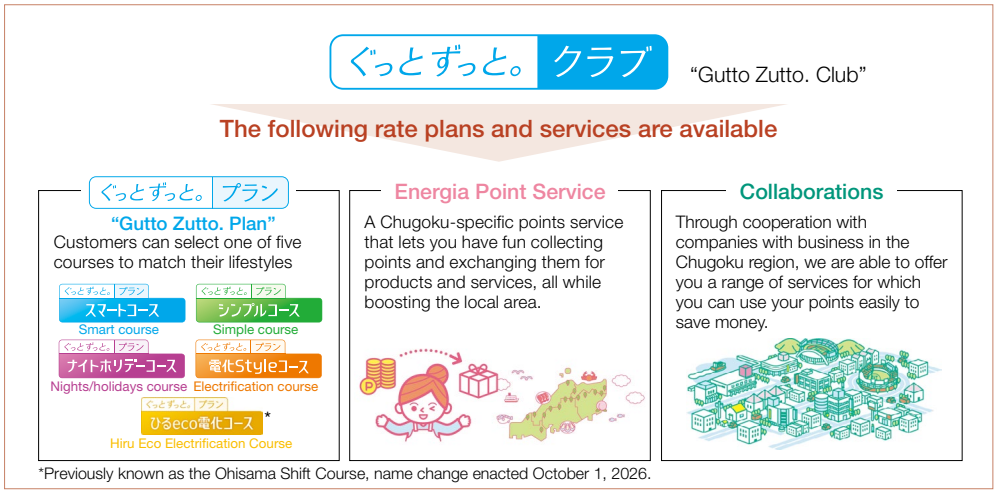
Chuden Kogyo has opened up the site of its former head office and its utilizing it as an exchange hub for the people of the region.
By holding food events with local shopping arcades, talk events, and more besides, it is helping to improve the appeal of the region.



Rate plans and services in line with customers' lifestyles

We have developed "Gutto Zutto. Plan," a rate plan that customers can select to match their lifestyles, and the "Gutto Zutto. Club" members' website. For the latter, we offer the Energia Loyalty Point service, as well as various special offers such as collaborative plans that we have created alongside companies with bases in the Chugoku region.
As of the end of FY 3/2026, there were 1.75 million accounts for rate plans brought in after the full liberalization of electricity retail, and approximately 1.45 million customers had registered for our membership website.
We are also working on expanding our range of services that meet customers' needs, such as U-NEXT video streaming subscriptions or a service where customers can receive discounts by purchasing electricity alongside regional cable television.

Chugoku Electric members' website



*Previously known as the Ohisama Shift Course, name change enacted October 1, 2026.

Electricity bundle discounts service

These services allow you to get a discount for buying them as a set with an electricity rate plan, or for paying for them together.

U-NEXT for 中国電力 / MEGA EGG by エネコム / 水島ガス / ONIビジョン / 山陰ケーブルビジョン / NCN 日本海ケーブルネットワーク / 地域アリアリ ちゅピCOM

Energy Security

Policies/Approach

We believe that it is our social duty as a group to provide stable supplies of the electricity our communities need in their daily lives and business activities. The business environment is undergoing dramatic changes, including rising localized demand for power for the expansion of data centers, drops in demand because of depopulation in low-upland areas, and increasingly common and severe natural disasters. To fulfill that mission even in such circumstances, we are constructing a flexible but resilient business base.

With our top priority on compliance with operational regulations in the power transmission and distribution business and ensuring equal treatment of in-house and external power sources in wholesale dealings, the whole Group is working to improve its resilience by developing its energy business value chain and strengthen its ability to respond to disasters. This, in turn, will contribute to the sustainable development of local communities.

Systems and Governance

Promotion framework

Chugoku Electric and Chugoku Electric Power Transmission & Distribution, in line with their respective roles and organizational structures, operate their businesses to ensure a stable supply of energy.

In the case of Chugoku Electric, we have established systems to continuously evolve our energy business with our top priorities in our power transmission and distribution business being, respectively, complying with operational regulations and ensuring that in-house and external power sources are treated equally in wholesale dealings. As part of this, in June 2026 we reorganized our head office organizations.

WEB Internal reorganization
https://www.energia.co.jp/press/2026/16440.html

Chugoku Electric	Power Generation Division [Nuclear Power Stations, Hydropower Management Centers, Hydropower Control Centers] Power Trading Division [Thermal Power Stations, Power Balancing & Trading Center]	• Strengthening the power supply portfolio • Pursuing stable and flexible fuel procurement • Bolstering trading functions
	Energy Sales Division [Sales Offices]	• Proposing diverse rate plans tailored to customers' needs
Chugoku Electric Power Transmission & Distribution	Safety & Disaster Prevention Dept. Network Equipment Dept. Distribution Dept. Distribution Engineering Dept. Transmission Dept. Power System Operation Dept. Systems Protection & Telecommunications Dept. [Network Centers]	• Aiming for power and service quality that meets customers' expectations • Strengthening resilience to prepare for the increasing frequency and severity of natural disasters

Disaster preparedness systems

To ensure that we at Chugoku Electric and Chugoku Electric Power Transmission & Distribution can work together to respond and recover smoothly and swiftly if a typhoon, earthquake, or other natural disaster were to occur, on April 1, 2020 we signed an inter-company cooperative agreement on disaster response and recovery. Under this integrated system, unchanged from before the spinning off of the power transmission and distribution business, we will strive to prepare for disasters and restore power supplies as quickly as possible if there is an outage.

Metrics and Targets

Strengthening the power supply portfolio

We are steadily progressing with preparations to commence operations at Shimane Unit 3 and the new Yanai Unit 2 to develop large-scale power sources to secure greater power supply capability. Furthermore, we are working on construction plans at our Kaminoseki site, where we will be building a new nuclear power station.

Facility	Power generation method	Output	Start of commercial operations
Shimane Unit 3	Nuclear (ABWR*1)	1,373 MW	Aiming to begin commercial operation by FY 3/2031
New Yanai Unit 2 (provisional name)	LNG (highly efficient GTCC*2)	522 MW (+126 MW*3)	July 2030 (Plan)
Kaminoseki Units 1 and 2	Nuclear (ABWR*1)	Unit 1: 1,373 MW Unit 2: 1,373 MW	TBD

*1 Advanced boiling water reactor *2 Gas turbine combined cycle
*3 Increased output resulting from the replacement of existing power sources

Flexible and resilient network base

Item		Scope	Unit	Result FY 3/2026	Target	Remarks
No. of unplanned outages		Chugoku Electric Power Transmission & Distribution	No./household	0.13	Maintain power quality	FY 3/2027 target (set each year)
Time of unplanned outages			Min./household	7.5		
Systematic updates to aging equipment	Steel towers		Towers	46 per year	553 per 5 years	FY 3/2024–3/2028 target (cumulative)
	Utility poles		Poles	13,136 per year	65,000 per 5 years	
	Overhead power cables		km	3,303 per year	14,030 per 5 years	
	Cables		km	27 per year	130 per 5 years	

Collaboration with disaster response organizations

Item	Scope	Unit	Result FY 3/2026	Target	Remarks
Ensuring reliable implementation of regular meetings and drills aimed at further strengthening cooperation with disaster preparedness agencies (existing partners)	Chugoku Electric	Times per year	24	24+	FY 3/2027 target (set each year)

Energy Security

Initiatives

Strengthening the power supply portfolio

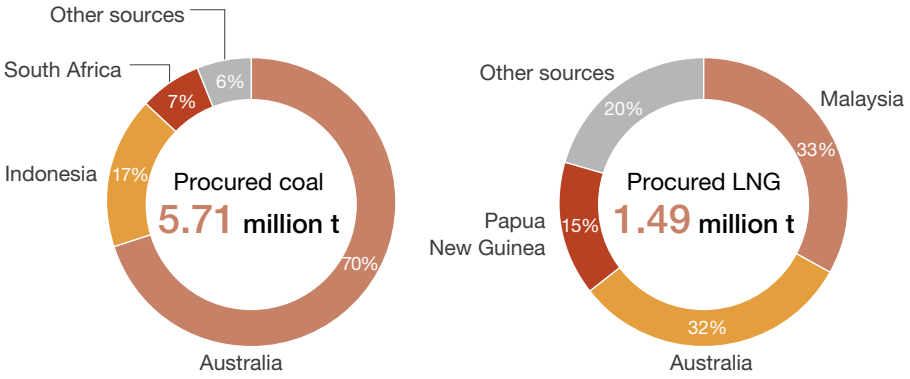
The direction of government measures aimed at securing stable energy supplies and achieving decarbonization can be seen in the formulation of its Seventh Strategic Energy Plan and GX2040 Vision. As the importance of ensuring energy security grows, we are working to build an energy source mix that simultaneously achieves S+3E (safety, energy security, economic efficiency, and the environment).
Thermal power regeneration continues to play an important role in flexibly covering shortfalls in other energy sources, and we will make use of it while doing all we can to minimize its environmental impact. For renewable energy, we will advance on two fronts: expanding introduction and securing greater flexibility by utilizing technologies such as grid storage batteries. This will allow us to make maximal use of such sources and ensure grid stability.
For nuclear power, we are working on stable operations at Shimane Nuclear Power Station Unit 2 and the commencement of operations at its Unit 3, and to construct the Kaminoseki Nuclear Power Station. Also one of our initiatives that is contributing to the long, stable operation of Shimane Nuclear Power Station, we are moving forward with studies into installing interim storage facilities for used fuel at our Kaminoseki site. By rebuilding our supply base through measures such as updating and replacing existing facilities, including the decommissioning of Shimane Nuclear Power Station Unit 1, we will construct an optimal energy portfolio that makes the most of each energy source's specific characteristics.

Integrated Report Materiality Continuous Evolution of the Energy Business P21-27

Diversified fuel procurement sources

To ward against the risk of fuel supplies lessening or stopping entirely as a result of changing supplier situations, we plan to diversify our fuel procurement sources to ensure stable procurement.

Fuel procurement (FY 3/2026 results for coal and LNG)



New site in Kaminoseki

From the perspective of S + 3E, we aim for a well-balanced energy mix, and so we recognize that Kaminoseki Nuclear Power Station is an important energy source. As such, we are working on construction plans for a new power station, although this is predicated on safety.
The measures we have in place for storing used fuel have contributed to the long-term stable operation of Shimane Nuclear Power Station, and so we are currently implementing initiatives toward installing interim storage facilities for used fuel at our Kaminoseki site.

Surveys and investigations into interim storage facilities for used fuel

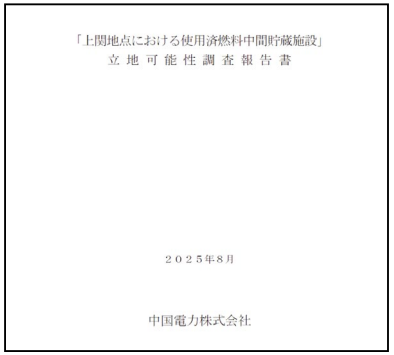
Between August 2023 and August 2025, we conducted a survey in order both to assess the site's potential and to gather data needed to study plans. The results of our analysis and checks, based on the objective data we gained through this surveys, led us to assess that there are no issues standing in the way of building an interim storage facility that cannot be surmounted with technology. As the site has been judged to be viable, on August 29, 2025 we submitted a written report laying out the above to Kaminoseki's mayor.
Moving forward, we will share the survey's findings with the people of the region in an easy-to-understand manner, and strive to further deepen understanding.

WEB **August 29, 2025 press release**
https://www.energia.co.jp/atom_info/press/2025/16080.html

WEB **Full text of the site viability survey report**
https://www.energia.co.jp/atom/interim_storage/pdf/interim_storage_202508.pdf



Handing over of the site viability survey report to Kaminoseki's mayor (August 29, 2025)

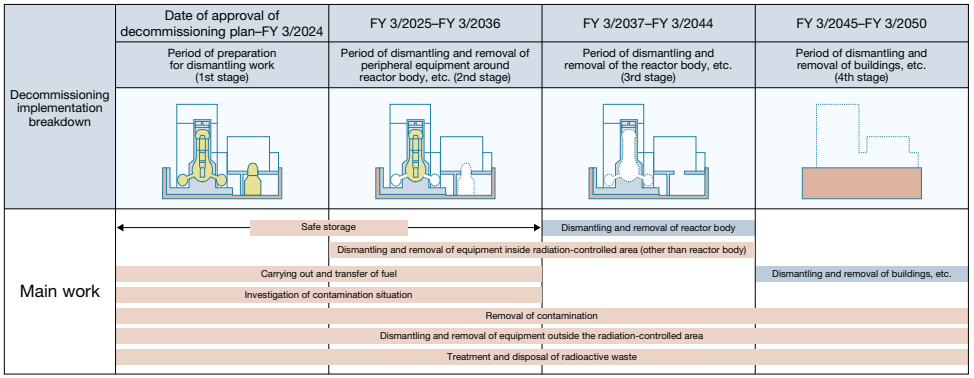


Site viability survey report (August 2025)

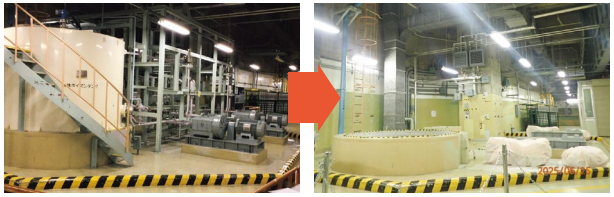
Energy Security

Decommissioning of Shimane Nuclear Power Station Unit 1

The decommissioning plan for Unit 1 was approved in April 2017, after which we made preparations for the dismantling work—the first stage of the decommissioning. For equipment no longer offered for use, that does not impact transfers to companies that process new fuels or safety functions (such as for major transformers), we dismantled and removed those pieces that are not in the radiation-controlled area.
In May 2024, we entered the second stage of decommissioning. As part of this, we have begun to dismantle and remove equipment no longer in use within the radiation-controlled area (excluding the reactor body itself).
In FY 3/2026, we completed dismantling work on the equipment around the toxic liquids tank, which is within the controlled area. We also started dismantling work on devices within the turbine gland steam generator room.
Going forward, we will make safety our top priority as we press forward with decommissioning.

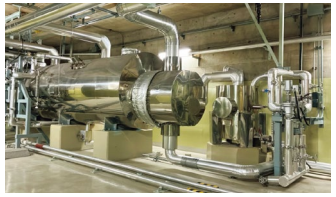


2024–2025: Equipment dismantling
(Equipment around the toxic liquids tank)



Before | After

FY 3/2026: Start of equipment dismantling work
(within the turbine gland steam generator room)



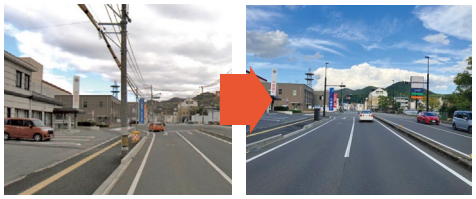
Disaster preparedness drills

To prepare for natural disasters, we have set out procedures for information-sharing during emergencies and for post-disaster recovery in various manuals, prepared emergency goods, and made other efforts to strengthen our disaster preparedness systems.
Taking into account investigations into the heavy rainfall disaster in July 2018, to adjust to the spinning off of the power transmission and distribution business, in December 2019 we renovated the Emergency Disaster Response Headquarters at our head office so that we can swiftly gather information on the damage or recovery situation and ensure information is reliably shared between head office and our branch offices.
Moreover, each year Chugoku Electric and Chugoku Electric Power Transmission & Distribution hold joint groupwide comprehensive disaster preparedness drills. We are looking at whether disaster responses such as information-sharing and recovery tasks are carried out swiftly and safely in accordance with our manuals.

Infrastructure improvement during normal operations (Power Transmission and Distribution Business)

Considering the increasing severity of natural disasters and the aging of its equipment, Chugoku Electric Power Transmission & Distribution works steadily during normal operations to strengthen its electrical infrastructure. Specifically, it is systematically updating its aging equipment to enhance the reliability of its equipment overall. By promoting the replacement of utility poles with underground cables and carrying out advance tree-cutting in collaboration with local authorities to prevent power outages from falling trees, the company is strengthening its equipment measures to minimize the risk posed by disasters.
In the interest of public safety, we continuously run measures to prevent electric shocks, and we are constructing a cooperative framework based on agreements with local authorities and relevant organizations on collaborating during disasters.
Through these initiatives, we plan to put in place the foundations needed to minimize the impacts of disasters when they occur, and to recover as quickly as possible.

Replacement of utility poles with underground cables



Before | After

Advance tree-cutting



Before | After

Energy Security

Strengthening adaptability to prepare for disasters (Power Transmission and Distribution Business)

In addition to the preparations we undertake during normal operations, we are endeavoring to strengthen our ability to quickly adapt when a disaster occurs. Through joint training between power transmission and distribution companies based on disaster cooperation plans, we are raising the effectiveness of our support systems for the wider region. At the same time, to ensure that we can rapidly provide customers with information in the event of a sudden power outage, we are communicating outage information and recovery forecasts using smartphone apps and other means. Moreover, to make sure that we can accurately respond to customers' inquiries, we have put in place various channels such as chat bot answering services. With the aim of swiftly understanding the damage situation and conveying that information, we have placed drones at each of our sites that can film footage in real time. In these and other ways, we use digital technologies to improve our resilience.

Through these initiatives, we will steadily fulfill our duty as part of the electrical infrastructure even during a disaster, and contribute to our local communities.

Communication of information on power outages and recovery forecasts

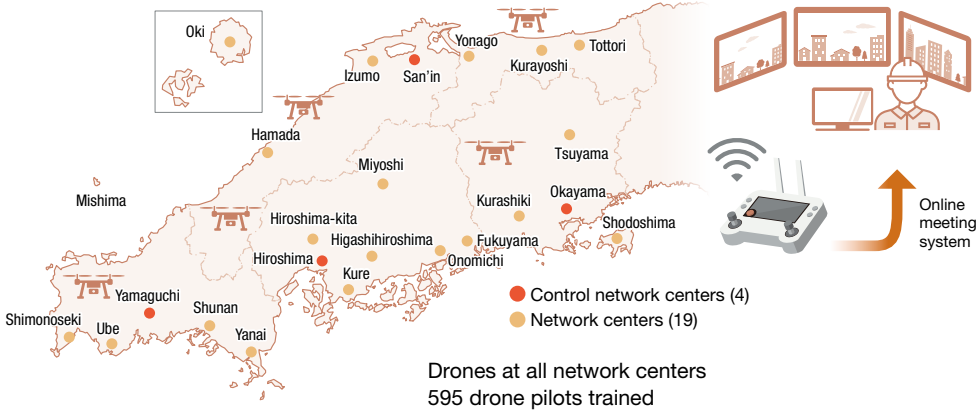


Power outage information app



Chat function for inquiries

Drone use as part of disaster response



Drones at all network centers
595 drone pilots trained

Reinforcing partnerships with external institutions and local governments

To ensure smooth, mutual cooperation in the event of a disaster, not only have we concluded cooperative agreements with external institutions and local governments, we are building strong face-to-face relationships with them through regular emergency drills and meetings.

Based on mutual disaster relief agreements, in the event of a natural disaster, we work with the relevant external institutions and local governments to quickly restore power outages. Specifically, we work to transport relief materials, equipment, and personnel by boat, etc., and ensure emergency passage along highways.

Partners	Main partnership details
Ground and Maritime Self-Defense Forces (SDF)	● Removal of obstacles on top of roads ● Transportation of materials, equipment, and personnel by aircraft, ship, and other means to help with restoration
Japan Coast Guard Headquarters	● Transportation of materials, equipment, and personnel by patrol boat and other means to help with restoration
West Nippon Expressway Co., Ltd. Honshu-Shikoku Bridge Expressway Company, Limited	● Emergency passage on highways for vehicles heading to disaster areas
Ministry of Land, Infrastructure, Transport and Tourism Chugoku Regional Development Bureau	● Dispatch of local liaisons ● Provision of activity hubs for power restoration work ● Removal of fallen trees and other obstacles on top of roads that prevent power restoration work ● Managing and sharing lists that detail important social facilities requiring priority restoration *Prefectures and municipalities only
Prefectures and Municipalities	
Izumi Co., Ltd., Lawson, Inc., AEON Co., Ltd.	● Provision of water, food, etc.



Recovery vehicle loading and unloading drills using a Japan Maritime Self-Defense Force Landing Craft Air Cushion (LCAC) hovercraft



Material transport drill using the JMSDF MCH-101 minesweeper/ transport helicopter



Emergency response drill with West Nippon Expressway Co., Ltd. (to confirm driving conditions for high-voltage generator vehicles in disaster-affected areas)

Business continuity initiatives

Responses to major management risks—risks that would have a significant impact on our business operations and that require an urgent, companywide response—are generally governed by the Crisis Management Regulations. However, in the case of (1) damage to power facilities caused by typhoons, earthquakes, or similar; (2) emergency situations at Shimane Nuclear Power Station or elsewhere; (3) military or terrorist attack; or (4) outbreak of a new form of influenza or other contagion, systems and measures are determined by the Emergency Damage Countermeasures Regulations, Nuclear Facility Damage Countermeasures Regulations, Emergency Countermeasures Regulations, and Novel Influenza Countermeasures Regulations respectively. Responses to these are determined by those regulations.

Supply Chain Management

Policies/Approach

Supply chain measures, including the Basic Procurement Policy

At Chugoku Electric, in addition to building strong relationships of trust with our suppliers, we aim to establish partnerships that facilitate long-term mutual success and thus engage in procurement activities in line with our Basic Procurement Policy. For the Partnership Building Declaration that we announced in September 2020, we carry out appropriate revisions that take into account legal and other changes, and are endeavoring to establish stronger partnerships with business partners.
Moreover, to help us play our part in the achievement of a sustainable society, in June 2023 we formulated our Sustainable Procurement Guidelines to enable us to tackle environmental issues and social issues such as human rights alongside our suppliers throughout the supply chain. We are also requiring letters confirming compliance with the guidelines, particularly from our major suppliers, and trying to strengthen these initiatives. Additionally, we are moving forward with developing a framework for material transactions that includes establishing internal and external consultation desks. We are advancing these linked initiatives under our belief that compliance is our utmost priority.

Basic Procurement Policy

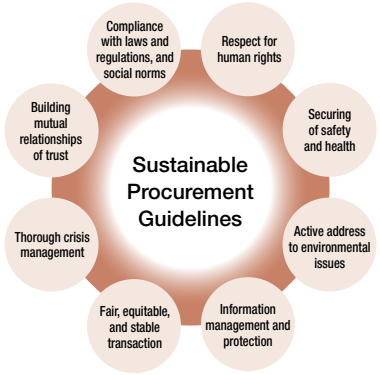
1. Adherence to legal regulations and social standards of conduct
2. Securing of safety and health
3. Active efforts in environmental problems
4. Management and protection of information
5. Provision of fair participation opportunities
6. Selection of suppliers
7. Thorough crisis management
8. Establishment of mutual trust with the supplier
9. Contribution to the local societies

WEB Basic Procurement Policy
https://www.energia.co.jp/business/sizai/sizai1-2.html



WEB Partnership Building Declaration
https://www.biz-partnership.jp/declaration/122994-06-00-hiroshima.pdf

WEB Sustainable Procurement Guidelines
https://www.energia.co.jp/e/business/intro/guidelines.html



Corporate ethics consultation desk for suppliers

WEB Information on corporate ethics consultation desk for supplier
https://inquiry.energia.co.jp/webapp/form/22903_xwhb_32/index.do

We have set up a corporate ethics consultation desk to receive reports from suppliers about any issues or potential issues relating to corporate ethics and compliance. This could be any act in our material transactions (including the supply chain) that impacts the fairness and transparency of said transactions, or any inappropriate conduct in product inspections, labor management, or human rights.

Systems and Governance

The direction of our initiatives to improve sustainability in our material procurement are reflected in material procurement policies and added to the agendas at meetings of our Board of Directors and Management Committee.
Furthermore, as priorities for discussion, the status and direction of various policy-based efforts are reflected in the material procurement plans we formulate each year, and deliberated by the Management Committee, as well as by the Material Procurement Committee and Material Procurement Subcommittee, whose members include management from the Materials Department and lead operational divisions.

Material procurement plan formulation process

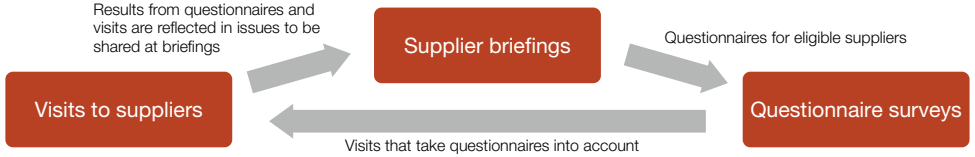


Metrics and Targets

Initiatives cycle aimed at improving sustainability in material procurement

In order to improve the sustainability of our material procurement, we promote a cycle of initiatives: briefings for suppliers, sustainable procurement questionnaires, and visits to suppliers. Specifically, we conduct a questionnaire survey on the status of suppliers' efforts related to the eight parts of our Sustainable Procurement Guidelines. In this way, we strive to understand supply chain risks and similar. As a result, we confirmed that at present there are no major risks in our supply chain. After conducting the questionnaires, we visit suppliers to share the results, exchange ideas, and further deepen initiatives.

Initiatives cycle aimed at improving sustainability



Results and targets of the initiatives cycle

	Scope	Unit	FY 3/2024	FY 3/2025	FY 3/2026	FY 3/2027 targets
Supplier briefings	Chugoku Electric	Companies	46	76	90	100+
Questionnaire surveys	Chugoku Electric	Companies	70	106	132	Approx. 150
Visits to suppliers	Chugoku Electric	Companies	2	3	10	Approx. 20

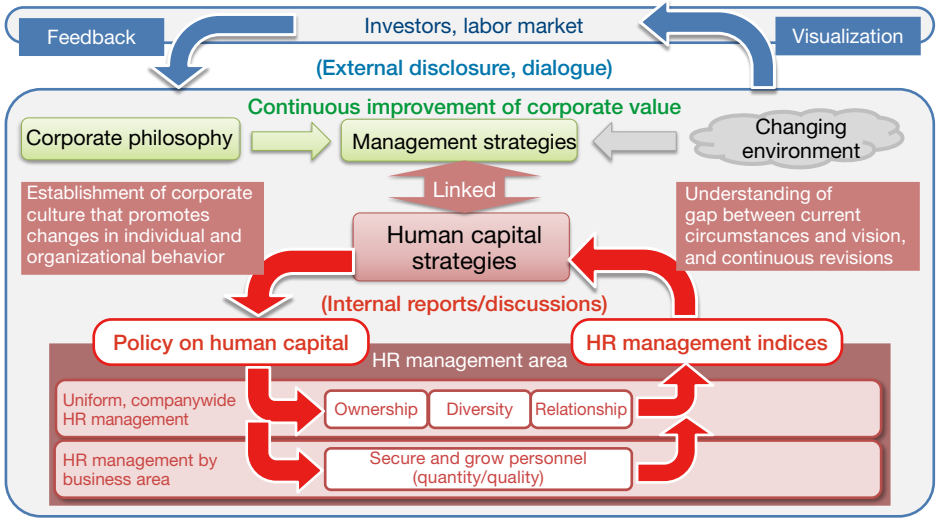
Human Capital

Policies/Approach

Continuous improvement of people management toward total employee enhancement

"All employees take on challenges and shine in their positions" is one of the aspirations our Group has set forth in the Group Corporate Vision. To respond flexibly and quickly to changes in the business environment and continuously enhance corporate value, we are engaged in various people management initiatives.
In addition to continuously revising these initiatives in line with changing circumstances and issues, we establish medium- to long-term people policies, as well as indicators to monitor progress, to develop a corporate culture that can help us achieve our vision through everyday activities. Ultimately, we are aiming to establish a people management cycle through which we can continue to improve our management practice through internal discussions and external dialogue.

Overarching people management concept



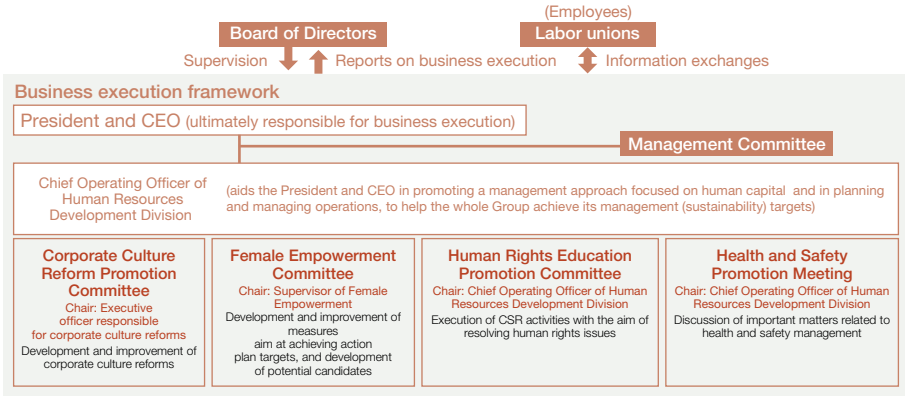
Group Corporate Vision/ Corporate Charter of Conduct

Policy on human capital	Initiatives	People management indicators
Policy for Promoting Active Participation of Diverse Human Capital	Further promotion of taking ownership and diversity	Ratio of women at section chief level or higher, ratio of female assistant managers or higher, no. of female technicians, childcare leave acquisition rate among male employees, hiring rate of persons with disabilities, employee perception of personnel vision implementation, etc.
	Improvement of relationships between individuals and organizations	Employee engagement, psychological safety, employee perception of workplace comfort, etc.
Chugoku Electric Power Group Human Rights Policy	Respect for human rights	Uptake rate for workplace human rights training, etc.
Health and Safety Management Policy	Promotion of safety and health	Accident frequency rate, rate of absenteeism, rate of presenteeism, etc.

Integrated Report Practicing Sustainability Management People P53

Systems and Governance

Matters pertaining to a number of areas of people management—recruitment, transfers, evaluations, training, remuneration, workstyles, human rights, safety, health, etc.—are added to the agenda for meetings of the Management Committee and Board of Directors periodically as part of medium-term management plans or as necessary. For important issues, individual meeting bodies have been established to advance measures in cooperation with various organizations. Exchanges of opinion are also held with labor unions.



Metrics and Targets

In light of one of our Chugoku Electric Power Group Corporate Vision 2040 sustainability targets, namely that "diverse human capital achieve empowerment and greater engagement," we have set Chugoku Electric and group company (for 13 consolidated subsidiaries) metrics and targets matching four core themes. We have made achieving all of these a target for the Group overall.
To achieve the targets, each company will continue to make steady efforts.

Core themes	Scope*1	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Increasing the number of female managers	Group	%	71.4 (Achieved by 10 companies)	100	100
Improving the childcare leave acquisition rate among male employees	Group	%	92.3*2 (Achieved by 12 companies)	100	100
Improving employee engagement	Group	%	—*3	100	100
Continuously implementing human rights education activities	Group	%	100 (Achieved by 14 companies)	100	100

*1 Chugoku Electric and 13 consolidated subsidiaries.
*2 Excludes one company that had no eligible employees during the period.
*3 New target for FY 3/2027 onward.

Corporate Culture Reforms

Policies/Approach

Developing a corporate culture that embodies our management philosophy of "Trust. Creation. Growth."

To fulfill our goals of enhanced corporate value and sustainable growth for the region, we believe that alongside business strategy and people strategy, a positive corporate culture is absolutely essential. In the Chugoku Electric Power Group Corporate Vision, we set out a desired outcome where all employees take on challenges and shine in their positions, and our main task is creating an open workplace that facilitates ambitious challenges.

To bring about this new, more positive corporate culture, we are approaching it from two directions: changing awareness and developing the right environment. In our efforts, we place importance on an approach of taking the first steps by valuing the raising of little things we notice or hear from others. In this way we hope to spread awareness and cement it in actions.

Integrated Report Message from the Executive Officer Responsible for Corporate Culture Reform P40

Course of action on corporate culture reform

Desired outcome	All employees take on challenges and shine in their positions
Main task	Creating an open workplace that facilitates ambitious challenges
Approach	Take the first steps by valuing the little things we notice or hear from others

Systems and Governance

In June 2025, we established the role of executive officer responsible for corporate culture reform and the Corporate Culture Reform Promotion Committee, with a membership comprising heads of relevant organizations, to steadily push forward initiatives aimed at corporate culture reform. With an executive officer involved and taking responsibility, we have established a system that encourages cross-organizational cooperation in this area. When needed, we can also form working groups made up of diverse members to investigate and implement various measures.



Initiatives

Main initiatives in FY 3/2026

Taking on board the basic policies discussed at the Corporate Culture Reform Promotion Committee and the direction of initiatives, we advanced various measures, including the second part of the Chugoku Electric "Motto Kawarou" Project.

Chugoku Electric "Motto Kawarou" Project Part 2

Between October and December 2025, to further expand understanding of corporate culture reform to more employees and to help them identify with it, we held workshops that encouraged participants to make it their own and turn it into action. From new employees to those with long careers with us, 60 people volunteered to take part.

Integrated Report Corporate Culture Reform Initiatives P41

Action declarations by top management

With the aim of explaining their own thoughts and action guidelines on how to achieve the Group Corporate Vision and reform our corporate culture, upper management—along with chief operating officers of head office divisions, general managers, and others—have been making action declarations (beginning November 2025).

Seminar for upper management and managers

In November 2025, we held a seminar for upper management and those in manager roles. Learning of the need for corporate culture reform or ways of displaying the leadership needed in this age of transformation encouraged participants to change their awareness and put it into action. This will drive reforms throughout the Group.



Seminar aimed at enhancing communication between managers and their employees

In March 2026, we held a seminar to enhance manager-employee communication, which involved a total of around 1,000 managers and non-managerial employees. Taking one-on-one meetings as a case in point, attendees learned key points and skills for communications that help to develop workplaces with an air of openness and that encourage employees to take on challenges. The seminar provided an opportunity to gain new perspectives and ideas on how to achieve more effective dialogue where they work.

FY 3/2027 initiatives

With enhancing cross-organizational communication as a priority topic for FY 3/2027, we are advancing initiatives that take into consideration the following elements that were proposed as part of Chugoku Electric "Motto Kawarou" Project Part 2.

Elements proposed during Chugoku Electric "Motto Kawarou" Project Part 2 as aspects to be added to ongoing initiatives

- Dialogue across divisions
- Sharing and identifying with targets
- Support for taking on challenges
- Gratitude and praise

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Policies/Approach

Promoting active participation of diverse human capital

Our Management Philosophy is “Trust. Creation. Growth.” We recognize that it is our people who can carry forward that creation, the process of responding to change and continuing to create new value. Based on that idea, we have formulated the Policy for Promoting Active Participation of Diverse Human Capital as an all-encompassing, groupwide policy.

Policy for Promoting Active Participation of Diverse Human Capital

In accordance with our corporate philosophy and the Energia Group Corporate Charter of Conduct, we as a group follow the policy detailed below to create an environment where diverse human capital can demonstrate their abilities, and align personal and organizational growth. By doing so, we hope to achieve the desired outcome set out in the Group Corporate Vision, for all employees to take on challenges and shine in their positions.

Ⅰ. People Development

Goals each and every employee should aim to achieve (personnel vision)

In times of change,
we proactively think and act.

Employees will engage in independent and mutual learning to achieve these goals, and the company will support and develop their individual growth.

Ⅱ. Organizational Development

(1) Further promotion of taking ownership and diversity

To respond to changing times, we will encourage employees to take ownership and further promote the diversity that comes with bringing their individual strengths together.

(2) Improvement of relationships between individuals and organizations

To further promote taking ownership and diversity, we will work to improve the relationships between our individuals and organizations to ensure that employees do not feel daunted within their organization and that they can fully display their strengths.

If everyone can display their own, individual strengths through their daily work experience, individual differences can come to the fore. By respecting those differences, taking them on board, and linking them, we can create new value. If we can repeat this process again and again, we believe we can all grow sustainably, as individuals and as an organization.

Based on this policy, both Chugoku Electric and Chugoku Electric Power Group companies will work to achieve the Group Corporate Vision materiality of creating an environment where diverse human capital can demonstrate their abilities. They will also take ownership of necessary measures—such as personnel training, promoting diverse ways of working, or reforms to organizational culture—and implement them in line with their management conditions and business characteristics.

Systems and Governance

In the Group Medium-term Management Plan (FY3/2027–FY3/2031), we have laid out targets for Chugoku Electric and each group company, and we are working toward achieving these. In Chugoku Electric’s case, we have formulated planned initiatives for each of our internal organizations from the perspectives of human resource quantity, quality, and workplace environments, and we are tying these into concrete actions.

Group Medium-term Management Plan (Strategic Human Capital Plan)

- Group companies → Groupwide sharing of our vision; Contribute to achieving targets based on individual situations
- Chugoku Electric → Formulates planned initiatives from the perspectives of human resource quantity, quality, and workplace environment

Response to priority issues (Chugoku Electric)

Main priority issues	Quantity	Quality	Workplace environment
Safe nuclear operations Stronger trading functions DX promotion and digitalization Promotion of corporate culture reform	Prioritizing allocation of human resources Increasing productivity for existing tasks	Internal personnel training ▶ Continuously training dedicated qualification holders ▶ Acquiring knowledge through collaboration with other companies ▶ Passing down skills through digital technologies ▶ Enhancing AI and data use skills External personnel acquisition ▶ Acquiring and promoting personnel highly specialized in areas such as market trading ▶ Proactively utilize older employees	Diverse human capital achieve empowerment and greater engagement ▶ Increasing the number of female managers ▶ Improving the childcare leave acquisition rate among male employees ▶ Creating surplus capacity through DX and digitalization ▶ Sharing and identifying with the Group Corporate Vision and targets ▶ Fostering a culture of challenges and praise
More balanced workforce demographics	Promotion of age diversity to support sustainable growth	▶ Continuing stable employment and minimizing job turnover ▶ Introducing and operating employee welfare systems with a greater focus on job position	

Metrics and Targets

In accordance with our groupwide core themes, we have set targets for areas such as the ratio of female employees in positions of section chief or higher and employee engagement, and we are progressing initiatives to this end.

We are making positive progress toward achieving our targets and we will continue to make steady efforts.

Metric	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Ratio of women at section chief level or higher	Chugoku Electric	%	5.4	6	10
Ratio of women at general manager level	Chugoku Electric	%	3.4	5	10
Childcare leave acquisition rate among male employees	Chugoku Electric	%	89.0	100	100
Employee engagement (positive response rate)	Chugoku Electric	%	48.9*1	51*2	60

*1 April 2026 survey *2 April 2027 survey

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Initiatives

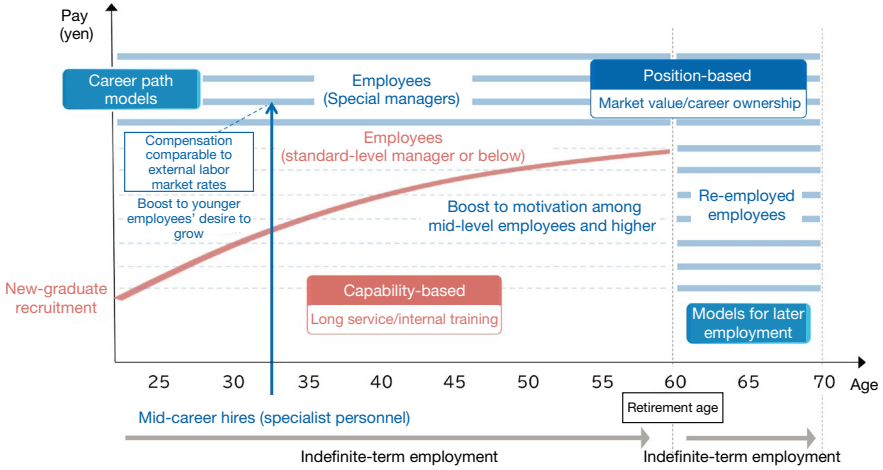
Promoting taking ownership and diversity

Promoting age diversity

At Chugoku Electric and Chugoku Electric Power Transmission & Distribution, we have developed age diversity promotion measures to help us attain sustainable growth. In addition to our conventional, capability-based employee welfare systems that focus on length of service and internal training, we have also introduced position-based systems for more senior employees in terms of rank and age that place more emphasis on market value and taking ownership of their own careers. This boosts the desire to grow among younger employees and motivates those in mid-level and higher positions. In this way, we aspire to workplaces where employees of every age can perform their roles and shine.
Through these efforts, we hope to secure the human resources our management strategies require, in terms of both quantity and quality. This includes training younger and mid-level employees, promote active participation by older ones, and recruiting personnel with experience at other companies or highly specialized expertise. At the same time, by promoting continuous, stable employment and controlling job turnover we aim to make workforce demographics more balanced.

Age diversity measures summary

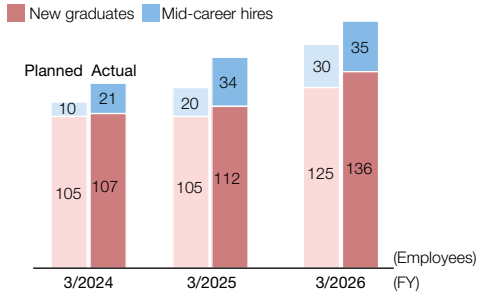
	Who	What & Why
Switch to employee welfare systems with a greater focus on job position (from April 2025)	Special managers	Switch to employee welfare systems for special managers (roles requiring management capabilities or specializations) that are more flexible than job-position-based HR and employee welfare systems to adapt to environmental changes (via appointment selection and fast-track promotion).
Creation of a new post-retirement-age re-employment system (Planned for April 2028 onward)	Employees reaching retirement age	For any employee who wishes to continue working after reaching retirement age, we offer position-based HR/employee welfare systems that value the desires and abilities of individuals while providing them with indefinite-term employment until they reach 70.



Personnel acquisition and growth

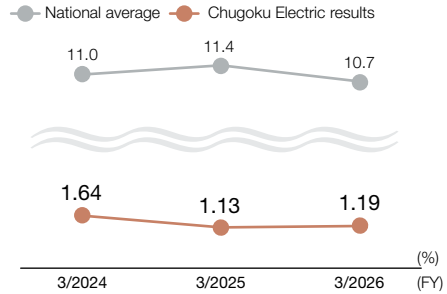
Ahead of the achievement of our Group Corporate Vision, we are promoting the transfer of employees, transfers of techniques and skills, and career development in collaboration with educational institutions, to secure and develop the right number and quality of personnel and ensure they are in the right place.
With an eye to better balancing our workforce demographics over the very long term, and in line with business conditions and our expansion into growth fields, we are recruiting new graduates and mid-career hires (those with experience at other companies or highly specialized expertise, etc.) to secure human resources with a diverse range of values and experiences. For those who leave for personal reasons—such as to get married, have children, care for someone, move because of their spouse's work, or to advance their own careers elsewhere—we have a welcome back recruitment and reemployment system, in which recruiting is carried out throughout the year and the hired person can start working at any time of year, and we work to secure flexible and efficient personnel.

Employment type*1



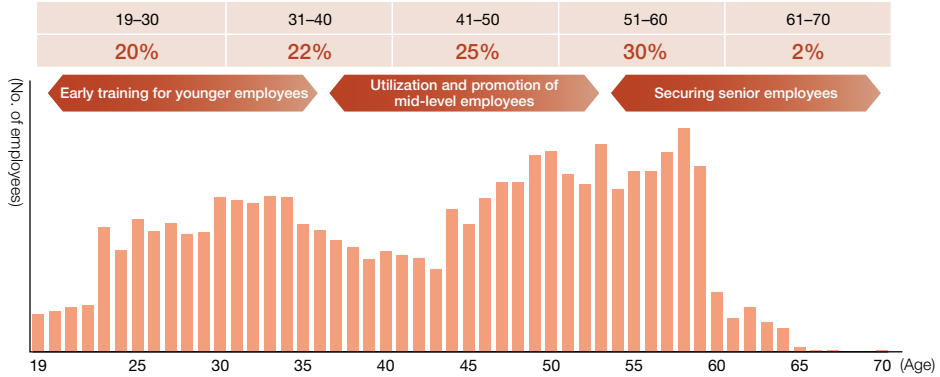
*1 Figures for Chugoku Electric
"Mid-career hires" includes employees who entered the company via the welcome back recruitment and reemployment system.

Turnover rate*2



*2 Turnover rate for employees who leave for personal reasons. The national average is taken from the Ministry of Health, Labour and Welfare's Survey on Employment Trends.

Workforce demographic breakdown*3



*3 Figures for Chugoku Electric, correct as of the end of FY 3/2026. Percentages show the proportion of employees from the total (as figures have been rounded, totals may not equal 100%).

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People development structure

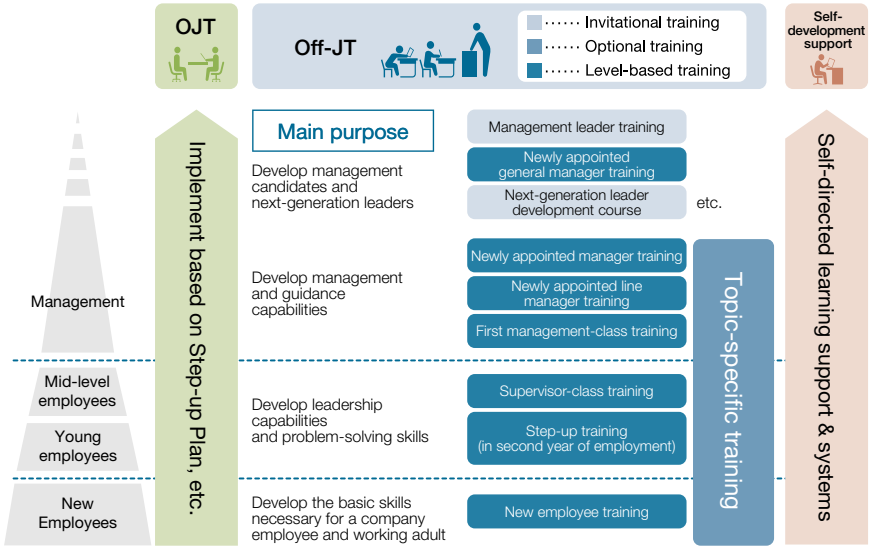
Just as with the proportions outlined in the 70:20:10 rule for human growth, we recognize that it is important to center development on on-the-job training through work experience, linked to off-the-job training and self-development. At Chugoku Electric and Chugoku Electric Power Transmission & Distribution, we are strengthening our human resources training measures in line with our Policy for Promoting Active Participation of Diverse Human Capital.

Since FY 3/2025, we have expanded and enhanced training for new appointees for all executive and management positions (new general managers, section chiefs, managers, and line managers) who will drive operations or personnel training at their organizations.

Moreover, to create opportunities for study, and to ensure that those studies are effective and efficient, we have introduced online video-based training. As part of our level-specific training, employees undertake skills seminars that we designate as well as seminars that they consider necessary. We also aim to make learning a habit, so we are working to ensure all employees take seminars recommended by their companies each year. Furthermore, we want employees to take advantage of the ability to watch these online videos anywhere and anytime and to use them in their own self-development.

Through measures like those above, we are working to encourage learning, provide more opportunities for self-directed learning, and encourage employees to learn from each other at their workplaces.

People development structure



Linking employee performance evaluations and people development

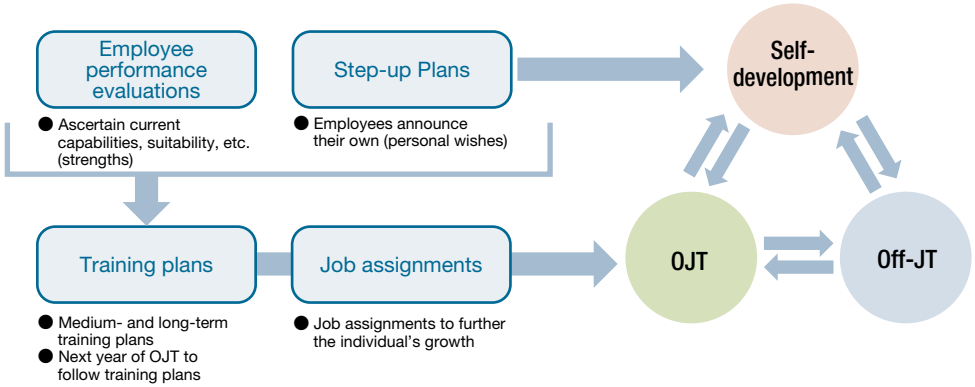
In April each year, we carry out employee performance evaluations, which include two parts: a work performance evaluation that rates the employee's processes and results in their daily jobs, and a suitability evaluation that rates their ability to succeed in their given role and their suitability for this role.

Evaluation standards and other information is shared within the company to clarify the level of capability we expect of employees and encourage independent growth. Another element of the evaluations is to assess whether or not employees think and act for themselves, and rates their approach to making decisions on their own or spontaneously coming up with ideas or solutions.

The understanding gained from these evaluations of employees' capabilities and suitability (strengths) is combined with the Step-up Plans each employee files to create personalized training plans.

When employees' bosses provide feedback on their assessment results each June, they also speak about future expectations based on their plans and offer advice and guidance aimed at growth. In these ways, we have created mechanisms by which employees can decide for themselves growth targets and efforts to achieve them.

How employee performance evaluations and people development are linked



Development of management candidates

As part of our efforts toward sustainable development for the whole Group, we are systematically working to train management candidates.

In newly appointed general manager training, we endeavor to enhance participants' management capabilities, strengthen their ability to formulate strategies based on management perspectives, and create ties with other departments.

For the next-generation leader development course, meanwhile, we select those among our managers we believe can be at the heart of formulating strategy in the future. By sending participants to training outside the Group, we hope to help them interact with others in different industries, advance their management knowledge, and strengthen their practical skills.

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People development based on individual ambition

We believe that for personnel to achieve growth, it is important that they clarify their individual growth targets—be it their medium- to long-term vision or desired roles—and take the lead in thinking about what is required to achieve the targets and go about their work in line with these requirements.
As such, we have designed a system whereby each April employees declare their growth targets for three, five, and ten years into the future, as well as the initiatives required to achieve them, in something we call a Step-up Plan. The system allows employees' managers to create individual development plans based on these Step-up Plans, effectively combining various measures to promote their development. For example, they assign employees tasks that contribute to their development, conduct on-the-job training through everyday tasks, and create level-based and optional off-the-job training plans.
Our aim is to create a cycle through which employees can think seriously about their future, and by sharing with their bosses and through connections with their workplace learn the ropes through their everyday tasks as well as how to think and act for themselves. By having employees use the experience from this process to launch a separate learning cycle, we support them to independently develop their careers and continue to grow.

Announcement of our Step-up Plan



Independent career development

From the perspective of putting in place an environment in which employees can develop their careers in a way that suits their own wishes, we have expanded our in-house recruitment system,*1 and in FY 3/2025 we introduced a system that will allow employees to take on additional roles within the company. This system enables employees to remain affiliated to their own department, while also tackling tasks in a different department for a set time, which makes it easier for them to take on new challenges than the conventional in-house recruitment system.
Both systems not only support individual employee growth, they also benefit the organization as it can then utilize the expertise, experience, and technical capabilities of diverse personnel who have a desire to challenge themselves. We, therefore, plan to make further use of these systems.

*1 A cross-departmental system that aims to discover personnel who have the specific skills or desire to challenge themselves, and which takes in-house applications from those wishing to work in new business areas or similar and then after selection puts these personnel to work in those roles.

Self-directed learning support

In order to enhance the knowledge and technical skills employees need to do their jobs, and to arm them with the broad horizons and education to grow as members of society, we provide support for self-directed learning.

Self-directed learning support measures

Online video-based training	Trainees watch various video seminars, produced by an operating company, on devices such as PCs or smartphones
Qualification exam pass reward program	Those who pass applicable qualification exams receive a monetary reward *From FY 3/2026, the number of qualifications covered by the reward program is being expanded, and the amount of the monetary reward revised upward
Grants for language exam fees	We offer employees grants for the full amount of fees for applicable language exams (up to once a year)
Study sabbatical system	Every year, we accept applications and send employees who pass the entrance exams (general selection) to universities within Japan

Learn & Grow Community to support employee learning

In August 2025, we launched the Learn & Grow Community as a supportive community on Teams with the aim of supporting employees who want to learn and grow for themselves. As of April 2026, more than 1,500 employees and executives from Chugoku Electric and Chugoku Electric Power Transmission & Distribution have taken part.
The community's organizers send participants information, including learning support articles, and establish channels where employees can interact on a level playing field (regardless of age, position, or department) and channels for individuals to easily share things they notice. In this way, we are developing environments that naturally leads to employees learning from each other and engaging in dialogue.



Participation in the HATAful project*2

We take part in the HATAful project, a network of companies that started as a project to consider ways of countering the movement of people out of Hiroshima Prefecture. Supporting members interact across company borders and plan and implement joint research to create more appealing places to work.
In FY 3/2026, around 30 employees volunteered to take part, and the ideas they gained provide opportunities to consider their own careers anew.

*2 Launched in FY 3/2025, the project aims to build a network of companies that can lead the region in creating exciting, appealing forms of work.

HATAful

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Initiatives to pass on techniques and skills

At Chugoku Electric and Chugoku Electric Power Transmission & Distribution, we have introduced an advanced techniques and skills certification system and education staff system to help pass down techniques and skills related to electric power facilities. With the former, we certify employees with advanced techniques and skills in specific fields as Energia Masters. These Energia Masters undertake a wide range of activities to pass on our techniques and skills to future generations, such as providing technical guidance on-site, reviewing construction plans and designs, and giving lectures both inside and outside the company. In FY 3/2026, four employees became newly certified.
The engineering divisions are also proactive in their efforts, including by holding skills tournaments.

No. of Energia Masters (as of the end of March 2026)

Company	Employees
Chugoku Electric (thermal power, nuclear power, hydro power, civil engineering, construction, information)	29
Chugoku Electric Power Transmission & Distribution (power transmission and transformers, distribution, electrical system diagrams)	28

Initiatives to pass on techniques and skills

Initiatives	Details
Advanced techniques and skills certification system (Energia Masters)	This system recognizes those employees who have extensive experience and high-level techniques and skills, and who act as models for other employees, and is used to pass down techniques and skills.
Education staff system (skill enhancement chiefs)	Under this system, employees with extensive experience are selected as skill enhancement chiefs, and is used to support individuals achieve their development goals and to support the implementation of education and training activities.
Skills tournament	This event aims to shine a light on the level of techniques and skills utilized by individuals and organizations in their daily tasks, and to foster a desire to improve, motivation to work, and a sense of achievement.



An Energia Master gives guidance on turbines



Skills tournament (distribution)

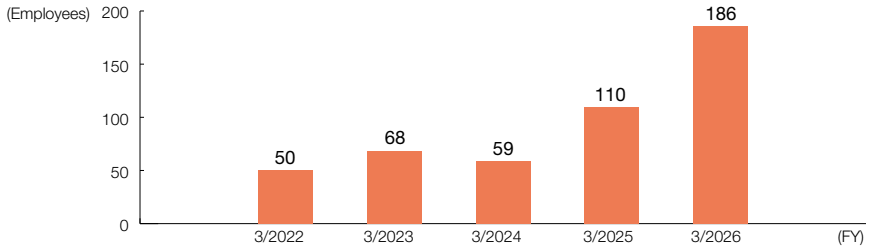
Career development in cooperation with Hiroshima University

To enhance the specialist skills of our employees, we have created training in collaboration with Hiroshima University's Education and Research Center for Artificial Intelligence and Data Innovation, and worked with the university to develop a research course. In this way, we are enhancing employees' specialist skills and supporting their career development.

Enhancing skills through specialist training directly linked to actual tasks

The specialist training program implemented in collaboration with the university allows trainees to systematically gain the skills they need to effectively use data and AI. In FY 3/2026, we carried out two training programs—one focused on beginner Python programming based on actual job issues, and the other on AI utilization, in which participants learned how to practically apply generative AI. The knowledge and skills trainees gained will be applied to new business proposals and improvements to task support tools.

No. of employees undertaking training



Support for developing innovation personnel through industrial-academic collaboration

Since we signed comprehensive cooperative research agreements with Hiroshima University in 2019, we have continued to run joint research programs to develop our personnel through mutual cooperation in research and development. At present, we are fusing the latest research results from the university with our own grid operation technologies to develop cutting-edge energy management technologies. As a result, the researchers dispatched from our company pursuing doctoral degrees are developing into innovation personnel who combine academic insight with practical experience.



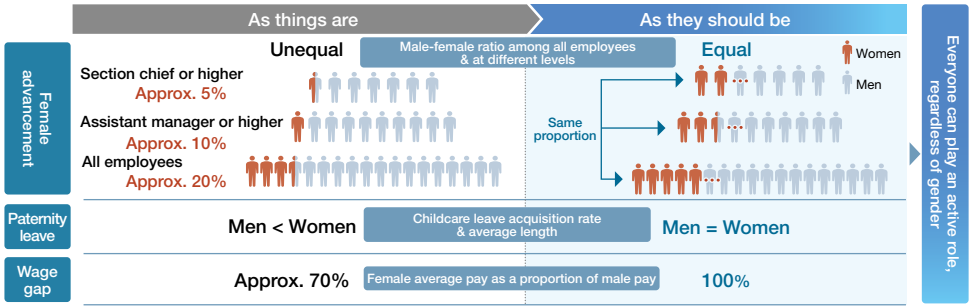
International academic conference (IEEE PES ISGT Europe 2025)

DE&I

A corporate group where everyone can play an active role, regardless of gender

Our vision is to be a group where both male and female employees can play active roles, and specifically we have defined this as meaning that the male-female ratio of managers at each level should roughly equal that of all employees, that both should be able to balance their work and private lives, and that there should be no gender pay gap.

Vision



To achieve a medium-to-long-term goal, we have set targets aimed at catching up with the average for all industries and widening the field from which we draw executives. By changing awareness via training plans and workshops, we strive to increase the number of female managers.

For us to develop a workplace culture that makes it easy for both male and female employees to balance work and life, meanwhile, we have set targets related to topics such as improving the childcare acquisition rate among male employees. Through measures such as enhancing workstyle options—including work-from-home—and putting in place systems to support work-life balance, we are working to create an environment where men and women have equal access to childcare leave.

Action plan targets based on laws

For the most part, we are making good progress toward achieving our targets, and we will continue to make steady efforts.

Metric	Scope	Unit	Result	Target
			FY 3/2026	FY 3/2028
Ratio of women at section chief level of higher*1	Chugoku Electric	%	5.4	7
Ratio of women at general manager level	Chugoku Electric	%	3.4	6
Childcare leave acquisition rate among male employees*2	Chugoku Electric	%	89.0	100
Average length of paternity leave taken	Chugoku Electric	Days	77	60
Hours of overtime (monthly average) for those raising children of elementary school age or younger	Chugoku Electric	Hours	27.9	26.4

*1 Calculated based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).
*2 Calculated based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, and in accordance with Article 71-6-1 of the enforcement regulations for that act.

Messages from organizations' top management

Why are we working so hard on promoting diversity, female participation, and paternity? To answer the questions employees have, around 30 individuals from top management at our different organizations—including the presidents of Chugoku Electric and Chugoku Electric Power Transmission & Distribution and the supervisor of female empowerment—have shared messages through the company newsletter. In these, they draw on their own experiences and ideas to explain, in their own words, topics such as the meaning and necessity of initiatives to promote the active participation of diverse human capital, and organization-specific issues and courses of action.

Executives will continue to stand at the forefront of efforts to foster greater awareness, and endeavor to make this a corporate group where everyone can play an active role, regardless of gender.



Newsletter (excerpt)

Promoting active roles for female employees

To promote active roles for female employees, we are encouraging them to display their abilities by assigning them a wide range of duties based on their aptitude and development programs. Further, through various workshops and other educational events, we are looking to develop the mindsets of management and female employees.

At the Female Empowerment Committee, which we established in June 2025, we share information on the current state of efforts toward achieving action plan targets, and exchange ideas related to widening the field from which we draw managers and ways of working for those raising children. As well as monitoring the situation for metrics such as the ratio of female managers and studies into gender-specific promotion rates, the committee promotes cross-organizational initiatives that include sharing the situation at different organization and positive case studies.

Training to support and encourage female employees

For the female employees at the heart of their organizations, we want to broaden their horizons when they come to consider their future career development. Our training also aims to help them look more positively at their own potential. As well as learning about theories of trust and abilities to act, as well as diverse leadership styles, participants also have the opportunity to talk to each other to discover their own strengths and the direction of their own careers.


Dialogue among participants

DE&I

Promotion of diverse workstyles

To promote a diverse range of workstyles, we are enhancing our workstyle options, including flextime systems, work-from-home systems, and original leave systems that cater to various lifestyle requirements.

Main systems and initiatives for diverse workstyles

Flextime system	Employees can choose to start between 7 am and 11 am, and finish between 2 pm and 9 pm
Work-from-home system	Employees can work from home, etc.
Staggered worktimes	Employees can set their own start times in 30-minute increments
Hourly paid annual leave	Employees can take annual paid leave by the hour
Life support leave*	Employees can use this for childcare, nursing care, infertility treatment, volunteering, self-development, etc.
Temporary spouse support leave	Employees can take up to three years off in a single instance
Other initiatives	Free seating; use of Microsoft365, iPhones, etc.

*A system unique to Chugoku Electric that flexibly caters to a wide range of lifestyle needs, from employment to retirement.

Support for work-life balance

We offer various systems to promote work-life balance, including temporary leave and shortened worktime systems for childcare and nursing care, as well as help with expenses for childcare or nursing care facilities and similar. Additionally, we are promoting male employees' participation in childcare, and are working to develop a workplace culture that makes it easy for both male and female employees to balance work and life. Moreover, to put in place an environment that allows employees to continue working with peace of mind as they undergo infertility treatment, we have set up a subsidy system to help toward medical check and treatment fees.

We have received Kurumin accreditation from the Ministry of Health, Labour and Welfare, showing our active support for parents raising children

Systems to support work-life balance

Shortened worktime for childcare	Worktimes can be shortened by up to 2 hours
Shortened worktime for nursing care	Worktimes can be shortened by up to 2 hours
Childcare leave	Until the child is 2 years old
Childcare leave for a child's birth	Up to a total of four weeks in the eight weeks following the child's birth
Nursing care leave	Up to a total of 1 year
Measures to help support a balance between work and childcare, nursing care, or medical treatment*	As part of our welfare system, we provide subsidies related to childcare, nursing care, or infertility treatment

Note: Applicable to all employees. However, measures marked with an asterisk (*) exclude some employees, such as those working part-time.

Creating workplace environments where diverse workstyles are respected



Handbook for bosses

In addition to establishing systems that enable diverse workstyles, it is also important that we create workplace environments where employees can actually make use of these systems without worrying about what others think. According to the results of an internal questionnaire on the use of childcare support systems, we found that some wanted greater understanding from bosses and colleagues, while others were hesitant to take leave because they did not want to inconvenience others. To ensure that they can help make workplace environments easier for everyone—not just those wanting to take leave but other team members too—we distribute handbooks to bosses summarizing the kind of communication wanted and key points on how to respond.

Furthermore, through training where executives and managers learn the essentials of managements and specific methods from their respective standpoints, we are helping to get closer to a form of management that utilizes diverse human capital.

Welfare systems

As well as maintaining and enhancing employee welfare, our other aim is to boost productivity. To this end, we offer wide-ranging support, including housing support (through company housing or financing to buy a home) and self-reliance support (asset formation through property accumulation or the employee shareholding association（Chugoku Electric Power Employee Shareholding Association）, or similar). We have also joined outside welfare services so that we can respond to employees' diverse needs.

Additionally, we are working to support better communications between all workers, including agency workers.

Promotion of employment of people with disabilities

We are constantly moving forward with the employment of people with disabilities to play our part in supporting their independence.

In July 2023, our special subsidiary EnerGia Smile Co., Inc. was awarded Monisu certification by the Ministry of Health, Labour and Welfare, recognizing it as an SME that excels in efforts to promote and stabilize employment for people with disabilities. As of April 1, 2026, the company had 61 employees with disabilities working at the company, involved in cleaning work, the collection and delivery of post, store management, the sorting of electricity meters, printing, and more.

In addition to enhancing our working environments to cater to people with disabilities, we will continue with efforts to promote their employment.

DE&I

Improvement of relationships between individuals and organizations

Understanding of indicators related to organizational culture (employee engagement, etc.)

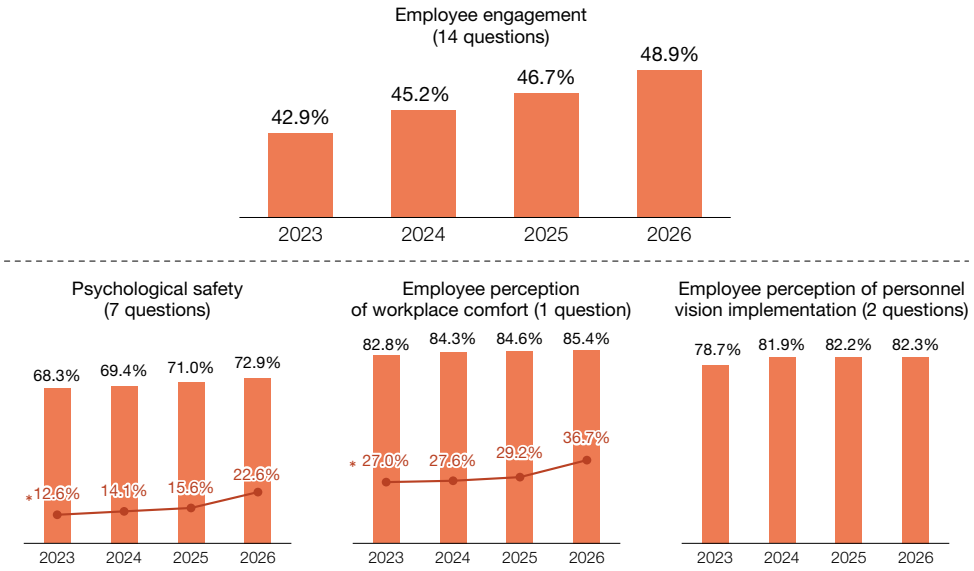
To maximize each employee's potential as we seek to promote active roles by diverse personnel, each year we survey all employees on indicators related to organizational culture—such as employee engagement and psychological safety—in an attempt to quantify employees' thoughts and ideas via a self-reporting system. The details of these reports are also used to enhance communication between managers and their employees.

We regularly monitor organizational culture indicators, and by tying these into continuous improvements to people management, we hope to establish a culture in which employees do not feel daunted within their organization and in which they can fully display their strengths.

Organizational culture indicators: method

- Held in April each year (since April 2023) for Chugoku Electric employees
- Each indicator represents the percentage of positive answers. Each question is answered based on a score of one to five. Averages of four or above have been calculated as positive answers
- The April 2026 survey had approximately 3,400 participants. The valid response rate was 93.2%

Overview of survey results



*Percentage of workplaces where all members gave positive answers

Management support

We are working to improve the management capabilities of those in charge of organizational management. In addition to the continuous communication of useful management information, as part of our efforts to improve employee engagement, we gave all managers a handbook detailing ways of utilizing indicators related to organizational culture in management.

We also run programs to enhance understanding, of leadership communication that can boost engagement as part of newly appointed line manager training, and of psychological safety as part of newly appointed team manager training. For those who wish to study it, we also offer opportunities to learn about improving their emotional intelligence. In all these programs, we provide ample discussion time between trainees, with importance placed on looking back at how their own organizations are run and digging deeper into the things they notice that connect to actual operations.

Excerpts from the manager handbook



Enhanced communication support

To improve the sense of unity among the workforce through interaction and dialogue outside of work, we have set the Energia Off-Time Community welfare system with the aim of supporting and enhancing communication away from work.

We support workplace events, which are planned and hosted by event leaders nominated by division heads, as well as clubs, which are voluntarily run by employees with shared interests. We hope to enhance communication among all employees through these activities, which encompass sport, culture and education, recreation, excursions, and volunteering, for example.

Human Rights

Policies/Approach

Respect for each and every individual is a fundamental aspect of our business, and we are making efforts to create a society in which there is no discrimination, and in which human rights are truly protected.

Human rights education policy

To share our approach regarding respect for human rights among all Group executives and employees and have them implement it, we formulated the Chugoku Electric Power Group Human Rights Policy and work to address various human rights issues. We have positioned the policy as a set of guidelines for action to ensure thorough respect for human rights as per the Energia Group Corporate Charter of Conduct.

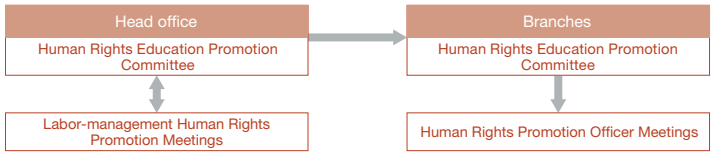
Seven key measures in the Chugoku Electric Power Group Human Rights Policy

1. Application of a Human Rights Policy
2. Structure for Promoting Human Rights Education
3. Human Rights Due Diligence
4. Internal Education
5. Dialogue with External Parties
6. Information Disclosure
7. Remedy

WEB Chugoku Electric Power Group Human Rights Policy
https://www.energia.co.jp/corp/esg/human_rights_policy/index.html

Systems and Governance

To solve a variety of human rights issues and to fulfill our corporate social responsibility, we have established a Human Rights Education Promotion Committee at our head office, with a membership made up of the heads of our business divisions and departments. We also hold Labor-management Human Rights Promotion Meetings in tandem with labor unions for the mutual exchange of opinions.
Further, we have assigned human rights promotion supervisors and officers to each of our offices, and are promoting human rights education through workplace training sessions and other means.



Metrics and Targets

To further understanding of human rights issues associated with discrimination against certain communities and harassment, and to generate action to help solve these issues, each year we hold workplace training sessions for all our employees, as well as level-based training sessions.
We will continue to make steady efforts toward achieving our targets.

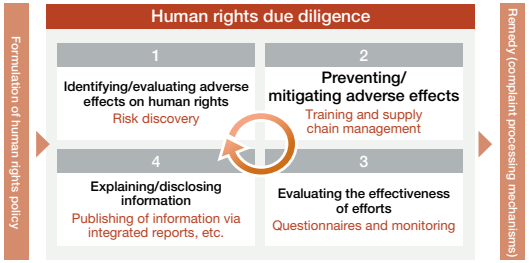
Metric	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Uptake rate for workplace human rights training*	Chugoku Electric	%	100	100	100

*No. of participants as a proportion of the no. eligible to participate, which includes company employees and temporary employees; omits those unable to participate due to being on leave, etc.

Initiatives

Respect for human rights

In line with the Chugoku Electric Power Group Human Rights Policy, and based on policies on business and human rights put forward by the UN and national government, we will work on our human rights due diligence and promote human rights education activities throughout the entire Group.



Identifying and responding to human rights infringement risks

We evaluated any adverse effects on human rights and identified those human rights infringement risks that are particularly important and should be addressed as a matter of priority, and implemented priority initiatives. We will regularly review adverse effects on our human rights and our measures to counter them.

- Harassment
- Death from overwork
- Major disaster affecting us or our supply chain
- Forced/child labor at companies we are invested in
- Discrimination against certain communities
- Discrimination toward sexual minorities

Cooperation with group companies

As well as working to understand the status of human rights due diligence initiatives at group companies, we develop and distribute human rights educational materials and share awareness of human rights education activities throughout the entire Group.

Respect for human rights in our supply chain

As well as announcing our Basic Procurement Policy and Sustainable Procurement Guidelines and establishing the Corporate Ethics Consultation Desk for material transactions, and more, each year we are raising awareness through opportunities such as seminars or site visits for business partners. In FY 3/2026 we conducted a questionnaire for 132 major business partners, and were able to verify that there were no major human rights risks in the supply chain. (Questionnaire respondents made up around 80% of business partners by contract value)

Response to harassment by customers

We respect the human rights of all of the Group's employees, and to ensure that we have workplace environments in which they can work with peace of mind, we have set out the Chugoku Electric Power Group Basic Policy on Harassment by Customers comprising the following sections.

1. Definition of harassment by customers
2. Specific examples
3. Responses to harassment by customers
4. Responses to employees

WEB Chugoku Electric Power Group Basic Policy on Harassment by Customers
https://www.energia.co.jp/corp/esg/customer/

Human Rights Consultation Desks installation and assistance

We have set up the internal Human Rights Consultation Desk inside our Human Resources Development Division, as well as a Harassment Query Hotline at a specialized external institution that is also open to group company employees. We ensure the anonymity of the person making using these, and make sure that said individuals are never treated unfairly in terms of their treatment or similar.

Industrial Safety and Health

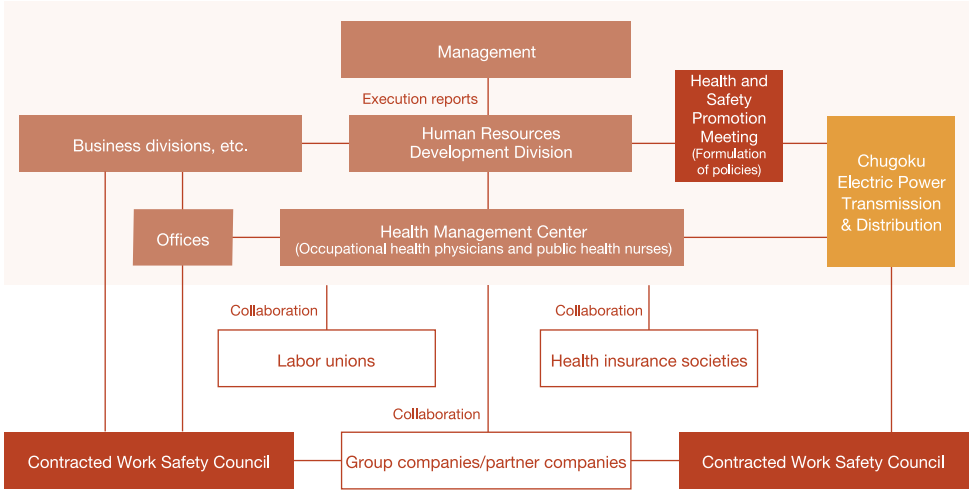
Policies/Approach

Business activities that ensure safety and health

Based on the belief that prioritizing the health and safety of all individuals concerned with the Chugoku Electric Power Group is fundamental to our business activities, we are working to ensure the safety and maintain and improve the physical and mental health of each and every one of our employees. In addition, we are constantly working to eliminate all occupational accidents, including in our contracted and outsourced work.

Systems and Governance

Working alongside labor unions and health insurance societies, we are engaged in efforts to promote safety and health together with group companies and partner companies.
To prevent occupational accidents during contracted work, we established a contracted work safety measures council in each business division, and have established and operate a safety cooperation system that enables communication, reform, necessary guidance and advice when carrying out such work.



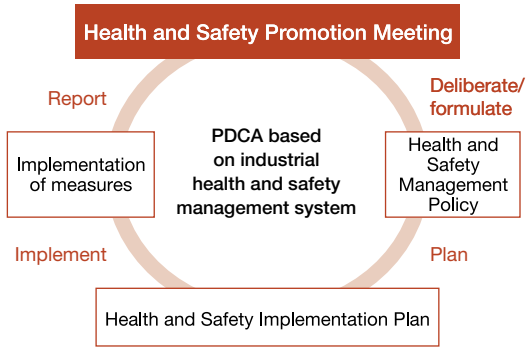
Health and Safety Management Policy

We have set up the Health and Safety Promotion Meeting comprising employees from various divisions to deliberate over policies and key measures related to safety and health. We have also formulated the Health and Safety Management Policy so that Chugoku Electric and Chugoku Electric Power Transmission & Distribution can work together to promote the necessary measures. Based on this policy, we are rolling out measures to create a workplace culture in which all those concerned with the Chugoku Electric Power Group respect each other and care for one another's safety and health.

FY 3/2027 policy targets

Safety
- Accidents resulting in death or time off: 0
- Electrocutions/falls: 0
- Traffic accidents at work (involving injury or death): 0

Health
- Lower rate of sick leave (absenteeism)
- Lower rate of sick employees attending work (presenteeism)
- Lower rate of issues present during periodic health checks



Metrics and Targets

To achieve the Group Corporate Vision, we outlined preventing occupational accidents and maintaining/promoting health as a materiality major issue. We also regularly monitor metrics related to safety and health initiatives that are part of the medium-term management plan. We will continue to make steady efforts toward achieving our targets.

Unit	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Accident frequency rate*1	Chugoku Electric	—	0.29	0.28	0.28
Rate of absenteeism*2	Chugoku Electric	%	1.45	1.04	1.00
Rate of presenteeism*3	Chugoku Electric	%	0.92	1.35	1.30

*1 No. of injuries and fatalities (requiring one or more days off) for every one million hours worked.
*2 No. of consecutive days off due to illness totaling seven or more as a percentage of total days worked; total days off due to illness as a proportion of total days worked.
*3 No. of employees requiring work restrictions due to health reasons as a percentage of the total no. of employees; no. of such employees as a proportion of the total no. of employees.

Industrial Safety and Health

Initiatives

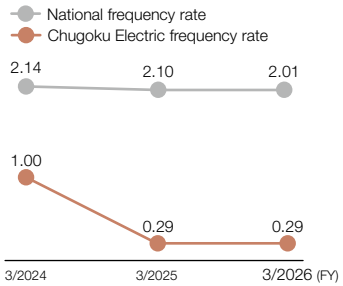
Promotion of health and safety

Pursuit of zero accidents

Aiming to create workplaces with zero occupational accidents, we are involved in various efforts to enhance the safety awareness of each of our employees and ensure that safe work practices become the norm. These include thorough safety management by managers, which forms the basis of ensuring safety; hazard prediction activities to enhance employees' awareness of danger; and risk assessment to help employees' implement advanced safety measures.
As a result, the accident frequency rate at Chugoku Electric continues to be lower than the national standard.

Indicator	FY 3/2024	FY 3/2025	FY 3/2026
Accidents resulting in death or time off (employees)	7	2	2
Deaths (employees)	0	0	0
Electrocution/falls (employees)	0	0	0

Accident frequency rate*



*The accident frequency rate is the number of injuries and fatalities that require more than one day off from work for every one million hours worked. Excludes occupational accidents resulting from COVID19 infections. The national average is taken from the Ministry of Health, Labour and Welfare's Survey on Employment Trends.

Safety measures for contracted work

To fulfill our responsibility as outsourcers, we proactively provide accident prevention guidance and support to our contractors, partner companies. We also work together to prevent accidents caused by human error.

Indicator	FY 3/2024	FY 3/2025	FY 3/2026
Accidents resulting in death or time off (contractors)	9	9	11
Deaths (contractors)	1	0	3
Electrocution/falls (contractors)	2	1	2



Safety event at Misumi Power Station

Traffic safety measures

We have established our own certification for drivers of work-related vehicles. Both legal administrators and managers ensure strict safe driving management, and safe driving instructors (who have undergone specialized education and training) provide practical guidance on a daily basis to improve driving skills and etiquette.
For younger employees, we utilize telematics services and running data (including on potentially dangerous use) from vehicle-fitted devices as the basis for driving diagnoses and guidance to foment greater awareness of safe driving.

Indicator	FY 3/2024	FY 3/2025	FY 3/2026
Traffic accidents at work (involving injury or death)	1	1	2



Vehicle-fitted devices



SmartDrive Fleet (Image courtesy of SmartDrive, Inc.)

Health and productivity management (promoting physical and mental health)

Based on the belief that maintaining and improving the health of every employee can lead to improved productivity and vibrant workplaces, we are promoting thorough health management. Our efforts to ensure healthy minds and bodies for our employees continue to be recognized under the KENKO Investment for Health program in the Large Enterprise category.

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Independent health promotion efforts

Through health guidance from occupational health staff, health education, health events (including walking events) hosted jointly with our health insurance societies, and the communication of useful health information, we are continuously assisting employees' independent health promotion efforts.

Participation in a Hiroshima Prefecture-led anti-obesity campaign

Since April 2026, we have been a partner company in an anti-obesity campaign promoted by Hiroshima Prefecture, the first of its kind in Japan. By taking part, we will strengthen support for employees to work on their health, but more than that we will contribute to enhancing the health of the entire region by acting as a model case for companies within the prefecture.

Smoking cessation support and measures against secondhand smoke

Through the support we offer smokers to help them give up smoking, and through measures to prevent secondhand smoke by banning indoor smoking, the smoking rate among employees has dropped to 14.3%. In line with our secondhand smoke countermeasure roadmap, for which the final target is to ban smoking throughout all of our sites, indoors and out, we are reducing the number of permitted smoking areas and setting smokefree time slots, with the aim of reducing the smoking rate to 12% by FY 3/2031.

Mental health initiatives

Our mental health education, individual support for those found to have high levels of stress through stress checks, and setting up of a consultation system internally and through external specialist institutions is part of our efforts to prevent mental health issues before they appear and to respond appropriately if they do. We also help to support those who have required time off to smoothly transition back to work through a return to work support system. Based on the results of collective stress check analysis, we run activities to improve workplace environments, and make our sites better places to work.

Support for women-specific health issues

Through support for women-specific health issues, our aim is to develop workplace environments where anyone can work with peace of mind. To this end, in April 2025 we launched a project team comprising occupational health staff.
We have established a consultation system with specialist, in-house consultants, and are educating and sharing information to raise awareness of these issues, as well as running initiatives such as those to raise the proportion of female employees getting checks for gynecologic cancers.



WEB Health-related data
https://www.energia.co.jp/corp/esg/assets/pdf/kenkoudata.pdf

Digital Transformation

Policies/Approach

Energia Group DX Strategy

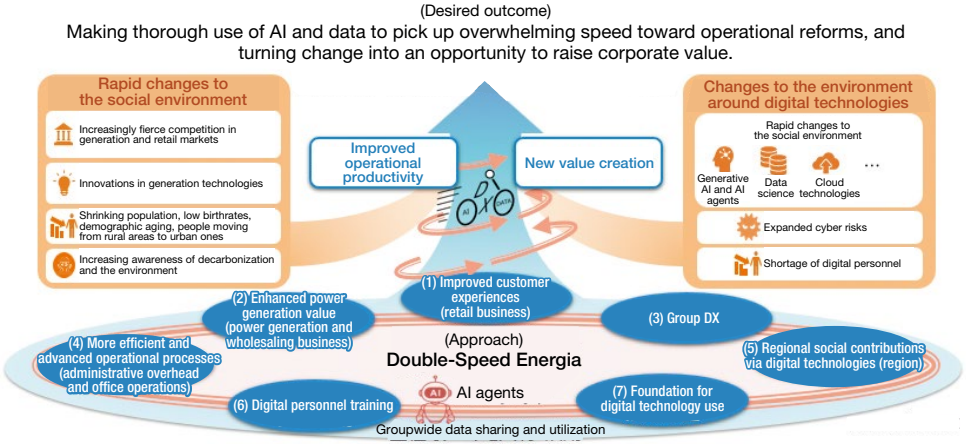
Another way by which we are working to achieve the Group Corporate Vision is using digital technologies to reform tasks (digital transformation; "DX"). For the Group to work as one on this, we formulated the Energia Group DX Strategy to point the way for our digital reforms, laying out our desired outcomes and initiative standpoint for how we will utilize digital technologies between FY 3/2027 and FY 3/2031.

Under this DX strategy, our approach is one of acceleration for the Group, dubbed "Double-Speed Energia," making thorough use of AI and data to pick up overwhelming speed toward operational reforms. By doing so, we hope to boost operational productivity and turn the rapid changes in the social environment and digital technologies into opportunities with the aim of creating new value.

With the DX strategy, we have chosen seven areas as priorities for measures: improved customer experiences, enhanced power generation value, Group DX, more efficient and advanced operational processes, regional social contributions via digital technologies, digital personnel training, and a foundation for digital technology use. In each of these areas, we are making progress with solidifying digital reform measures.

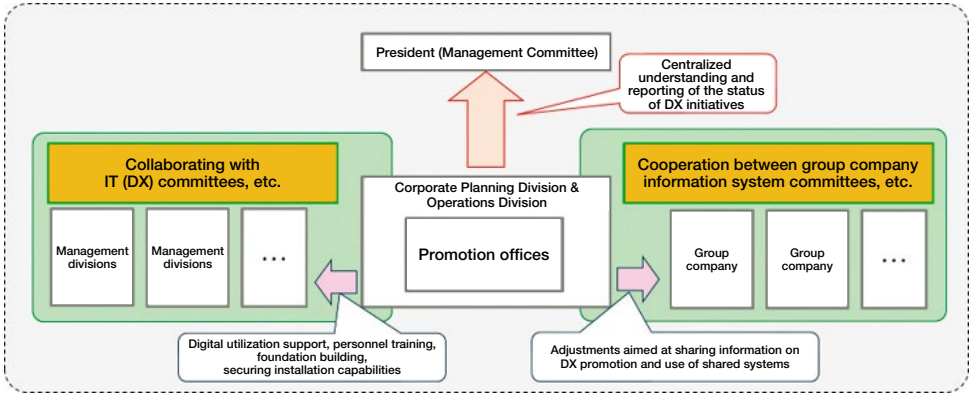
We are advancing efforts toward this DX strategy in two stages. Phase one (FY 3/2027–3/2028) involves reorganizing certain tasks and carrying out advance AI and data use to build up results. In phase two (FY 3/2029–3/2031), we will make use of our findings from the first phase to make full-scale use of AI throughout the Group, and gradually expand the range of tasks for which we use digital technologies.

Integrated Report Promotion of Digital Transformation P43



Systems and Governance

To advance management decision-making and implementation of various measures in an integrated manner, and to promote DX on a groupwide basis, we have developed and operate a promotion framework that offers centralized understanding and evaluation of the status of DX strategy initiatives. Furthermore, to ensure that digital governance in the Group is effective, we undertake successive reviews of systems and operations in response to changes in the management and the status of digital technologies.



Metrics and Targets

As one of the targets toward improving operational productivity included in the DX strategy, we aim to make 720,000 hours of efficiency savings by the end of FY 3/2031 by doubling productivity for daily office and routine tasks. In the future, we will consider specific digital utilization measures and set quantitative targets for each area, and work to achieve our DX strategy.

Metric	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Time saved through improved operational productivity (cumulative, vs. FY 3/2025 results)	Chugoku Electric	Hours	—	335,000	720,000

Digital Transformation

Initiatives

Thorough use of AI and data

AI agents

We have positioned AI agents as one of the key technologies of our DX strategy, and by working with external experts such as our business partner AI Shift, Inc., we are working to generate positive examples of using AI agent creation platforms. Since AI agents also have the potential to dramatically change the way our employees work, we aim to share ideas of what it is like to work with AI, such as through concept videos and posters that show what future workstyles might look like and providing AI agent operating environments. Going forward, we will push ahead with acquiring the knowledge we need to utilize the technology, train personnel with the skills to generate and operate such agents, build up expertise, and foster the right organizational culture.

AI agent concept videos and posters

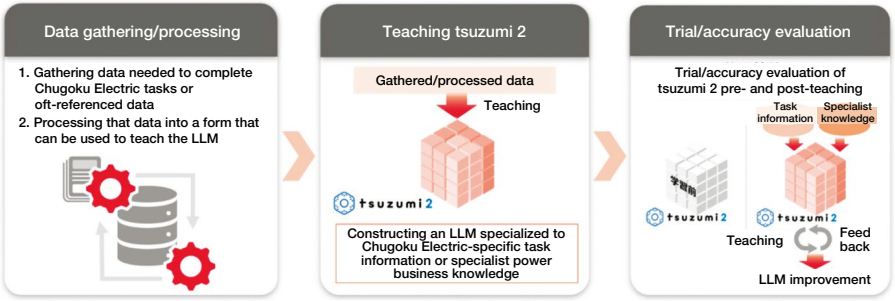




Building LLMs specialized to power-related tasks

With the aim of making effective use of generative AI in power-specific tasks, we have collaborated with NTT Docomo Business in creating and trialing large language models (LLMs) specialized to power-related tasks, based on an LLM developed by NTT called “tsuzumi 2.” Of the many stringent power business tasks that must be completed in line with various laws and regulations, one type that takes an especially long time is creating and checking documents for public institutions. As such, improving the efficiency and quality of these tasks is an important issue. With this initiative, we are teaching the LLM with internal manuals, procedures, past applications, and other operational data to specialize it to power business tasks, and we are using it in real operations to improve its accuracy.

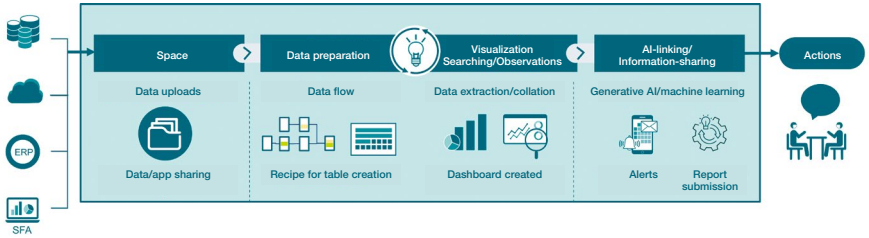
How we use tsuzumi 2 to create and trial an LLM specialized to power business tasks



Introduction of data utilization tools all employees can use

As part of our efforts to gather and collate various types of data spread throughout the Group, and make it easier to understand and analyze so as to promote greater task efficiency and better decision-making, we have introduced data utilization tools that all employees can use. These tools not only replace collation and analysis tasks once carried out using spreadsheet software, they enable cross-sectional data analysis, lightening workloads and improving the accuracy of analysis. Additionally, it can also contribute to the creation of new services and businesses from discoveries gained from the data. In the future, we will train personnel who can make full use of this data and enhance our base of linked data.

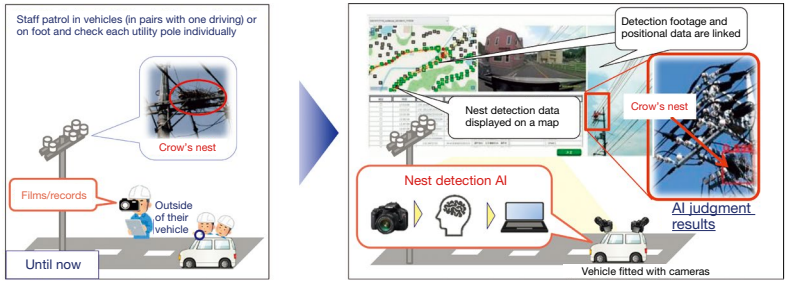
Data utilization tools



Utilization of digital technologies are enhancing and streamlining equipment maintenance

Mobile mapping systems (MMS) are systems that use linked cameras and GPS fitted to a vehicle to acquire highly accurate 3D imaging and positional data. We use these for inspection tasks at power transmission equipment to enhance them and make them more efficient. By introducing this system, we strive to reduce the workload of on-site tasks and improve the accuracy of inspections, and to better understand the status of equipment by collecting and analyzing data.
Furthermore, using the footage gained from the vehicle-fitted cameras, we have introduced a system that uses AI recognition to detect birds’ nests, and we are moving ahead with automating nest detection patrols.

AI-powered bird nest detection at power transmission equipment



R&D/Intellectual Property

Policies/Approach

To achieve the Group Corporate Vision 2040, we endeavor to create and utilize core value for the Group. At the same time, we promote innovations that will benefit our power business and carbon neutrality by 2050 efforts and that will help to address community and social issues. Using this core value, we aim to create new businesses.

R&D strategy

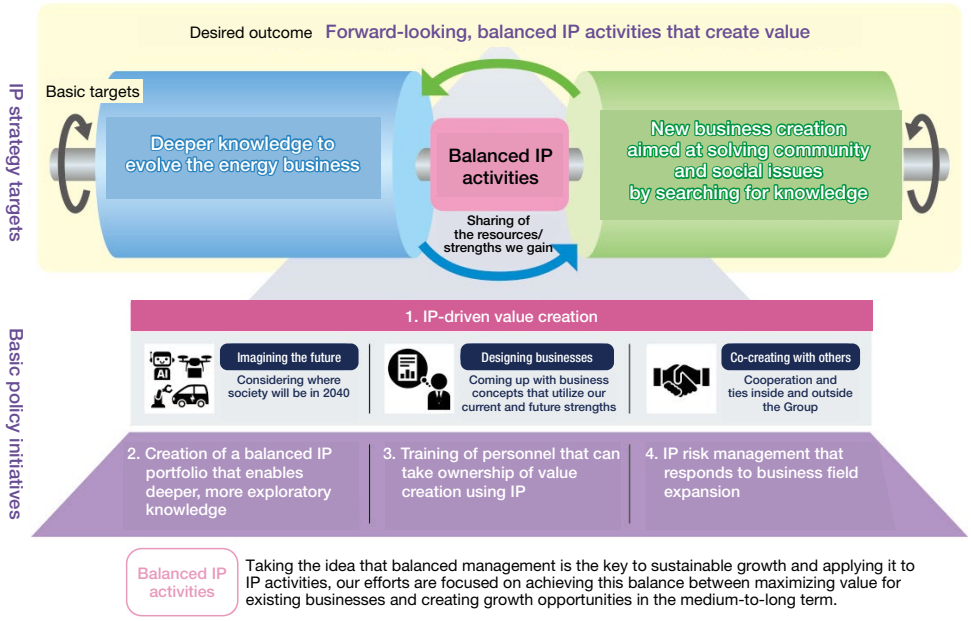
Regarding the direction of our R&D initiatives, we have established three strategic innovation areas and conduct R&D with the aim of innovation in these areas.



WEB R&D strategies
https://www.energia.co.jp/assets/info/2026/info20260428-2.pdf

Chugoku Electric Power Group Basic Intellectual Property Strategy Policy 2040

Our goal is balanced intellectual property (IP) activities that both help to evolve our energy business by deepening our knowledge with an eye to the future, and create new businesses aimed at solving community and social issues. We have three processes that are the engine driving our efforts to make the most of our IP to create value: imagining the future, designing businesses, and co-creating with others.



Balanced IP activities

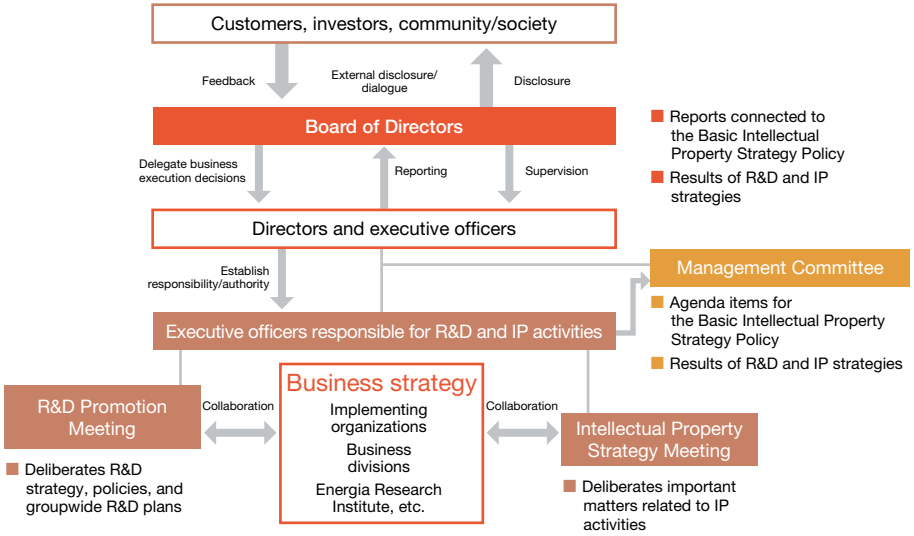
Taking the idea that balanced management is the key to sustainable growth and applying it to IP activities, our efforts are focused on achieving this balance between maximizing value for existing businesses and creating growth opportunities in the medium-to-long term.

WEB Energia Group Intellectual Property Report 2026
https://www.energia.co.jp/press/2026/16421.html

R&D/Intellectual Property

Systems and Governance

To develop the three elements of business strategy, R&D strategy, and intellectual property strategy in a coordinated manner, the R&D Promotion Meeting and Intellectual Property Strategy Meeting operate in cooperation with organizations implementing our strategies.
We also report information about our strategies and activities to the Management Committee and Board of Directors and disclose it through channels such as Integrated Reports and Intellectual Property Reports. We also incorporate the opinions of our customers, investors, local communities and society into our strategies and innovations.



Metrics and Targets

Business field expansion using technologies and expertise

Through co-creation and open innovation we are training and securing human resources and fostering a better corporate culture. Atop this foundation, we are creating projects that will lead to business field expansion, as well as creating opportunities for new businesses.

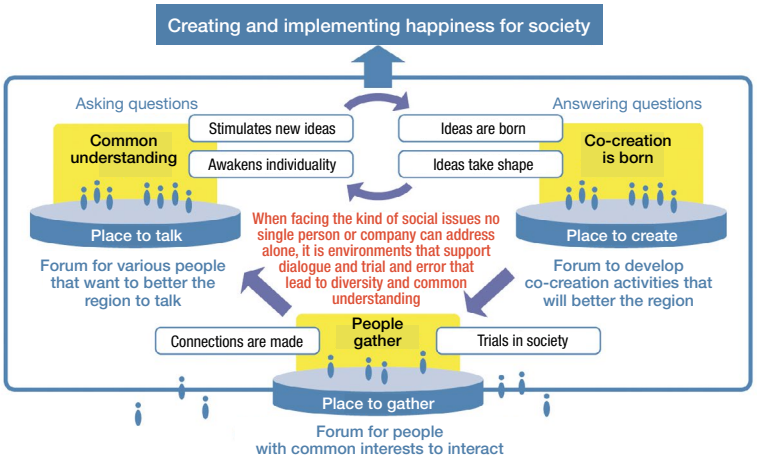
Item	Scope	Result	Targets	
		FY 3/2026	FY 3/2027	FY 3/2031
Developing new projects that lead to business expansion through innovation (utilizing existing patents and core technologies)	Group	2 projects*	Increased utilization rate	Generation of new business opportunities

*Kaki Navi app, a tool supporting spat collection for oyster farming; Development of low-temperature denitration catalysts P67

Initiatives

Co-creation hubs

To provide researchers with creative ways of working, we offer open-plan offices where they can each choose a workspace suited to their own activity style. Allowing them to mix with diverse people from inside and outside the Group, exchanging conversation and ideas, meanwhile, creates new concepts and enthusiasm. To this end, we are working to construct co-creation hubs that lead to R&D formation processes.



In a society marked by high levels of uncertainty, it is imperative that we create value through dialogue and a common understanding with partners outside the Group. As such, we are expanding internal and external contact points, anticipating latent social needs, and tying research findings into practical applications and viable businesses.
In April 2026, we invited the head of R&D at NTT, Kinoshita Shingo, to our Future Co-Creation Seminar. Chugoku Electric President and CEO Nakagawa Kengo also attended and both spoke of their vision for the future, bouncing off each other's perspectives as businesspeople involved in social infrastructure. This dialogue also produced hints for ways to create new business and value.

The Future Co-Creation Seminar connected three sites


Tokyo Office


Head Office


Energia Research Institute

R&D/Intellectual Property

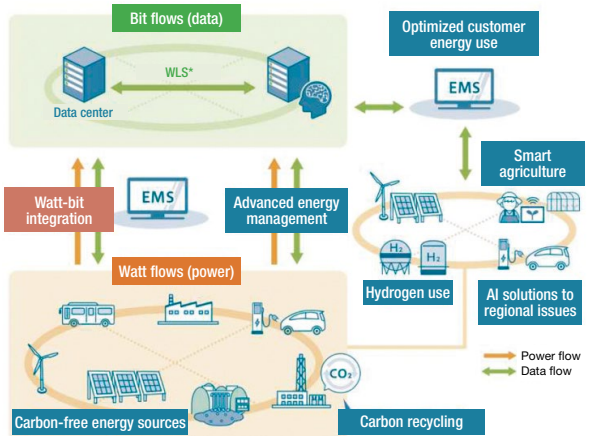
EMS aimed at watt-bit integration

In a society in which renewable energy use continues to expand and in which DX is progressing, we expect it to become even more difficult to maintain a suitable balance between the electricity demand and the amount generated. To address this kind of future issue, we hope to make use of our Group's strengths in power grid operation technologies and run trials to develop energy management systems (EMS) that take into account different areas' unique characteristics.

We also aim to develop these systems with the hope of achieving watt-bit integration (equipment that integrates power and telecommunication infrastructure) to centralize data centers and energy resources that are spread out in different areas.

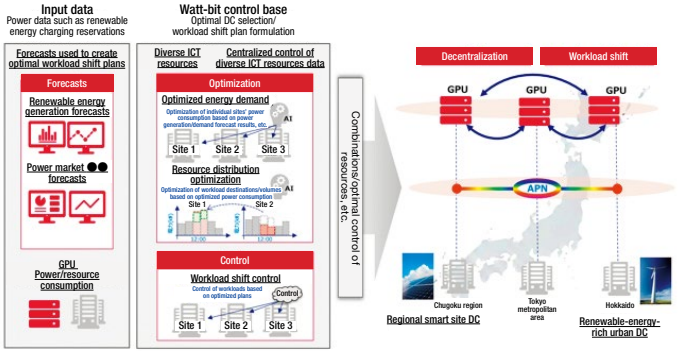
*Workload shift (space-time shift in data processing considering grid congestion)

Businesses



The watt-bit integration trial aims to optimize and apply AI processing and power via decentralized AI processing at distributed data centers and workload shifts

We are taking part in a consortium fronted by NTT Docomo Business that has been selected to run the Ministry of Internal Affairs and Communication's FY 3/2027 watt-bit integration trial. This demonstration of the feasibility of watt-bit integration combining inter-data-center communications technologies and watt-bit control base technologies began.



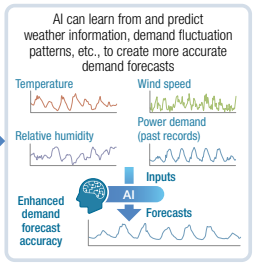
Linked activities with Hiroshima University to advance energy management technologies

In 2024, we set up the Chugoku Electric Power Carbon-neutrality-compatible Energy Management Advanced Technologies Joint Research Seminar within Hiroshima University's Graduate School of Advanced Science and Engineering. We are now working to advance management technologies to achieve local consumption of locally produced energy via regional grids.

Necessary technologies

Monitoring	Real-time logging of power demand, generation levels, and device usage
Forecast	Estimation of future power demand and generation using AI, based on past data, weather information, etc.
Planning	Decisions on optimal energy distribution that balances supply and demand
Control	Remote automation of adjustments to energy equipment and loads

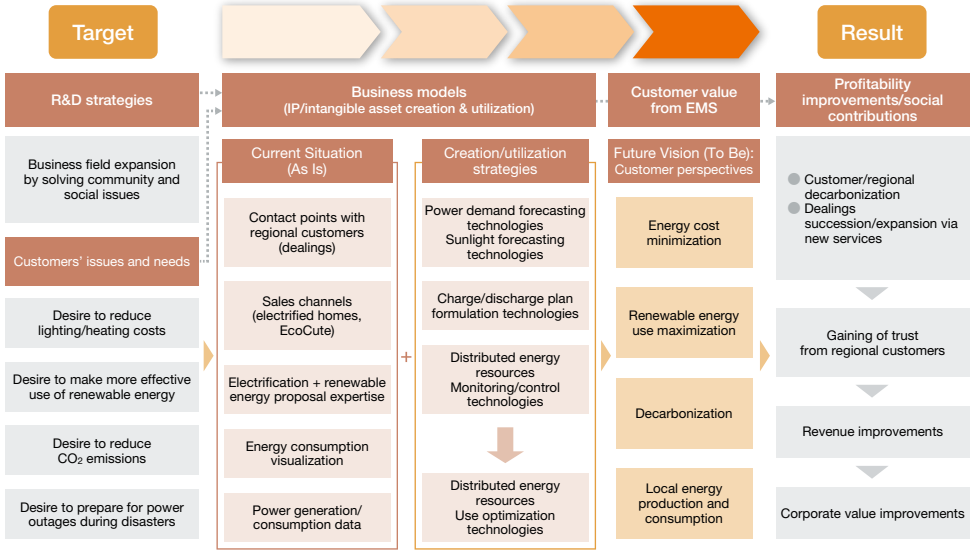
Advances



Route to value creation, starting with IP and intangible assets

In the energy management system field too, we make use of IP Landscape* concept to clarify a vision of where we want to be and to understand how that differs from the current situation. Working back from that future, we are proceeding with studies using the backcasting approach to deduce the strategies and measures we should take now. As a result, we are striving to create new business and value that can address customers' issues and needs.

*IP Landscape is a registered trademark of Mr. Masayuki Shobayashi, president of Shobayashi International Patent and Trademark Office, P.C. It helps to combine intellectual property with social trends, market information, and other data to analyze it and use it for formulating management strategies and corporate decision-making.



R&D/Intellectual Property

Kaki Navi app, a tool supporting spat collection for oyster farming

Business field expansion project

Kaki Navi, an online app that makes use of AI to carry out surveys of oyster larvae, was jointly developed with Sessile Research Corporation with the cooperation of the Fisheries Section of Hiroshima Prefecture's Bureau of Agriculture, Forestry and Fisheries. By making repeated improvements that factor in the problems and wishes fed back by the oyster farmers who use it, it continues to evolve as an easy-to-use, helpful tool at actual sites.

Changes to the marine environment in recent years have caused those in the oyster farming industry to have real concerns about mass deaths among adult oysters or difficulties with spat collection due to fewer or less stable larvae. To improve the latter, we are continuing on from last fiscal year in providing Kaki Navi monitors as part of its R&D.

Kaki Navi

Detects oyster larvae through AI analysis of sea water samples and photos

WEB Kaki Navi app, a tool supporting spat collection for oyster farming
https://www.energia.co.jp/business/kakinavi/index.html





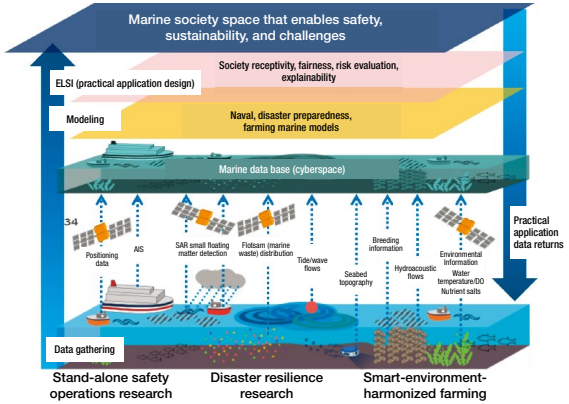


Detected larvae are classed depending on their stage of growth and displayed in a colored box

Larvae suitable for spat collection

Participation in the Marine Culture City Co-Creation Center Centered on Remote Sensing project

We have joined the Marine Culture City Co-Creation Center Centered on Remote Sensing project, led by Hiroshima University, which has been selected as a full-scale program for the Japan Science and Technology Agency (JST) Program on Open Innovation Platforms for Industry-Academia Co-Creation (COI-NEXT). As part of this, we are working to advance Kaki Navi.



Creating a data use platform that puts co-creative ELSI at the heart of this project

Advancing catalyst-related technologies

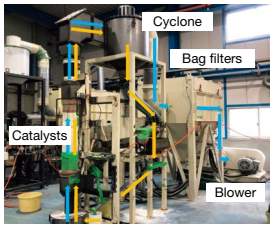
Developing denitration catalyst refinement and regeneration technologies

In order to reuse the denitration catalysts utilized in thermal power generation, we are combining our denitration catalyst regeneration technologies and performance evaluation technologies with the refinement technologies of Hashida Giken Kogyo. Doing so has allowed us to develop denitration catalyst refinement and regeneration equipment that can refine and remove the catalyst surface coating so the catalysts can be used again. It is now being used at some of our coal-fired thermal power stations.

To enable us to provide value to more denitration equipment users, we are proceeding with studies and similar into business feasibility with partners.

Denitration catalyst refinement and regeneration equipment

Mixing two different types of abrasive with different particle sizes, and sending them through the inside of the honeycomb-structured catalysts, results in uniform refining.



Received the Japan Patent Office Commissioner's Award at the Chugoku Region Invention Awards

The award-winning project was highly praised as an initiative that contributes to the progress of science and technology and the development of industry in the region.



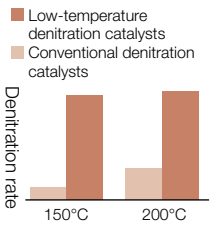
Development of low-temperature denitration catalysts

Business field expansion project

In a joint effort with Tokyo Metropolitan University, we have a developed a denitration catalyst that exhibits excellent performance at low temperatures. This powdered denitration catalyst for experimental research and other purposes is being sold by Haruta Gold.

We are continuing to move forward with R&D, which we are now running in partnership with Hokkaido University.

Denitration performance



Development of CO_2 methanol synthesis catalysts

Methanol synthesis using CO_2 and hydrogen is usually done at high temperatures and pressures using catalysts, but to reduce energy costs there are strong calls for it to be made possible at low temperatures and pressures.

To that end, we have joined the JST's ALCA-Next project, a JST Strategic Basic Research Program led by Tokyo Metropolitan University, which is advancing research into new catalysts that enable manufacturing under low-temperature, low-pressure conditions.

R&D/Intellectual Property

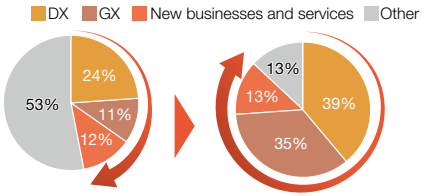
Results of IP activities

Corporate value improvements come not only from tangible assets but also intangible assets and the human resources that create them. With this awareness, we work hard on IP utilization and personnel training.

Reorganizing our patent portfolio

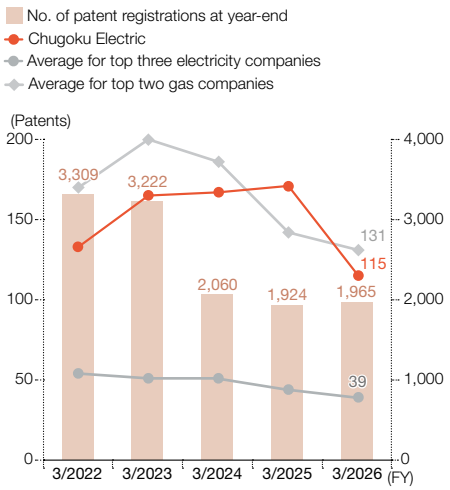
In our efforts to create value, we select and apply for patents that are highly effective and hold significant potential for use. We also regularly carry out stocktaking for the patents we possess and manage them appropriately. Through this, we are expanding our patent holding in priority fields while reorganizing our portfolio to optimize it.

Proportion of patent applications in priority fields



DX: Task reforms and value creation using digital technologies like AI and the IoT	• Digitalized technologies related to checking and running power generations and power transmission/transformer equipment • Technologies related to data usage from smart meters
GX: Reforms to use clean energy, such as decarbonizing thermal power generation and developing next-generation networks	• CO_2 capture, utilization, and storage technologies • Power usage technologies for EVs • Biomass-related technologies, etc.
New businesses and services	• New services using power data • Wastewater recycling toilet systems using coal ash bead purification • Application of technologies to prevent adhesion by barnacles, etc.

Patent registration trends



Patents' contribution to financial affairs

To visualize the monetary effects of using our patents, we have calculated cumulative cost reductions from major efficiency measures related to patented technologies, we conducted quantitative assessments of our patent value based on these. We calculated the quantitative value of our patents in FY 3/2026 to be 17.6 billion yen.

Quantitative value of patents in FY 3/2026

Assessment year	No. of measures	Cost reduction from patented technologies	Patent quantitative assessment value
FY 3/2026 (Ⅰ)	173	42.0 billion yen	17.6 billion yen
FY 3/2025 (Ⅱ)	170	40.9 billion yen	16.5 billion yen
(Ⅰ-Ⅱ)	3	1.1 billion yen	1.1 billion yen

IP personnel training

We have endeavored to foster an awareness of the need to challenge ourselves to invent; introduced various types of training, including IP Landscape use; and turned intellectual assets that come out of assorted tasks and operations into IP. As a result, more than 40% of all employees are now inventors. In FY 3/2026, another 73 employees were added to this list.

As well as training personnel that can respond to advanced specialist tasks in the IP field, we actively encourage employees to acquire IP-related qualifications.

IP-related training

Who	Training type	Training objectives/summary
Executives	IP strategy seminar	• Verifies the significance of working on IP activities and encourage changes to awareness • Can be put to use for individual issues, IP strategy stage turning points, etc.
General manager meeting	IP management seminar	• Improves ability to promote IP activities • Explains initiatives needed to support the idea that IP is directly connected to management and business and to improve promotion ability
Newly appointed managers	Newly appointed manager training	• Teaches role of managers in IP activities • Explains significance of IP strategy, invention activities, and IP risks
Mid-level employees	Value creation seminar (IPL, design concepts, trademarks, etc.)	• Teach value creation and implementation approaches • Shows how training and workshops designed to link to value creation and business design and be implement in IPL, design concepts, and other topics and fields
Low-level employees	Patent application first steps training	• What to look for on patent applications and how to write a proposal • Explains how to write simple invention proposals, the start of an invention, and supports employees' first patent applications
New employees	New employee training	• Teaches basic knowledge on IP • Explains basic knowledge and the Group's IP initiatives

No. of employees with IP-related qualifications*

As of the end of FY 3/2026

Qualification	Holders
Patent agent	4
1st grade Certified Specialist of Intellectual Property Management	1
2nd grade Certified Specialist of Intellectual Property Management	120
3rd grade Certified Specialist of Intellectual Property Management	27
IP analyst	3

*Combined total for Chugoku Electric and Chugoku Electric Power Transmission & Distribution

Using trademarks to build a corporate brand

Our brand message, "Ichinichimo. Hyakunenmo" (registered trademark no. 6804169) contains our belief that we should evolve so that we can continue to support our regional customers' unchanging everyday. So that customers associate the phrase with our company, we protect our rights with the trademark, but also use it in combination with our logo on business cards, company envelopes, and elsewhere, as well as in assorted mediums such as TV commercials and websites. In these ways, we strive to build our corporate brand and spread awareness.

一日も。百年も。
Energia

Alongside our logo



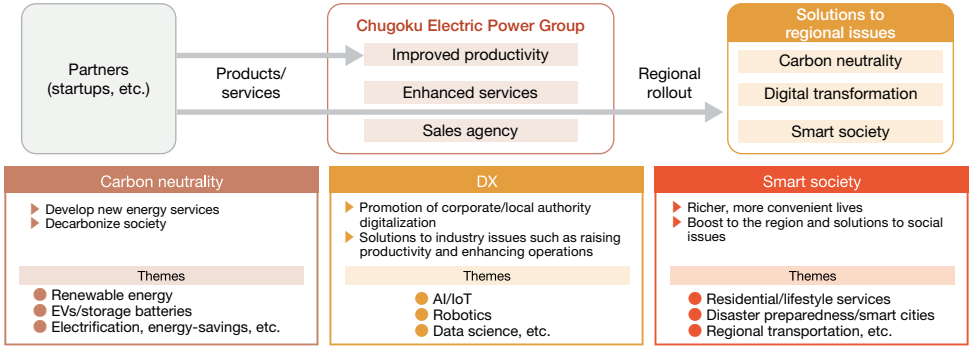
TV commercial

New Business Creation

Policies/Approach

Conventionally, we have aimed to create new revenue streams by investing in startups with innovative products and services tied to resolving the region's issues in areas such as carbon neutrality, DX, and smart society.
Now, we have shifted our focus to cooperative activities, instead working on open innovation with a wide range of partners not limited to those in whom we have invested.
Going forward, we will continue to utilize cutting-edge products and services within the Group to raise productivity and enhance services. At the same time, as a group, we will contribute to the region's development and help to solve its issues.

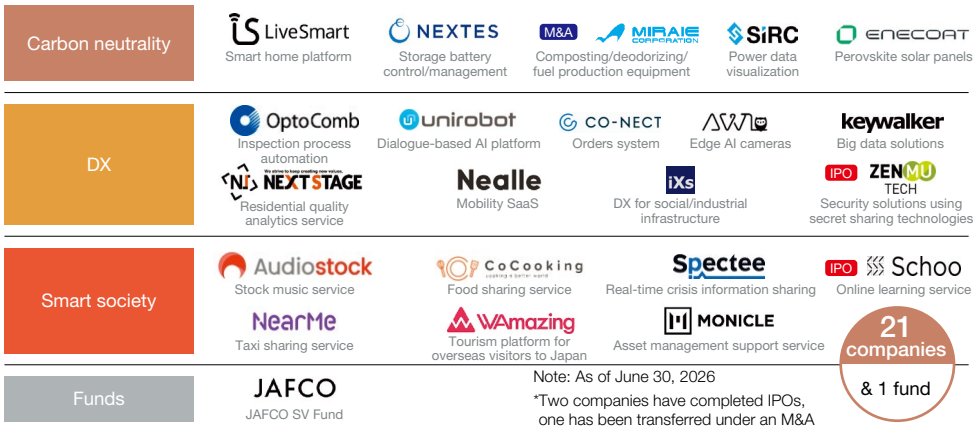
Systems and Governance



Initiatives

Investment in startups

Including participation in funds, we have invested in 22 startups to the value of 1 billion yen.



Open innovation (main cooperative projects)

Making use of our customer contact points, network in the region, and opportunities for use within the Group, we have had many cooperative successes with those we have invested in and others.

CO-NECT
For our electricity customers, we offer a discount on the fee to use the BtoB order system CO-NECT called the "DX Support Discount"

MIRAIE CORPORATION
We offer customers in the region fuel solutions that utilize composting for organic waste and waste heat from biomass power generation

CoCooking
We have advertised the Tabete food-sharing service in TJ Hiroshima, a town newsletter produced by a group company. We have also advertised (with coupons) the service on the website for our household customer club "Gutto Zutto. Club" and publicize the app among members

NEXTES
In a trial project for renewable energy aggregation that receives a grant from the Ministry of Economy, Trade and Industry, we are using this company's reusable EV batteries

Spectee
We use the AI disaster response and crisis management service Spectee Pro to quickly gather information in the event of a large-scale disaster

Nealle
We have signed a business partnership agreement to handle sales to customers who use our electricity for Park Direct, an online reservation and management service for monthly-paid car parks. When advertising for customers for such car parks run by group companies, we use Park Direct

SiRC
We use SIRC power sensors in the Group's electricity consumption visualization services.

jinjer
We have signed a business partnership agreement to handle sales of the cloud-based HR management system Jinjer to customers who use our electricity

WAmazing
We have introduced the duty-free online shopping service for overseas visitors to Japan, WAmazing Shop, to customers in the region who sell food and other goods

MONICLE
We advertise Monicle's asset management support service Maneiro on our "Gutto Zutto. Web" website

Schoo
We have introduced the online, video-based learning service Schoo for Business at Chugoku Electric, and as well as using as part of the curriculum for our level-specific training courses, it is also in use supporting on-the-job training and self-development

Lisse
We have signed a business partnership agreement to handle sales of the contract review support AI cloud tool LeCHECK to customers who use our electricity

Seminar for local companies and the Group

In line with our goal of open innovation, in FY 3/2026 we invited President Nishio Shuichiro of Audiostock, a company we invest in, and held a seminar for those responsible for creating new business at local and group companies.





Integrated Report Materiality
Global business development businesses (International business and domestic co-creation business) P36

Corporate Governance

Policies/Approach

Responsibilities of the Board of Directors

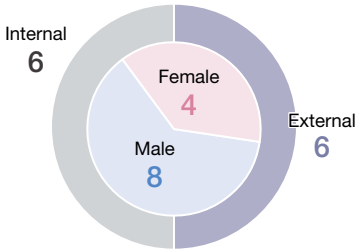
The Board of Directors formulates management strategies and oversees management, incorporating diverse perspectives from external directors. Based on the internal control system and risk management, the Board establishes and maintains fair, transparent, and effective governance to continuously enhance economic and social value and maximize corporate value.

Systems and Governance

The Board of Directors comprises directors with a deep understanding of business execution, independent external directors accounting for at least one-third of the Board, and directors entrusted by shareholders to serve as Audit & Supervisory Committee members. This structure serves to strengthen the Board's oversight of business execution, while the delegation of authority from the Board of Directors to directors enhances the agility of business execution.
In addition, the Company has established the Nomination Committee and Compensation Committee as voluntary committees. By ensuring that a majority of the members of each committee are independent external directors and that each committee is chaired by an independent external director, the Company strives to ensure objectivity and transparency in the nomination and compensation of directors.

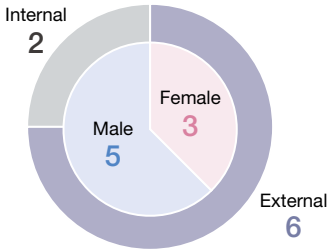
Board of Directors

- Members: 12 (As of June 25, 2026)
- Chair: Ashitani Shigeru
  Representative Director and
  Chairperson of the Board
- Meetings held: 15 (FY 3/2026)
- Director attendance rate: 99% (FY 3/2026)



Nomination Committee and Compensation Committee

- Members: 8 (Members: representative director and chairperson of the Board, president & chief executive officer, and independent external directors)*
- Chair: Shobuda Kiyotaka Director (external)*
- Meetings held: Nomination Committee: 4
  Compensation Committee: 5
- Member attendance rate: Nomination Committee: 100%
  Compensation Committee: 100%



*Applies to both committees

Metrics and Targets

Under the Group Corporate Vision, the Company has set targets for FY 3/2031 of at least 50% for the ratio of independent external directors and at least 30% for the ratio of female directors. The Company is also continuously strengthening governance to enhance the effectiveness of the Board of Directors in support of the Group's efforts to strengthen its earning power.

Ratio of independent external directors and female directors

Metric	Scope	Unit	Result*	Target
			FY 3/2027	FY 3/2031
Ratio of independent external directors: at least 50%	Chugoku Electric	%	50	At least 50
Ratio of female directors: at least 30%	Chugoku Electric	%	33.3	At least 30

*As of June 25, 2026.

Enhancing the Board of Directors' role in strengthening earning power

Metric	Scope	Unit	Result*	Target
			FY 3/2027	FY 3/2031
Effective functioning of the Board of Directors to strengthen the Group's earning power	Group	—	Revision of the performance-linked compensation system based on management targets	Continuous evaluation and improvement to enhance effectiveness

*As of June 25, 2026.

Initiatives

Initiatives to enhance effectiveness based on the FY 3/2026 Board of Directors effectiveness evaluation

Based on the issues identified through the FY 3/2026 Board of Directors effectiveness evaluation, the Company has decided to implement the following initiatives. The Company will further enhance the effectiveness of the Board of Directors and establish and strengthen governance that earns the trust of stakeholders.

Major identified issues		Initiatives
Enhancing information on how agenda items relate to the overall direction of the Company	New	Reviewing the format of Board of Directors materials (clarifying the purpose of each agenda item, reasons for submission to the Board, and background to the discussions)
Enhancing discussions on key matters for deliberation (corporate strategy, risk management, and human resources strategy)	Existing	Adding "DX promotion" as an essential perspective for discussions on corporate strategy, one of the key matters for deliberation
Incorporating the views of external directors at an early stage in important matters, including key matters for deliberation	New	Making use of opportunities for open discussion (Directors' Discussion Sessions) outside Board of Directors meetings

Integrated Report Strengthening Corporate Governance P58

Risk Management

Policies/Approach

To ensure sound management of the Group and enhance corporate value, the Company has been promoting integrated risk management since FY 3/2027. This involves identifying, assessing, and monitoring the diverse risks associated with its business activities in an integrated and comprehensive manner, and strategically controlling and leveraging these risks.
In pursuing integrated risk management, the Company views risks not only as potential events that could result in financial losses or damage to social trust, but also as uncertainties that could affect the achievement of management objectives, including opportunities that could generate revenue.

Integrated Report Risk Management P68

Systems and Governance

The Company has established a Risk Management Committee comprising members of management and designated an overseeing organization for each risk area to strengthen its Three Lines Model, thereby establishing a framework for implementing risk management.
In formulating and executing management strategies, the Company also conducts risk management using the risk scenarios described under “Initiatives” (to the right) to advance these strategies and also provide checks on them. The Company is also establishing and implementing management mechanisms to identify the Group’s integrated risk exposure and manage individual material business risks. Through these measures, the Company aims to further enhance its integrated risk management.
The Company is also strengthening its organizational and staffing structures for integrated risk management.

Integrated Report Risk Management P68

Metrics and Targets

Metric	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Development/promotion of integrated risk management framework and scheme	Group	—	—	Establishing the framework	Enhancing risk management through continuous improvement

Initiatives

At each of the Group’s organizations and group companies, the Group has practiced risk management based on risk scenarios, taking into account trends in the external and business environments.
We comprehensively identify risks and evaluate them from both quantitative and qualitative perspectives. The identified risks are then submitted to the Risk Management Committee, Management Committee, and Board of Directors for deliberation.
These committees assess the significance of risks from a management perspective and work to identify and gain an overall understanding of the Group’s risk profile. Policies and measures for addressing these risks are then reflected in our management strategies and medium-term management plans.
While implementing our medium-term management plans, we regularly review measures to address risks and the effectiveness of those measures, as well as newly anticipated risks. Where necessary, we reassess identified risks and review our policies for addressing them, and refer relevant matters to the Risk Management Committee and Board of Directors for deliberation.
This cyclical process enables the Group to manage risks effectively.

Risk Management

Risk management activities

We identify risks that could potentially arise in the course of the business activities of the Company and group companies as risk scenarios. For material risk scenarios (high-priority risk scenarios requiring monitoring), we address these risks by building countermeasures into our medium-term management plans and allocating the management resources required to implement them. Throughout the periods covered by each plan, we also monitor the implementation of these measures and changes in risk levels, and the findings are reported regularly to the Board of Directors.

Item	Risks and Opportunities	Countermeasures
Nuclear Power Plant Unavailability, Shutdowns, and Accidents	Risks ✓ Prolonged plant shutdowns or delays in restarting operations due to policy changes, revisions to laws, regulations, and standards, the status of conformity reviews under the new regulatory standards, extended construction periods due to technical problems or overlapping construction projects, judicial rulings on litigation, and other factors. ✓ Increased costs for procuring substitute thermal fuels and electricity on the market as a result of the above, and costs arising from measures to address greenhouse gas emissions. ✓ Damage to facilities and loss of public trust resulting from serious accidents.	◆ Tracking regulatory trends and precedents in conformity reviews under the new regulatory standards. ◆ Systematic and appropriate safety measures at nuclear power plants.
Nuclear Fuel Cycle and Back-end of Nuclear Power Businesses*	Risks ✓ Changes in contribution amounts resulting from revisions to the contribution system for this business, and disruptions in the operation of reprocessing plants.	◆ Collaboration with relevant parties, including reprocessing business operators, and steady implementation of this business.
Market Fluctuations	Risks ✓ Fluctuations in earnings due to changes in electricity and fuel procurement prices and sales prices. ✓ Difficulty in identifying and assessing risks due to increasing complexity of derivatives transactions, potentially resulting in losses exceeding expectations. ✓ Losses arising from time lags between changes in fuel prices and their reflection in electricity rates. ✓ Deterioration in business performance due to differences between the power source mix assumed in fuel cost adjustments and the actual power source mix. ✓ Deterioration in business performance when the average fuel price exceeds fuel cost adjustment price caps set for certain customers. ✓ Increased power procurement costs on the wholesale electricity exchange due to fluctuations in wholesale electricity market prices. Opportunities ✓ Maximizing Comprehensive Energy Business earnings by leveraging market risks.	◆ Reducing or avoiding market fluctuation risks through transaction prices utilizing derivatives and the fixing of cash flows. Quantifying market risks and continuously managing them by comparing them against upper limits. ◆ Reducing the proportion of thermal power generation and wholesale electricity procurement through the operation of nuclear power plants, and reducing market price fluctuation risks through market price adjustment mechanisms.
Energy Market Competition	Risks ✓ Deterioration in earnings due to increased customer switching (extra-high-voltage and high-voltage customers).	◆ Controlling procurement costs by securing diverse power procurement channels; leveraging sales capabilities and our business base in the Chugoku region; and maintaining and expanding demand and preventing customer switching through solar power generation PPA-based services and rate plans with renewable energy options.
Occupational Accidents and Illness	Risks ✓ Loss of human resources resulting from occupational accidents and illness. ✓ Increased costs associated with occupational accident litigation and loss of public trust in the Company. ✓ Business continuity difficulties due to outbreaks of infectious diseases.	◆ Integrated efforts with group companies and partner companies to prevent occupational accidents and promote and maintain employee health. Thorough occupational health and safety management. Hazard prediction activities. Risk assessments. Systematic implementation of training and education. ◆ Establishing and operating a safety cooperation framework through the establishment of Contracted Work Safety Councils to facilitate communication and coordination during construction and other work, and provide necessary guidance and advice.

*This risk is included under “Nuclear Power Plant Unavailability and Shutdowns” in the risk map.

Continued on next page

Integrated Report Chugoku Electric Power Group Risk Map P69

Risk Management

Item	Risks and Opportunities	Countermeasures
Financing	Risks ✓ Increase in funding requirements due to higher costs of complying with the new regulatory standards at the Shimane Nuclear Power Station. ✓ Difficulty in raising funds due to the occurrence of inappropriate incidents. ✓ Deterioration in financing conditions due to changes in creditworthiness and credit ratings resulting from deterioration in financial condition. ✓ Increase in financing costs due to rising interest rates. Opportunities ✓ Improvement in the financing environment through the expansion of public support programs and other measures. ✓ Expansion of funding available to companies with appropriate sustainable finance frameworks, driven by growth in sustainability-conscious investment as more financial institutions and investors take climate change countermeasures into consideration.	◆ Diversification of financing methods through the use of public support programs and new financing methods. Proactive and constructive dialogue with financial institutions and investors. Expansion of relationships with financial institutions. ◆ Establishing a system for promptly reporting compliance incidents to main banks and credit rating agencies. Limiting increases in interest expenses and mitigating related risks by maintaining a balance between fixed- and variable-rate financing.
System Failures and Cyberattacks	Risks ✓ Loss of public trust in the Group due to leakage of highly confidential internal information, business disruptions, service outages, and other issues. ✓ Deterioration in the Group's business performance due to lost business opportunities resulting from loss of public trust, costs incurred in responding to information security incidents and system failures, and other factors. Opportunities ✓ Maintaining and enhancing public trust in the Group through preventing serious information security incidents and system failures.	◆ Establishing information security management frameworks and rules, and implementing multi-layered, ongoing information security measures addressing both technical and human factors. ◆ As priority measures against ransomware, establishing mechanisms for early detection of unauthorized access and suspicious device activity, developing backup environments for critical systems, and reviewing recovery procedures and conducting recovery training.
Delays in Digitalization	Risks ✓ Delays in making flexible and rapid changes to business models in response to advances in digital technology and changes in the market. ✓ Difficulties securing competitiveness due to declining labor productivity. ✓ Declining employee motivation and safety awareness due to insufficient training and transfer of know-how. Opportunities ✓ Providing new services and contributing to local communities by leveraging digitalization know-how. ✓ Enhancing business processes and increasing their efficiency through digital technologies. ✓ Accelerating system responsiveness by moving away from legacy systems.	◆ Developing concrete digitalization initiatives based on the Energia Group Digitalization Strategy, incorporating them into medium-term management plans, and evaluating and monitoring progress through KPIs. ◆ Quickly creating positive examples of where external specialisms have been used effectively to address expertise and resource shortages related to cutting-edge technologies such as AI.
Fuel Procurement	Risks ✓ Impact on business performance from procuring high-cost electricity on the market during periods of tight fuel supply due to global instability and other factors.	◆ Reducing supply-demand fluctuation risks by moving to secure fuel early, with priority given to securing the required volumes, and establishing flexible procurement and transportation frameworks. ◆ Reducing fuel price fluctuation risks by diversifying the timing of price setting and locking in prices through financial transactions and other measures.
Workforce Diversity and Securing and Developing Human Resources	Risks ✓ Difficulty in securing human resources, delays in human resource development, and increased employee turnover hindering the sustained enhancement of corporate value. ✓ Declining employee engagement and corporate value due to a failure to respect diverse perspectives.	◆ Taking a medium- to long-term perspective in forecasting changes in workforce composition, and working to ensure stable and continuous recruitment, curb employee turnover, and place the right people in the right positions. ◆ Group-wide efforts, under our policy of promoting the active participation of diverse talent, toward addressing the material issue of creating environments where diverse workforces can thrive.
Environmental Regulations and CO_2	Risks ✓ Increased costs due to tighter regulations on greenhouse gas emissions, including fossil fuel levies and paid auctions for power producers under emissions trading schemes. ✓ Declining earnings due to reduced competitiveness and utilization rates of fossil-fuel power generation. Opportunities ✓ Expansion of renewable energy, nuclear power generation, and thermal power generation utilizing decarbonization technologies in response to growing demand for non-fossil power. ✓ Increased earnings from the expansion of services such as electrification, demand response (DR), and PPA-based solar power services in response to growing customer demand for energy conservation and decarbonization of their business activities.	◆ Achieving the greenhouse gas emissions reduction targets set forth in the Chugoku Electric Power Group Corporate Vision 2040 and implementing integrated measures to expand the use of carbon-neutral electricity and to transition thermal power generation toward carbon neutrality, with the aim of achieving carbon neutrality by 2050.

Continued on next page

Risk Management

Item	Risks and Opportunities	Countermeasures
Information Leaks	Risks ✓ Decline in public trust in the Group due to leakage of important electronically stored data, including customer and business information. ✓ Deterioration in the Group's business performance due to lost business opportunities etc., resulting from loss of public trust. Opportunities ✓ Maintaining and enhancing trust with business partners and customers through rigorous management of electronically stored information.	◆ Establishing information security management frameworks and rules, and implementing multilayered and continuous measures addressing both technical and human factors to prevent leakage of electronically stored information. ◆ Appropriate and strict management of electronically stored information through access restrictions on cloud services and websites and restrictions on the use of storage media such as USB memory devices, and raising awareness Group-wide through regular education and training.
Investee Companies	Risks ✓ Changes in the external environment, including the emergence of country risks for overseas business, and changes to environmental/energy-related policy accompanying the rapid advance of decarbonization. ✓ Deterioration in business performance due to changes in the domestic business environment, and the resulting decline in investment returns.	◆ Thorough risk management for investments in new overseas business projects through assessment against established criteria and mechanisms for reporting to and obtaining approval from management. Enhancing management and monitoring of investee companies through their boards of directors and shareholder meetings. ◆ Regular reviewing of domestic business performance and other factors, and implementation of necessary countermeasures when signs of deterioration in performance are identified.
Natural Disasters	Risks ✓ Increased costs associated with procuring alternative thermal fuels and electricity on the market, etc., in response to equipment damage, operational disruptions, and other impacts from major natural disasters. ✓ Widespread power outages resulting from equipment damage and grid faults caused by earthquakes, typhoons, torrential rain, and other natural disasters. Loss of public trust and deterioration in business performance due to prolonged power outages. ✓ Increased costs involved in restoring power supply facilities, business systems, and other infrastructure.	◆ Designing power facilities and conducting systematic repairs in accordance with national laws and regulations, formulating business plans for disaster preparedness and other purposes, and establishing business continuity frameworks. ◆ Strengthening disaster response capabilities through coordination with relevant organizations, including local governments, other electric power companies, and Japan's Self-Defense Forces. Procuring, in the event of a disaster, alternative thermal fuels and electricity based on supply-demand plans.
Electricity Regulations	Risks ✓ Impact on the Group's business performance in the event of changes to electricity business-related laws, regulations, guidelines, etc., changes in the competitive environment, fluctuations in revenue from the wholesale electricity market, capacity market, and other sources.	◆ Monitoring developments in changes to regulatory frameworks, assessing their impact on business, and implementing necessary measures.
Compliance	Risks ✓ Violations of laws, regulations, guidelines, etc., related to business activities leading to administrative sanctions or guidance, declining public trust, costs incurred in responding to such matters, and other consequences.	◆ Ensuring that compliance is given the highest priority in business operations, under the leadership of directors and executive officers, based on the Compliance Management Promotion Declaration, the Energia Group Corporate Charter of Conduct, and the Chugoku Electric Power Compliance Charter. ◆ Establishing and operating systems and business operation frameworks to ensure compliance with relevant laws, regulations, guidelines, etc., including the Electricity Business Act, Antimonopoly Act, and Act on the Protection of Personal Information.
Human Rights and Harassment	Risks ✓ Threats to people's lives, health, and dignity resulting from human rights violations within the Group and its supply chain. ✓ Loss of public trust in the Group due to human rights violations and a resulting deterioration in business performance.	◆ Formulating the Chugoku Electric Power Group Human Rights Policy and implementing human rights due diligence in accordance with the principles of the United Nations Guiding Principles on Business and Human Rights. ◆ Identifying human rights violation risks considered likely to have significant impacts, and preventing and mitigating adverse impacts through education and awareness-raising activities and engagement with the supply chain.
Thermal Power and Other Business Facilities	Risks ✓ Declining earnings from the Power Generation Business due to delays in the renewal of thermal power generation facilities. ✓ Environmental impacts and increased regulatory costs resulting from delays in the decarbonization of thermal power generation.	◆ Pursuing the renewal and decarbonization of power generation facilities by utilizing national schemes such as the capacity market and Long-Term Decarbonized Power Source Auctions, based on the government's policies set forth in the Seventh Strategic Energy Plan, as well as medium- to long-term societal trends, demand forecasts, etc.

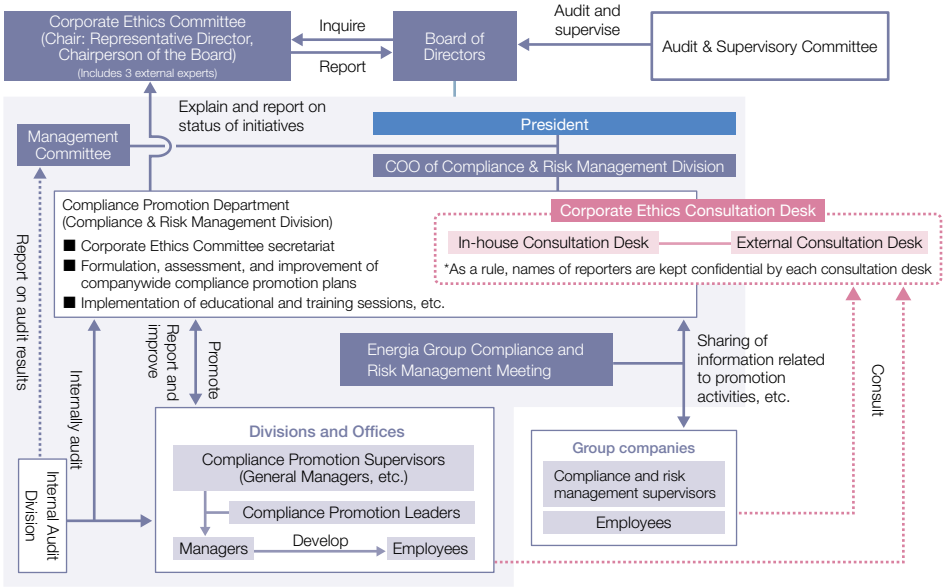
Compliance

Policies/Approach

The Group's mission is to contribute to sustainability by growing through sound business activities that create value for society, engaging in free and fair competition while drawing on the trust we have earned from the public. Based on this approach, we have set forth "Promotion of Compliance Management" as a principle of conduct in the Energia Group Corporate Charter of Conduct. Directors, executive officers, and employees of the Energia Group comply not only with laws and rules but also with social norms, including the ethics and morals underlying them, and think and act independently, guided by a strong sense of ethics, based on the three principles of conduct set forth in the Energia Group Corporate Charter of Conduct: "reflecting on good judgment," "speaking honestly," and "proactively making corrections."

Systems and Governance

Under the supervision of the chairperson and direction of the president, compliance initiatives at Chugoku Electric are led by the head of the Compliance & Risk Management Division. From the perspective of raising awareness of compliance and ensuring thorough adherence to corporate ethics, this dedicated division formulates, assesses, and improves companywide compliance promotion plans, and implements compliance training sessions together with a range of other compliance measures. In addition, we promote compliance across the entire Energia Group through information sharing and other activities with group companies.



Compliance Promotion Supervisors/Leaders

Heads of divisions and offices act as compliance promotion supervisors to lead compliance initiatives in their respective organizations. Compliance promotion leaders assist compliance promotion supervisors, and lead activities such as workplace training.

Whistleblowing Hotline

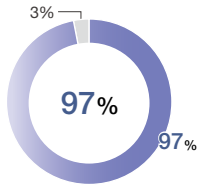
As part of our whistleblowing system, we have set up an in-house consultation desk and also an external one at a law firm. We thus have a system in place to receive reports and consultations from all individuals associated with the Group, including business partners and overseas group companies. There are various ways for them to contact the desks—including email, telephone, and post—and consultations can be made anonymously. Regarding our response to reports and consultations, in addition to ensuring thorough anonymity, we strictly prohibit any disadvantageous treatment of the consulter/reporter regarding their pay, transfer, promotion, etc., due to their use of the whistleblowing system.
To promote the desks' active use, we use measures such as displaying their contact details on the welcome screen of executives' and other employees' computers so that employees feel familiar with them. We also use our intranet to introduce example cases of where consultations have led to improvements, alongside carry out compliance training, etc., to periodically publicize the whistleblowing system.
In addition, we have established an internal leniency system (i.e., a system that allows some leniency to be shown in the punishment of those who report themselves for improper actions).

FY 3/2026 consultations (total: 42) and breakdown by type

Legal/ regulatory breaches, etc.	Compliance	Lack of/ deficient rules	Behavior by management/ superiors	Harassment	Labor related laws/ regulations	Worksite operations/ discipline
3	3	7	8	14	3	4

*No. of consultations to the Chugoku Electric Whistleblowing Hotline (including consultations from employees and others of group companies). All cases are appropriately addressed, including investigation and corrective action as necessary, and the status of responses are reported to the Corporate Ethics Committee.

Awareness of the Chugoku Electric Whistleblowing Hotline



Energia Group Compliance and Risk Management Meeting

We regularly hold the Energia Group Compliance and Risk Management Meeting, which brings together personnel in positions of responsibility from each group company. It acts as a platform to share information related to compliance promotion and risk management between Chugoku Electric and its group companies, and to enhance groupwide compliance promotion and risk management systems.
We also provide compliance education and training support to group companies.

Compliance

Metrics and Targets

Initiatives and metrics for realizing the Group Corporate Vision

Key Issue	Initiatives and Metric	Scope	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Thorough compliance	Fostering compliance awareness among directors/executive officers/employees	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Implementation of compliance education for directors/executive officers/employees		

Initiatives

Fostering an awareness among directors/executive officers/employees that compliance is the highest priority

Compliance training held in FY 3/2026

To raise awareness throughout our workforce, from management to each individual employee, that compliance is the foremost priority, and to thoroughly instill corporate ethics, we conduct various training programs for directors/officers and employees. We have designated November as our “compliance-strengthening month.” As well as conducting compliance training for all employees, during the month we seek to effectively raise awareness of compliance by implementing various measures in a focused manner.

Compliance training content (FY 3/2026)

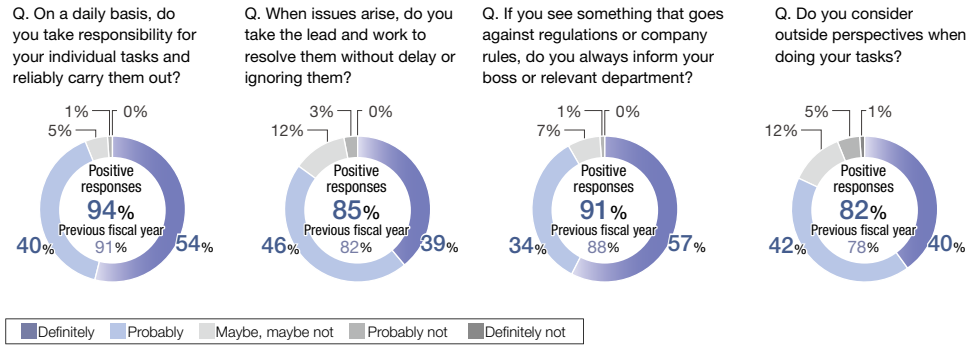
Subject	Content
Upper management*1	Invited instructors from outside the company to hold discussion-based training sessions relating to the roles of managers with subordinates.
Compliance promotion supervisors, etc.	
Managers*1 with subordinates	Training was provided by external instructors on the roles that line managers should fulfill in promoting compliance.
By job level	Compliance education tailored to each job level was provided to newly appointed site heads, newly appointed section managers, newly appointed managers, and new employees.
All employees*2	In conjunction with the annual “compliance-strengthening month,” discussions were held on employee awareness, behavior, and other aspects, using compliance cases and other relevant topics.

*1 Including those from group companies.
*2 Includes temporary workers, etc.

Workplace and employee awareness surveys

We have held regular workplace and employee awareness surveys regarding compliance for all employees since FY 3/2008. The results from these surveys are used to assess and improve training and other compliance promotion measures, while they are also fed back to each department to examine and implement measures to create better workplaces.

Workplace and employee awareness survey results (FY 3/2026)



· Scope: All employees of Chugoku Electric (excl. loan employees, temporary employees, etc.)
*Positive responses is the total for those who answered either “Definitely” or “Probably.” Due to rounding, responses may not total exactly 100%.

Anti-bribery and anti-corruption initiatives

To build sound and appropriate relationships with business partners and foreign public officials, both in Japan and overseas, we prohibit, under the Chugoku Electric Power Compliance Charter, the improper provision of benefits to public officials and the giving or receiving of gifts or entertainment to or from business partners that exceed what is considered socially acceptable.
The Global Business Development Division, which has particularly frequent contact with foreign public officials, recognizes “overseas bribery” as a key management risk. We therefore take measures including communicating the commitment of the COO of the Global Business Development Division, gathering information on detected cases, and assessing risks in countries and with relevant parties.
In August 2024, we set out regulations that employees should comply with when dealing with foreign officials and we have newly formulated anti-bribery regulations for interactions with foreign officials, with the aim of promoting smooth, fair business activities. These regulations prohibit actions aimed at securing improper sales profits, including presenting foreign officials or others with cash, favorable treatment, presents, or similar; paying expenses that foreign officials or others are expected to pay; or the giving of donations or assistance. Moreover, the regulations also set out how, in cases where a consultant with contacts among foreign officials, etc., is used, issues such as selecting the consultant, what role they play, and the suitability of their fee, should be checked for any potential problems.
In the future, in line with these regulations, we will periodically carry out anti-bribery training for executives and other employees using external experts, and work to raise awareness and knowledge about preventing bribery.
For group companies, too, we will support activities to prevent bribery, to ensure that the whole Group is implementing anti-bribery initiatives to govern interactions with foreign officials and others.
The effectiveness and other aspects of these initiatives are regularly reviewed by the Internal Audit Division.

Information Security

Policies/Approach

Information Security

Amid increasingly sophisticated and serious cyberattacks that threaten business continuity, we recognize that protecting information assets is an important responsibility of the Energia Group. Based on this recognition, we establish frameworks and rules and promote the maintenance and enhancement of information security measures.

Approach to information security measures (Technical and awareness/behavioral aspects)

Technical Aspects	● We appropriately monitor trends in emerging threats and work to protect information assets, minimize damage, and ensure early recovery by implementing multilayered measures against cyberattacks, information leaks, and other threats. These measures include monitoring, blocking, access controls, and data protection. ● In addition to basic measures, we are advancing the design and operation of systems based on "zero trust," under which all activity within internal systems is continuously monitored.
Awareness/ Behavioral Aspects	● To enhance understanding of information security threats, we continuously provide education and training and work to instill basic behaviors such as checking and reporting. ● We aim to enhance response capabilities through training based on hypothetical information security incident scenarios.

Personal Information Protection

Chugoku Electric holds a large amount of personal information, including customer information, through its business activities. In line with the Act on the Protection of Personal Information, we have formulated a Personal Information Protection Policy and established rules and promotion systems to ensure appropriate handling and careful protection of personal information. We also ensure our employees are thoroughly educated on matters pertaining to personal information protection. WEB Personal Information Protection Policy
https://www.energia.co.jp/privacy.html

To ensure thorough, appropriate information management, in April 2003 we formulated a Basic Policy on Information Management. This policy defines the basic matters pertaining to all aspects of information management, including personal information management. In line with the Act on the Protection of Personal Information, in April 2005 we formulated a Personal Information Protection Policy. In January 2016 we revised this policy to conform to the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures. We also have a range of other rules and regulations related to personal information protection in place.

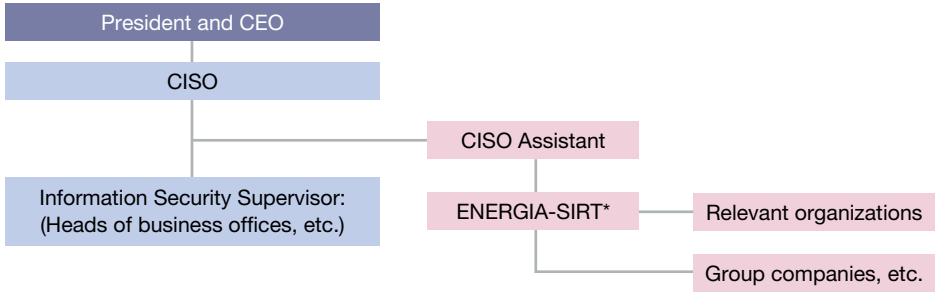
Systems and Governance

Information Security

Under the President and CEO, we have established the position of chief information security officer (CISO), who oversees information security measures. We have also established ENERGIA-SIRT* as the organization responsible for promoting information security management and responding to security incidents, and have established a framework for responding to information security incidents in coordination with relevant organizations.

For group companies and other entities, we have established guidelines specifying the security measures to be followed, and promote continuous improvement by monitoring and providing guidance on the status of their initiatives through a PDCA cycle.

Information Security Response Framework



*SIRT: Security Incident Response Team

Personal Information Protection

The COO of the Compliance & Risk Management Division oversees companywide promotion activities as the general supervisor of personal information protection. Moreover, heads of business offices, etc., act as personal information protection supervisors, and cooperate with personal information protection officers and other managers to promote protection of personal information at each business office and worksite.

Information Security

Metrics and Targets

Information security

Metric	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Number of serious information security incidents*1	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Number of Incidents	1	0	0

Personal information protection

Metric	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Number of serious personal information leaks or losses*1	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Number of Incidents	1*3	0	0

*1 Refers to the number of incidents for which a press release was issued.
*2 Refers to the number of incidents involving electronically stored information.
*3 Refers to a serious information security incident (announced on April 25, 2025).

Initiatives

Information Security

To prevent information security incidents, contain damage should they occur, and ensure swift recovery, we are implementing multilayered information security measures across the Group, centered on ENERGIA-SIRT, covering both technical and awareness/behavioral aspects.

Initiatives for information security measures (Technical and awareness/behavioral aspects)

Technical Aspects	● Acquisition of use records for computers and work systems ● Encryption of computer hard disks ● Restrictions on transferal of data to USB sticks, etc. ● Restricting access to cloud services and websites ● Blocking suspicious websites and suspicious emails ● Network monitoring using intrusion prevention systems, etc. ● Introducing mechanisms for early detection of suspicious device activity ● Developing backup environments that protect against data overwriting and deletion and enable rapid detection and recovery from data breaches ● Conducting multifaceted, quantitative assessments of security levels, etc.
Awareness/ Behavioral Aspects	● Providing education for all employees ● Level-specific group education for new employees, new management employees, information systems staff ● Conducting targeted phishing email training ● Information security incident response drills that include the management team, etc.

Personal Information Protection

Personal information protection training

We provide personal information protection training for all employees every year. Through this training, we aim to instill in each employee an awareness that we are entrusted by our customers with their valuable personal information.

Management status inspections

To prevent the leakage or loss of personal information, in addition to day-to-day information management, the heads of each operational unit inspect how personal information is being handled in their respective workplaces twice a year, once in the first half and once in the second half. The Compliance & Risk Management Division, which serves as the companywide office responsible for personal information protection, also reviews the results of inspections conducted by each operational unit.

Environment

Business Activities and Environmental Impacts in the Chugoku Electric Power Group (FY 3/2026)

INPUT
Resources and energy used in business activities

Power generation fuels

Coal*1	5.196 million t	✓
Heavy oil*2	87 thousand kL	✓
Crude oil	—	✓
Diesel	—	✓
LNG	1.096 million t	✓
Woody biomass*1	522 thousand t	✓
Nuclear power generation fuel	760 kg	✓

Water use at power generation facilities*3

Water for power generation*3	5.15 million m³	✓

Materials

Ammonia	6 thousand t	
Limestone	76 thousand t	

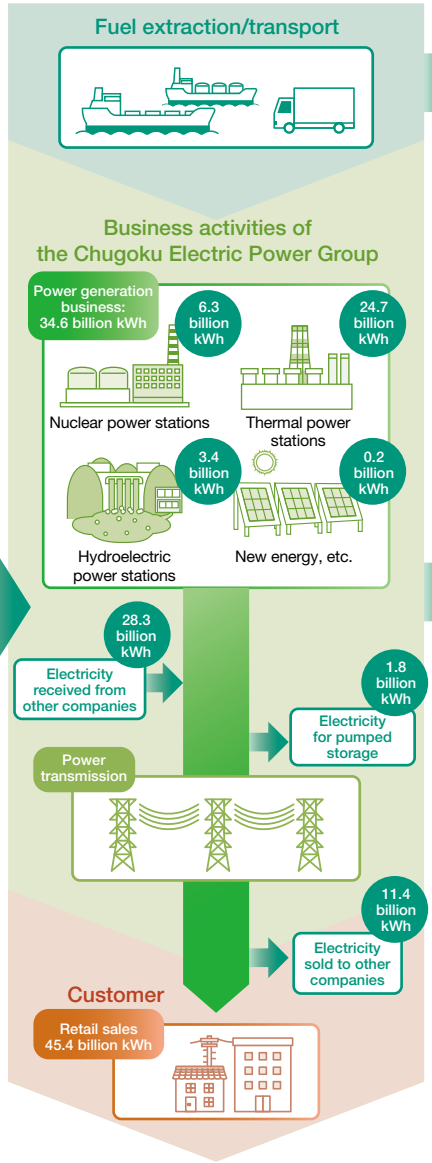
Logistics and transport
[power generation fuels (domestic portion),*2 industrial wastes]

Crude oil equivalent	3,596 kL	

Fuel, etc. at offices and plants*4

Fuel		67,404 GJ
Automobiles	Gasoline	1,986 kL
	Diesel	781 kL
Electricity	Offices	60.14 million kWh
	Plants, etc.	37.83 million kWh
Water	Offices	0.24 million m³
	Plants, etc.	0.30 million m³

*1 Including moisture content
*2 Excludes internal combustion power generation on remote islands.
*3 Does not include seawater used as cooling water.
*4 Does not include fuels used for power generation by our company.
*5 Calculated using the emission intensity figures for rated total life-cycle CO_2 emissions for power generation technologies in Japan (courtesy of the Central Research Institute of Electric Power Industry in July 2016) and the existing figures for biomass fuel life-cycle GHG emissions under the FIT/FIP systems (courtesy of the Biomass Sustainability Working Group in April 2026).
*6 Value prior to adjustment relating to the feed-in-tariff scheme, etc.
*7 CO_2 emissions from the retail business.
*8 Figures calculated based on the Act on Promotion of Global Warming Countermeasures, etc.
*9 Calculated by multiplying electricity, water, and fuel usage by the relevant emission factors.



OUTPUT

Atmospheric emissions due to fuel extraction/transport*2,5

CO_2 (carbon dioxide)	1.24 million t-CO_2

OUTPUT
Environmental impact due to business activities

Production of waste

Industrial waste, general waste

Amount produced	862 thousand t	✓
Recycled amount	830 thousand t	✓
Disposal amount	31 thousand t	✓
Recycling rate	96.4%	✓

Radioactive waste

Radioactive solid waste units (equivalent to 200-L drums)	2,725 drums

Power generation business emissions

CO_2 (carbon dioxide)*6,7	21.28 million t-CO_2	✓
CO_2 from non-energy sources*8	34 thousand t-CO_2	
N_2O (nitrous oxide)*8	42 thousand t-CO_2	
SF_6 (sulfur hexafluoride)*8	41 thousand t-CO_2	
CH_4 (methane)*8	2 thousand t-CO_2	
SOx (sulfur oxide)*2	3 thousand t	
NOx (nitrogen oxide)*2	4 thousand t	

Emissions from energy consumption within power stations (during generation)

CO_2 (carbon dioxide)*2	790 thousand t-CO_2

Emissions into the water system*3

Power station wastewater	2.78 million m³

Emissions at offices, plants, etc.*9

CO_2 (carbon dioxide)	59 thousand t-CO_2

Note 1: Totals may not match the sum of individual amounts due to rounding.
Note 2: Between power generation and power sales, power is consumed at power stations and losses occur during transmission and distribution.

Scope of environmental data

Corporate name	General environmental data (21 companies)	Supply chain (21 companies)
	Group	Chugoku Electric & consolidated subsidiaries
The Chugoku Electric Power Company, Incorporated	○	○
CHUDEN PLANT CO., LTD.	○	○
Energia L&B Partners Co., Inc.	○	○
CHUDEN KANKYO TECHNOS CO., LTD.	○	○
Enecom, Inc.	○	○
EnerGia Business Service Co., Inc.	○	○
Energia Solution & Service Company, Incorporated	○	○
Power Engineering and Training Services, Incorporated	○	○
ENERGIA POWER YAMAGUCHI CORPORATION	○	○
Chugoku Electric Power Transmission & Distribution Company, Incorporated	○	○
ADPLEX Co., Ltd.	○	○
CHUDEN ENGINEERING CONSULTANTS CO., LTD.	○	○
The Energia Logistics Co., Inc.	○	○
CHUGOKU KOATSU CONCRETE INDUSTRIES CO., LTD.	○	○
EnerGia Smile CO., INC.	○	
CHUGOKU HEALTH AND WELFARE CLUB CO., INC.	○	
Osaki CoolGen Corporation	○	
CHUDENKO CORPORATION	○	
Houseplus Chugoku Housing Warranty Corporation, Limited	○	
CHUDEN KOGYO CO., LTD.	○	○
CHUGOKU ELECTRICAL INSTRUMENTS CO., LTD.	○	○
Denryoku Support Chugoku Co., Inc.		○
Chugoku Electric Power International Netherlands B.V.		○
Chugoku Electric Power America, LLC		○
Chugoku Electric Power Singapore Pte. Ltd.		○
Chugoku Electric Power Australia Resources Pty. Ltd.		○

Third-party evaluation

Items in the Environmental Data section of this report marked with a check symbol (✓) have been evaluated by a third party.

WEB Chugoku Electric Power Group Environmental Data Compilation
https://www.energia.co.jp/energy/energia/kaiji/index.html

Environment

Environmental Data: Global Warming Countermeasures

CO_2 emission factor*1,2

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026	
Unadjusted emissions*3	Chugoku Electric	kg-CO_2/kWh	0.529	0.537	0.521	0.486	0.468	✓
Basic emissions*4	Chugoku Electric	kg-CO_2/kWh	—	—	—	0.472	0.462	✓
Adjusted emissions*5	Chugoku Electric	kg-CO_2/kWh	0.536	0.544	0.511	0.472	0.462	✓

CO_2 emissions*2,6

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026	
Unadjusted emissions*3	Chugoku Electric	Million t-CO_2	24.91	24.36	23.25	20.29	21.28	✓
Basic emissions*4	Chugoku Electric	Million t-CO_2	—	—	—	19.71	20.98	✓
Adjusted emissions*5	Chugoku Electric	Million t-CO_2	25.27	24.66	22.77	19.71	20.98	✓

*1 CO_2 emission factor for FY 3/2026 is a provisional value, and the official value will be announced by the government.
*2 Since the spinning off of our power transmission and distribution businesses, electricity supplies to remote islands have fallen under the remit of Chugoku Electric Power Transmission & Distribution so figures for FY 3/2021 and after omit internal combustion power generation for remote islands belonging to that company.
*3 Due to a review of the calculation method for CO_2 emission factors, this item has been renamed from "Before adjustment."
*4 This is a new item created after a review of the calculation method for CO_2 emission factors. It reflects adjustments, etc., related to the FIT system, and CO_2 emission credits (non-fossil fuel certificates, green electricity certificates, and J-Credits from renewable energy).
*5 Reflects adjustments, etc., related to the FIT system, and CO_2 emission credits (non-fossil fuel certificates, green electricity certificates, J-Credits from renewable energy, J-Credits for non-renewable-energy reasons, JCM Credits).
*6 The quantification of GHG emissions is deemed to involve a certain degree of uncertainty in measuring activity data and determining emission factors, and scientific uncertainty in determining global warming factors.

Supply chain greenhouse gas emissions*1,2,3,4

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Total for Scope 1, 2, and 3	Consolidated subsidiaries	Million t-CO_2	29.38	32.61	31.32	28.39	31.48

*1 The calculation method is detailed in the section on supply chain GHG emission calculation standards on page 85.
*2 The quantification of GHG emissions is deemed to involve a certain degree of uncertainty in measuring activity data and determining emission factors, and scientific uncertainty in determining global warming factors.
*3 Results for FY 3/2026 are for consolidated subsidiaries. Results for FY 3/2022 to FY 3/2025 are the combined total for Chugoku Electric and Chugoku Electric Power Transmission & Distribution.
*4 As numbers have been rounded, totals may not add up exactly.

Breakdown: Scope 1 and Scope 2*1,2,3

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026	
Scope 1	Consolidated subsidiaries	Million t-CO_2	18.5	19.61	18.05	15.83	16.03	✓
Scope 2 Market-based (offices)	Consolidated subsidiaries	Million t-CO_2	0.00003	0.00004	0.00003	0.00002	0.0005	✓
Scope 2 Market-based (power transmission and distribution loss*4)	Consolidated subsidiaries	Million t-CO_2	—	—	—	0.63	0.48	✓
Scope 2 Location-based (offices)	Consolidated subsidiaries	Million t-CO_2	0.00004	0.00004	0.00004	0.00003	0.0005	✓
Scope 2 Location-based (power transmission and distribution loss*4)	Consolidated subsidiaries	Million t-CO_2	—	—	—	0.63	0.48	✓

Breakdown: Scope 3*1,2,3

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026	
Category 1	Consolidated subsidiaries	Million t-CO_2	—	1.82	1.52	1.74	2.62	
Category 2	Consolidated subsidiaries	Million t-CO_2	0.65*5	0.64	0.71	1.08	0.94	
Category 3	Consolidated subsidiaries	Million t-CO_2	10.23	8.3*6	9.09	7.04	8.25	✓
Category 5	Consolidated subsidiaries	Million t-CO_2	*5	0.04	0.03	0.03	0.04	
Category 6	Consolidated subsidiaries	Million t-CO_2	*5	0.001	0.001	0.001	0.002	
Category 7	Consolidated subsidiaries	Million t-CO_2	*5	0.002	0.002	0.003	0.005	
Category 9	Consolidated subsidiaries	Million t-CO_2	—	—	—	—	0.11	
Category 10	Consolidated subsidiaries	Million t-CO_2	—	—	—	—	0.01	
Category 11	Consolidated subsidiaries	Million t-CO_2	—	2.2	1.92	2.02	2.56	
Category 12	Consolidated subsidiaries	Million t-CO_2	—	—	—	—	0.005	
Category 13	Consolidated subsidiaries	Million t-CO_2	—	—	—	—	0.42	

*1 The calculation method is detailed in the section on supply chain GHG emission calculation standards on page 85.
*2 The quantification of GHG emissions is deemed to involve a certain degree of uncertainty in measuring activity data and determining emission factors, and scientific uncertainty in determining global warming factors.
*3 Results for FY 3/2026 are for consolidated subsidiaries. Results for FY 3/2022 to FY 3/2025 are the combined total for Chugoku Electric and Chugoku Electric Power Transmission & Distribution.
*4 For FY 3/2025 onward, emissions from power transmission and distribution loss have been moved from Scope 3 Category 3 to Scope 2.
*5 Combined total for Categories 2, 5, 6, and 7.
*6 From FY 3/2023, CO_2 emissions from energy consumption within power stations for purchased electricity and CO_2 emissions related to biomass fuel procurement have been included in the scope of calculations.

Emissions of specified chlorofluorocarbon, etc.*1

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Emissions of specified chlorofluorocarbon, etc.	Chugoku Electric & Chugoku Electric Power Transmission & Distribution	t	1.0	0.6	0.8	1.3	2.3

*1 Used in refrigerants in company air-conditioning equipment, freezers, and refrigerators, or as a fire extinguishing agent at power stations. As these substances damage the ozone layer and contribute to global warming, we work hard to prevent their release into the atmosphere.

SF6*1 emissions and recovery rate

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Emissions	Chugoku Electric & Chugoku Electric Power Transmission & Distribution	t	1.0	1.5	1.5	1.7	1.8
During equipment testing	Chugoku Electric & Chugoku Electric Power Transmission & Distribution	%	99.1	99.7	99.7	99.3	99.8
During equipment disposal	Chugoku Electric & Chugoku Electric Power Transmission & Distribution	%	99.4	99.4	99.4	99.4	99.6

*1 Sulfur hexafluoride has been used as a non-conductive gas in circuit breakers and similar because of its high electricity insulating properties. It warming effect is 23,500 times higher than CO_2, so we strive to control its release.

Combusted woody biomass

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026	
Misumi Power Station	Chugoku Electric	Thousand t	—	129	330	360	286	✓
Shin-Onoda Power Station	Chugoku Electric	Thousand t	—	284	240	231	236	✓

Environment

Environmental Data: Formation of a Recycling-oriented Society

Waste generated*1 and recycling rate

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026	
Generated coal ash*3	Group	kt	602	704	612	660	656	✓
Generated desulfurized gypsum*1	Group	kt	155	178	166	121	114	✓
Generated construction waste*1	Group	kt	91	101	106	91	90	✓
Generated general waste*1	Group	kt	2	2	2	2	1	✓
Total generated*1	Group	kt	851	983	887	873	862	✓
Recycled coal ash*2,3	Group	kt	599	696	584	631	634	✓
Recycled desulfurized gypsum	Group	kt	155	177	166	120	114	✓
Recycled construction waste	Group	kt	82	87	95	78	80	✓
Recycled general waste	Group	kt	1	1	1	1	1	✓
Total recycled*2	Group	kt	838	961	846	831	830	✓
Waste coal ash*3	Group	kt	4	8	29	29	21	✓
Waste desulfurized gypsum	Group	kt	0	1	0	1	0	✓
Waste construction materials	Group	kt	9	14	11	12	10	✓
Waste general waste	Group	kt	0	0	0	0	0	✓
Total waste	Group	kt	13	23	40	42	31	✓
Coal ash recycling rate*3	Group	%	99.4	98.9	95.3	95.7	96.7	✓
Desulfurized gypsum recycling rate	Group	%	100	99.5	100	99.2	100	✓
Construction waste recycling rate	Group	%	90.2	86.3	89.4	86.5	89.2	✓
General waste recycling rate	Group	%	78.7	80.3	80.5	78.1	80.2	✓
Total recycling rate	Group	%	98.5	97.7	95.4	95.2	96.4	✓

*1 Includes waste sold (recycled)

Note: As figures have been rounded, totals may not match.

*2 Coal ash disposed of at Misumi Power Station used in land reclamation is included in the recycling rate because it is considered effective use (land creation) under the Act on the Promotion of Effective Utilization of Resources.

*3 Dried ash equivalent

Environmental Data: Local Environmental Conservation

High-concentration PCB waste treated

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026		Total	Application
Transformers/ capacitors	Group	Device	0	0	0	0	0	✓	2,019	Power transmission and transforming
Small equipment	Group	kg	6	17	0	0	0	✓	20,461	Fluorescent lighting, stabilizers, etc.
Carbonless copy paper	Group	kg	0	0	0	0	0	✓	8,664	Bookkeeping, etc.
Other pollutants	Group	kg	0	24	0	0	0	✓	8,669	Fabrics, metals, etc.

Radioactive waste

Release of radioactive gases/liquids*1

	Scope	Unit	Release management targets	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Gaseous waste: Noble gases	Chugoku Electric	Bq per annum	4.0×10^{14}*2	ND	ND	ND	ND	ND
Gaseous waste: Iodine	Chugoku Electric	Bq per annum	2.2×10^{10}*2	ND	ND	ND	ND	ND
Gaseous waste Particulate matter (Cobalt-60)	Chugoku Electric	Bq per annum	2.0×10^{8}*3	—	—	—	ND	3.9×10^{4}
Liquid waste (excl. tritium)	Chugoku Electric	Bq per annum	3.7×10^{10}	ND	ND	ND	ND	ND

Low-level radioactive waste

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Generated	Chugoku Electric	(200l drum equivalents)	2,212	2,822	3,487	3,836	2,725
Reduction	Chugoku Electric	(200l drum equivalents)	2,112	1,814	2,783	2,672	2,693
Stored amount at year-end	Chugoku Electric	(200l drum equivalents)	36,480	37,488	38,192	39,356	39,388

Spent nuclear fuel stored (Shimane Nuclear Power Station)

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Unit 1*4	Chugoku Electric	Rod	722	722	722	722	722
Unit 2*5	Chugoku Electric	Rod	1,956	1,956	1,956	2,104	2,104

*1 Not Detected: below minimum detectable concentration levels
Minimum detectable concentrations:
Noble gases: 2×10^{-2} Bq/cm^3
Iodine: 7×10^{-9} Bq/cm^3
Particulate matter (e.g. Cobalt-60): 4×10^{-8} Bq/cm^3
Liquid waste (e.g. Cobalt-60: 2×10^{-2} Bq/cm^3

*2 Annual release management targets for Shimane Nuclear Power Station Unit 2 (until fuel loading starts at Unit 3)

*3 Annual release management targets for Shimane Nuclear Power Station Unit 1

*4 Undergoing decommissioning

*5 Commenced operations in FY 3/2025

Handling amounts of substances subjected to PRTR (FY 3/2026)

Substances handled	Application	Amount handled (t)	Emissions (t)	Amount transported (t)	No. of delivery sites/companies (Chugoku Electric)	No. of delivery sites/companies (Group)
Asbestos	Soundproofing	9.6	0	9.6	0	1
Xylene	Paints/coatings	1.7	1.3	0.4	1	0
Styrene	Paints/coatings	1.2	1.2	0	1	0
Toluene	Paints/coatings, fuel	5.2	5.2	0	2	0
Methylnaphthalene	Fuel	335.0	5.4	0	4	3
Trimethylbenzene	Fuel	1.1	1.1	0	1	0

Environment

Environmental Data: Environmental Management

ISO 14001 certified (as of March 2026)

■ CHUDEN ENGINEERING CONSULTANTS CO., LTD. (all sites)
■ CHUDENKO CORPORATION (head office)

No. of environmental breaches/incidents

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Breaches of environmental laws and regulations*1	Group	Cases	0	0	3	1*3	0
Environmental incidents*2 (natural disaster)	Group	Cases	0	0	0	0	0
Environmental incidents*2 (traffic incident, etc.)	Group	Cases	0	0	0	0	0
Environmental incidents*2 (equipment failure)	Group	Cases	0	0	0	0	0

*1 A breach of environmental law or regulation, agreed amounts, or fine resulting in guidance, warnings, orders, punishment, etc.
*2 An incident related to the environment that must be notified to the national government, etc., in accordance with the law.
*3 Received guidance from a municipality regarding the improper disposal of fluorocarbons (took measures to prevent a recurrence).

Office electricity, paper, and other resource use

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Electricity use*4	Group	Million kWh	60.69	60.18	59.34	59.96	60.37
Water use	Group	Thousand m^3	337	297	243	264	243
Gasoline use	Group	kL	2,352	2,219	2,087	2,055	1,986
Vehicle gasoline consumption	Group	km/ℓ	14.0	14.0	14.4	14.4	14.4

*4 Electricity use for each fiscal year is the average of the most recent three years.

Information disclosure in line with the Environmental Reporting Guidelines (environmental protection costs)

To determine both the cost of environmental protection in our business activities (investment and expenses) and the economic benefits of these efforts, we have introduced environmental accounting at the Group.
Investment related to environmental protection in FY 3/2026 was 4.99 billion yen. While this is a reduction of 7.85 billion yen from the previous fiscal year, that year involved new large-scale projects to modernize facilities.
In total, expenses related to environmental protection in FY 3/2026 came to 39.8 billion yen, a 3.78 billion yen increase on the previous fiscal year due to an increase in repair expenses related to environmental equipment at thermal power stations.

Investments

Type	Main aspects	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Environmental management	Environmental protection activities, environmental education, information disclosure, etc.	Group	Billion yen	0	0	0	0	0
Global environmental protection	Introduction, maintenance, management, etc., of new energy equipment	Group	Billion yen	0.03	0.1	1.59	9.38	1.26
Regional environmental protection	Air pollution prevention, water pollution prevention, site greening of sites, etc.	Group	Billion yen	9.68	9.54	2.56	3.3	3.65
Recycling promotion	Waste disposal, recycling, etc.	Group	Billion yen	0.002	0.002	0.013	0.12	0.05
R&D	Environmental R&D, etc.	Group	Billion yen	0.04	0.05	0.01	0.03	0.03
Social activities	Donations to organizations, etc.	Group	Billion yen	0	0	0	0	0
Total		Group	Billion yen	9.75	9.7	4.17	12.84	4.99
Environmental protection investment*1		Group	%	5.3	4.7	1.8	3.8	1.8

*1 As a percentage of the Group's total investments.

Note: As figures have been rounded, totals may not match.

Expenses

Type	Main aspects	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Environmental management	Environmental protection activities, environmental education, information disclosure, etc.	Group	Billion yen	0.61	0.59	0.56	0.51	0.51
Global environmental protection	Introduction, maintenance, management, etc., of new energy equipment	Group	Billion yen	1.5	2.45	4.17	4.65	4.34
Regional environmental protection	Air pollution prevention, water pollution prevention, site greening of sites, etc.	Group	Billion yen	7.56	11.36	13.77	17.64	21.81
Recycling promotion	Waste disposal, recycling, etc.	Group	Billion yen	11.45	14.56	14.68	13.04	12.91
R&D	Environmental R&D, etc.	Group	Billion yen	0.12	0.1	0.12	0.18	0.23
Social activities	Donations to organizations, etc.	Group	Billion yen	0.004	0.003	0.003	0.0	0.0
Total		Group	Billion yen	21.24	29.06	33.31	36.02	39.8
Environmental protection investment*2		Group	%	1.8	1.6	2.3	2.6	2.9

*2 As a percentage of the Group's total expenses.

Note: As figures have been rounded, totals may not match.

Environment

Information disclosure in line with the Environmental Reporting Guidelines (economic benefits)

Measures such as improving the effective use rate for coal ash have resulted in greater savings in industrial waste disposal expenses, and the economic benefits reached 39.69 billion yen in FY 3/2026, a year-on-year increase of 2.42 billion yen.

Economic benefits

Type	Main aspects	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Environmental management	Savings in electricity, vehicle fuel, and paper use	Group	Billion yen	0.03	0.04	0.06	0.01	0.05
Global environmental protection	Savings in fuel consumption from efficiency-boosting measures at thermal power stations	Group	Billion yen	12.3	19.12	18.71	22.61	20.01
Regional environmental protection	Savings in statutory contributions from controlling emissions of environmentally regulated substances	Group	Billion yen	2.65	2.2	1.48	0.94	0.82
Recycling promotion	Sales of desulfurized gypsum, scrap metal, etc.	Group	Billion yen	2.14	2.42	2.29	2.84	2.85
Recycling promotion	Savings in disposal expenses by recycling, etc., waste	Group	Billion yen	12.81	9.72	12.98	10.87	15.96
Total		Group	Billion yen	29.93	33.5	35.52	37.27	39.69
Environmental rate of return*1		Group	%	140.9	115.3	106.6	103.5	99.7

*1 (Economic benefits ÷ environmental protection costs) × 100

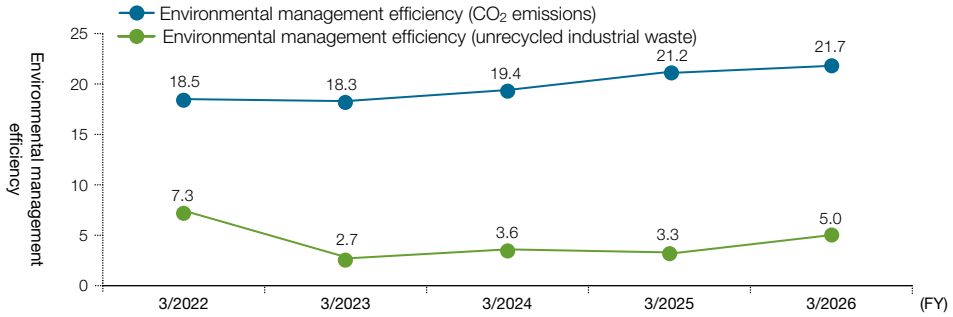
Note: As figures have been rounded, totals may not match.

Information disclosure in line with the Environmental Reporting Guidelines (environmental management efficiency)

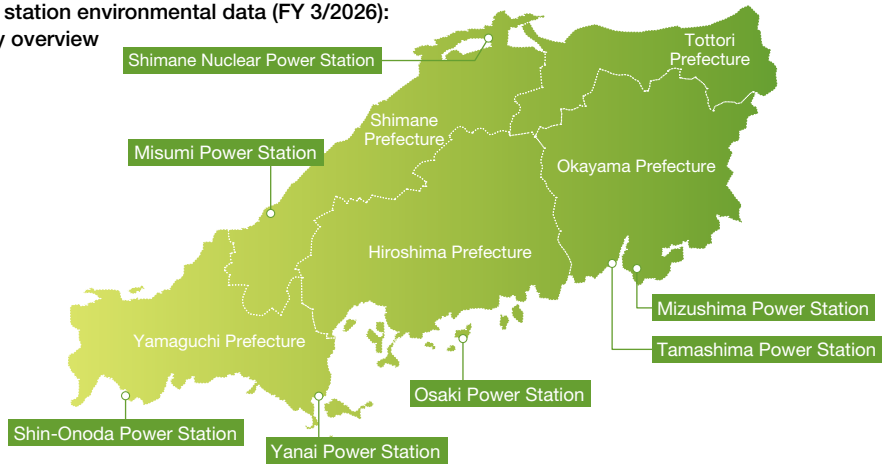
Our environmental management efficiency is represented by the amount of environmental impact we have (in tens of thousands of tons of CO_2 emissions) and unrecycled industrial waste (in tons) for each million kWh of electricity sold.

In FY 3/2026, increasing electricity sales and the increase in electricity from non-fossil energy sources because of the start of operations at Shimane Nuclear Power Station Unit 2 meant that our environmental management efficiency for CO_2 emissions improved year-on-year. Environmental management efficiency also improved year-on-year in terms of unrecycled industrial waste, because of the increasing electricity sales and a decrease in unrecycled industrial waste.

$$\text{Environmental management efficiency} = \frac{\text{Electricity sales}}{\text{Environmental impact}}$$



Power station environmental data (FY 3/2026): Facility overview



Overview of thermal power facilities

Unit	Licensed max. output (MW)	Main used fuels	Exhaust desulfurization (SOx countermeasure)	Improved combustion (NOx countermeasure)	Exhaust denitrator (NOx countermeasure)	Dust collectors (soot and dust countermeasure)
Misumi Unit 1	1,000	Coal	○	○	○	○
Misumi Unit 2	1,000	Coal	○	○	○	○
Mizushima Unit 1	285	LNG	–	○	○	–
Mizushima Unit 3	340	LNG	–	○	○	–
Tamashima Unit 1	350	LNG/Heavy oil	Low-sulfur fuels	○	○	○
Tamashima Unit 2	350	Heavy oil	○	○	–	○
Tamashima Unit 3	500	Heavy oil	○	○	–	○
Osaki Unit 1*1 (1-1)	259	Coal	Incinerator desulfurization	–	○	○
Yanai Units 1 and 2 series	1,539	LNG	–	○	○	–
Shin-Onoda Unit 1	500	Coal	○	○	○	○
Shin-Onoda Unit 2	500	Coal	○	○	○	○

*1 Suspended since December 2011

Overview of nuclear power facilities

Unit	Licensed max. output (MW)	Main used fuels	Exhaust desulfurization (SOx countermeasure)	Improved combustion (NOx countermeasure)	Exhaust denitrator (NOx countermeasure)	Dust collectors (soot and dust countermeasure)
Shimane Nuclear Power Station Unit 1*2	46	Uranium	—	—	—	—
Shimane Nuclear Power Station Unit 2	82	Uranium	—	—	—	—

*2 In the decommissioning process since July 2017

Environment

Power station environmental data (FY 3/2026): Air

SOx

Thermal power station	Unit	Reference value	Max. during generation
Misumi Unit 1	m^3N/h	312	205.5
	—	—	—
Misumi Unit 2	m^3N/h	68	17.7
	—	—	—
Mizushima Unit 1	m^3N/h	0	—
Mizushima Unit 3	m^3N/h	0	—
Tamashima Unit 1	m^3N/h	0	ND
Tamashima Unit 2	m^3N/h	52.6	29
Tamashima Unit 3	m^3N/h	77.1	21
Total for Mizushima and Tamashima	m^3N/h	314.3	44
Osaki Unit 1*1 (1-1)	m^3N/h	59	—
Yanai Unit 1 series	m^3N/h	0	ND
Yanai Unit 2 series	m^3N/h	0	ND
Shin-Onoda Unit 1	m^3N/h	106.4	31
Shin-Onoda Unit 2	m^3N/h	106.4	34
Total for Shin-Onoda	m^3N/h	212.8	65

NOx

Unit	Reference value	Max. during generation
ppm	60	49
m^3N/h	197	124
ppm	20	16
m^3N/h	68	36
ppm	5	3.1
ppm	18	5.4
ppm	18	15
ppm	159	136
ppm	180	140
m^3N/h	474.87	310
m^3N/h	15	—
m^3N/h	80	64.1
m^3N/h	80	63.3
ppm	60	52
ppm	60	46
m^3N/h	202	139

Soot and Dust

Unit	Reference value	Max. during generation
g/m^3N	0.03	0.002
—	—	—
g/m^3N	0.006	0.001
—	—	—
g/m^3N	0	ND
g/m^3N	0	ND
g/m^3N	0	ND
g/m^3N	0.038	0.005
g/m^3N	0.039	0.004
—	—	—
g/m^3N	0.009	—
g/m^3N	0	ND
g/m^3N	0	ND
g/m^3N	0.029	0.0021
g/m^3N	0.029	0.0032
—	—	—

*1 Suspended since December 2011
Note: Reference values are the most challenging regulatory or agreement value. “ND” stands for “not detected”: below minimum detectable concentration levels.

Power station environmental data (FY 3/2026): Water

Daily wastewater

Thermal and nuclear power stations	Unit	Daily wastewater reference value	Daily wastewater maximum
Misumi Units 1 and 2	m^3/d	5,000	4,943
Mizushima Units 1 and 3	m^3/d	1,350	971
Tamashima Units 1, 2 and 3	m^3/d	1,500	1,385
Osaki Unit 1*1 (1-1)	m^3/d	410	360.9
Yanai Units 1 and 2 series	m^3/d	1,200	981
Shin-Onoda Units 1 and 2	m^3/d	3,300	2,665
Shimane Nuclear Power Station Units 1*2 and 2	m^3/d	—	45

PH

Reference value	Actual measurement
6.0–9.0	6.3–7.5
5.8–8.6	7.4–7.8
5.8–8.6	6.0–7.6
6.5–8.5	6.7–8.1
6.0–9.0	7.2–7.9
6.0–9.0	6.5–8.3
5.0–9.0	6.9–7.9

COD

Unit	Reference value	Actual max. measurement
mg/L	15	9
mg/L	15	3.5
mg/L	15	13.9
mg/L	16	6.8
mg/L	15	1.9
mg/L	15	7.1
mg/L	160	10

Nitrogen

Unit	Reference value	Actual max. measurement
mg/L	120	7
mg/L	20	1.4
mg/L	60	36.6
mg/L	100	33.2
mg/L	60	2.5
mg/L	60	21.1
mg/L	—	—

Phosphorus

Unit	Reference value	Actual max. measurement
mg/L	16	ND
mg/L	0.1	0.04
mg/L	2	0.03
mg/L	10	0.3
mg/L	8	ND
mg/L	8	0.06
mg/L	—	—

*1 Suspended since December 2011 *2 In the decommissioning process since July 2017
Note: Reference values are the most challenging regulatory or agreement value. “ND” stands for “not detected”: below minimum detectable concentration levels.

	Scope	Unit	SOx emission intensity	NOx emission intensity
Average for all power stations	Chugoku Electric	g/kWh	0.10	0.12

Environment

Calculation factors, etc.

*Third-party evaluated item

Item	Calculation factors, etc.
Fuel used in generation*	Amount of fuel consumed in generation (heavy oil figures exclude that used in internal combustion generation for remote islands)
Water used in generation*	Amount of tap water and industrial water used in generation at thermal and nuclear power stations
Emissions from fuel extraction and transport (CO_2)	Amount of CO_2 emissions from fuel extraction and transport (Tens of thousands of tons of CO_2) = (Distributed electricity amount for each fuel type × life-cycle CO_2 emission intensity for each fuel type*1) + (biomass fuel procurement amount × heating value × life-cycle GHG default value*2) *1 Emission intensity from the Central Research Institute of Electric Power Industry's Comprehensive Assessment of Life Cycle CO_2 Emissions from Power Generation Technologies in Japan (July 2016). *2 GHG default value from the Biomass Sustainability Working Group's Default Values for Life-cycle GHG Emissions from Biomass Fuels Under the FIT/FIP Systems (April 2026).
Emissions from offices, factories, etc. (CO_2)	Calculated by multiplying electricity use (excl. Chugoku Electric generation), fuel use, vehicle fuel use, and water use by their respective CO_2 emission factors. ● Electricity: Chugoku Electric FY 3/2026 CO_2 emission factor ● Fuel: List of Calculation Methods and Emission Factors in Calculation, Reporting, and Announcement Systems (Ministry of the Environment) ● Water: List of Emission Factors Used to Calculate Household CO_2 Emissions (Ministry of the Environment)
CO_2 emission factor*	● Calculated based on Calculation and Presentation of Emission Factors by Electricity Operator published by the Japanese government based on the Act on Promotion of Global Warming Countermeasures, etc. CO_2 emission factor (kg-CO_2 per kWh) = CO_2 emissions*1 ÷ electricity sales
CO_2 emissions*	*1 CO_2 emissions are calculated based on the respective calculation methods for unadjusted, basic, and adjusted figures.

*Third-party evaluated item

Item	Calculation factors, etc.
Supply chain greenhouse gas emissions	Calculated based on the following: Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.8) (Ministry of the Environment, Ministry of Economy, Trade and Industry); GHG Protocol Corporate Accounting and Reporting Standard; GHG Protocol Scope 2 Guidance; and Corporate Value Chain (Scope 3) Accounting and Reporting Standard. As we do not directly measure GHG emissions, we calculate them using an estimation method using activity data and emissions factors. In calculating Scope 3 emissions, we do not primary data as we do not receive this from business partners, etc. For Scope 3 Category 3 emissions, we receive third-party evaluation, so verified data used in calculating emissions in this category. ○ Scope 1(*): Direct GHG emissions produced by the operator Fuel use [kL, t, m^3] × intensity [t-CO_2 ÷ kL, t, m^3]*1 (Fuel consumption during generation, etc.; vehicle fuel use; emissions of CH_4, etc., covered by the Act on Promotion of Global Warming Countermeasures) ○ Scope 2(*): Indirect emissions from using electricity, heat, steam, etc., supplied by other operators (1) Offices: Indirect emissions from using electricity supplied by operators (Emissions from using purchased electricity: market-based emissions, location-based emissions) (2) Power transmission and distribution loss: Indirect emissions from power transmission and distribution loss Sending-side electricity × power transmission and distribution loss × general power transmission and distribution operator emission factor ○ Scope 3(*): Indirect emissions not included in Scope 1 and Scope 2. ● Category 1 (Purchased goods and services): Sales cost, sales expenses, and administrative costs [yen] × intensity [t-CO_2 per yen] × proportion of external sales [-], etc. ● Category 2 (Capital goods): Total capital investment × emission intensity for the capital goods price*1 ● Category 3 (Fuel- and energy-related activities not included in Scope 1 and Scope 2): CO_2 emissions for other companies' distributed power + (other companies' distributed power × emission intensity at the time of fuel procurement*1) + generated power for each fuel type × life-cycle CO_2 intensity for each fuel type*2 + biomass fuel procured × heat generated × life-cycle GHG default value*3 + CO_2 emissions from energy consumption within power stations for purchased electricity, etc. ● Category 5 (Waste generated in operations): Weight of waste for each type [t × treatment method (recycle or unclear) × intensity [t-CO_2 per ton]*1 ● Category 6 (Business travel): No. of employees × emission intensity for that no. of employees*1 ● Category 7 (Employee commuting): No. of employees per site during normal operations × no. of working days × intensity [t-CO_2 per employee/day]*1 ● Category 9 (Downstream transportation and distribution): Weight of transported products (omitting transportation expense element) [t] × transported distance (if unclear, hypothetical) [km] intensity [t-CO_2 per tkm]*1 ● Category 10 (Processing of sold products): Weight of products processed by the purchaser [t] × conversion factor [-] × intensity [t-CO_2 per ton]*1 ● Category 11 (Use of sold products): Product electrical consumption [kWh] × assumed use scenario [years] × intensity [t-CO_2 per kWh/year],*4 etc. ● Category 12 (End-of-life treatment of sold products): Weight of products [t] × intensity [t-CO_2 per ton],*1 etc. ● Category 13 (Downstream leased assets): Leased asset fuel consumption [kL] x assumed use scenario [years] × intensity [t-CO_2 per kL/year],*1 etc. *1 Emission intensities from the Supply Chain Emission Intensities Database for Calculating Supply Chain GHG Emissions, Etc. (Ver. 3.6). *2 Emission intensity from the Central Research Institute of Electric Power Industry's Comprehensive Assessment of Life Cycle CO_2 Emissions from Power Generation Technologies in Japan (July 2016). *3 GHG default value from the Biomass Sustainability Working Group's Default Values for Life-cycle GHG Emissions from Biomass Fuels Under the FIT/FIP Systems (April 2026). *4 Emission intensities from the List of Calculation Methods and Emission Factors in Calculation, Reporting, and Announcement Systems (Ministry of the Environment)

Environment

Calculation factors, etc.

*Third-party evaluated item

Item	Calculation factors, etc.
Emissions of specified chlorofluorocarbon, etc.	Weight of emissions of specified chlorofluorocarbon, etc. (t) = Weight when equipment is full less the amount recovered/correctly disposed of at time of inspection ● In accordance with the calculation method outlined in the Act on Promotion of Global Warming Countermeasures, these are calculated by calendar year rather than fiscal year.
Waste generated and recycling rate*	Waste recycling rate (%) = (recycled general waste + recycled industrial waste) ÷ (general waste + industrial waste) ● Covers industrial waste created by the emitting operator itself through directly operated projects, power station operations, contracted projects where the company is the prime contractor, etc., and general waste generated during office activities, etc., at company sites, etc.,
High-concentration PCB waste treated*	Materials contracted to Japan Environmental Storage and Safety Corporation (JESCO) for treatment
Handling amounts of substances subjected to PRTR	● Calculated based on the PRTR Substance Emissions, etc., Calculation Manual Version 5.0 (Ministry of Economy, Trade and Industry, Ministry of the Environment) and Emissions and Transported Amounts Estimation Manual for Chemicals Covered by the Act on Confirmation, etc., of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof for Electric Power Companies (Federation of Electric Power Companies of Japan) ● Handling amounts of these specified substances are above prescribed quantities outlined in law, and are the combined total for our notifying sites and group companies. ● Handling amounts are the amount of specified substances included in materials, etc., used at our sites in the one-year period of the relevant fiscal year. ● Emissions are the amount of the specified substances released into the environment (air, water, or soil) as part of our business activities. ● Transported amounts are the amount of waste including the specified substances that are moved to a site other than our own as part of our business activities. It applies to waste contracted to waste operators as industrial waste and waste taken to a different site of ours to be treated.
Vehicle gasoline consumption	Distance traveled (km) ÷ gasoline used (L) ● Includes low-emission vehicles*1 *1 Vehicles meeting judgment criteria found in the Act on Promoting Green Procurement ((1) electric vehicles, (2) natural-gas-powered vehicles, (3) methanol-powered vehicles, (4) hybrid vehicles, and (5) gasoline vehicles that meet low-consumption/low-emission standards).
Information disclosure in line with the Environmental Reporting Guidelines	Combined total for costs (investments and expenses) and economic benefits for Chugoku Electric and group companies from initiatives aimed at protecting the environment, calculated with reference to the 2018 edition of the Environmental Reporting Guidelines.
SOx emission intensity	SOx emission intensity (g/kWh) = SOx emissions ÷ thermal power generated electricity ● SOx emissions: Calculated from the sulfur content of fuel and amounts captured by exhaust desulfurization equipment
NOx emission intensity	NOx emission intensity (g/kWh) = NOx emissions ÷ thermal power generated electricity ● NOx emissions: Measured value from measuring equipment

Social

Regional Relations

Two-way communication with the region and society*1

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Social contribution activities: No. of activities	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Times	1,231	1,492	1,710	1,396	1,484
Social contribution activities: Total no. of employees participating	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Persons	7,003	6,957	7,137	7,018	8,095
No. of education support activities for the next generation	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Times	124	176	274	376	355
No. of dialogue sessions to improve understanding of our business activities*2	Chugoku Electric	Persons	—	—	—	—	41,358
No. of groups/persons touring Shimane Nuclear Power Station	Chugoku Electric	Groups (Persons)	213 (2,351)	344 (4,038)	438 (5,989)	500 (7,107)	557 (7,674)
No. of posts by official Chugoku Electric social media accounts	Chugoku Electric	Times	488	628	691	789	802
No. of customer feedback messages received*3	Chugoku Electric	Cases	—	—	—	723	722
No. of cases where feedback was reflected in operations*3	Chugoku Electric	Cases	—	—	—	38	38
Support to promote culture and sports in the region	Energia Culture and Sports Foundation	Cases (Million yen)	142 (24.75)	208 (30.95)	221 (27.92)	226 (28.6)	226 (28.68)
Support for technical research in the region	Electric Technology Research Foundation of Chugoku	Cases (Million yen)	24 (21.76)	26 (21.93)	31 (23.8)	27 (25.3)	30 (28.56)

*1 An original absolute metric used by Chugoku Electric and which is not verified by a third party.
*2 Dialogue sessions held by Chugoku Electric (Regional Relations Division, Shimane Nuclear Power Headquarters, regional offices, etc.)
As fiscal-year-specific data gathering began in FY 3/2026, there are no results for FY 3/2025 and earlier.
*3 As fiscal-year-specific data gathering began in FY 3/2025, there are no results for FY 3/2024 and earlier.

Social

Human Capital

Main employee data*1

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
No. of employees	Chugoku Electric	Persons	4,683	4,564	4,451	4,382	4,330
No. of employees (Male)	Chugoku Electric	Persons	3,650	3,532	3,416	3,336	3,271
No. of employees (Female)	Chugoku Electric	Persons	1,033	1,032	1,035	1,046	1,059
No. of management positions	Chugoku Electric	Persons	2,215	2,188	2,166	2,141	2,123
No. of management positions (Male)	Chugoku Electric	Persons	2,017	1,969	1,929	1,885	1,834
No. of management positions (Female)	Chugoku Electric	Persons	198	219	237	256	289
No. hired	Chugoku Electric	Persons	153	139	158	170	195
No. hired (Male)	Chugoku Electric	Persons	98	86	93	116	128
No. hired (Female)	Chugoku Electric	Persons	55	53	65	54	67
Average age	Chugoku Electric	Years old	42.7	42.6	42.5	42.2	41.8
Average age (Male)	Chugoku Electric	Years old	43.6	43.4	43.3	43.0	42.6
Average age (Female)	Chugoku Electric	Years old	39.8	39.8	39.7	39.8	39.5
Average years of service	Chugoku Electric	Years	21.8	21.5	21.2	20.8	20.2
Average years of service (Male)	Chugoku Electric	Years	23.0	22.7	22.5	22.0	21.4
Average years of service (Female)	Chugoku Electric	Years	17.5	17.3	17.0	17.0	16.5
Total hours worked (per person)	Chugoku Electric	Hours	1,891.0	1,902.0	1,905.2	1,906.4	1,914.1
Annual paid leave taken (per person)	Chugoku Electric	Days	17.2	17.8	17.9	17.6	17.4
Training expenses (per person)*2	Chugoku Electric	Thousand yen	—	116	119	143	164
Labor union membership	Chugoku Electric	%	82.8	82.6	82.5	82.9	82.8
Employee shareholding association membership*3	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	%	76.9	77.0	77.0	76.7	77.4

*1 An original absolute metric used by Chugoku Electric and which is not verified by a third party.
*2 Fiscal year's training expenses ÷ no. of employees at year-end
*3 No. of qualification holders as a proportion of the total no. of members.

Social

Human Capital

People management indicators*1

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
No. of mid-career hires*2	Chugoku Electric	Persons	55	61	79	112	143
Turnover rate*3	Chugoku Electric	%	1.21	0.92	1.64	1.13	1.19
Retention rate after 3 years (for new graduate hires)*2	Chugoku Electric	%	—	94.1	95.0	94.7	93.5
No. taking new employee training	Chugoku Electric	Persons	—	114	118	124	148
Training hours (per person)*4	Chugoku Electric	Hours	—	16.4	15.9	21.4	25.4
No. of persons certified with advanced techniques/skills	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Persons	57	53	49	58	57
Ratio of women at general manager level*5	Chugoku Electric	%	—	1.9	1.9	1.9	3.4
No. of women at general manager level	Chugoku Electric	Persons	—	1	1	1	2
Ratio of women at section chief level or higher*6	Chugoku Electric	%	2.3	3.4	3.8	4.2	5.4
No. of women at section chief level or higher	Chugoku Electric	Persons	12	17	19	21	28
Ratio of women in assistant manager class or higher*7	Chugoku Electric	%	8.9	10.0	10.9	12.0	13.6
No. of women in assistant manager class or higher	Chugoku Electric	Persons	198	219	237	256	289
No. of female technicians	Chugoku Electric	Persons	51	55	63	65	71
Ratio of childcare leave acquisition*8 (Female)	Chugoku Electric	%	110.4	95.0	121.0	107.0	97.0
Ratio of childcare leave acquisition*8 (Male)	Chugoku Electric	%	23.0	40.0	52.0	70.0	89.0
Average length of childcare leave taken (Female)	Chugoku Electric	Days	401	391	451	480	454
Average length of childcare leave taken (Male)	Chugoku Electric	Days	54	74	52	66	77
No. of users of childcare leave (Female)	Chugoku Electric	Persons	53	46	51	44	33
No. of users of childcare leave (Male)	Chugoku Electric	Persons	29	53	55	67	81
No. of users of nursing care leave	Chugoku Electric	Persons	3	4	2	1	5
Wage difference between men and women*9 (All workers)	Chugoku Electric	%	—	69.8	70.7	70.9	71.2
Wage difference between men and women*9 (Regular workers)	Chugoku Electric	%	—	70.6	71.4	71.7	71.7
Wage difference between men and women*9 (Non-regular workers)	Chugoku Electric	%	—	48.1	51.8	49.7	56.2
Hiring rate of persons with disabilities*10	Chugoku Electric	%	2.67	2.61	2.64	2.81	2.73
Employee engagement (Valid response rate)*11,12	Chugoku Electric	%	—	94.5	93.4	92.2	93.2
Employee engagement (Positive response rate)*11,13	Chugoku Electric	%	—	42.9	45.2	46.7	48.9
Employee perception of personnel vision implementation*11,14	Chugoku Electric	%	—	78.7	81.9	82.2	82.3
Psychological safety*11	Chugoku Electric	%	—	68.3	69.4	71.0	72.9
Employee perception of workplace comfort*11	Chugoku Electric	%	—	82.8	84.3	84.6	85.4

*1 An original absolute metric used by Chugoku Electric and which is not verified by a third party.
*2 Excluding hospital medical staff.
*3 No. of workers who left during that fiscal year for personal reasons as a proportion of the no. enrolled at the start of the fiscal year; excludes hospital medical staff.
*4 Total training hours during that fiscal year ÷ no. of employees at year-end.
*5 No. of women in general manager posts as a proportion of the total no. of workers in general manager posts; includes executive officers.
*6 Calculated based on standards in the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).
*7 No. of women in assistant manager class or higher as a proportion of the total no. of workers in assistant manager class or higher.
*8 Calculated based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, and in accordance with Article 71-6-1 of the enforcement regulations for that act. These figures do not include time taken off for the purpose of childcare.
*9 In line with the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015), we calculate female workers' average pay as a proportion of male workers' average pay. For part-time workers, we calculate average annual pay based on number of such workers converted by designated working hours of regular employees.
*10 Figures include those of our special subsidiary and group companies that have received special subsidiary recognition.
*11 The column for FY 3/2023 shows the April 2023 survey results, the one for FY 3/2024 shows the April 2024 results, the one for FY 3/2025 shows the April 2025 results, and the one for FY 3/2026 shows the April 2026 results.
*12 The valid response rate is the percentage of all survey respondents (approximately 3,400 in the case of the April 2026 survey) that answered all questions related to organizational culture items.
*13 The positive response rate is the percentage of valid responses that answered predominantly positively, defined as respondents which an average score of 4.0 or higher where each question (of 14) is scored 1 to 5 on positivity.
*14 We shared with our employees our understanding of the kind of human resources called for in these changing times through our personnel vision "In times of change, we proactively think and act."

Social

Human Capital

People management indicators*1

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Uptake rate for workplace human rights training*2	Chugoku Electric	%	99.5	99.8	100	100	100
No. of participants in workplace human rights training	Chugoku Electric	Persons	3,731	3,872	3,846	3,859	3,819
Total no. of participants in human rights training sessions	Chugoku Electric	Persons	4,603	4,783	4,771	4,726	4,698
Accident frequency rate*3	Chugoku Electric	—	0.29	0.00	1.00	0.29	0.29
Total fatalities/loss of work days (Employees)	Chugoku Electric	Cases	2	0	7	2	2
Total fatalities/loss of work days (Contractors)	Chugoku Electric	Cases	9	4	9	9	11
Occupational fatalities (Employees)	Chugoku Electric	Cases	0	0	0	0	0
Occupational fatalities (Contractors)	Chugoku Electric	Cases	1	0	1	0	3
Electrocution/fall cases (Employees)	Chugoku Electric	Cases	0	0	0	0	0
Electrocution/fall cases (Contractors)	Chugoku Electric	Cases	3	0	2	1	2
Work-related traffic accidents (injuries)	Chugoku Electric	Cases	1	4	1	1	2
Rate of absenteeism*4	Chugoku Electric	%	0.94	0.95	1.14	1.09	1.45
Rate of presenteeism*5	Chugoku Electric	%	2.11	1.57	1.28	1.28	0.92
Stress check uptake rate*6	Chugoku Electric	%	91.2	89.3	93.5	91.1	97.5
Proportion of individuals experiencing high levels of stress*7	Chugoku Electric	%	6.5	6.6	6.8	6.9	5.6
Overall health risk*8	Chugoku Electric	—	73.5	73.5	74.2	73.9	72.0
Proportion recommended additional checks*9	Chugoku Electric	%	87.0	87.0	86.1	86.2	74.1
Complete examination uptake ratio*10	Chugoku Electric	%	56.3	61.8	64.4	64.0	55.6
Proportion recommended medical treatment*11	Chugoku Electric	%	33.9	52.4	43.6	43.1	40.0
Smoking rate*12	Chugoku Electric	%	15.7	15.1	15.3	14.2	14.3
Health event participation rate (walking rally)*13	Chugoku Electric	%	—	—	25.5	27.2	33.0
Health event participation rate (bodyweight measurement challenge)*13	Chugoku Electric	%	—	—	11.6	12.5	10.7
Health event participation rate (health quiz)*13	Chugoku Electric	%	—	—	13.9	14.3	15.0
Appropriate bodyweight maintenance rate*14	Chugoku Electric	%	67.0	67.2	68.0	68.2	68.7

*1 An original absolute metric used by Chugoku Electric and which is not verified by a third party.
*2 No. of participants as a proportion of the no. eligible to participate, which includes company employees and temporary employees; omits those unable to participate due to being on leave, etc.
*3 No. of injuries and fatalities (requiring one or more days off) for every one million hours worked.
*4 No. of consecutive days off due to illness totaling seven or more as a percentage of total days worked; total days off due to illness as a proportion of total days worked.
*5 No. of employees requiring work restrictions due to health reasons as a percentage of the total no. of employees; no. of such employees as a proportion of the total no. of employees.
*6 No. taking stress checks as a proportion of the no. eligible.
*7 No. experiencing high levels of stress as a proportion of the no. taking stress checks.
*8 An indicator of the risk of workplace health problems, with the national average set at 100 (lower scores indicate lower health risk); workload/job control risk × workplace support risk ÷ 100.
*9 No. recommended additional checks at periodic health checks as a proportion of the no. undergoing periodic health checks.
*10 Percentage of those recommended a complete examination that underwent one. No. undergoing a complete examination as a proportion of the no. recommended one.
*11 Percentage of those recommended medical treatment that underwent it at a medical institution. No. receiving treatment at a medical institution as a proportion of the no. recommended medical treatment.
*12 No. of smokers as a proportion of the no. of workers.
*13 No. of participants in each health event as a proportion of the no. of workers.
*14 Percentage of workers maintaining an appropriate bodyweight, defined as a BMI of 18.5 or more and less than 25.0.

Governance

Corporate governance

Board of Directors (composition/no. of meetings)

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
No. of directors*1	Chugoku Electric	Persons	12	11	12	13	13
Female directors	Chugoku Electric	Persons	2	2	2	3	4
Independent external directors	Chugoku Electric	Persons	4	4	5	5	6
No. of meetings of the Board of Directors	Chugoku Electric	Times	14	16	15	15	15
Attendance rate of all directors	Chugoku Electric	%	100	100	100	99	99
Attendance rate of independent external directors	Chugoku Electric	%	100	100	100	99	99

*1 No. as of the end of June for said fiscal year

Director compensation

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
Total compensation for directors*2 (except Audit & Supervisory Committee directors and external directors)	Chugoku Electric	Million yen	340	262	277	427	386
No. of recipients*3	Chugoku Electric	Persons	8	8	8	7	8
Total compensation for Audit & Supervisory Committee directors (except external directors)	Chugoku Electric	Million yen	37	33	33	36	37
No. of recipients*3	Chugoku Electric	Persons	1	1	1	2	1
Total compensation for external directors	Chugoku Electric	Million yen	48	45	55	60	69
No. of recipients*3	Chugoku Electric	Persons	4	5	5	6	7

*2 Includes expenses for points awarded to directors in line with the performance-linked, stock-based remuneration system.
*3 Includes directors who retired as of the close of the annual General Meeting of Shareholders held in said fiscal year.

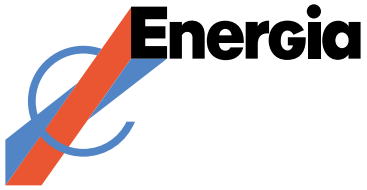
Compliance

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
No. of reports to the Whistleblowing Hotline	Chugoku Electric	Cases	45	48	44	32	42
No. of serious compliance violations*4	Chugoku Electric	Cases	0	5	2	2	6

Information security

	Scope	Unit	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025	FY 3/2026
No. of serious information security incidents*4,5	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Cases	0	0	0	0	1
No. of serious personal information leakage incidents*4	Chugoku Electric and Chugoku Electric Power Transmission & Distribution	Cases	0	4	1	0	1*6

*4 Cases where a press release was issued.
*5 Refers to no. of incidents involving electronic information.
*6 Caused by the serious information security incident (announced April 25, 2025).



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