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.

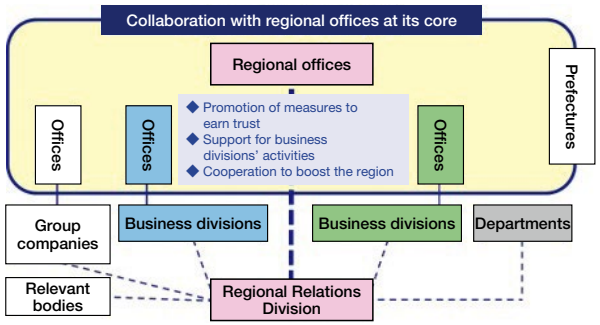
We will continue moving forward with the region and by contributing to its sustainable development, we also aim to enhance our own corporate value.

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

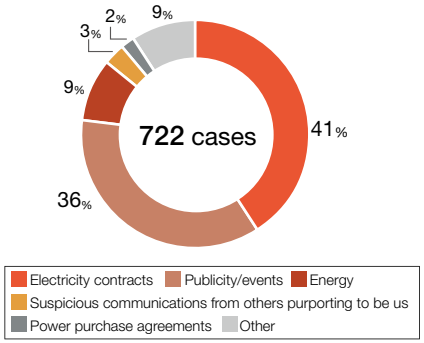
Contribution to the Chugoku region's dynamism and development

Regional Relations

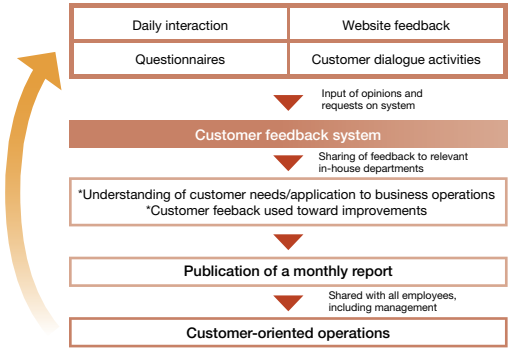
Reflecting customer feedback in business operations

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



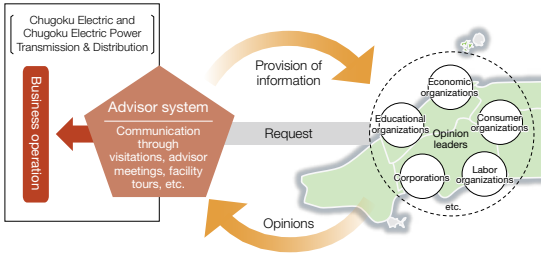
Improvements made as a result of customer feedback

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

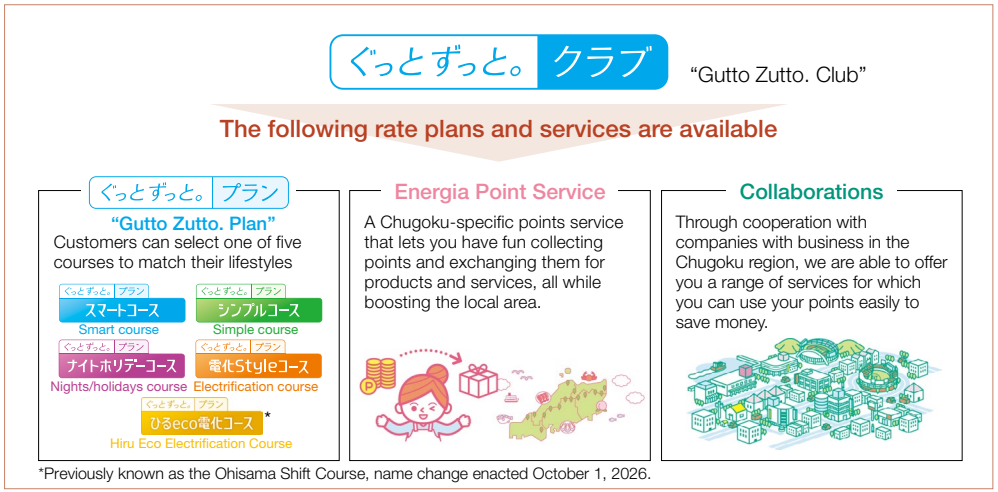
Chuden Kogyo has opened up the site of its former head office and its utilizing it as an exchange hub for the people of the region.
By holding food events with local shopping arcades, talk events, and more besides, it is helping to improve the appeal of the region.



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

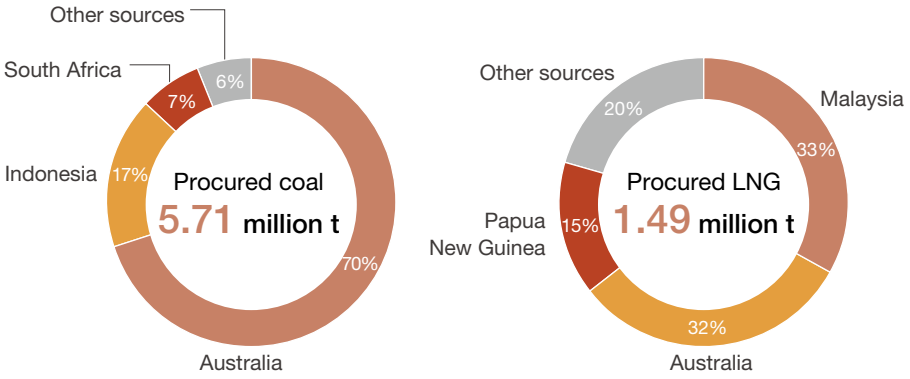
The direction of government measures aimed at securing stable energy supplies and achieving decarbonization can be seen in the formulation of its Seventh Strategic Energy Plan and GX2040 Vision. As the importance of ensuring energy security grows, we are working to build an energy source mix that simultaneously 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

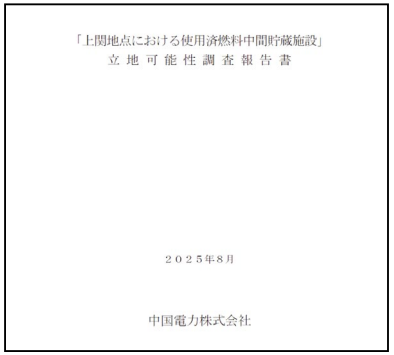
Between August 2023 and August 2025, we conducted a survey in order both to assess the site's potential and to gather data needed to study plans. The results of our analysis and checks, based on the objective data we gained through this surveys, led us to assess that there are no issues standing in the 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)

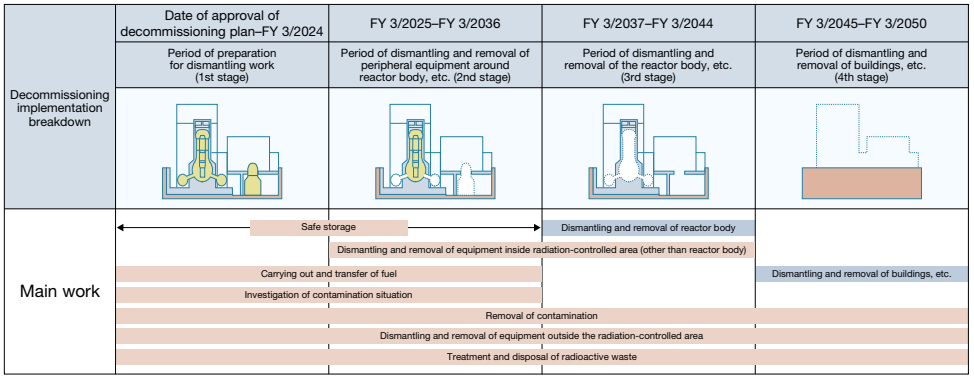


Site viability survey report (August 2025)

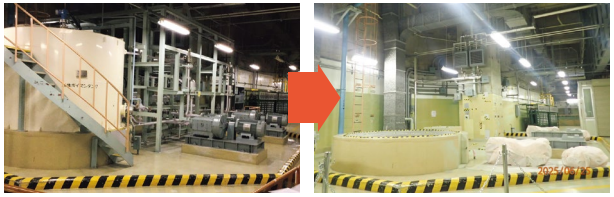
Energy Security

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.

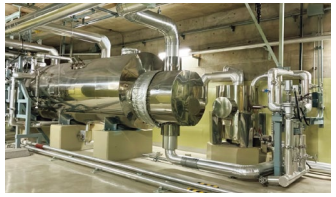


2024–2025: Equipment dismantling
(Equipment around the toxic liquids tank)



Before | After

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



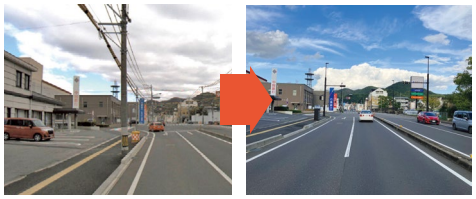
Disaster preparedness drills

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

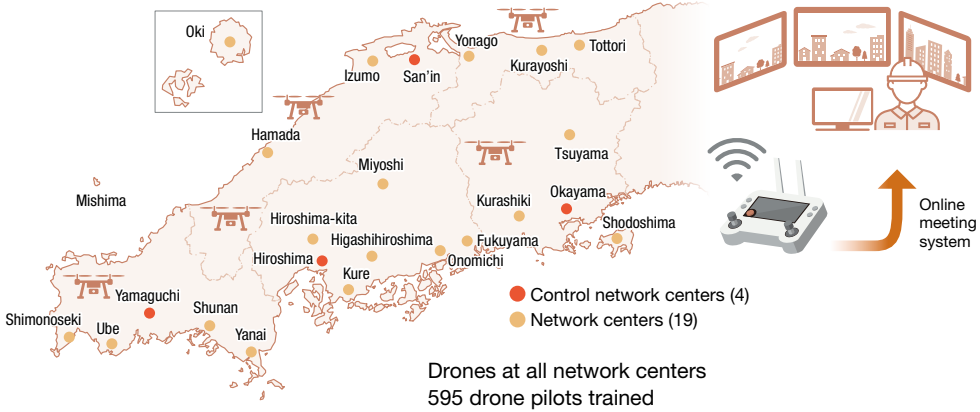


Power outage information app



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

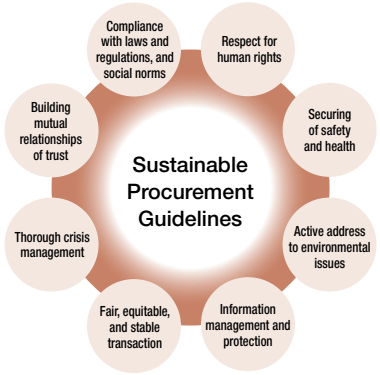
1. Adherence to legal regulations and social standards of conduct
2. Securing of safety and health
3. Active efforts in environmental problems
4. Management and protection of information
5. Provision of fair participation opportunities
6. Selection of suppliers
7. Thorough crisis management
8. Establishment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

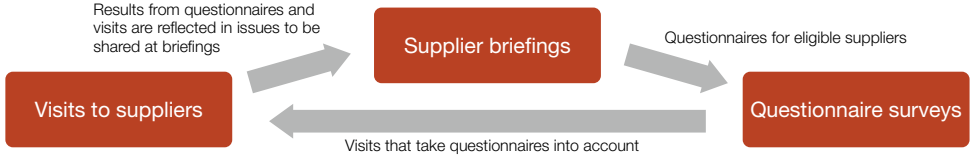


Metrics and Targets

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

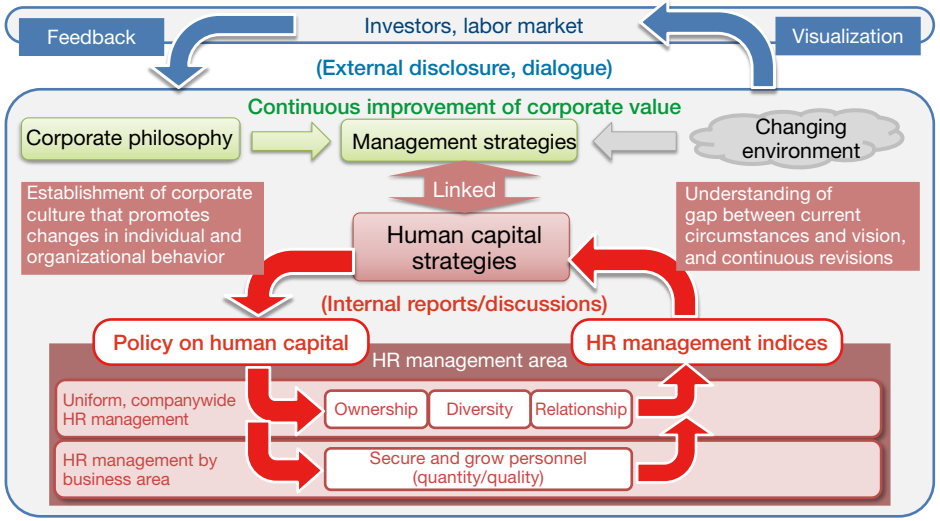
Human Capital

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



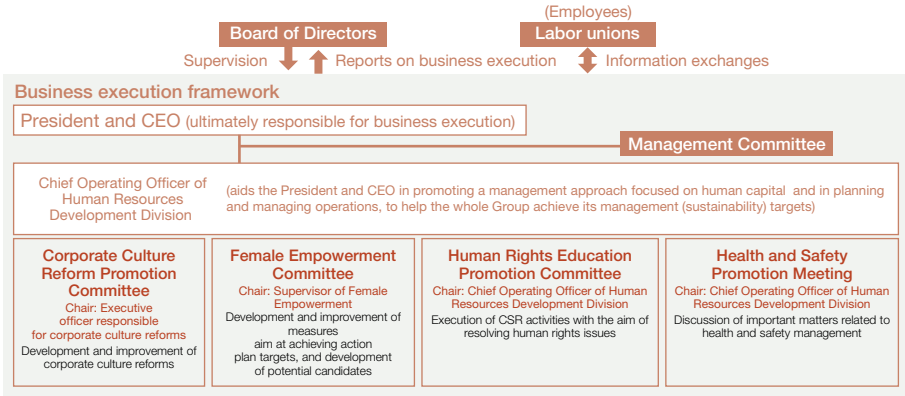
Group Corporate Vision/ Corporate Charter of Conduct

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

DE&I

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

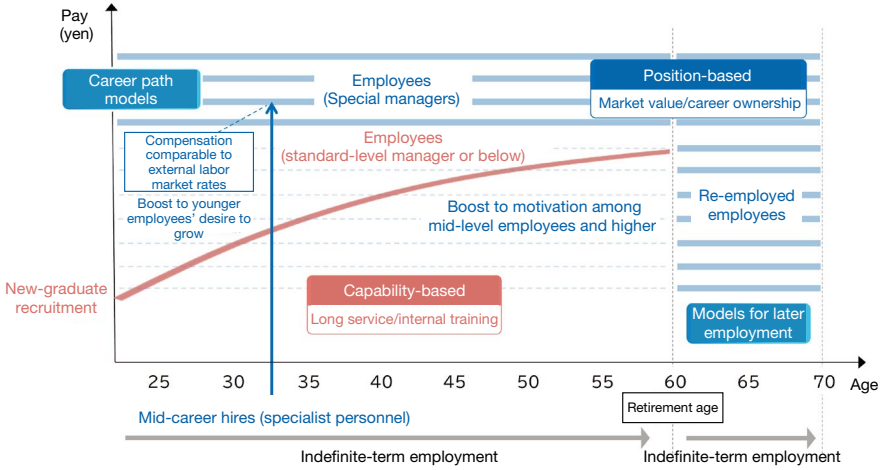
Promoting taking ownership and diversity

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

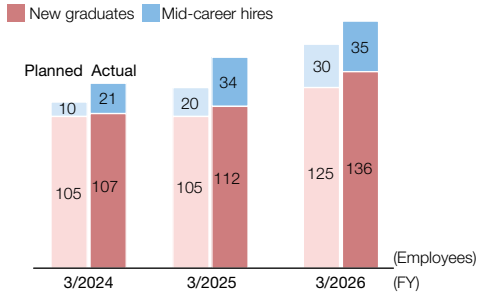
	Who	What & Why
Switch to employee welfare systems with a greater focus on job position (from April 2025)	Special managers	Switch to employee welfare systems for special managers (roles requiring management capabilities or specializations) that are more flexible than job-position-based HR and employee 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

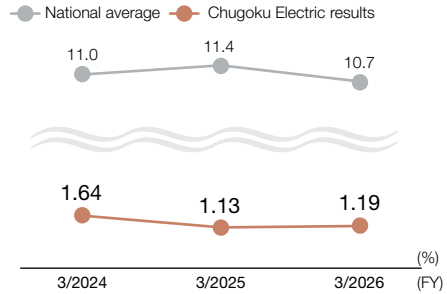
Ahead of the achievement of our Group Corporate Vision, we are promoting the transfer of employees, transfers of techniques and skills, and career development in collaboration with educational institutions, to secure and develop the right number and quality of personnel and ensure they are in the right 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



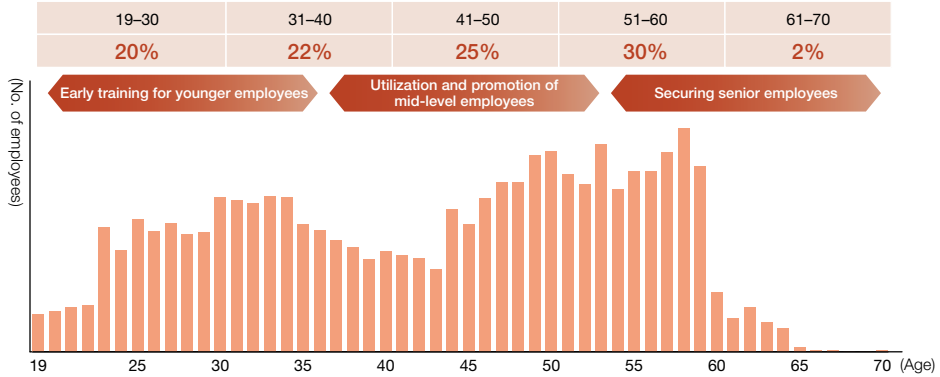
*1 Figures for Chugoku Electric
"Mid-career hires" includes employees who entered the company via the welcome back recruitment and reemployment system.

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

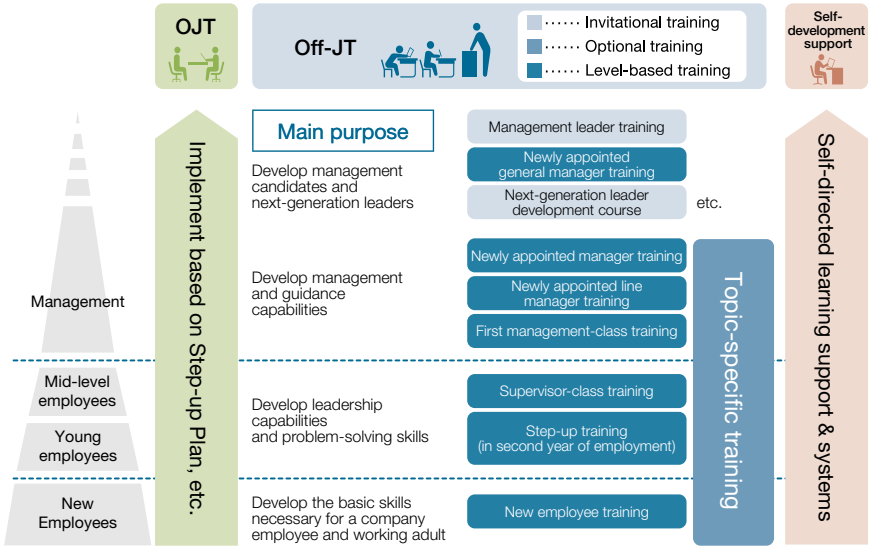
Just as with the proportions outlined in the 70:20:10 rule for human growth, we recognize that it is important to center development on on-the-job training through work experience, linked to off-the-job training and self-development. At Chugoku Electric and Chugoku Electric Power Transmission & Distribution, 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

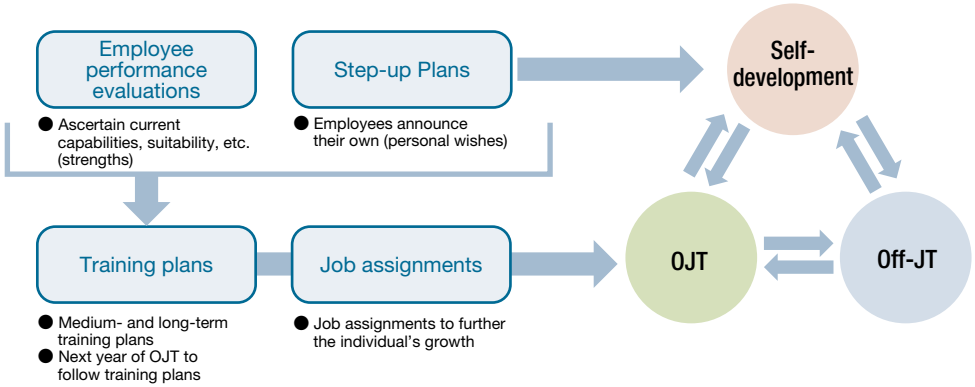
In April each year, we carry out employee performance evaluations, which include two parts: a work performance evaluation that rates the employee's processes and results in their daily jobs, and a suitability evaluation that rates their ability to succeed in their given role and their suitability for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

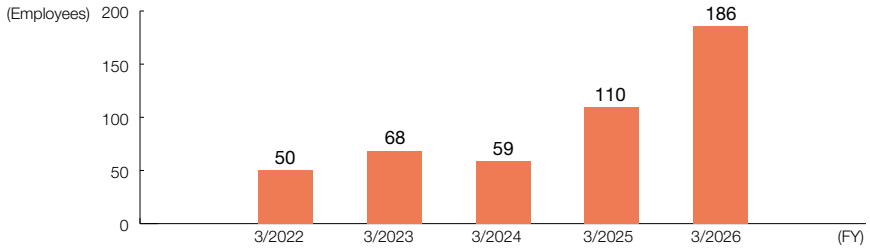
Career development in cooperation with Hiroshima University

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.



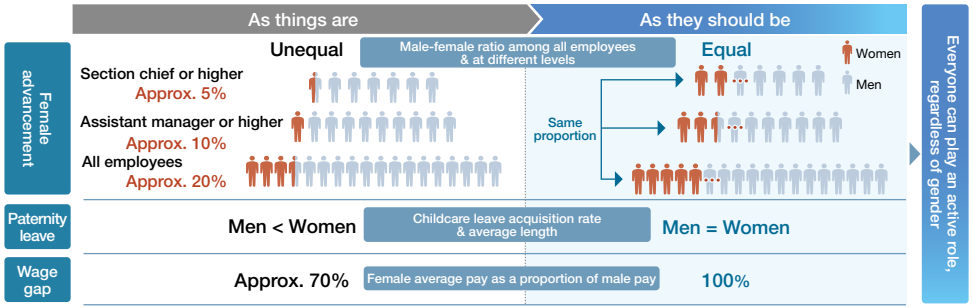
International academic conference (IEEE PES ISGT Europe 2025)

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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

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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.

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Improvement of relationships between individuals and organizations

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

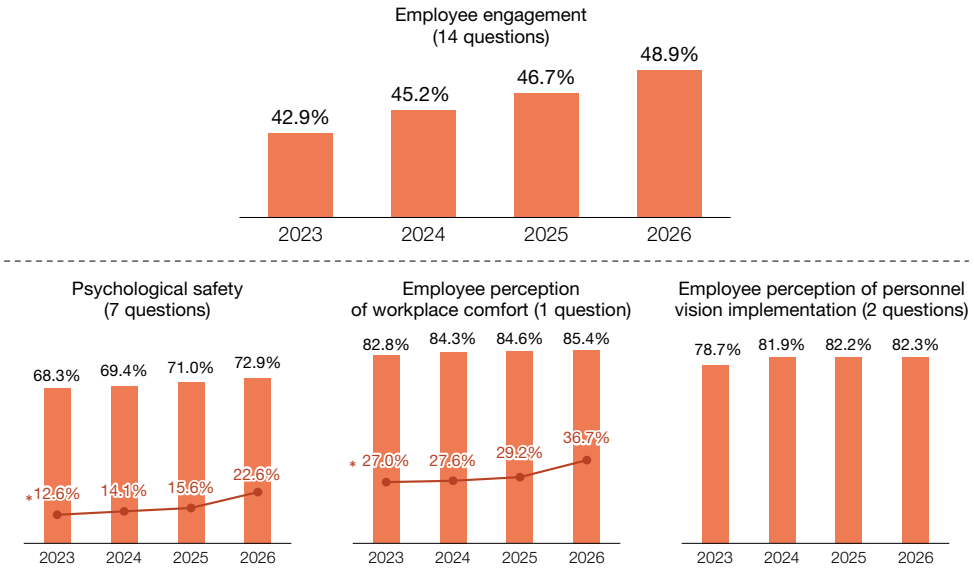
To maximize each employee's potential as we seek to promote active roles by diverse personnel, each year we survey all employees on indicators related to organizational culture—such as employee engagement and psychological safety—in an attempt to quantify employees' thoughts and ideas via a self-reporting 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.

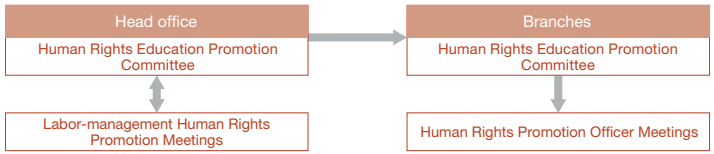
Seven key measures in the Chugoku Electric Power Group Human Rights Policy

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.

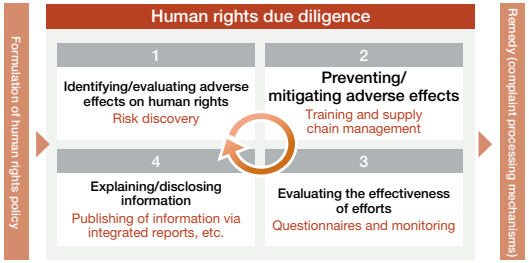
Metric	Scope	Unit	Result	Targets	
			FY 3/2026	FY 3/2027	FY 3/2031
Uptake rate for workplace human rights training*	Chugoku Electric	%	100	100	100

*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

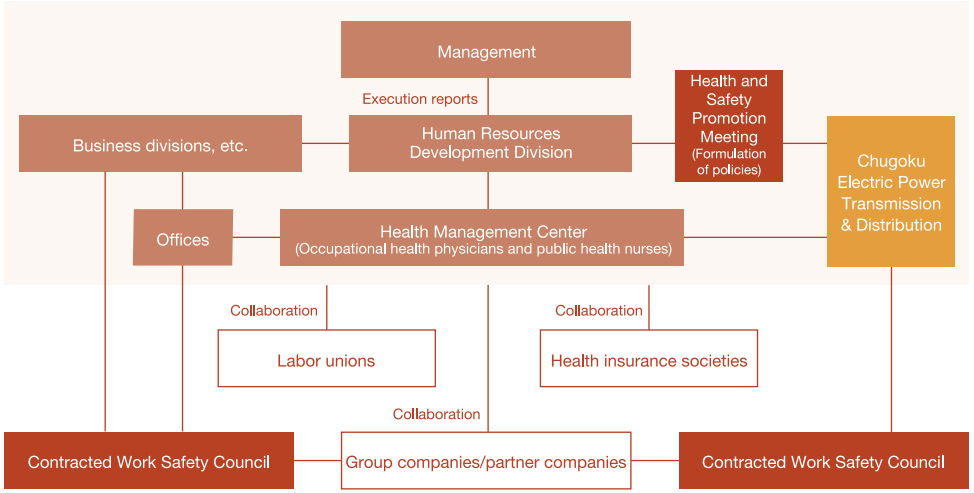
Policies/Approach

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.



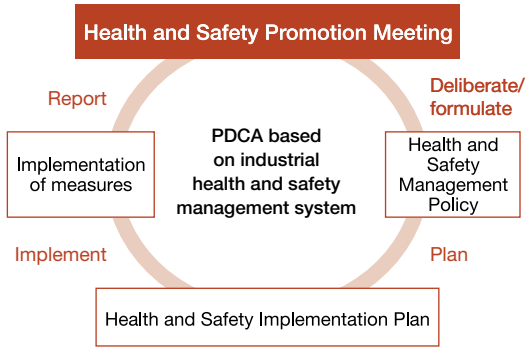
Health and Safety Management Policy

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

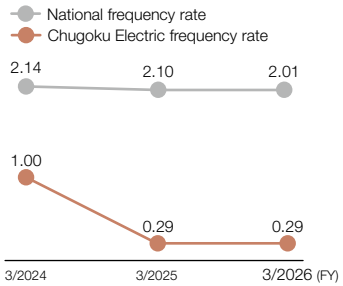
Promotion of health and safety

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

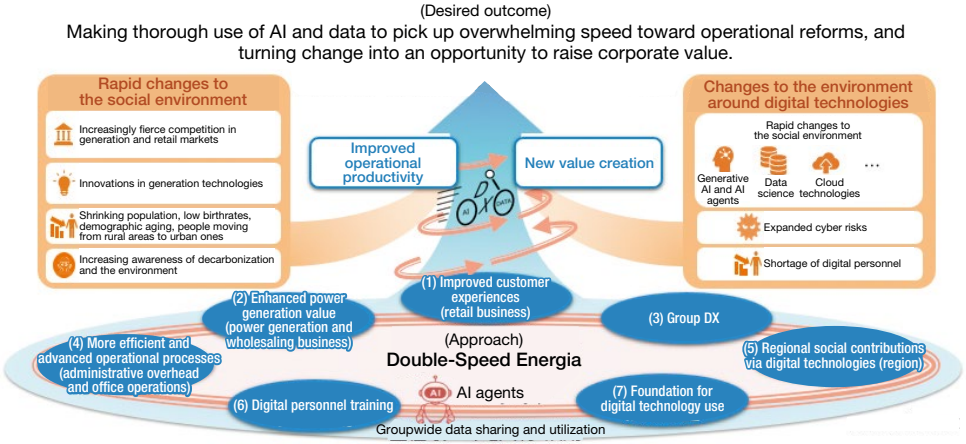
Another way by which we are working to achieve the Group Corporate Vision is using digital technologies to reform tasks (digital transformation; "DX"). For the Group to work as one on this, we formulated the Energia Group DX Strategy to point the way for our digital reforms, laying out our desired outcomes 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.

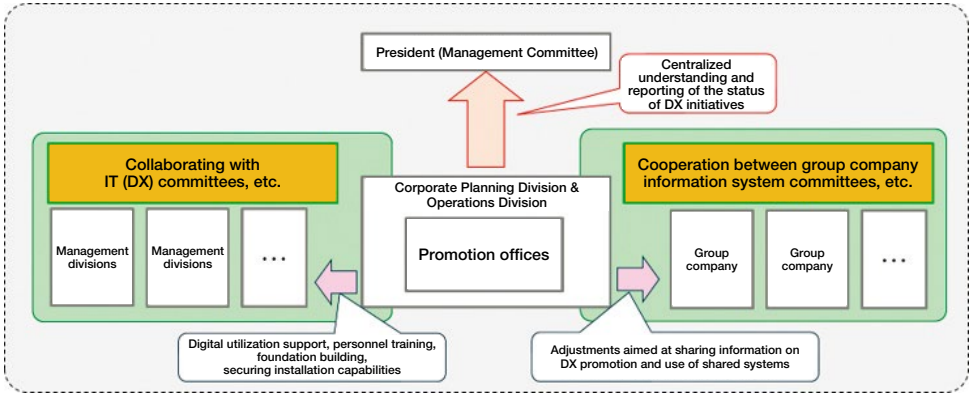
We are advancing efforts toward this DX strategy in two stages. Phase one (FY 3/2027–3/2028) involves reorganizing certain tasks and carrying out advance AI and data use to build up results. In phase two (FY 3/2029–3/2031), we will make use of our findings from the first phase to make full-scale use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

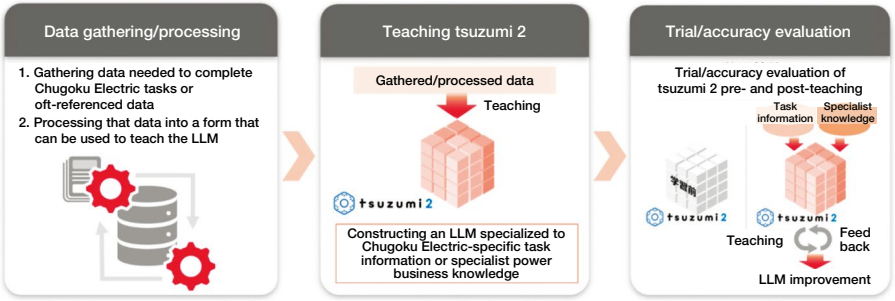




Building LLMs specialized to power-related tasks

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.

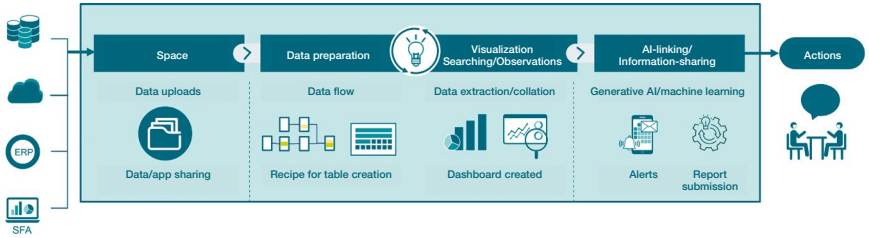
How we use tsuzumi 2 to create and trial an LLM specialized to power business tasks



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.

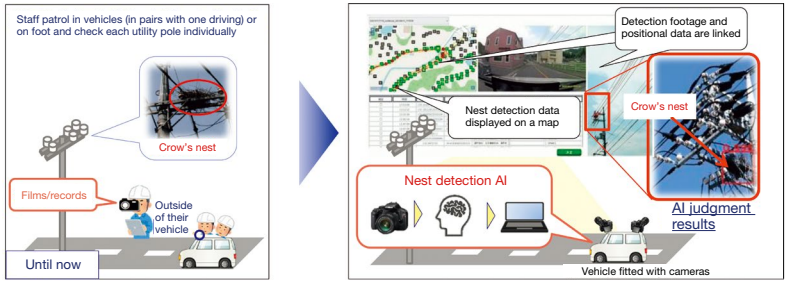
Data utilization tools



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

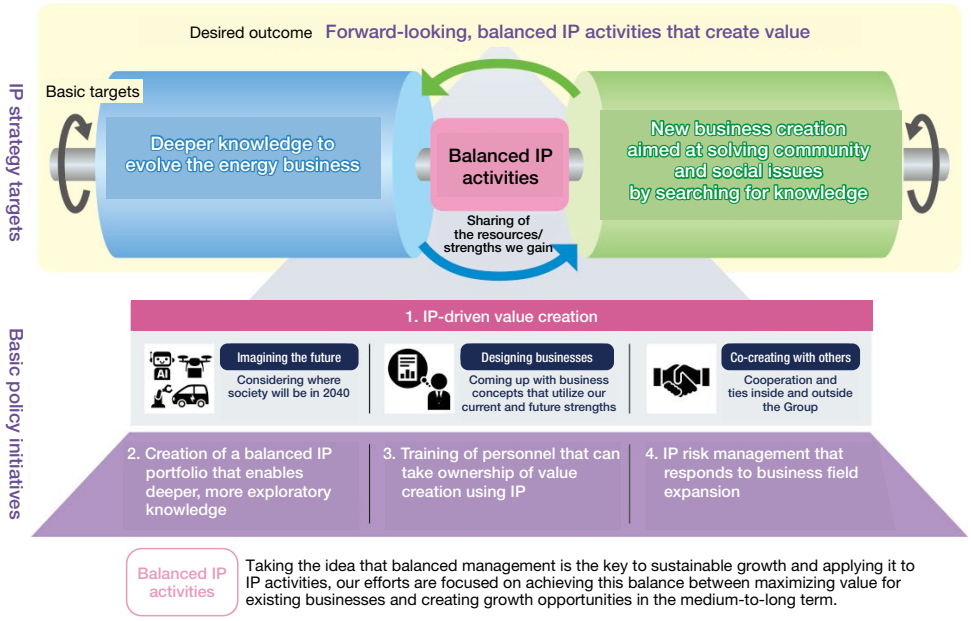
Regarding the direction of our R&D initiatives, we have established three strategic innovation areas and conduct R&D with the aim of innovation in these areas.



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

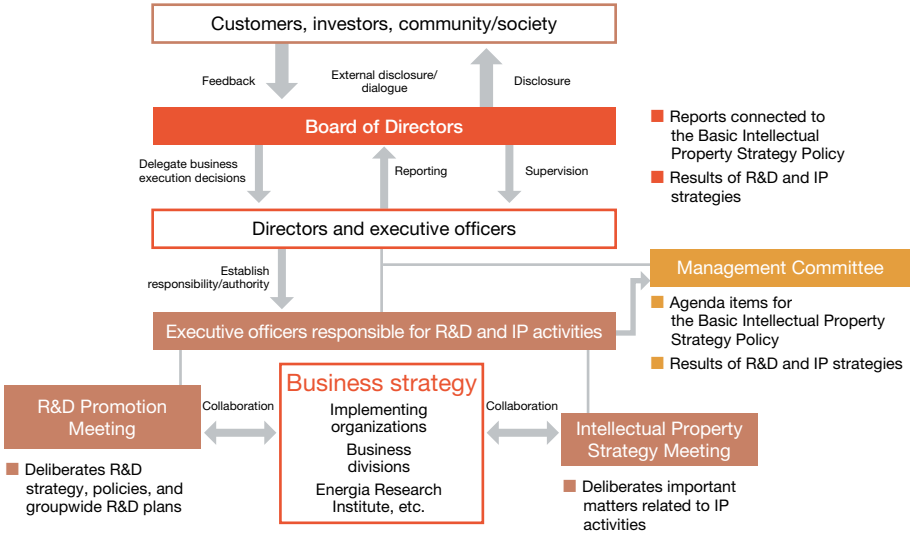
Taking the idea that balanced management is the key to sustainable growth and applying it to IP activities, our efforts are focused on achieving this balance between maximizing value for existing businesses and creating growth opportunities in the medium-to-long term.

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.

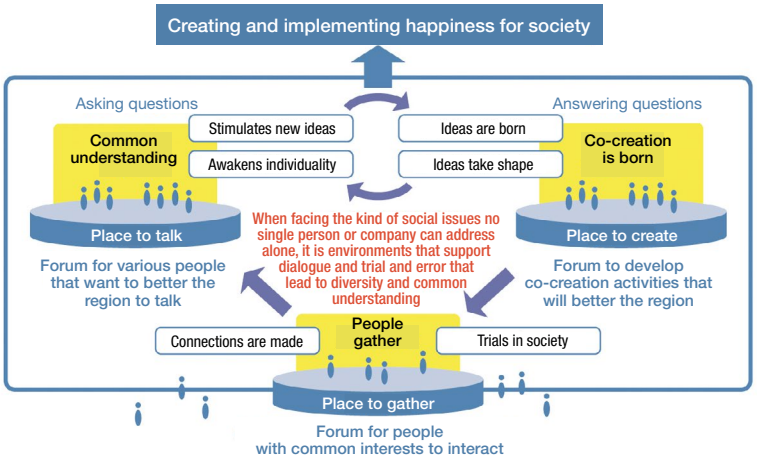
Item	Scope	Result	Targets	
		FY 3/2026	FY 3/2027	FY 3/2031
Developing new projects that lead to business expansion through innovation (utilizing existing patents and core technologies)	Group	2 projects*	Increased utilization rate	Generation of new business opportunities

*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

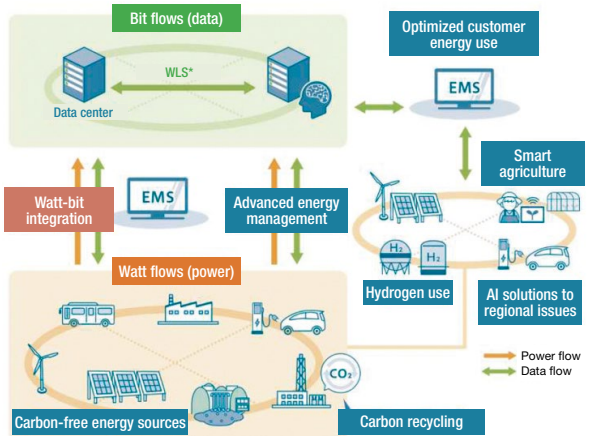
EMS aimed at watt-bit integration

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.

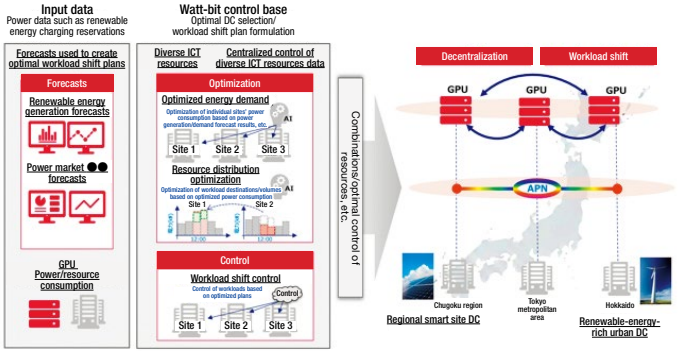
*Workload shift (space-time shift in data processing considering grid congestion)

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.



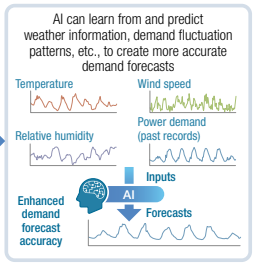
Linked activities with Hiroshima University to advance energy management technologies

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

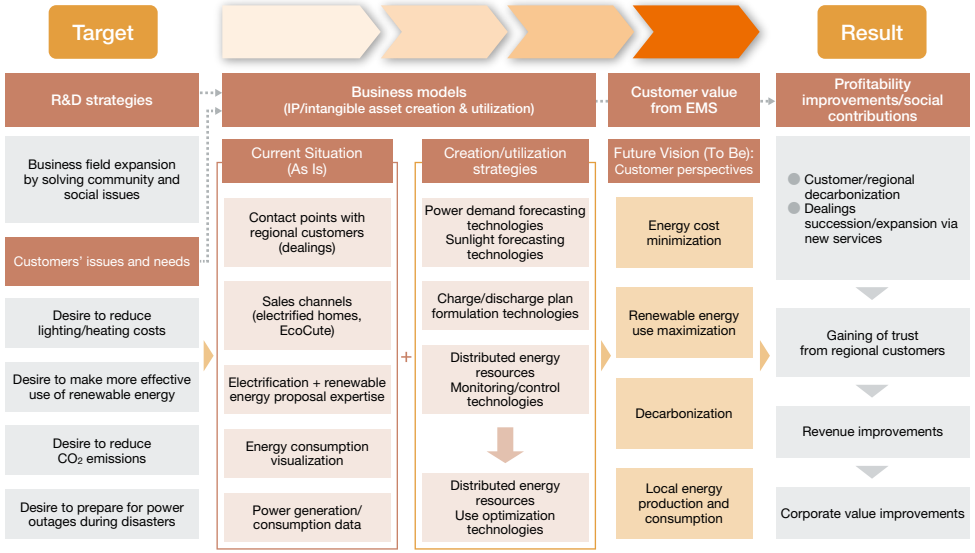
Advances



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





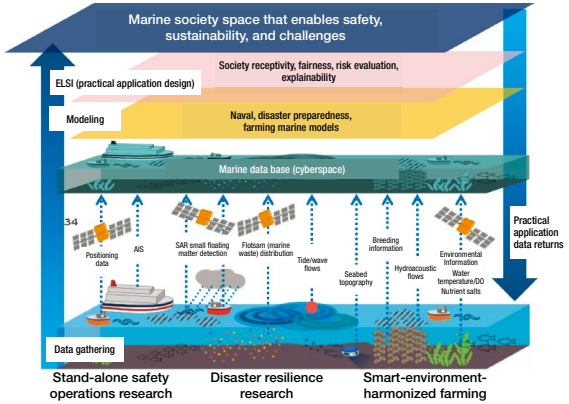


Detected larvae are classed depending on their stage of growth and displayed in a colored box

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

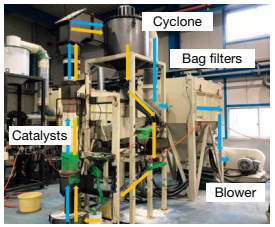
Developing denitration catalyst refinement and regeneration technologies

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.



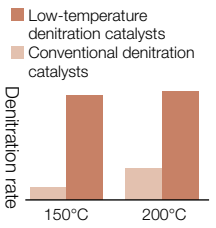
Development of low-temperature denitration catalysts

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

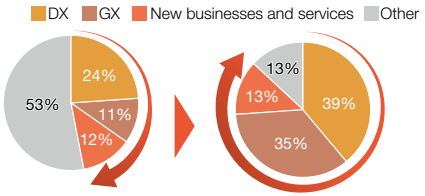
Results of IP activities

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

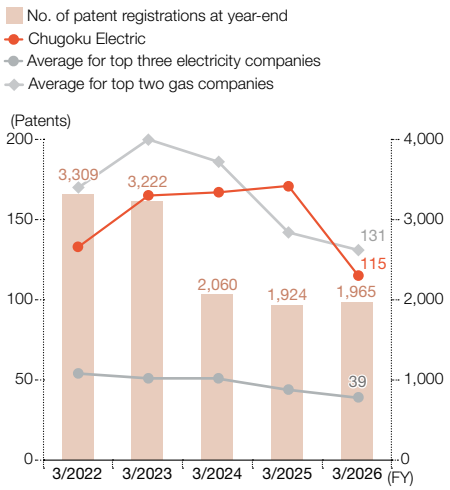
In our efforts to create value, we select and apply for patents that are highly effective and hold significant potential for use. We also regularly carry out stocktaking for the patents we possess and manage them appropriately. Through this, we are expanding our patent holding in priority fields while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



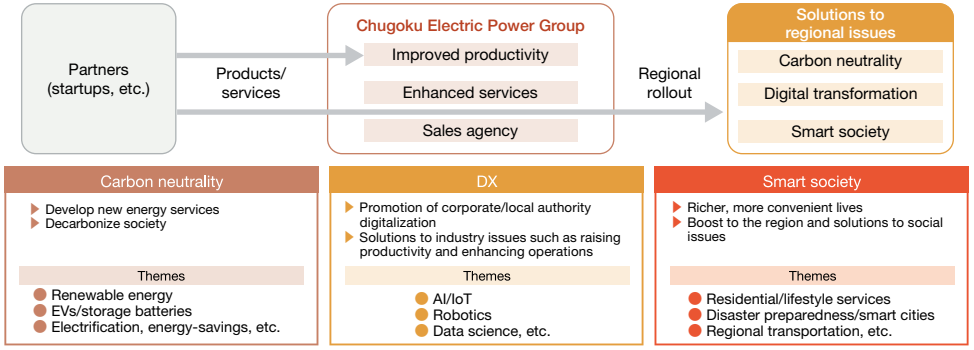
TV commercial

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.

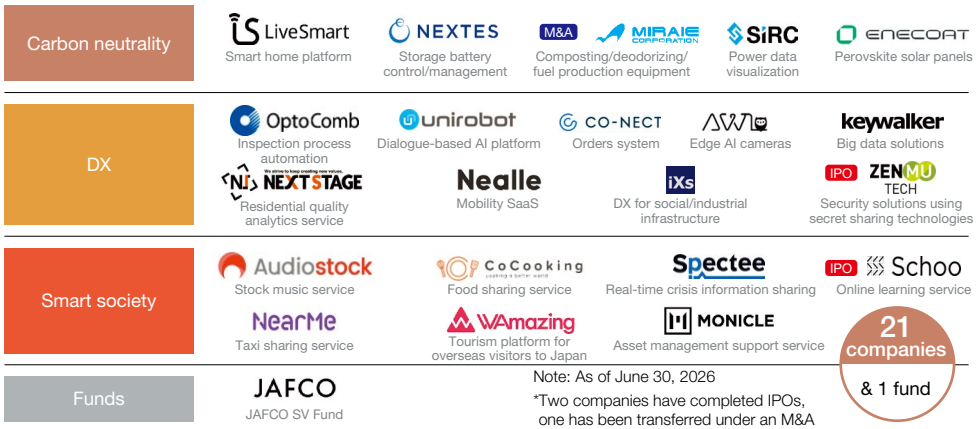
Systems and Governance



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