Corporate Governance

Policies/Approach

Responsibilities of the Board of Directors

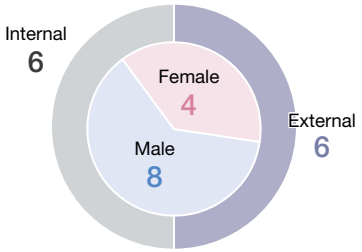
The Board of Directors formulates management strategies and oversees management, incorporating diverse perspectives from external directors. Based on the internal control system and risk management, the Board establishes and maintains fair, transparent, and effective governance to continuously enhance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

Systems and Governance

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

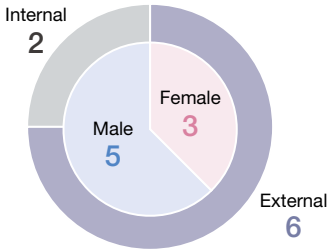
Board of Directors

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



Nomination Committee and Compensation Committee

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



*Applies to both committees

Metrics and Targets

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

Ratio of independent external directors and female directors

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

*As of June 25, 2026.

Enhancing the Board of Directors' role in strengthening earning power

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

*As of June 25, 2026.

Initiatives

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

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

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

Integrated Report Strengthening Corporate Governance P58

Risk Management

Policies/Approach

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

Integrated Report Risk Management P68

Systems and Governance

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

Integrated Report Risk Management P68

Metrics and Targets

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

Initiatives

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

Risk Management

Risk management activities

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

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

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

Continued on next page

Integrated Report Chugoku Electric Power Group Risk Map P69

Risk Management

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

Continued on next page

Risk Management

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

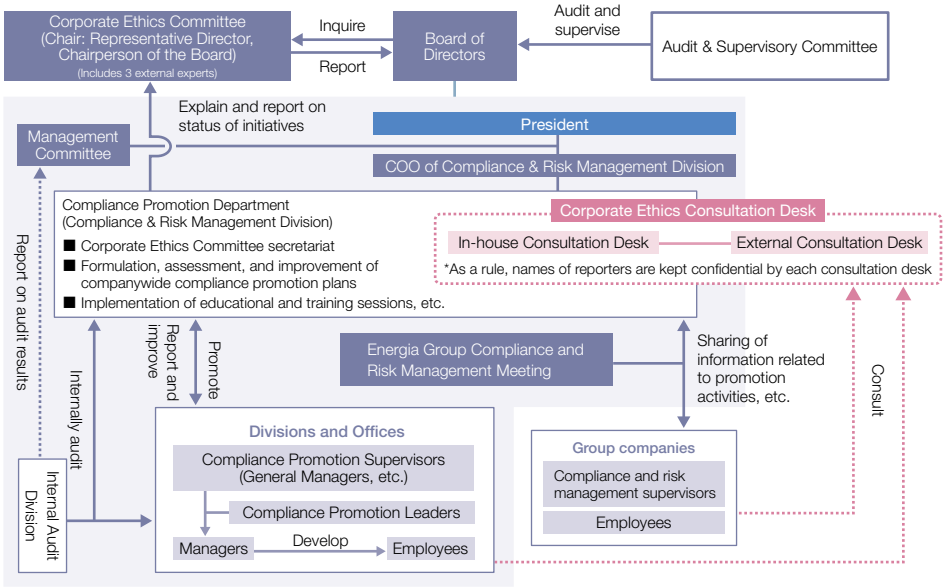
Compliance

Policies/Approach

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

Systems and Governance

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



Compliance Promotion Supervisors/Leaders

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

Whistleblowing Hotline

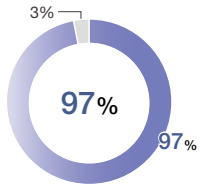
As part of our whistleblowing system, we have set up an in-house consultation desk and also an external one at a law firm. We thus have a system in place to receive reports and consultations from all individuals associated with the Group, including business partners and overseas group companies. There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

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

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

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

Awareness of the Chugoku Electric Whistleblowing Hotline



Energia Group Compliance and Risk Management Meeting

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

Compliance

Metrics and Targets

Initiatives and metrics for realizing the Group Corporate Vision

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

Initiatives

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

Compliance training held in FY 3/2026

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

Compliance training content (FY 3/2026)

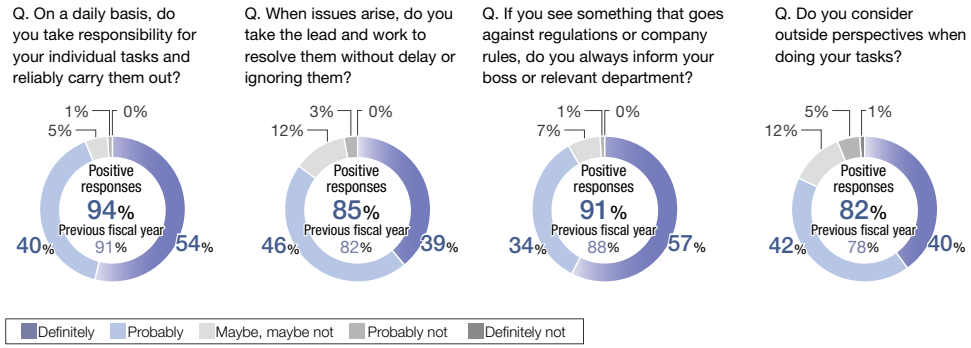
Subject	Content
Upper management*1	Invited instructors from outside the company to hold discussion-based training sessions relating to the roles of managers with subordinates.
Compliance promotion supervisors, etc.	
Managers*1 with subordinates	Training was provided by external instructors on the roles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

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

Workplace and employee awareness surveys

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

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



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

Anti-bribery and anti-corruption initiatives

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

Information Security

Policies/Approach

Information Security

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

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

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

Personal Information Protection

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

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

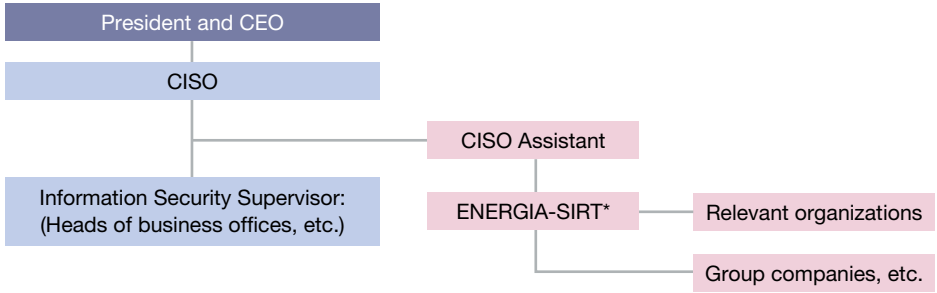
Systems and Governance

Information Security

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

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

Information Security Response Framework



*SIRT: Security Incident Response Team

Personal Information Protection

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

Information Security

Metrics and Targets

Information security

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

Personal information protection

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

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

Initiatives

Information Security

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

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

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

Personal Information Protection

Personal information protection training

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

Management status inspections

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