

Becoming a Force that Lights Up the Future

Business Management that Increases Sustainability

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- P.56 Practice of Human Capital Management
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Response to Environmental Issues

For the sake of the earth and communities and their future, our Group is taking initiatives against climate change and initiatives for environmental conservation to reduce environmental burdens.

Initiatives Against Climate Change



In order to increase the effectiveness of our efforts to create our sustainable corporate value, we are striving to identify changes in social needs and risk factors from an ESG perspective and reflecting those we identified in our business operations. As part of it, in September 2019, we expressed our support for the TCFD* recommendations to sufficiently disclose information on climate change and fulfill our accountability to our stakeholders.

* Abbreviation for the "Task Force on Climate-related Financial Disclosures". The TCFD was established in December 2015 by the Financial Stability Board (FSB), which is composed of financial authorities of major countries, in response to a request from the G20 Finance Ministers and Central Bank Governors. In June 2017, the TCFD published recommendations on the disclosure of information concerning climate-related risks and opportunities.

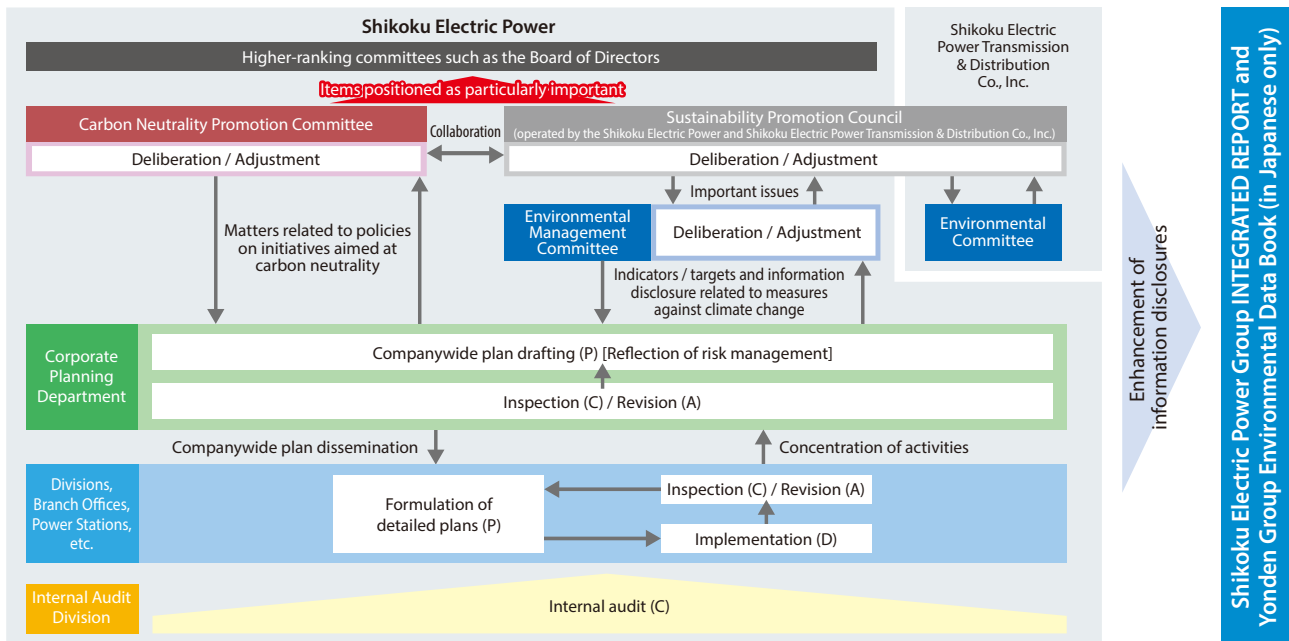
Governance

Governance and promotion framework for measures against climate change

We have positioned our response to climate change as an important challenge in our business management, and we are actively taking initiatives against climate change under the leadership of our committee to promote sustainability (chaired by the President), committee for environmental management (chaired

by the General Manager of the General Planning Division), and committee to promote carbon neutrality (chaired by the President).

Any issues that are deemed important in deliberation by the committees are submitted to the Board of Directors and other higher-level committees, and issues determined as important are described in the annual management plans and business plans to solve the issues.



Environmental Management Committee	Established to deliberate on targets for climate change, and evaluation, management, and disclosure of our achievements of the targets.
Carbon Neutrality Promotion Committee	Established to deliberate on policies of initiatives for supply and demand (See pages 28 and 29) aimed at our carbon neutrality by 2050.

Performance-linked remuneration system in consideration of climate change measures

We introduced a performance-linked remuneration system (See page 69) for our directors and other officers to reflect our

achievements for climate change in their remuneration in order to advance our efforts for low-carbon implementation and decarbonization.

Response to Environmental Issues

Risk management

We recognize the importance of managing climate change-related risks, and every year we consider the likelihood of the risks occurring and their impact on income and expenditures (increase in costs) to identify climate change-related risks that could have a significant impact on our business. The identified

risks are checked by management, and confirmed risks are mentioned in our business plans for the next year to let our employees prevent the risks from occurring.

* The management system for climate change-related risks is integrated into the company-wide risk management system (See page 70).

Strategy

We will continually assess how climate change-related risks and opportunities will affect our business with conceivable scenarios, and based on the results of the assessment, we will develop and implement necessary measures and countermeasures.

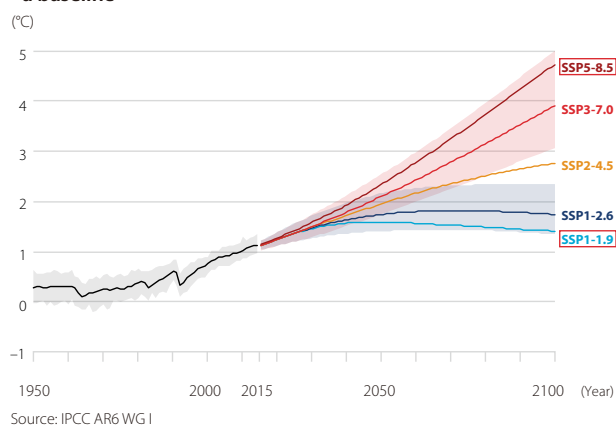
Scenario selection

To curb temperature rise, we selected a scenario in which no additional countermeasures are taken (4°C scenario*¹), and a scenario in which currently announced policies are fully achieved and additional countermeasures are taken (1.5°C scenario*²), and envisioned outlooks for the electricity industry under the scenarios.

*¹ Reference: STEPS (Stated Policies Scenario) by the International Energy Agency (IEA), SSP5-8.5 in the Sixth Assessment Report by IPCC

*² Reference: Net Zero Scenario (NZE) by the International Energy Agency (IEA) and SSP1-1.9 in the Sixth Assessment Report by IPCC

Changes in global average temperature, using 1850 to 1900 as a baseline



Source: IPCC AR6 WG I

Future image of the electric power business

Item		1.5°C Scenario	4°C Scenario
Policies	Energy policies	• Sudden change in policies aimed at decarbonization (to promote the development of renewable energy, nuclear energy and hydrogen energy)	• Gradual change in policies aimed at decarbonization (to maintain thermal power generation, introducing renewable energy along the current policy path, giving consideration to stable supply and economic factors)
	Other policies	• Rapid introduction of carbon tax and emissions trading system	• Gradual introduction of carbon tax and emissions trading system
Technology	Low carbonization and decarbonization technologies	• Rapid progress in technological innovation for low-carbon and carbon-free power generation	• Slow progress in technological innovation for low-carbon and carbon-free power generation
Fuel price	Fossil fuels	• Decrease in the amount of fossil fuels used, which leads to a fall in fuel prices	• Gradual decrease in the amount of fossil fuels used, which leads to a gradual fall in fuel prices
Market	Energy demand	• Electrification progressing toward decarbonization, causing an increase in electricity demand	• Momentum in society toward decarbonization not increased, causing electrification to delay and electricity demand remain at the current level
	Customer needs	• Significant increase in demand for low-carbon and decarbonized power	• Increase in demand for low-carbon and decarbonized power remaining at a certain level
Disasters	Unusual weather	• No significant change in the extent of damage caused by a typhoon or other unusual weather	• Significant increase in damage by a typhoon or other unusual weather

Risks and opportunities

We have identified climate change-related risks and opportunities for the 1.5°C and 4°C scenarios. We then assessed the major impacts of the risks expected for the respective scenarios, including how they will affect our business from the perspective of income and expenditure. Through the assessment, we confirmed that costs may increase, mainly due to an increase in the ratio of non-fossil fuel power sources/reinforcement in regulations on thermal power sources and to the introduction of carbon pricing. However, we also

confirmed that we can expect an improvement in income and expenditures due to an increase in the value of non-fossil fuel power sources and to progress in electrification and increase in demand for low-carbon and decarbonized power.

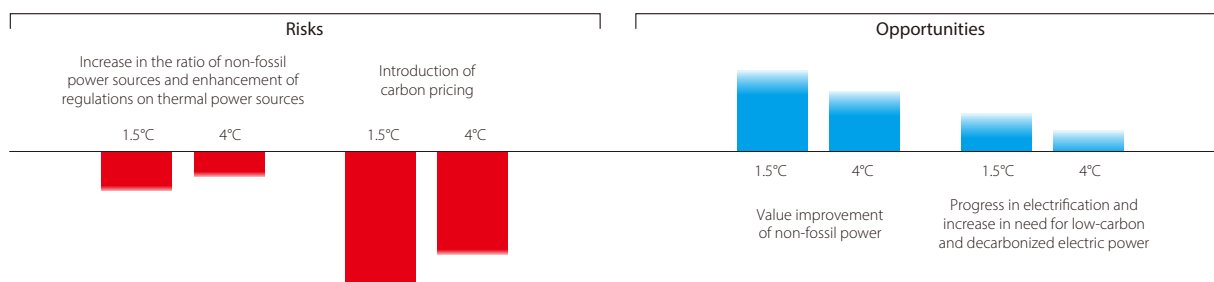
Also, we considered measures to minimize the risks and maximize the opportunities. The measures have already been described in our Group's Medium-term Management Plan, and we will do our business according to the plan to help realize a sustainable society.

Key risks, opportunities and measures extracted from each scenario

Classification		Impact period*	Details of risks and opportunities	Main measures
Transition risks	Policies and regulations	Increase in the ratio of non-fossil power sources and enhancement of regulations on thermal power sources	• Increase in costs due to the increase in the ratio of non-fossil power sources and enhancement of regulations on thermal power sources	<ul style="list-style-type: none"> • R&D and introduction of new technologies such as hydrogen and ammonia power generation • Expansion of the introduction of renewable energy power sources • Advising for energy policy and involvement in energy policy
		Introduction of carbon pricing	• Increase in costs due to the introduction of carbon pricing	
	Market	Decrease in electricity sales	<ul style="list-style-type: none"> • Decrease in electricity sales due to the spread of distributed power sources • Decrease in the customer acceptability for pricing plans with low environmental value derived from thermal power sources, resulting in reduced electricity sales 	<ul style="list-style-type: none"> • Planning for profit opportunities with business projects designed to leverage distributed power resources • Promotion of low carbonization and decarbonization of power sources
Reputation	Insufficient information disclosure	• Decline in investor appetite, reputational damage resulting in higher funding costs, lower stock price, and/or divestment	• Proper disclosure of information to stakeholders	
Physical risks	Chronic	Unusual weather persistent and chronic	<ul style="list-style-type: none"> • Insufficient supply and adjustment capacity against severe weather condition • Decrease in hydropower generation due to decrease in the water flow rate incidental to changes in precipitation patterns 	<ul style="list-style-type: none"> • Assurance of sufficient power supply and adjustment capacity through more application of electric energy • Implementation of more efficient power generation and optimization of power operations
	Acute	Intensification of natural disasters	• Large increase in the cost of recovery from typhoons and other natural disasters	• Reinforcement of partnerships with local governments and related organizations to make our organizational scheme for disaster response
Opportunities	Energy sources	Value improvement of non-fossil power	<ul style="list-style-type: none"> • Increase in advantages of nuclear power stations • Increase in profits with more power generation through renewable energy 	<ul style="list-style-type: none"> • Safe and stable operation of our nuclear power stations • Increase in investment in renewable energy sources
		Progress in R&D for new technologies	• Commercialization of hydrogen utilization technologies and other advanced technologies through R&D	• Joint R&D and demonstration tests with manufacturers and other electric power companies
	Products and services	Progress of electrification and increase in need for low carbonized/decarbonized electric power	<ul style="list-style-type: none"> • Increase in electricity sales due to greater need for electrification • Increase in electricity sales in accordance with the increase in need for low carbon and decarbonized electric power 	<ul style="list-style-type: none"> • More deployment of low-carbon and decarbonized power sources and promotion of electrification • CO₂-free pricing plans
	Resilience	Increase in need for secure power supply and adjustment capacity	• Increase in market prices due to insufficient power supply and adjustment capacity nationwide	• Secure power supply and adjustment capacity through optimization of supply facilities
Increase in need for disaster prevention and mitigation		• Reinforcement of trust relationships with customers and society and improvement of our corporate reputation through disaster-resilient business management	• Reinforcement of our capability to cope with disasters through reinforcement of facilities and partnerships with local governments and related organizations	

* Short-term and medium-term: Up to 2030; Long-term: Up to 2050

Major impact assessment for FY2030 by scenario



Response to Environmental Issues

Transition plan: Carbon Neutral Challenge 2050

Our Group has touted our goal to become carbon neutral in 2050 as a long-term priority within our Medium-Term Management Plan.

For the challenge, based on the measures for addressing climate change-related risks and opportunities incorporated in

■ Indicators and targets

We have set targets for various climate-related indicators, including CO₂ emissions from our retail sector and power generation sector. We are promoting initiatives that are aimed at achieving the goals to minimize climate change-related risks and maximize opportunities.

Targets for reduction of greenhouse gas emissions for fiscal 2030

We have set a target of reducing our own greenhouse gas emissions (direct emissions associated with fuel use for our own power generation) by 30% compared to fiscal 2013 levels (from 12.21 million tons to 8.5 million tons) by fiscal 2030, and a target of halving the CO₂ emissions from the retail sector compared to fiscal 2013 levels (from 19.62 million tons to 9.8 million tons, approximately). We aim to achieve the targets through low-carbon and decarbonized power sources by making maximum use of nuclear power, making renewable energy the main power source, and improving the efficiency of thermal power generation, and through increased application of electric energy by promoting electrification in the industrial and transport sectors.

*See page 29 for actual emissions in FY2023.

Green bonds

From the viewpoint of diversifying our financing, we have been issuing green bonds to get funding only for environmental conservation projects to achieve our carbon neutrality by 2050.

■ Overview of green bonds and appropriation of funds (as of March 31, 2024)

	First	Second
Issue date	October 25, 2022	September 25, 2023
Funding	10 billion yen	10 billion yen
Appropriation	Done	Done
Refinancing	9.5 billion yen	6.5 billion yen
Interest rate	0.889% per annum	1.002% per annum
Application	Development, construction, operation, and renovation of renewable energy power sources	Storage battery business in addition to those mentioned on the left

our Medium-Term Management Plan, we have formulated a roadmap (page 28 and page 29) concerning the low-carbon and decarbonized power sources, more application of electric energy with a view to fiscal 2030 and even further ahead to fiscal 2050, and we promote their initiatives while considering environmental conservation.

■ Shikoku Electric Power's targeted emissions in the GX League

Emissions volume [10,000 tons-CO ₂]	Criteria	Targets		
	FY2013	FY2025	Total for FY2023-FY2025	FY2030
Scope 1	1,221	950	2,850	850
Scope 2	0.0465	0.0240	0.0720	0.0240

■ Emissions throughout the supply chain in FY2023*1

	Scope 1*2	Scope 2*3	Scope 3*4
Emissions volume [10,000 tons-CO₂]	791*5	0	533

Scope 3 breakdown	Emissions volume [10,000 tons-CO ₂]
Capital goods	54
Fuel and energy-related activities	430
Investments	24
Other	25

*1 Calculated for Shikoku Electric Power and consolidated subsidiaries (excluding companies with negligible emissions) with reference to the "Basic Guidelines for Calculating Greenhouse Gas Emissions through the Supply Chain (ver. 2.6)" (Ministry of the Environment / Ministry of Economy, Trade and Industry) and other relevant documents

*2 Direct emissions associated with fuel use for our own power generation

*3 Indirect emissions associated with the use of electricity purchased from other companies at our workplaces and offices

*4 Indirect emissions in electricity purchased from other companies

*5 Lower wholesale market prices resulted in lower wholesale electricity sales than in previous years, which reduced emissions in fiscal 2023

For our green bonds, DNV Business Assurance Japan Co., Ltd., a third-party evaluation organization, has confirmed that the bonds conform to the principles of green finance.

■ Environmental improvement effects of projects funded by the second green bond (as of March 31, 2024)

Type	Capacity of production with renewable energy*1 (MW)	Amount of CO ₂ emission reductions*2 (t)
Hydropower	17.9	6,607
Wind power	0.9	—
Solar power	116.6	42,967
Storage batteries	6.6	—
Total	142.0	49,574

*1 Including the capacity of renewable energy in projects under construction and projects preparing for construction

*2 Calculated using power generation and CO₂ emission factors for renewable energy in projects that have already been in operation

Indicators and targets																	
<p>Ratio of non-fossil certificates held by the retail sector to the amount of electricity sold 44% or more in fiscal 2030</p>	<p>In order to respond to opportunities such as the increasing need for low-carbon and decarbonized electricity, we will aim to increase the ratio of non-fossil certificates held by the retail sector in relation to the amount of electricity sold (equivalent to the ratio of non-fossil power sources specified by the Act on Sophisticated Methods of Energy Supply Structures) to 44% or more in fiscal 2030. We will also work on safely and stably running our nuclear plants, which are non-fossil power sources, and increasing the output of our hydropower plants.</p> <div data-bbox="986 378 1442 427" data-label="Caption"> <p>Ratio of non-fossil certificates held by the retail sector to the amount of electricity sold</p> </div> <div data-bbox="1002 432 1442 656" data-label="Figure"> <table border="1"> <caption>Ratio of non-fossil certificates held by the retail sector to the amount of electricity sold (FY2023)</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>No non-fossil values</td> <td>68%</td> </tr> <tr> <td>Non-fossil certificates (with certification for renewable energy)</td> <td>7%</td> </tr> <tr> <td>Non-fossil certificates (without certification for renewable energy)</td> <td>14%</td> </tr> <tr> <td>Allocation of surplus non-fossil values (free allocation in FIT system)</td> <td>11%</td> </tr> </tbody> </table> <div data-bbox="986 674 1442 775" data-label="Text"> <p>*The Act on Sophisticated Methods of Energy Supply Structures sets targets for the ratio of non-fossil fuel energy sources, such as renewable energy and nuclear energy, to retail electricity suppliers, and requires them to use non-fossil fuel sources for at least 44% in their respective production of power for sales by fiscal year 2030.</p> </div> </div>	Category	Percentage	No non-fossil values	68%	Non-fossil certificates (with certification for renewable energy)	7%	Non-fossil certificates (without certification for renewable energy)	14%	Allocation of surplus non-fossil values (free allocation in FIT system)	11%						
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<p>Investments aimed at low-carbon and decarbonized power sources Cumulative total for the 10-year period from fiscal 2021 to fiscal 2030 of 350 billion yen</p>	<p>In order to respond to climate change-related risks and opportunities, we will invest a cumulative 350 billion yen over the 10-year period spanning from fiscal 2021 to fiscal 2030 to promote low-carbon and decarbonized power sources.</p> <table border="1" data-bbox="986 842 1442 947"> <thead> <tr> <th></th> <th>Result in FY2021 to FY2023</th> </tr> </thead> <tbody> <tr> <td>Investments in low-carbon and decarbonized power sources</td> <td>Approx. 160 billion yen</td> </tr> </tbody> </table>		Result in FY2021 to FY2023	Investments in low-carbon and decarbonized power sources	Approx. 160 billion yen												
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Investments in low-carbon and decarbonized power sources	Approx. 160 billion yen																
<p>Internal carbon pricing</p>	<p>Shikoku Electric Power has introduced internal carbon pricing. We are using it to make investment decisions, aiming to accelerate capital investment for renewable energy development and for low-carbon and decarbonized solutions.</p>																
<p>No power plants inadequately prepared for conceivable flood risks</p>	<p>We have conducted risk assessments of our power plants against conceivable floods based on past disasters. With the outcomes of the assessments, we have made our power plants fully prepared for possible risks.</p> <p>And, we will make efforts to be able to respond to disasters that had not been previously anticipated and prepare for risks by making our facilities prepared for disasters and by conducting disaster drills.</p>																
<p>Achieve benchmark indices (Act on Rationalizing Energy Use) by FY2030 (Index A: 1.00 or higher, Index B: 44.3% or higher, Coal index: 43.00% or higher)</p>	<p>The thermal efficiency of thermal power plants declines gradually as a result of operating time and deterioration of plant equipment. However, we are properly implementing daily equipment inspections, operational management, and equipment upgrades to maintain the thermal efficiency of our thermal power plants. Moreover, we are renewing our aging thermal power facilities to improve the efficiency of the thermal power generation of the facilities.</p> <p>Through these efforts, we aim to achieve the targets of benchmark indices specified by the Energy Conservation Act by fiscal 2030.</p> <table border="1" data-bbox="986 1406 1442 1512"> <thead> <tr> <th></th> <th>FY2021</th> <th>FY2022</th> <th>FY2023</th> </tr> </thead> <tbody> <tr> <td>Index A*1</td> <td>1.02</td> <td>1.04</td> <td>1.04</td> </tr> <tr> <td>Index B (%)*1</td> <td>42.1</td> <td>43.5</td> <td>43.4</td> </tr> <tr> <td>Coal index (%)*1,*2</td> <td>—</td> <td>39.43</td> <td>41.18</td> </tr> </tbody> </table> <div data-bbox="986 1518 1442 1659" data-label="Text"> <p>*1 The Energy Conservation Act sets benchmark indices for specific industries and business fields so that degrees of energy conservation of businesses belonging to one of the specific industries can be compared within the industry, and the act sets out Index A, which should be 1.00 or above, Index B, which should be 44.3% or above, and Coal index, which should be 43.00% or above by 2030.</p> </div> <div data-bbox="1015 1659 1442 1704" data-label="Text"> <p>Index A: Index for the rate of achievement to the target for power generation efficiency by fuel source type</p> </div> <div data-bbox="1015 1704 1442 1747" data-label="Text"> <p>Index B: Index for the comprehensive efficiency of thermal power generation</p> </div> <div data-bbox="1015 1747 1442 1792" data-label="Text"> <p>Coal index: Index for the efficiency of coal-fired power generation</p> </div> <div data-bbox="986 1792 1442 1834" data-label="Text"> <p>*2 Included from fiscal 2022 due to a revision of the Energy Conservation Act</p> </div>		FY2021	FY2022	FY2023	Index A*1	1.02	1.04	1.04	Index B (%)*1	42.1	43.5	43.4	Coal index (%)*1,*2	—	39.43	41.18
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<p>Development of new renewable energy power sources 500,000 kW by FY2030 and 2,000,000 kW by FY2050 in the Group</p>	<p>We have been conducting projects for it both within and outside Shikoku, and achieved 350,000 kW of development of new renewable energy power sources by the end of fiscal year 2023 (an increase of 50,000 kW from the previous year). Going forward, the entire Group will work together to advance our renewable energy development with the aim of achieving our goals.</p>																

Response to Environmental Issues

Promoting Environmental Preservation Activities

Our Group is working to reduce the environmental impact of our business activities and to conserve the environment in cooperation with local communities.

Prevention of air pollution

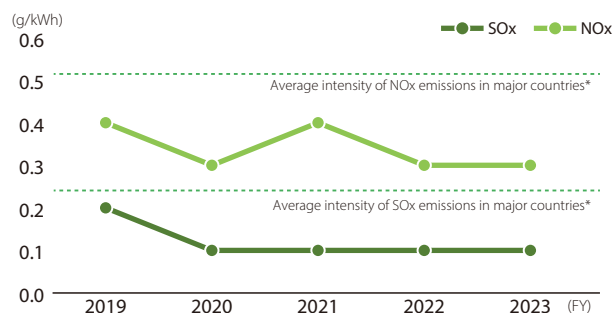
Achievement in FY2023
SOx emission intensity **0.1 g/kWh**

Achievement in FY2023
NOx emission intensity **0.3 g/kWh**

In order to reduce emissions of sulfur oxides (SOx) and nitrogen oxides (NOx) from our thermal power plants into the atmosphere, we are using fuels with low sulfur content, installing flue gas desulfurization and denitrification equipment, and implementing proper control of combustion.

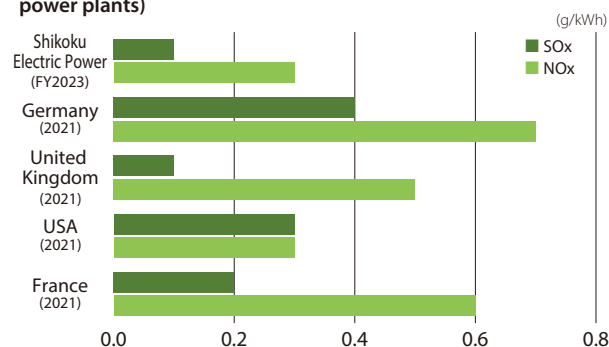
And, we systematically have renewed our aging oil-fired thermal power facilities at the Sakaide Power Station to implement the LNG combined cycle and curb the amount of power generated by oil, and we replaced the aging coal-fired power plant facilities in the Saijo Power Plant Unit 1 with the latest flue gas desulfurization and denitrification equipment, thereby successfully keeping the intensity of our SOx and NOx emissions at low levels in recent years.

Intensity of SOx and NOx emissions from thermal power plants



* Derived from 2021 data of four major countries (Germany, United Kingdom, USA, and France)

Intensity of SOx and NOx emissions in major countries (thermal power plants)



* Compiled based on the website of the Federation of Electric Power Companies of Japan ("Energy and the Environment")

Coal ash recycling

Achievement in FY2023
Coal ash recycling rate **98.9%**

Almost all of coal ash generated at our coal-fired power plants is recycled as a raw material for cement and as a concrete admixture in various applications, such as bridges, roads, and the exterior walls of buildings.

Recent example of recycling of coal ash

The coal ash is used as a spraying material in the construction of the Goshikidai Tunnel (Sakaide side section) in Kagawa Prefecture.



Client: Kagawa Prefecture, Contractor: Hazama Ando and Manabegumi JV

Recycling of remains of demolished structures

All of our old and replaced copper and aluminum wires are recycled as new wires and other materials.

All of our removed concrete columns are pulverized, separated from the reinforcing bars, and then reused as construction aggregate (roadbed material for road paving).

How wires and poles are recycled



Power lines before recycling



Recycled power lines



Concrete poles before recycling



Recycled construction aggregates

Conservation of biodiversity

Amid growing interest in biodiversity and nature, the Taskforce on Nature-related Financial Disclosures (TNFD) was established in June 2021. The TNFD developed a framework for assessing and disclosing risks and opportunities related to nature, and the recommendations were published in September 2023.

The dependence and impact of corporate activities on nature are closely related to nature-related risks and opportunities. Therefore, when identifying such risks and opportunities, it is necessary to recognize the impact that a company's business activities have on nature and its dependence on nature.

We will closely monitor how TNFD goes and, by understanding the degree of our dependence and impact on it in our business activities, we will be able to recognize its importance and contribute to the realization of a nature-positive society.

Initiatives at our electric power stations

To minimize impacts on rivers and to comply with laws and regulations concerning water, at our hydroelectric power plants, we are determined to perform the following activities.

- Install equipment able to take in water with low turbidity and return it downstream after use for power generation
- Discharge water for keeping river function from dams to maintain the environments downstream
- Remove driftwood and dust from reservoirs to use them as biomass fuel or other energy sources and conduct other positive initiatives.

At our thermal and nuclear power plants, we are working to reduce the amount of water required for power generation and are strictly complying with laws, regulations and other standards concerning water discharge. With respect to the seawater used to cool steam, we are controlling the temperature differences between the water intake and discharge in accordance with agreements with local governments.

Also, with respect to the construction of a power plant, we conduct environmental assessments to predict and evaluate the impact of the construction work and the operation of the power plant on the surrounding area in advance, and we apply the outcomes of the assessments to our environmental conservation measures.



Driftwood that gathers at a dam is collected, pulled up, and then used as building materials for houses and furniture (Kominono Dam)

Our environmental conservation activities



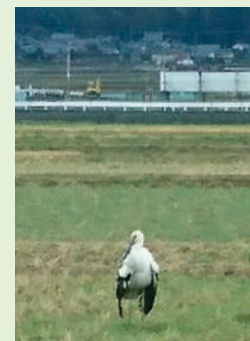
Conservation activities for the Oriental stork

From the viewpoint of conserving biodiversity, we are working to protect the Oriental stork, a bird designated as a protected species inside Japan.

We have donated nesting towers to local governments, and we have been working to preserve the habitats of the Oriental stork.



Staff maintaining a nesting tower (Seiyo City)



Oriental stork flying into the area (Seiyo City)

Environmental conservation activities together with local communities

We are working throughout the year with local communities around Shikoku on environmental conservation activities (such as cleanups and forest preservation activities) mainly through Environment Month, which is sponsored by the Ministry of the Environment.

Activities in Shimanto Yonden Forest

At our Kochi Branch Office, employees are participating in Kochi Prefecture's Forest Development Project in Collaboration with Environmentally Advanced Companies.

In a forest (in Shimanto Town) named Shimanto Yonden-No-Mori, they are planting trees and weeding to preserve the forest together with the local communities.



Forest conservation activities

Practice of Human Capital Management

Human Resources Strategies to Maximize the Value of Our Human Capital

P.30-31 Overall image of human resources strategy and Primary targets for each key issue

The Group believes that people are the greatest driving force in promoting sustainability. Based on this, we respect diversity and each employee’s individuality, and strive to assign and train employees for jobs that make the most of their values, experience, skills, and abilities, so that they can work actively and creatively with a sense of fulfillment and satisfaction, and demonstrate their abilities to the fullest extent. In addition, we are working to create an open and energetic work environment.

Under the policy, as part of our human resources strategy to maximize the value of our human capital, which will be the driving force behind our “sustainable value creation through the two main pillars of the electricity business and other businesses” set out in our Medium-Term Management Plan 2025, we are promoting human resources management measures to encourage the active participation of personnel who will carry our DNA of supporting the stable supply of power and people who will drive the expansion of key areas outside the electricity business and promote digital transformation (DX).

Acquisition and Development of Human Resources who Will Pioneer a New Era

Acquisition and development of personnel who will carry our DNA of supporting the stable supply of power

In order to steadily secure human resources who will help support our electric power business, we are focusing on recruitment by providing real work experience through internships and increasing our contact with the participants through roundtable discussions. Moreover, we have started a comeback program to reemploy people who have left Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc. due to a job change or family circumstances, with the aim to secure human resources with diverse experience and knowledge not only in the electricity business but also outside the Company.

For such young and mid-career employees, we combine on-the-job training (OJT) in daily work with rank-specific training and self-development programs to quickly make them work-ready. For personnel hired in technical departments, we systematically help them to acquire the technical skills

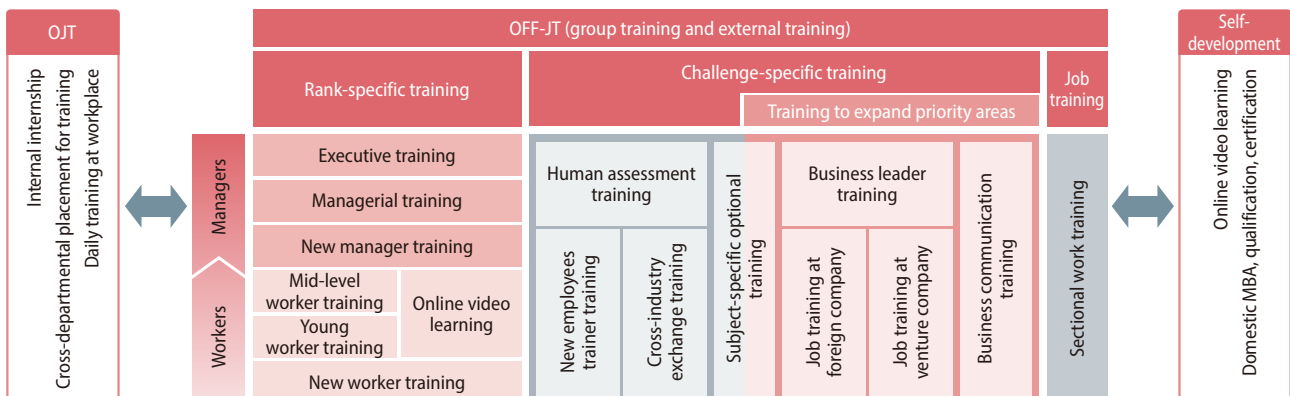
necessary for the maintenance and operation of facilities and the knowledge of laws and regulations through practical educational programs formulated by the department so that new personnel can inherit our DNA of on-site capabilities that support the stable supply of electricity and a sense of mission.

Acquisition and development of personnel who will drive the expansion of key areas and promote DX

To expand our international business, renewable energy development, and new businesses that we position as key businesses, we are using a mid-career recruitment program aimed to recruit personnel who are expected to be work-ready. Regarding recruitment of new graduates, we have established a business development course to acquire more human resources who are expected to grow and thrive in businesses other than the electricity business.

In developing our human resources, we have talented workers and competent workers work in different departments for training purposes or provide them with internship opportunities within the Company. We also provide them with growth opportunities, such as business communication

Education system



training centered on language programs and work training in a foreign company or venture company.

We are systematically developing DX talent through educational programs designed to ensure that mid-level and above leading DX talent make up approximately 5% of our employees by the end of fiscal 2025 and approximately 15% by fiscal 2030.

P.32 Promotion of Digital Transformation (DX)

Diversity, Equity & Inclusion

In order to create new value and solve social issues by combining the diverse perspectives, experiences, and personalities of each employee, we foster an open and vibrant workplace culture where employees respect and acknowledge each other, and provide each individual with opportunities to thrive and with optimal support.

Promotion of the careers of female employees

In the electricity business, the proportion of male employees is high, especially in technical departments, leading to a lower proportion of female managers. Thus, we have set the following targets:

- 5.0% ratio of female managers by the end of fiscal 2025* (results of fiscal 2023: 4.2%)
- Ratio at the same level as the ratio of female employees in the medium to long term (ratio of female employees in fiscal 2023: 9.4%)

* Total percentages for Shikoku Electric Power and Shikoku Electric Power Transmission & Distribution Co., Inc.

and we are working to expand the recruitment of women and develop and promote female managers in order to achieve the targets. In recent years, we have been providing opportunities such as lectures by outside directors on career development for female employees to help them have a practical image of how they can promote and encouraging managers to enable women to play an active role.

Efforts to promote women's careers

Systematic development and deployment	• While working with respective departments, promoting development and positioning women in a middle-term or long-term scheme, with a focus on their individual characteristics to systematically promote female workers to managerial positions
Follow-up interviews after promotion to management position	• Have HR personnel check how female workers are performing their tasks and conduct follow-up interviews to eliminate any sense of burden or anxiety
Support for career development	• Have female workers enroll in seminars to improve their business skills and motivation or seminars to develop their management capabilities • Have female outside directors give female workers lectures

Because of these efforts, our Company has been awarded the "Eruboshi" certification* by the Minister of Health, Labour and Welfare.



Lecture for female workers by a female outside director

* Certification given to companies that meet specified criteria and keep making outstanding efforts to promote women's participation in business based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

Support for balancing work with childcare or nursing care

We are developing and enhancing various sorts of support systems, such as a childcare leave system, to enable workers to balance their work and family lives. In addition, we have established a consultation office, distributed the "Work-Life Balance Support Handbook" to allow our workers to understand the systems and our managers to be more aware of the work-life balance of their staff and make it easily for them to use the systems.

In recognition of these efforts, our Company has received the "Kurumin" certification* from the Minister of Health, Labour and Welfare four times as a company committed to supporting child-rearing.



* Certification granted to companies that meet specified criteria and achieve the targets specified in the General Employer Action Plan in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children.

Changes in the rate of taking childcare leave

The introduction of the "Childcare Leave System at Birth", which uses a simpler procedure than that for the previous childcare leave system and easy to use for a short period, and other measures have significantly increased the rate at which men take childcare leave. (The rate for men taking childcare leave, including special leave at the time of spouse's birth (up to 5 days), is 99.2% in fiscal 2023.)

(FY)	2019	2020	2021	2022	2023
Women	100	100	100	100	100
Men	0.6	3.3	5.7	9.6	35.5

* Total for Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc.

Promotion of employment of the challenged

We established Yonden Plus Corporation (a special subsidiary company for employment of the challenged) to provide positive support for the independence and social participation of the challenged. We are helping to expand employment opportunities for the challenged, and our employment rate for the challenged is 2.9% (as of June 2024)*, which is higher than the statutory employment rate (2.5%).

* Total at four companies, including Shikoku Electric Power and Shikoku Electric Power Transmission & Distribution Co., Inc.

Practice of Human Capital Management

More opportunities for specialized and experienced workers

We certify skilled frontline technicians and engineers with advanced, specialized knowledge and skills as professionals and utilize them in specialized fields. Moreover, we set up a post-retirement re-employment system to enable older workers with extensive work experience to be active in maintaining and advancing on-site technical skills and passing on their skills.

Creating an Environment Where Employees Can Maximize Their Potential

Talks with management

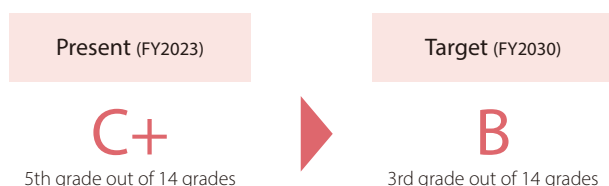
Through information from management to employees and through talks of management with front-line employees, we strive to share the direction the Company is aiming for with workers, and to have management listen to employees so that their opinions are reflected in measures to improve engagement.

Improvement of employee engagement

We regularly conduct a survey on engagement with the aim of creating an environment in which employees can work with a sense of fulfillment and fully utilize their abilities. The results of the survey are fed back to workplace managers (section managers and above) with the aim to improve our organizational vitality through dialogs and improvements in our workplaces based on continuous monitoring. We also provide seminars for managers to help them understand engagement and change their attitude toward engagement, leading to revitalization of the workplaces.

For young employees who have been with the Company for up to five years, we regularly conduct surveys, focusing on smooth communication in the workplace and motivation to

Overall engagement score



- The grade is marked on Engagement Survey (Wevox) by Atrac Inc.
- The result of the survey is ranked on a 14-grade scale from A to F, and our C+ grade in fiscal 2023 is comparable to the average of other companies of the same size in the same industry.

work. Based on their responses, we hold individual interviews, provide training or give an assignment, focusing on their individual characteristics and aptitude, and offer them opportunities to take on new challenges. Through the efforts, we successfully allow 94.6% of new graduates to keep working for our Company three years after joining the Company.

Establishment of a flexible work environment

In light of the diverse lifestyles of employees in recent years, we allow employees to take hourly leave, work flextime, use free addresses, and dress casually in the office.

And, in order to prevent them from having health problems caused by long working hours, we have introduced an interval system between shifts (to ensure a minimum of 10 hours of rest between the end of work and the start of work).

Primary systems that enable flexible working styles

System	Description
Hourly leave system	System that allows employees to acquire paid leave on an hourly basis
Sliding shift system	System that allows employees to change their business hours on an 10-minute basis
Flextime system	System that allows employees to flexibly determine their business hours by month within the scope of prescribed working hours
Consecutive days of leave	System that encourages employees to enjoy leisure time and come back to work physically and mentally refreshed
Telecommuting system/ Satellite work system	System that allows employees to work at home or at other offices

Initiatives for safety management

Based on the belief that safe and secure workplaces free of accidents are essential for corporate activities, we are promoting safety measures to eliminate the risk of accidents and create comfortable workplaces.

Specifically, with the aim of achieving zero accidents across the entire Group, we have established the Yonden Group Safety Committee. The Committee is working with our group companies and partner companies to plan and promote measures to eliminate accidents in workplaces.

And, we have designated July of every year as the Yonden Group Safety Reinforcement Period. We use this period as an opportunity to raise safety awareness among the entire Group,

Number of occupational accidents requiring time off from work (FY2023)

	Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc.	Subcontractors	Total
Occupational accidents	1	5	6
Traffic accidents	0	0	0
Total	1	5	6

and patrols check for safety and lectures on safety are given to workers in the period.

Initiatives aimed at health and productivity management

To ensure that our employees can work energetically and in good physical and mental health, we have deployed industrial health staff (industrial physicians, industrial nurses, and counselors) and set up counseling rooms at our major offices.

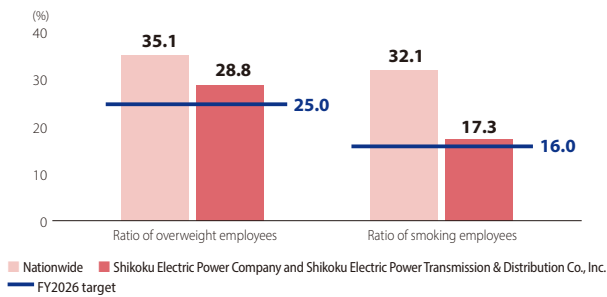
Also, in line with the President's health management declaration, we conduct stress checks on our employees and, based on the results of the checks, we provide individual care, take measures for mental health to improve the workplace conditions, and provide individual health guidance to reduce the risk of lifestyle-related diseases.

In recognition of such initiatives, our Company has been recognized for five years in a row as an "Excellent Health Management Corporation"* by the Ministry of Economy, Trade and Industry.



* A system to honor corporations engaged in "health management", which is health management for their employees that we practice strategically from a management perspective.

Numerical targets for reducing lifestyle disease risks



Source: Nationwide figures are for men aged 20 to 60, "2019 National Health and Nutrition Survey", Ministry of Health, Labour and Welfare

* Combined ratio for Shikoku Electric Power and Shikoku Electric Power Transmission & Distribution Co., Inc. (FY2023)

Initiatives as a Human-Respecting Company

Yonden Group Human Rights Policy

Our Group recognizes that it is important for us to respect human rights as part of our social responsibility, and under the Yonden Group Human Rights Policy, we are promoting efforts to respect human rights in our business.

Education on human rights

In order to make our employees aware of respect for human rights, we provide them with basic knowledge and case

studies on the concept of human rights and laws and regulations related to human rights in new employee training and group training. We also have our employees participate in external lectures on human rights issues and hold human rights study sessions in workplaces.

Respect for human rights in the supply chain

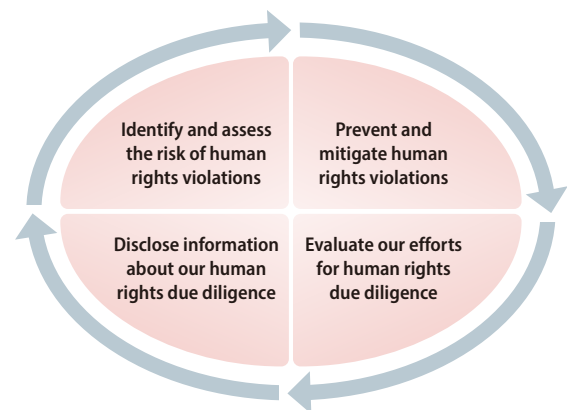
We aim to coexist and prosper with our business partners on level ground, and promote fair and free transactions with them based on our "Declaration of Partnership-Building".

In procurement of materials, we request our business partners to comply with laws and regulations related to labor and human rights, and ensure safety at work, in accordance with our "Basic Policy for Procurement of Materials", in order to respect human rights in all our supply chains. In addition, from the perspective of increasing respect for human rights, we conduct surveys of our major business partners about their efforts for human rights and confirm the results.

Human rights due diligence

In order to ensure that we are committed to respecting human rights, we are conducting human rights due diligence together with Shikoku Electric Power Transmission & Distribution Co., Inc. We are planning to conduct it with more group companies.

Human rights due diligence cycle



Grievance mechanism

We have established compliance consultation desks, harassment consultation and complaint desks, and consultation desks regarding material transactions both inside and outside the Company. With regard to consultations regarding problems of human rights violations, we take measures to solve the problems while protecting the privacy of the person making the consultation.

Coexisting Activities in Harmony with Communities

Initiatives for Revitalizing the Shikoku Region and Addressing Local Challenges

Creating local vitality and promoting the expansion of the exchange population

We are working with other companies and public agencies in the Shikoku region, with the aim to revitalize Shikoku, promote tourism in it, and increase the number of visitors to it. For example, the Shikoku-Ke Supporters Club, which was established by companies and organizations with the aim of revitalizing the Shikoku region and promoting tourism, conducts events and projects such as the Pilgrimage Walk to inspect the Shikoku Pilgrimage (with approximately 7,500 participants), the Marugame Nigiwai (Activity) Project, and the 88 Scenic Views of Shikoku Stamp Rally to take photos of the stunning scenery of the naturally rich Shikoku.

We also support tourism events that families can experience together, such as summer forestry experience events in the forest, produce and distribute a web contents designed to provide information about festivals in Shikoku, and hold other events aimed to revitalize Shikoku, and the scope of our activities is expanding every year.



One-day Pilgrimage Group Walk



Festivals Web Calendar

Tourism business

In order to increase the exchange population in Shikoku and promote the development of the Shikoku region, we are working with the Mandarin Oriental Hotel Group to open the Mandarin Oriental Setouchi in Takamatsu City and Naoshima Town, in 2027, for tourists to the Setouchi area.

By promoting the charm of the region both domestically and internationally through the operation of the hotel and its sightseeing tour services, we believe we can help develop local industries and employment.



Image of the Mandarin Oriental Setouchi-Takamatsu

The traditional style Omiyake Gate, which will serve as the entrance to the main building

Agribusiness

We are working on agribusiness that will help revitalize agriculture in the Shikoku region by making use of our technologies and skills and connections with local communities.

Group company Ikata Service Inc. leases orchards from farmers leaving farming in Ikata Town and neighboring areas where the population is aging, to cultivate mandarin oranges and produce and sell processed foods. By using equipment to maintain freshness developed by our group company Shikoku Research Institute and other technologies specific to our group, the Company is improving its production efficiency and revitalizing local production.

Group company Aitosa Corporation produces *shishito* peppers, a leading product in Kochi Prefecture, while developing smart agriculture technologies such as AI-based equipment for grading *shishito* peppers. The company constructed the second *shishito* pepper greenhouse in June 2024, which helps create jobs in the local area.



Working on agribusiness together with local communities

Nursing care business

In light of the aging of the population, our Group is running five nursing care facilities for the elderly.

The serviced elderly housing “Grace Base Takamatsu,” which we opened in 2023 using our unused land, utilizes the skills and techniques we have acquired in operating nursing care facilities to provide a nursing care support system tailored to the physical condition of the residents with the “Sleep SCAN,” which detects their health condition while they are sleeping, and other cutting-edge devices, fully ensuring a safe and comfortable senior life for them.



Serviced elderly housing “Grace Base Takamatsu”

Enhancement of Communication with Local Communities

Proactive disclosure of information and dialog about our nuclear facilities

As a corporate group with deep roots in the local society, it is extremely important for us to actively engage in dialog and interactions with local residents and to gain their understanding and support for our business.

In 1999, at the Ikata Power Plant, we first introduced an emergency reporting system about unusual events to Ehime Prefecture and Ikata Town, and we have been running it ever since. This kind of our high transparency reporting system is called the “Ehime system”, and it significantly helps ensure relationships of trust with the local society.

Since starting visiting-for-dialog activities in 1988, our staff have made individual visits to approximately 26,000 households within a 20-km radius of Ikata Power Plant in order to give explanations on our safety measures at the power plant and to listen to opinions in person. During the COVID-19 pandemic, our staff were forced to distribute only our PR leaflets to the households, but in 2023 they were able to visit them in person for the first time in four years.

We are determined to continue to listen carefully to the opinions of the local residents in order to improve the safety of Ikata Power Plant more.

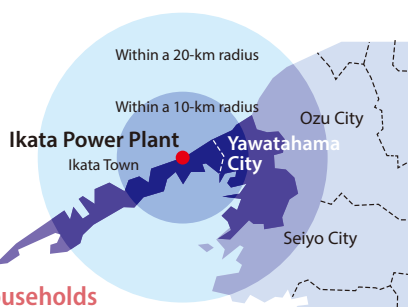
Reports made in accordance with the safety agreement with Ehime Prefecture and Ikata Town

(Unit: number of notifications)

FY	2019	2020	2021	2022	2023
Class A	6	3	7	9	5
Class B	4	2	4	4	4
Class C	20	13	17	18	23
Total	30	18	28	31	32

* Overview of public notifications in Ehime Prefecture
Class A (Trouble, etc., that needs to be reported to the government): Immediate public notification
Class B (An abnormal situation at a facility, etc., has occurred within the radiation control area): Public notification within 48 hours
Class C (Events other than classes A and B above): Public notification is given on the 10th of every month for all events in the preceding month

Coverage of our visiting-for-dialog activities



Eligible for visits:
Approx. 26,000 households

Communication with local residents

Throughout Shikoku, we are engaged in electrical equipment maintenance, cleanup activities, and other social contribution activities. We are also engaged in communication activities through participation in and aid for local events and festivals.



Our workers participated in the Yosokoi Festival as Yonden Group Dancers and backstage staff

Education on energy for children

We are giving elementary and junior high school students “Delivery Energy Classes” using power generation models and videos throughout Shikoku to raise their interest in energy and environmental issues and to help them have correct understanding of these issues. In addition, we organize on-site tours of our facilities and power plants, for students.

On our website, we are also working on educational activities with sufficient energy education content for children and online tours of our facilities.



Tour of our plant for elementary school students

Support for the arts, culture, and sports

Our Yonden Cultural Foundation provides scholarships to students from Shikoku who aspire to be artists, honors artists with ties to Shikoku, holds concerts and art exhibitions by its scholarship students, and provides subsidies to performers asked to come to Shikoku.

We also support local sports by seeking sponsors for Ehime FC, sponsoring and sending volunteers to local sports tournaments, and live-streaming matches through our group company, with the aim to promote sports in the region and maintain communication with local residents.

Enhancement and Strengthening of Corporate Governance

We aim to enhance sustainable corporate value through impartial, quick and bold decision-making based on the Yonden Basic Policy on Corporate Governance and the key principles that contribute to effective corporate governance stated in Japan's Corporate Governance Code.

■ Website information

Basic Policy on Corporate Governance (in Japanese only)
<https://www.yonden.co.jp/corporate/ir/policy/governance.html>

Corporate Governance Report (in Japanese only)
<https://www.yonden.co.jp/assets/pdf/corporate/ir/library/governance/corporate.pdf>

Message from Outside Director



Yachiyo Izutani

Director
Audit & Supervisory Committee
Member

In 2017, Shikoku Electric Power transitioned to a company with an Audit & Supervisory Committee. Currently, about 40% of listed companies have adopted this structure. Each member of the Audit & Supervisory Committee is a Director and has one vote on the Board of Directors. We serve the role of ensuring the multifaceted management of Shikoku Electric Power as a public utility from a third-party perspective.

I have been a board member since 2021. At that time and still today, the environment surrounding electric power companies has been undergoing dramatic changes. We face ongoing waves of deregulation, the emergence of new markets, approach to the power generation mix, and the challenge of achieving a decarbonized society. In such a situation, discussions between executive directors and outside directors at the Company span a wide range of topics.

The atmosphere at Shikoku Electric Power's Board of Directors meetings is calm yet filled with tension. Outside directors do not hesitate to provide constructive opinions from a broad perspective that encompasses the entire Shikoku, as well as from the viewpoints of investors, consumers, and the media, the industry in which I used to work. In Japan, there is still little diversity in management and employee composition, often leading to unique corporate cultures and defaulting to industry-specific logic. However, incorporating the viewpoints of others into management creates resilience and, most importantly, fosters a culture where accountability is clear, ensuring highly transparent governance.

In recent years, Russia's invasion of Ukraine triggered a sharp increase in fuel price volatility, and compliance issues, creating a challenging environment for management. Outside directors voiced numerous strict opinions regarding compliance issues in particular, but the executive officers shared information with transparency, including inconvenient figures, and addressed and implemented measures with sincerity and without delay. We outside directors also visited branches and power plants several times, carefully listening to employees' opinions, providing feedback, and working together to make improvements. We were truly focused on "defense."

Let me also give an example of "offense." Regarding the decarbonization of thermal power generation, outside directors and executive directors engaged in repeated discussions, and ammonia co-firing are currently being considered based on supply chain construction and economic feasibility. Additionally, projects utilizing the characteristics of Shikoku, such as the effective use of reservoirs for floating solar power generation, are making progress.

While maintaining this balance between offense and defense, we outside directors remain aware that yesterday's success does not guarantee tomorrow's growth and are committed to fulfilling our roles with a renewed focus on innovation each day.

Corporate Governance Structure

[1] Board of Directors (Chair: Keisuke Nagai)

- Supervises decision-making related to the execution of important business operations and the performance of directors' duties

[2] Audit and Supervisory Committee (Chair: Hiroshi Kawahara)

- Exchanges opinions and provides advice on management through attendance at important meetings of the Board of Directors and regular informal meetings with representative directors
- Audits the execution of duties by executive directors through inspection and investigation of important documents

[3] Personnel Committee (Chair: Fujiko Takahata [Outside Director])

- Deliberates on matters concerning the appointment and dismissal of the representative director, other directors and corporate officers, and the appointment and dismissal of executive advisers

[4] Compensation Committee (Chair: Ryohei Kagawa [Outside Director])

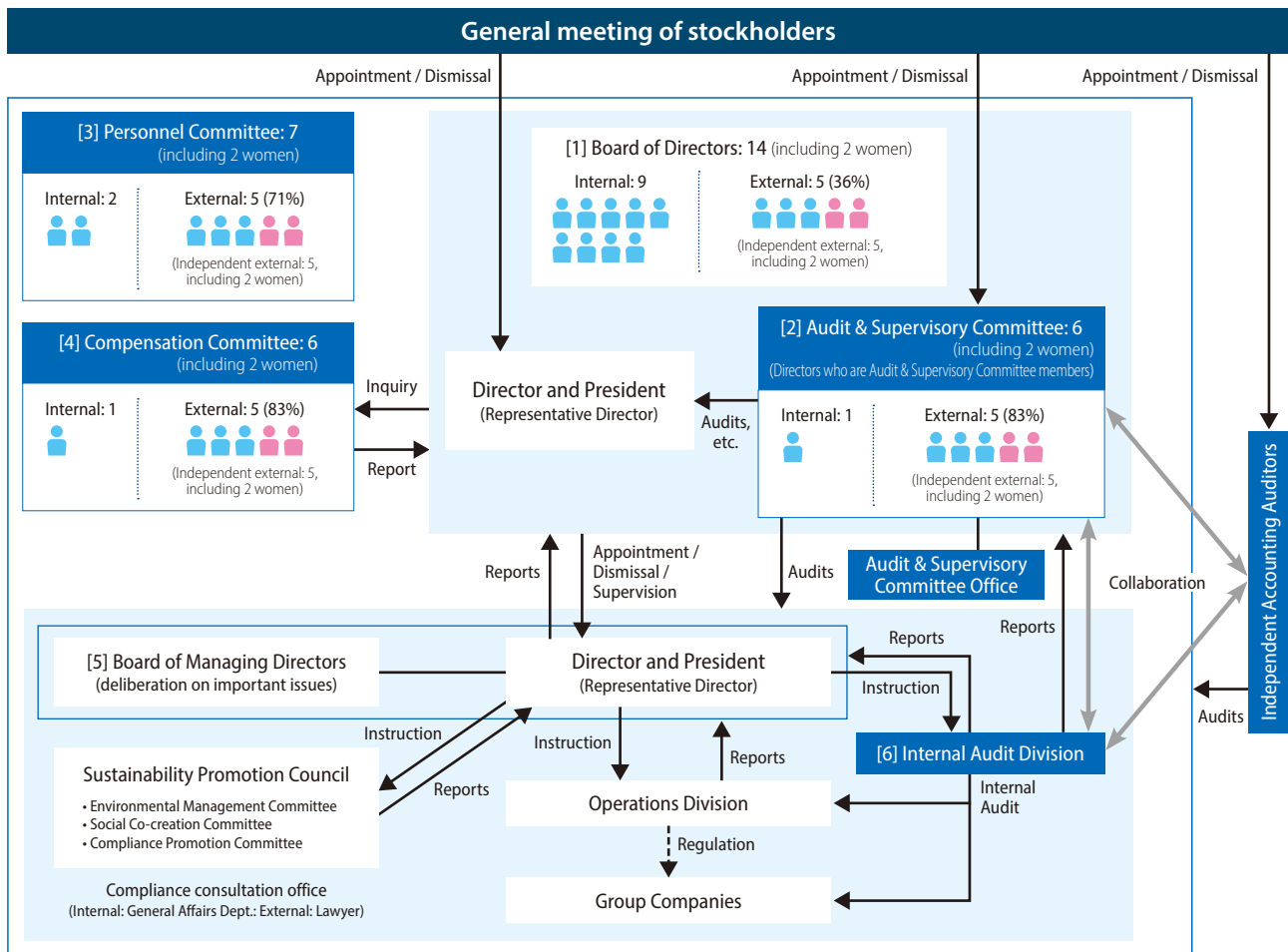
- The Compensation Committee deliberates on the amount of director compensation at the request of the Board of Directors, and the details of proposals related to director compensation at the General Meeting of Shareholders, then reports its findings to the board

[5] Board of Managing Directors

- Comprised of the Director and President, and the Executive Officers in charge of HQs and divisions.
 - * The Chairman of the Board, and Directors who are Audit & Supervisory Committee members, can also attend these meetings
- Deliberates on matters to be submitted to the Board of Directors and on important matters related to business execution

[6] Internal Audit Office

- Conducts internal audits on the implementation status of management cycles based on the business plan for each fiscal year as well as of appropriate business execution and effective business management based on the responsibilities and authority of each job grade



Enhancement and Strengthening of Corporate Governance

List of Directors



Fujiko Takahata

Director
Audit & Supervisory
Committee Member

Ryohei Kagawa

Director
Audit & Supervisory
Committee Member

Seiji Miyazaki

Director and Senior
Corporate Officer

Hiroshi Kawahara

Director
Audit & Supervisory
Committee Member
(full-time)

Hisashi Shirai

Director and Executive
Vice President

Shinji Obayashi

Director and Senior
Corporate Officer

Keisuke Nagai

Chairman of the Board

Directors

Keisuke Nagai

Chairman of the Board
Representative Director
Date of birth: February 11, 1957
Apr. 1981 Joined Shikoku Electric Power Company
Jun. 2013 Senior Corporate Officer, General Planning
Division, Department Manager of Corporate
Planning Department
Jun. 2015 Senior Corporate Officer, General Manager
of General Planning Division
Jun. 2017 Director and Executive Vice President,
General Manager of General Planning
Division, in charge of IT/Communication
Apr. 2018 Director and Executive Vice President,
General Manager of General Planning
Division, in charge of Renewable Energy
Dept., Supply/Demand Operation Dept.,
and Information Systems Dept.
Jun. 2019 Director and President
Jun. 2024 Chairman of the Board (incumbent)
No. of shares held: 36,186

Yoshihiro Miyamoto

Director and President
Representative Director
Date of birth: January 6, 1963
Apr. 1985 Joined Shikoku Electric Power Company
Jun. 2019 Senior Corporate Officer, General Planning
Division, Department Manager of Corporate
Planning Department
Jun. 2021 Director and Senior Corporate Officer,
General Manager of General Planning
Division, in charge of Renewable Energy
Dept. and Public Relations Dept.
Jun. 2024 Director and President (incumbent)
No. of shares held: 19,469

Hisashi Shirai

Director and Executive Vice President
General Manager of Business Development
Division, in charge of Accounting & Finance
Dept., Purchasing & Materials Dept., and
Information Systems Dept., Representative
Director
Date of birth: October 3, 1958
Apr. 1981 Joined Shikoku Electric Power Company
Jun. 2016 Senior Corporate Officer, in charge of
Accounting & Finance Dept.
Jun. 2017 Executive Managing Director, in charge of
Accounting & Finance Dept. and Purchasing
& Materials Dept.
Jun. 2019 Director and Senior Corporate Officer,
General Manager of Business Development
Division, in charge of Accounting & Finance
Dept., Purchasing & Materials Dept., and
Information Systems Dept.
Jun. 2022 Director and Executive Vice President,
General Manager of Business Development
Division, in charge of Accounting & Finance
Dept., Purchasing & Materials Dept., and
Information Systems Dept. (incumbent)
No. of shares held: 22,425

Noriyuki Kawanishi

Director and Executive Vice President
Division Manager of Nuclear Power
Division, in charge of Civil & Architectural
Engineering Dept., Representative Director
Date of birth: November 15, 1960
Apr. 1983 Joined Shikoku Electric Power Company
Jun. 2022 Senior Corporate Officer, Deputy Division
Manager of Nuclear Power Division,
Department Manager of Nuclear Power
Department
Jun. 2023 Director and Executive Vice President,
Division Manager of Nuclear Power Division,
in charge of Civil & Architectural
Engineering Dept. (incumbent)
No. of shares held: 13,622

Directors and Audit & Supervisory Committee Members

Hiroshi Kawahara

Director, Audit and Supervisory Committee
Member, Chairman of the Audit and
Supervisory Committee
Date of birth: September 12, 1957
Apr. 1980 Joined Shikoku Electric Power Company
Apr. 2018 Senior Corporate Officer, Assistant to
President of Transmission & Distribution
Company, in charge of Corporate Planning
Department and Transmission & Substation
Department
Jun. 2019 Director and Audit & Supervisory
Committee Member
Apr. 2020 Corporate Auditor of Shikoku Electric Power
Transmission & Distribution Co.,
Incorporated (incumbent)
Jun. 2021 Director and Audit & Supervisory
Committee Member of Shikoku Electric
Power Company, Inc., Chairman of the Audit
and Supervisory Committee (incumbent)
No. of shares held: 26,480

Ryohei Kagawa

Director, Audit and Supervisory Committee
Member (Outside Director)
Date of birth: November 21, 1958
Apr. 2016 Director and Senior Managing Executive
Officer of The Hyakujushi Bank, Ltd.
Apr. 2019 Director, Senior Managing Executive Officer,
and CCO
Jun. 2019 Director and Audit & Supervisory
Committee Member of Shikoku Electric
Power Company, Inc. (incumbent)
Apr. 2021 Director, Vice President and CCO of The
Hyakujushi Bank, Ltd.
Mar. 2024 Director (retired in June 2024)
Jun. 2024 Director and President of Nihonbashi
Fudosan (incumbent)
No. of shares held: 6,872

Fujiko Takahata

Director, Supervisory Committee Member
(Outside Director)
Date of birth: September 20, 1955
Sep. 2007 Director of Tokiwa Co. Ltd.
Sep. 2015 Director and President (incumbent)
Jun. 2020 Director and Audit & Supervisory
Committee Member of Shikoku Electric
Power Company, Inc. (incumbent)
No. of shares held: 5,588

Iwao Otsuka

Director, Audit and Supervisory Committee
Member (Outside Director)
Date of birth: April 7, 1952
Jun. 2011 Director of The Iyo Bank, Ltd.
Jun. 2012 Director and President
Jun. 2019 Corporate Auditor of Shikoku Railway
Company (incumbent)
Apr. 2020 Director and Chairman of The Iyo Bank, Ltd.
(incumbent)
Jun. 2021 Director and Audit & Supervisory
Committee Member of Shikoku Electric
Power Company, Inc. (incumbent)
Oct. 2022 Director and Chairman of Iyogin Holdings,
Inc. (incumbent)
No. of shares held: 4,050

(As of the end of June 2024)



Yoshihiro Miyamoto
Director and President

Hideyoshi Ishida
Director and Senior
Corporate Officer

Noriyuki Kawanishi
Director and Executive
Vice President

Iwao Otsuka
Director
Audit & Supervisory
Committee Member

Kenzo Suginochi
Director and Senior
Corporate Officer

Shoichi Nishiyama
Director
Audit & Supervisory
Committee Member

Yachiyo Izutani
Director
Audit & Supervisory
Committee Member

Seiji Miyazaki

Director and Senior Corporate Officer
General Manager of General Planning
Division, in charge of Renewable Energy
Dept. and Public Relations Dept.

Date of birth: June 26, 1960

Apr. 1983 Joined Shikoku Electric Power Company

Jun. 2019 Senior Corporate Officer, Deputy Division
Manager of Marketing & Customer
Relations Division

Jun. 2022 Director and Senior Corporate Officer,
Division Manager of Marketing & Customer
Relations Division

Jun. 2023 Director and Senior Corporate Officer,
Division Manager of Marketing & Customer
Relations Division, in charge of Tokyo
Branch Office

Jun. 2024 Director and Senior Corporate Officer,
General Manager of General Planning
Division, in charge of Renewable Energy
Dept. and Public Relations Dept.
(incumbent)

No. of shares held: 7,972

Kenzo Suginochi

Director and Senior Corporate Officer
In charge of General Affairs Dept., Siting
and Environment Dept., Employee
Relations & Human Resources Dept.,
General Education & Training Center, and
General Medical Services Center

Date of birth: October 5, 1961

Apr. 1984 Joined Shikoku Electric Power Company

Jun. 2020 Senior Corporate Officer, in charge of
Employee Relations & Human Resources
Dept., General Education & Training Center,
and General Medical Services Center

Jun. 2023 Director and Senior Corporate Officer, in
charge of General Affairs Dept., Siting and
Environment Dept., Employee Relations &
Human Resources Dept., General Education
& Training Center, and General Medical
Services Center (incumbent)

No. of shares held: 6,222

Shinji Obayashi

Director and Senior Corporate Officer
Division Manager of Marketing & Customer
Relations Division, in charge of Tokyo
Branch Office

Date of birth: April 8, 1960

Apr. 1984 Joined Shikoku Electric Power Company

Jun. 2022 Senior Corporate Officer, Deputy Division
Manager of Marketing & Customer
Relations Division

Jun. 2024 Director and Senior Corporate Officer,
Division Manager of Marketing & Customer
Relations Division, in charge of Tokyo
Branch Office (incumbent)

No. of shares held: 6,126

Hideyoshi Ishida

Director and Senior Corporate Officer
Division Manager of Thermal Power
Division

Date of birth: February 14, 1964

Apr. 1989 Joined Shikoku Electric Power Company

Jun. 2023 Senior Corporate Officer, Deputy Division
Manager of Thermal Power Division, in
charge of Thermal Power Department

Jun. 2024 Director and Senior Corporate Officer,
Division Manager of Thermal Power Division
(incumbent)

No. of shares held: 5,210

Shoichi Nishiyama

Director, Audit and Supervisory Committee
Member (Outside Director)

Date of birth: January 6, 1955

Jun. 1994 Director of Ujiden Chemical Industry Co.,
Ltd.

Jan. 1999 Director and President

Jun. 2021 Director and Audit & Supervisory
Committee Member of Shikoku Electric
Power Company, Inc. (incumbent)

Feb. 2023 Director and Chairman of Ujiden Chemical
Industry Co., Ltd. (incumbent)

No. of shares held: 4,551

Yachiyo Izutani

Director, Audit and Supervisory Committee
Member (Outside Director)

Date of birth: September 9, 1958

Jun. 2011 Head of Nara Broadcasting Station, Japan
Broadcasting Corporation (NHK)

Jun. 2013 Head of Work Life Balance Promotion,
Human Resources

Jun. 2015 Head of Matsuyama Broadcasting Station

Jun. 2017 Director of Announcers' Office

Jun. 2018 Director and Division Manager of Course
Promotion Division of NHK Culture Center,
Inc.

Jun. 2019 Director and President (retired in April 2021)

Jun. 2021 Director and Audit & Supervisory
Committee Member of Shikoku Electric
Power Company, Inc. (incumbent)

No. of shares held: 2,023

Enhancement and Strengthening of Corporate Governance

Skills Matrix

■ Directors

Name	No. of attendance in fiscal 2023	Main expertise, experience, etc./fields of particular strength						Significant concurrent positions	
		C	F	L	T	M	I		E
Keisuke Nagai Chairman of the Board Personnel	Board of Directors 14/14	●			●		●	●	Chairman, Shikoku Economic Federation
Yoshihiro Miyamoto Director and President Personnel	Board of Directors 14/14	●			●	●		●	Chairman, Shikoku Productivity Center
Hisashi Shirai Director and Executive Vice President General Manager of Business Development Division, in charge of Accounting & Finance Dept., Purchasing & Materials Dept., and Information Systems Dept.	Board of Directors 14/14		●	●				●	—
Noriyuki Kawanishi Director and Executive Vice President Division Manager of Nuclear Power Division, in charge of Civil & Architectural Engineering Dept.	Board of Directors 10/10				●			●	—
Seiji Miyazaki Director and Senior Corporate Officer General Manager of General Planning Division, in charge of Renewable Energy Dept. and Public Relations Dept.	Board of Directors 14/14					●		●	Director of STNet, Incorporated
Kenzo Suginochi Director and Senior Corporate Officer In charge of General Affairs Dept., Siting and Environment Dept., Employee Relations & Human Resources Dept., General Education & Training Center, and General Medical Services Center Compensation	Board of Directors 10/10			●		●		●	Director of Yonden Engineering Company, Incorporated
Shinji Obayashi Newly elected Director and Senior Corporate Officer Division Manager of Marketing & Customer Relations Division, in charge of Tokyo Branch Office						●		●	Director of SHIKOKU INSTRUMENTATION CO., LTD.
Hideyoshi Ishida Newly elected Director and Senior Corporate Officer Division Manager of Thermal Power Division				●				●	Director of Sakaide LNG Company, Incorporated

Note: Concurrent positions, etc. at companies subject to consolidated accounting

Directors and Audit & Supervisory Committee Members

*refers to an Outside Director

Name	No. of attendance in fiscal 2023	Main expertise, experience, etc./fields of particular strength							Significant concurrent positions		
		C	F	L	T	M	I	E			
Hiroshi Kawahara Director Audit and Supervisory Committee Member, Chairman of the Audit and Supervisory Committee	Board of Directors 14/14 Audit & Supervisory Committee 18/18			●	●				Corporate Auditor of Shikoku Electric Power Transmission & Distribution Co., Incorporated Corporate Auditor of STNet, Incorporated Corporate Auditor of Yonden Engineering Company, Incorporated Director and Audit & Supervisory Committee Member of YONDENKO CORPORATION		
Ryohei Kagawa* Director Audit & Supervisory Committee Member Independent Personnel Compensation (Chair)	Board of Directors 13/14 Audit & Supervisory Committee 18/18	●	●	●					Director and President of Nihonbashi Fudosan		
Fujiko Takahata* Director Audit & Supervisory Committee Member Independent Personnel (Chair) Compensation	Board of Directors 13/14 Audit & Supervisory Committee 18/18	●						●	●	President and Director of Tokiwa Co. Ltd.	
Iwao Otsuka* Director Audit & Supervisory Committee Member Independent Personnel Compensation	Board of Directors 14/14 Audit & Supervisory Committee 18/18	●	●			●			●	Director and Chairman of Iyogin Holdings, Inc. Director and Chairman of The Iyo Bank, Ltd. Corporate Auditor of Shikoku Railway Company	
Shoichi Nishiyama* Director Audit & Supervisory Committee Member Independent Personnel Compensation	Board of Directors 13/14 Audit & Supervisory Committee 17/18	●							●	●	Director and Chairman of Ujiden Chemical Industry Co., Ltd. President of Kochi Chamber of Commerce & Industry
Yachiyo Izutani* Director Audit & Supervisory Committee Member Independent Personnel Compensation	Board of Directors 14/14 Audit & Supervisory Committee 18/18	●				●				●	(Reference: Major past experience) Japan Broadcasting Corporation (NHK) Head of Work Life Balance Promotion, Human Resources (NHK) Director of Announcers' Office (NHK) Director and President of NHK Culture Center, Inc. (currently resigned from all positions)

- C Corporate Management & Business Strategy
 F Finance & Accounting
 L Legal & Risk Management
T Technology & Research and Development
 M Marketing & Public Relations
I International Business & Business Development
 E Environment & Society

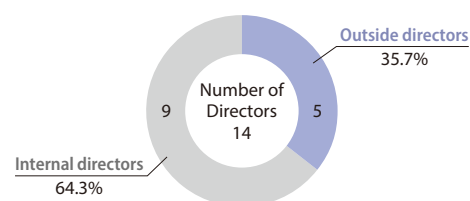
- Independent Independent Director (Notification as an Independent Director Specified by the Tokyo Stock Exchange)
Personnel Executive Personnel Committee
Compensation Compensation Committee

Selection of skills matrix (major specialization, experience, etc./fields of particular strength)

At Shikoku Electric Company, the following set of skills has been chosen for members of the Board of Directors:

- Skills generally required of members of the Board of Directors
- Skills deemed necessary in light of medium-term management policies

The decision to appoint a member is then taken by the Board of Directors after deliberation by the Executive Personnel Committee.



Refer to the Notice of the General Meeting of Shareholders for the reasons for appointments (in Japanese only) > https://www.yonden.co.jp/assets/pdf/corporate/ir/stocks/general_meeting/soukai_syousyu.pdf

Enhancement and Strengthening of Corporate Governance

Evaluation of the Effectiveness of the Board of Directors

We conduct an annual questionnaire survey of all directors on the effectiveness of the Board of Directors in terms of composition, governance, and operations. Based on the feedback received, we continuously implement improvements to enhance effectiveness.

Additionally, our efforts to improve the effectiveness of the Board of Directors are regularly checked by a third-party law office. This external party has expressed the view that our

questionnaire items, evaluation results, and future actions are appropriate.

Based on the results of the questionnaire in fiscal 2023, we consider that the effectiveness of the Board of Directors is appropriately ensured. Moving forward, we will continue to work on improving the effectiveness and governance of the Board of Directors based on the opinions of all directors.

Questionnaire items

Composition of the Board of Directors	<ul style="list-style-type: none"> • Is the size, diversity, and balance of knowledge, experience, and skills that the Board of Directors should possess appropriate?
Governance by the Board of Directors and operation of the Board	<ul style="list-style-type: none"> • Are the scope of reporting and resolutions, frequency of meetings, and deliberation time appropriate? • Are the content and volume of materials appropriate, and what is needed to facilitate more active discussions? • Are discussions conducted from the perspective of stakeholders? • Are corporate decision-making and the supervision of the execution of duties functioning effectively?
Provision of information, training, and opportunities for dialogue for directors	<ul style="list-style-type: none"> • Is the necessary information for execution of duties provided? • Are opportunities for free exchange of opinions among directors ensured?

Identified issues and response status

	Initiatives for enhancing effectiveness (fiscal 2023 results)	Fiscal 2023 assessment	Initiatives for enhancing effectiveness (fiscal 2024 policy)
Governance by the Board of Directors and operation of the Board	<ul style="list-style-type: none"> • While the governance of the Board of Directors is functioning effectively, operational improvements will be implemented, such as focusing the points to be explained during meetings to further enhance the quality of deliberations. 	<ul style="list-style-type: none"> • Governance is functioning effectively, with the active exchange of opinions not only on agenda items, but also on current issues and topics. • Discussions at the Board of Directors have become more substantial through the enhancement of pre-meeting explanations, etc. • When deliberating on individual matters, it would be beneficial to have information provided on the status of discussions within the Board of Managing Directors. 	<ul style="list-style-type: none"> • Regarding explanations of materials at the Board of Directors meetings, continue to adjust the level of detail based on pre-meeting explanations. • Make discussions more substantial by adding comments from officers in charge or sharing the status of deliberations in the Board of Managing Directors during explanations.
Enhancement of information provision, training, and dialogue opportunities for directors	<ul style="list-style-type: none"> • Enhance the sharing of related peripheral information with outside directors in addition to providing information necessary for execution of duties. • Increase opportunities for directors to freely exchange opinions outside of the Board of Directors meetings. 	<ul style="list-style-type: none"> • Based on discussions at the Board of Directors, it is judged that the information necessary for execution for duties is being provided appropriately. • Opinion exchanges attended by all directors and study sessions led by external lecturers were valuable. 	<ul style="list-style-type: none"> • Fiscal 2023 initiatives will be continued and opportunities for free exchange of opinions ensured through setting themes that allow both internal and external directors to gain insights.

Regarding the composition of the Board of Directors, the common view is that the size, diversity, and balance of the necessary knowledge, experience, and skills are currently being maintained. However, we will continue to review these aspects

in the medium to long term, as aligning the necessary skills with the business portfolio and increasing the ratio of female directors will become issues.

The Role of Outside Directors

The role we most expect from our outside directors is to monitor and supervise management based on their wealth of experience and deep insight from a standpoint independent of business execution.

All of our outside directors serve as members of the Audit & Supervisory Committee and fulfill two key roles:

- As outside directors: To be a bridge between shareholders and management, providing insights to the executive side and supporting management strategies and critical decision-making at Board of Directors meetings.
- As members of the Audit & Supervisory Committee: To monitor and supervise the legality and appropriateness of the execution of duties by directors and the decision-making process of the Board of Directors, thereby ensuring compliance and improving governance.

In addition, all outside directors serve as members (including as chair) of the Personnel Committee and the Compensation Committee, thereby enhancing the neutrality and transparency of deliberations in both committees.

The role and activities of outside directors

Offense

Involvement in and support for management strategies

Support management strategies and key decision-making as outside directors

<Examples of specific activities>

- Discussions and resolutions at Board of Directors meetings
- Free discussions with internal directors at informal meetings
- Receipt of reports on important executive matters to deepen their understanding of business activities
- Participation in study sessions led by external lecturers
- Informal meetings with on-site employees and site inspections

Defense

Monitoring and supervision of management

Audit the execution of duties by executive directors as Audit & Supervisory Committee members

<Examples of specific activities>

- Activities in the Audit & Supervisory Committee
- Confirmation of execution status through on-site inspections

Enhance the objectivity and transparency of governance through discussions and activities in the Personnel Committee and Compensation Committee as outside directors

<Examples of specific activities>

- Deliberations in the Personnel Committee and the Compensation Committee

Directors' Compensation

As remuneration for their responsibilities in fulfilling the Company's core mission and sustainably enhancing corporate value, compensation for directors is determined after considering the Company's performance, the nature and execution of their duties, and the compensation levels of other companies in the same industry.

The specific levels of compensation are determined by the Board of Directors within the limits determined by resolutions issued at the General Meeting of Shareholders, based on recommendations from the Compensation Committee, of which the majority is composed of outside directors.

Directors' compensation

Directors (excluding Audit & Supervisory Committee members)			Stock compensation
Monthly compensation Approx. 70%	Performance-linked remuneration* 10-20%		10%

* Using consolidated ordinary income and dividends per share as reference indicators, the amount to be paid is determined by taking into account the status of ESG initiatives (retail CO₂ emissions and our own greenhouse gas emissions [direct emissions from fuel use for company power generation, etc.] in fiscal 2024)

Monthly compensation of directors who are Audit & Supervisory Committee members

Monthly compensation 100%

Compensation amounts (FY2023)

(millions of yen)

Executive classification	Total amount of compensation, etc.	Total amount by type of compensation, etc.			Number of eligible directors
		Monthly compensation (annual amount)	Performance-linked monetary remuneration	Stock compensation (non-monetary compensation, etc.)	
Director (excluding members of the Audit & Supervisory Committee)	335	237	69	28	10
Director Audit & Supervisory Committee Member (internal)	30	30	—	—	1
Outside Director	44	44	—	—	5

Note: Including the total amount of compensation paid to directors retiring from their positions at the General Meeting of Shareholders held in June 2023 or in March 2024, and the number of such directors.

Reduction of Cross-shareholdings

The shares that we hold are limited to those of companies which contribute to the sustainable improvement of the Shikoku Electric Power Group's corporate value in terms of the stable and efficient operation of the electric power business, etc.

The rationality of our holdings is reported to the Board of Directors each year, taking into account their importance in terms of business operations and capital costs. Shares that are deemed less necessary are promptly sold. This has resulted in a reduction of 11 stocks compared to the start of the Medium-Term Management Plan 2025.

Shareholdings (as of end of fiscal year)

Figures in parentheses represent the number of brands / amount recorded for listed shares from among those held.

	2020	2023	Change
No. of brands	78 (12)	67 (1)	-11 (-11)
Balance sheet recorded amount [100 million yen]	327 (40)	288 (4)	-39 (-36)

Note: As of the end of fiscal 2023, 10 brands valued at 27 billion yen are related to nuclear power. Of these, shares in Japan Nuclear Fuel Ltd. comprised 25.6 billion yen.

Enhancement and Strengthening of Corporate Governance

Appropriate Internal Controls

Having recognized the importance of winning the trust of society at large, the Board of Directors passed a resolution setting out the System for Ensuring Appropriate Business, which is our basic policy on internal controls, so that we can conduct business activities that are legal, appropriate, and efficient. In accordance with this, we are working to foster a healthy corporate culture, clarify responsibilities and authorities, and establish a management system to respond to risks.

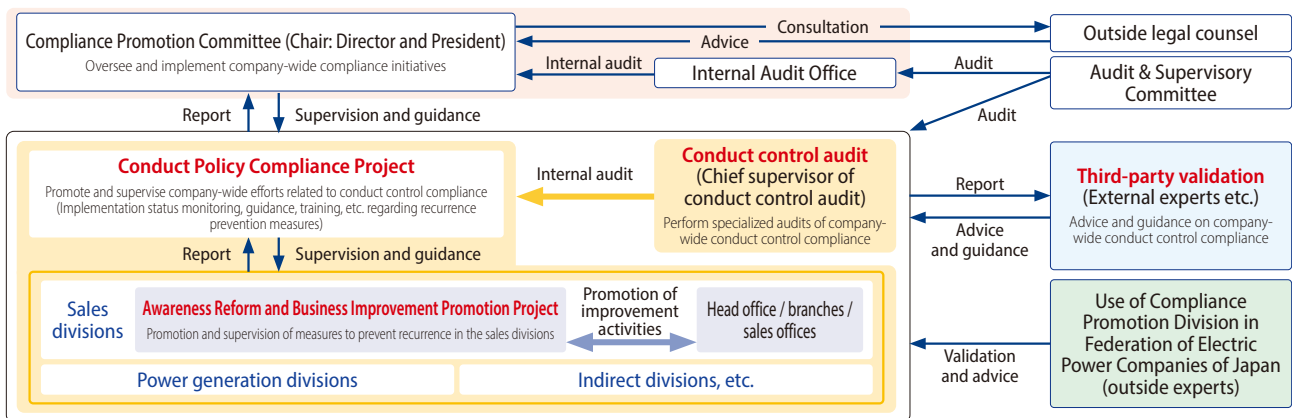
We regularly check and improve the operation of these systems, continuously promote understanding among directors and employees to ensure that internal controls

function effectively and that highly sound business operations can be carried out.

Strengthening internal controls related to conduct control

Following the February 2023 incident involving the unauthorized use of customer information managed by Shikoku Electric Power Transmission & Distribution Co., Inc., both companies have implemented measures to prevent recurrence. We have also rebuilt an objective and highly effective internal control system for conduct control, and are continuing our efforts to prevent recurrence and restore trust.

Strengthening internal controls related to conduct control



Promotion of Risk Management

In accordance with the “Risk Management Rules,” each department, etc. autonomously identifies, evaluates, and controls risks inherent within their respective areas or those arising from changes in the external environment as the risk owner. The Risk Management Office (Corporate Planning Department and General Affairs Department) supports the risk management efforts of each department, etc.

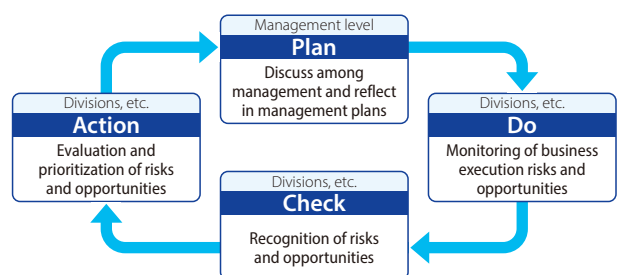
Among the risks identified by each department, etc., those that may have a significant impact on business operations in terms of severity and likelihood are designated as “management risks,” and are checked and reviewed annually by the management. The results are reflected in the following fiscal year’s management plan to prevent and reduce risks. We also work to create new value by taking advantage of opportunities that arise as a result of changes.

For risks that cut across the entire Company, we set up expert committees as necessary and address such risks in an appropriate manner based on comprehensive assessments. For emergency

situations brought about by natural disasters or other circumstances, we have established individual rules and manuals and clarified the management structure so that damage is minimized and recovery expedited.

Moreover, we share information appropriately by establishing a “crisis hotline” as a helpdesk that swiftly gathers crisis-related information to make all employees fully aware of the importance of crisis management.

The PDCA of risk management



Key risks and opportunities

[→ specifies how we will respond]

	Major events	Assumed risk	Assumed opportunity
Electricity business	Changes in energy policy or electric power business systems	<ul style="list-style-type: none"> Strengthening of rules based on reviews of policies and systems → Understanding the state of discussions at councils held by the government, dialogue with policy authorities, etc. 	<ul style="list-style-type: none"> Profit opportunities arise due to reviews of policies and systems → Understanding the state of discussions at councils held by the government, etc.
	Strengthening environmental regulations	<ul style="list-style-type: none"> Operating restrictions on thermal power generation and increased power generation costs, etc. due to the strengthening of regulations → Analysis and responses to risks and opportunities based on climate change scenarios P50-53 	<ul style="list-style-type: none"> Expansion of introduction of renewable energy → New development and expanded introduction of renewable energy P39 Reduction of fuel costs by improving the efficiency of supply facilities → Higher efficiency of thermal power generation P40 Promotion of electrification and progress with energy saving → Promotion of energy consulting, distributed energy, and decarbonization support for local communities P45
	Changes in the environment surrounding the nuclear power business	<ul style="list-style-type: none"> Increase in the cost of alternative thermal fuels associated with long-term shutdowns due to lawsuits, changes in laws, etc., and increase in capital investment associated with additional measures, etc. → See description on the right Review of state systems related to the nuclear fuel cycle, etc. → Understanding the state of discussions at councils held by the government, dialogue with policy authorities 	<ul style="list-style-type: none"> Improvement of safety at the Ikata Power Plant, continuation of safe and stable operation, etc. → Implementation of safety measures in preparation for serious accidents and other such occurrences → Thorough information disclosure, and communication with society through dialogue with local residents P38, 61
	Market trends	<ul style="list-style-type: none"> Significant fluctuations in fuel prices and exchange rates → See "Stable fuel procurement" on the right Decline in retail electricity sales volumes and unit prices due to market competition, and decline in wholesale unit prices due to increase in FIT electricity → See "Expansion of profit opportunities" on the right Decline in area power demand due to population decline, energy saving, the spread of storage batteries, etc. → Refer to "Creation of new services and business" on the right 	<ul style="list-style-type: none"> Stable fuel procurement → Diversification of suppliers and procurement methods P41 Expansion of profit opportunities → Expansion of sales areas and diversification of sales methods and channels → Maximization of profits by utilizing multiple markets P41, 43 Creation of new services and business → Promotion of solar PPA and distributed energy business P43, 45
	Facility and operations-related trouble, etc.	<ul style="list-style-type: none"> Damage to facilities or the occurrence of operating trouble due to a large-scale natural disaster or aging of supply facilities → See description on the right P70 	<ul style="list-style-type: none"> Appropriate inspection, maintenance, and enhanced resilience of supply facilities → Safe and stable operation of power plants, optimization of transmission and distribution facilities, and hardware and software measures to prepare for natural disasters P40, 42
Businesses other than electricity	<ul style="list-style-type: none"> Rapid changes in market conditions, including price fluctuations, and the emergence of country risk → Identification and management of risks assumed in business operations Structural changes in energy business associated with the spread of distributed power sources and technological innovation, etc. → See "Rise of new needs in the energy business" on the right 	<ul style="list-style-type: none"> Response to changes and opportunities in the market environment <ul style="list-style-type: none"> Trends in digitization and DX → Expansion of IT/communication business P46 Increase in global energy demand → Expansion of international business P44 Rise of new needs in the energy business → Initiatives for DX and distributed energy business P45 	
In common	Compliance	<ul style="list-style-type: none"> Decline of social credibility due to violation of laws and regulations, etc. → Raising awareness of compliance among officers, and strengthening internal control systems P70, 72 	<ul style="list-style-type: none"> Increased need for enhanced governance and transparency → Enhancement and strengthening of corporate governance P62-73
	Declining workforce and changing work environment	<ul style="list-style-type: none"> Difficulty in securing necessary human resources due to decrease in the workforce → Diversification of methods of acquiring and developing human resources P56 	<ul style="list-style-type: none"> Enhancement of the driving force for value creation through changes and improvements in employee awareness → Creation of an environment in which diverse human resources can play an active role P57, 58

Enhancement and Strengthening of Corporate Governance

Promoting Compliance

We have established the “Shikoku Electric Power Compliance Guidelines,” which establish specific rules to be observed by officers and employees, including legal compliance and respect for social norms as well as the building and maintenance of sound relationships with stakeholders. We make efforts to raise awareness and promote implementation of these guidelines.

We have also established the Shikoku Electric Power Group Compliance Council, which combines the Compliance Promotion Committees of each Group company, through which we make thorough efforts to ensure compliance across the Group.

Implementation of ongoing compliance education

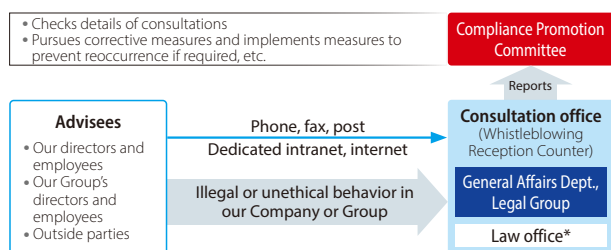
Every year, we implement e-learning training for all employees, based on various potential work-related compliance issues. In fiscal 2023, 100% of employees undertook this training.

In addition, we regularly conduct training for personnel in charge of site offices to share actual case studies of compliance violations and raise awareness of laws and internal regulations related to operations. We also provide compliance training that takes advantage of the opportunities for training at different job grades.

Establishment of Compliance Consultation Office

We have established a Compliance Consultation Office at the General Affairs Department and an outside law office as a contact point for consultations regarding conduct that violate laws or corporate ethics. In addition, an internal contact point has been established by the Audit & Supervisory Committee to receive reports on violations of laws, regulations and corporate ethics directly involving Directors.

Overview of Shikoku Electric Power's Compliance Consultation Office



* Matsumoto Law Office
Imon Takamatsu Building, 5th Floor, 1-2-5 Kotobukicho, Takamatsu-city (in principle, limited to posted documents)

Protection of intellectual property rights

Our Group owns and utilizes patents and other intellectual property rights in fields such as energy, information and communications, electronics, construction engineering, and

agriculture. In addition, in order to avoid infringing upon the intellectual property rights of third parties in our business activities, we provide training on legal systems and cases of infringement concerning patents, etc. mainly for staff in charge of intellectual property, including at Group companies.

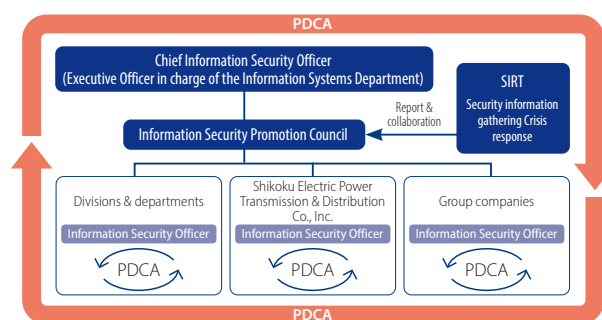
Protection of personal information

We disclose the purposes of personal information use in accordance with our “Basic Policy on Personal Information Protection,” which outlines specific matters to be complied with by officers and employees. Led by the Personal Information Protection Promotion Committee, we make thorough efforts to implement the proper management of personal information, including that of customers, through the establishment of internal regulations, conducting employee training, and awareness-raising activities.

Ensuring Information Security

As part of our information security efforts, our Group has established the “Yonden Group Information System Security Guidelines” and put in place a group-wide management framework headed by the executive officer in charge of the Information Systems Department.

Framework for security management within the Group



Based on this management framework, we have continuously improved physical, technical, organizational, and personnel measures, resulting in zero major security incidents in fiscal 2023.

Recent security improvement measures

Physical measures	Introduction of electronic locks for office doors
Technical measures	Introduction of network intrusion detection system
Organizational and personnel measures	Implementation of security education and training for all employees

Dialogue and Information Disclosure Through IR/SR Activities

Based on the “Yonden Basic Policy on Investor Relations,” we focus on ongoing communication between shareholders and investors with Shikoku Electric Power’s management and IR personnel. In fiscal 2023, we held multiple company briefings by the president and small meetings between directors and shareholders/analysts,

as well as approximately 90 individual meetings conducted by the IR/SR office. The opinions and requests regarding management policies and business operations received from shareholders and investors were shared with the management team and utilized in business management.

Small meeting with an outside director (Held March 2024)

The following are some of the Q&As from major institutional shareholders and analysts at a small meeting attended by Outside Director Kagawa, where they exchanged opinions centered on governance.

Outside Director and Audit & Supervisory Committee member
(Director, Vice President and CCO of The Hyakujushi Bank, Ltd. [at time of meeting])

Ryohei Kagawa



Director and Senior Corporate Officer
General Manager of General Planning Division [at time of meeting]

Yoshihiro Miyamoto

Q In general, outside directors are often those who have stepped down from the front lines of management, but you are still active as Vice President. Doesn’t holding dual roles create a sense of burden?

Kagawa: From my perspective, being actively involved in the management of two companies has the advantage of allowing me to receive timely and direct information regarding changes in social conditions, the market environment, and the expectations of shareholders and other stakeholders.

The workload was confirmed at the time of appointment and is not a problem. In fact, now that I’ve taken on the role, I don’t feel any excessive burden.

Q It’s uncommon in the energy sector for all outside directors to concurrently serve as Audit & Supervisory Committee members, as in the case at Shikoku Electric Power. How do you perceive this setup as an outside director, and how do you balance your involvement in management with your audit responsibilities?

Kagawa: Outside directors actively present their opinions at both the Board of Directors and Audit & Supervisory Committee meetings, reflecting their experiences and the viewpoint of the public, and the executive side has been receptive to incorporating these opinions. I do not feel that my role is skewed toward either the outside director or audit committee duties, and I

believe the current system is functioning effectively. At Shikoku Electric Power, we have a structure in place where important matters are explained by the heads of each department at the Audit & Supervisory Committee, ensuring that sufficient information is provided to support important decision-making. With regards to the formulation of the current Medium-Term Management Plan and annual execution plans, we engage in thorough Q&A sessions with the executive team, which have led to satisfactory conclusions. In this way, we are fully committed to management, including communication.

Miyamoto: At the Board of Directors, Kagawa participates in both his roles as an Audit & Supervisory Committee member and an outside director. Most of the opinions we receive from him are from the standpoint of an outside director. Meanwhile, the Audit & Supervisory Committee convened 18 times last year, and as a member he also conducted on-site audits, and held discussions with employees. Although this is quite a demanding workload, we feel he has executed his role thoroughly.

Q What is the atmosphere like in the Board of Directors? Is there a sense of tension in the discussions between the outside and inside directors?

Kagawa: The executive side has been diligent in addressing proposals and inquiries from the

outside directors. The chairman also ensures that all outside directors have the opportunity to express their opinions regarding important decisions and reports. There has never been a situation where the outside directors’ opinions or comments were suppressed by the executive side.

Miyamoto: Sometimes, the outside directors voice strict opinions, asking if we, as management, are fully prepared to move forward with certain decisions. Personally, I feel that while maintaining a sense of tension, we also receive sincere advice.

Q How do you view the role of outside directors when setting ROE and other management targets, and how do you evaluate current targets?

Kagawa: Given that the banking sector experienced deregulation ahead of the power sector, I feel that my experience can be useful as an outside director. I was involved in the discussions for formulating the current Medium-Term Management Plan, and considering that the power sector is a capital-intensive industry and has the crucial mission of ensuring stable supply, it’s difficult to operate with extreme leverage. Therefore, I believe that the current ROE target of 7 to 8% (later revised to around 8% in April 2024) is reasonable.