

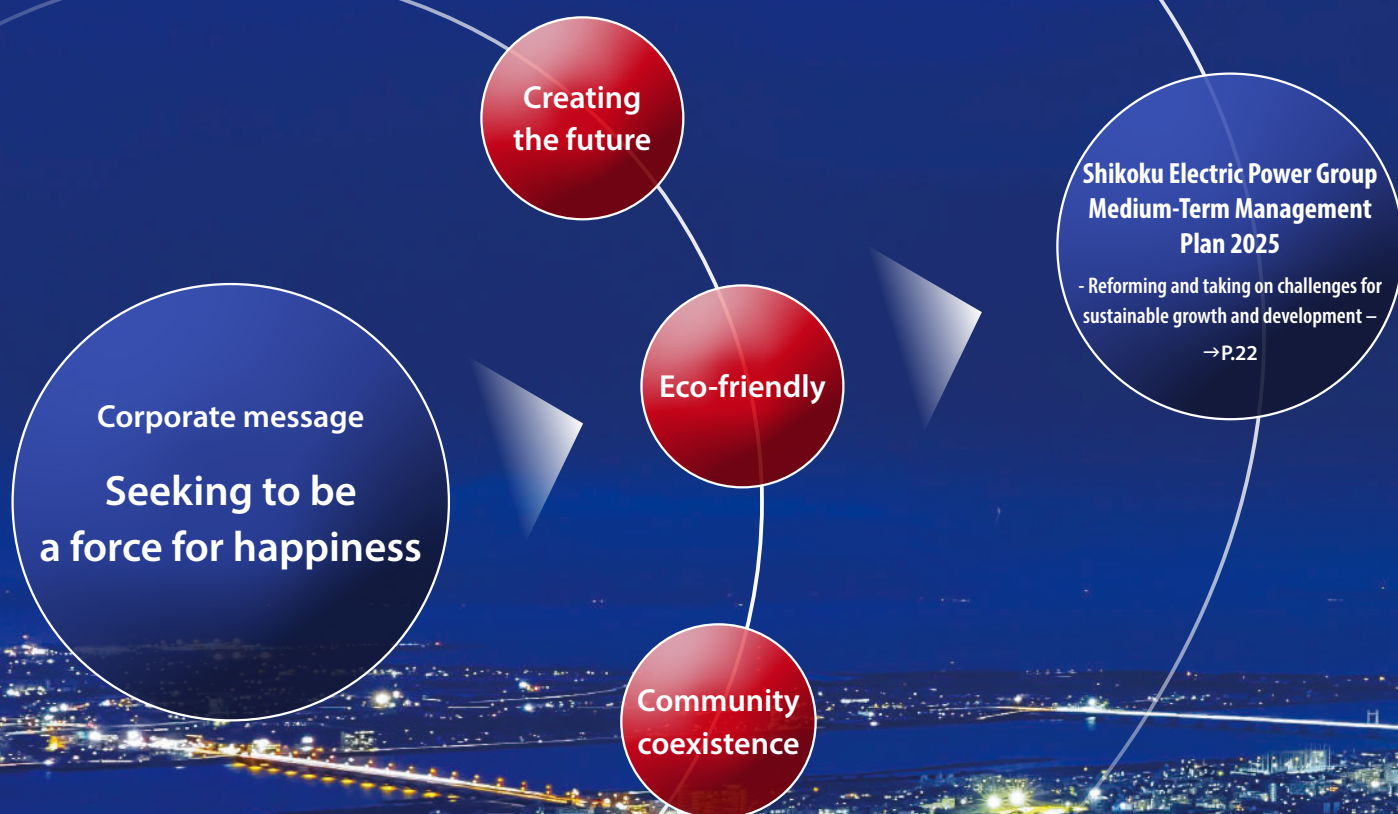
# Shikoku Electric Power Group Vision

We, the Shikoku Electric Power Group, share with employees our desire to be a force for the happiness of our customers and community members, and will, as a multi-utility corporate group supporting work and life, contribute to comfortable, safe, and secure living, and to the Shikoku region's development.

## Shikoku Electric Power Group's Mission and Ultimate Purpose

### Three key points in realizing our Group vision

We are committed to the continuous provision of high-quality services, centered on energy, that interconnect with the lives that people lead. In this way, we contribute to comfortable, safe, and secure life as well as to the Shikoku region's development.





## Shikoku Electric Power Group's Future Vision

### Aiming to be a multi-utility corporate group supporting work and life

By toughening and diversifying our infrastructure, technologies and services centered on the electric power business, and entering new business and market areas, we will aim to increase our corporate value and contribute to the development of the Shikoku region as a "multi-utility corporate group supporting work and life."

#### Creation of affluent lifestyles through smart technology

We will promote DX and provide various services centered on the energy and telecommunications services fields as a "platform in the Shikoku region"

#### Realization of a decarbonized society

We will promote the low carbonization and decarbonization of power sources, the further use of electric energy, and take on the challenge of becoming "carbon neutral in 2050"

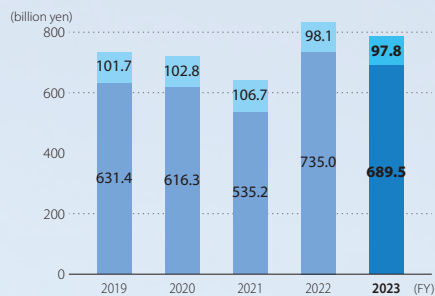
#### Issue resolution and economic revitalization in the Shikoku region

We will promote initiatives that contribute to the growth and revitalization of local communities and the expansion of the nonresident population

# About the Shikoku Electric Power Group

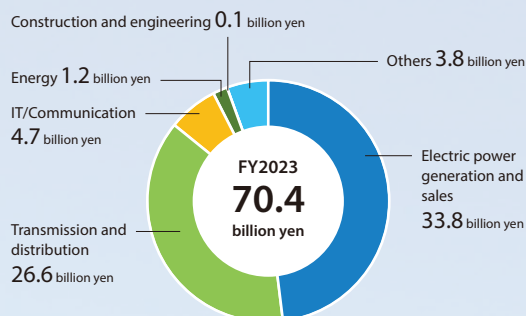
The Shikoku Electric Power Group is committed to the continuous provision of high-quality services, centered on energy, that interconnect with the lives that people lead. In this way, we contribute to comfortable, safe, and secure life as well as to the Shikoku region's development.

## Operating revenues



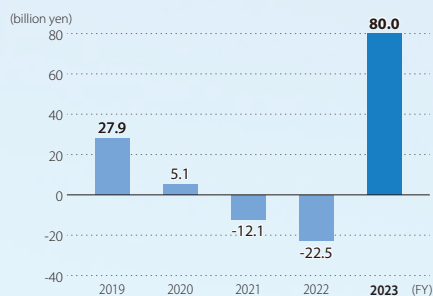
■ Electric power business ■ Businesses other than electricity  
\* As a result of the application of the Accounting Standard for Revenue Recognition in fiscal 2021, consolidated sales decreased by 159.4 billion yen from the level before application of the standard

## Capital investment (by segment)

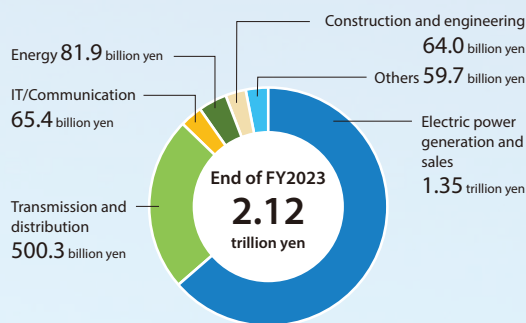


\*Before elimination of intersegment transactions

## Ordinary profit

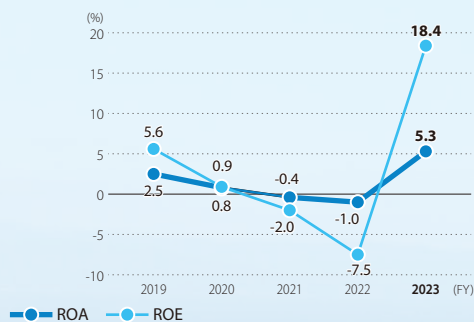


## Assets (by segment)



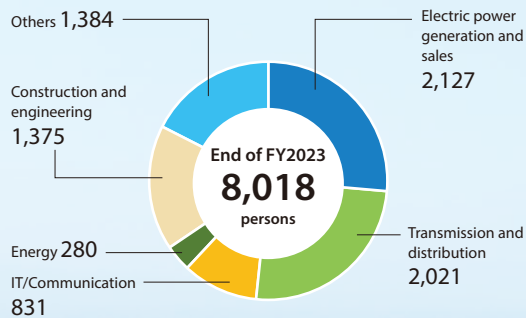
\*Before elimination of intersegment transactions

## ROA\* (Return on Assets) / ROE (Return on Equity)



\* ROA is calculated as: Business profit (ordinary profit + interest expense)/Average total assets (average for period start/end)

## Number of employees





## Electric Power Business

### Electricity generation business

From the perspective of S (Safety) + 3E (Energy Security, Economic Efficiency, Environment), we aim to achieve a balanced power generation mix while ensuring stable electricity supply and the low-carbonization and decarbonization of power sources, centered around nuclear power as the core energy source.



### Retail business

We provide diverse pricing plans and services to meet changing lifestyles and customer needs. We also leverage our strong brand power in the Shikoku region and our many connections with the local community to build solid relationships with our customers.



### Transmission and distribution business

To ensure the stable delivery to our customers of electricity generated at power plants, we work to reduce outage times and improve power quality through efficient facility formation and maintenance, as well as enhanced resilience against natural disasters. We are also engaged in expanding the acceptance of renewable energy sources, and in curbing the amount of output control.



## Businesses Other than Electric Power

### IT/communications business

Utilizing the technology and personnel covering information and telecommunications cultivated in the electric power business, we are involved in optical communication businesses and data center/cloud businesses, and providing ICT infrastructure to support businesses, and providing services that make life more comfortable in the Shikoku region.



### Energy business (international and domestic)

We are leveraging the knowledge and know-how accumulated through our power generation and other operations to develop international business in regions such as the Middle East and Asia. Domestically, we engage in LNG sales, regional heat supply, distributed energy, energy solutions, and other businesses.



### Construction and engineering business, and others

We utilize our construction and engineering technical capabilities gained from power-related construction works and have received orders to undertake the construction and operation of renewable energy-related facilities and equipment works for both public and private sectors nationwide.

We also engage in other businesses, including equipment manufacturing, commercial business, real estate, hotel operations, and agribusiness.





# About the Shikoku Electric Power Group

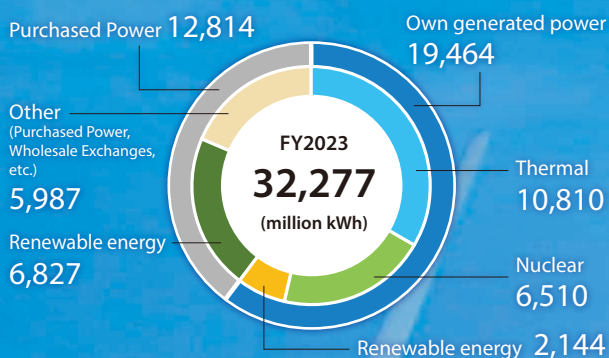
## —Group business area expansion—

Our Group is based in the Shikoku region, but we also conduct business activities in Japan and around the world, leveraging the strengths in technology and human resources cultivated primarily through our electric power business.

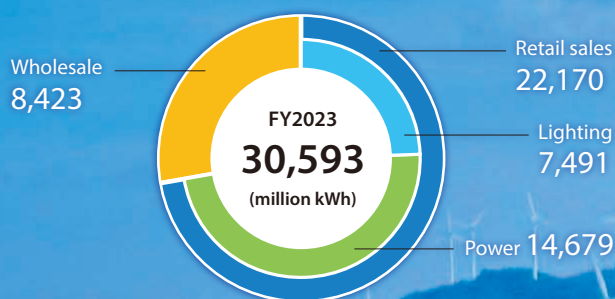
### The Shikoku Electric Power Group —supporting the Shikoku region

Shikoku Electric Power's internal power sources are 40% environmentally friendly nuclear and renewable energy.

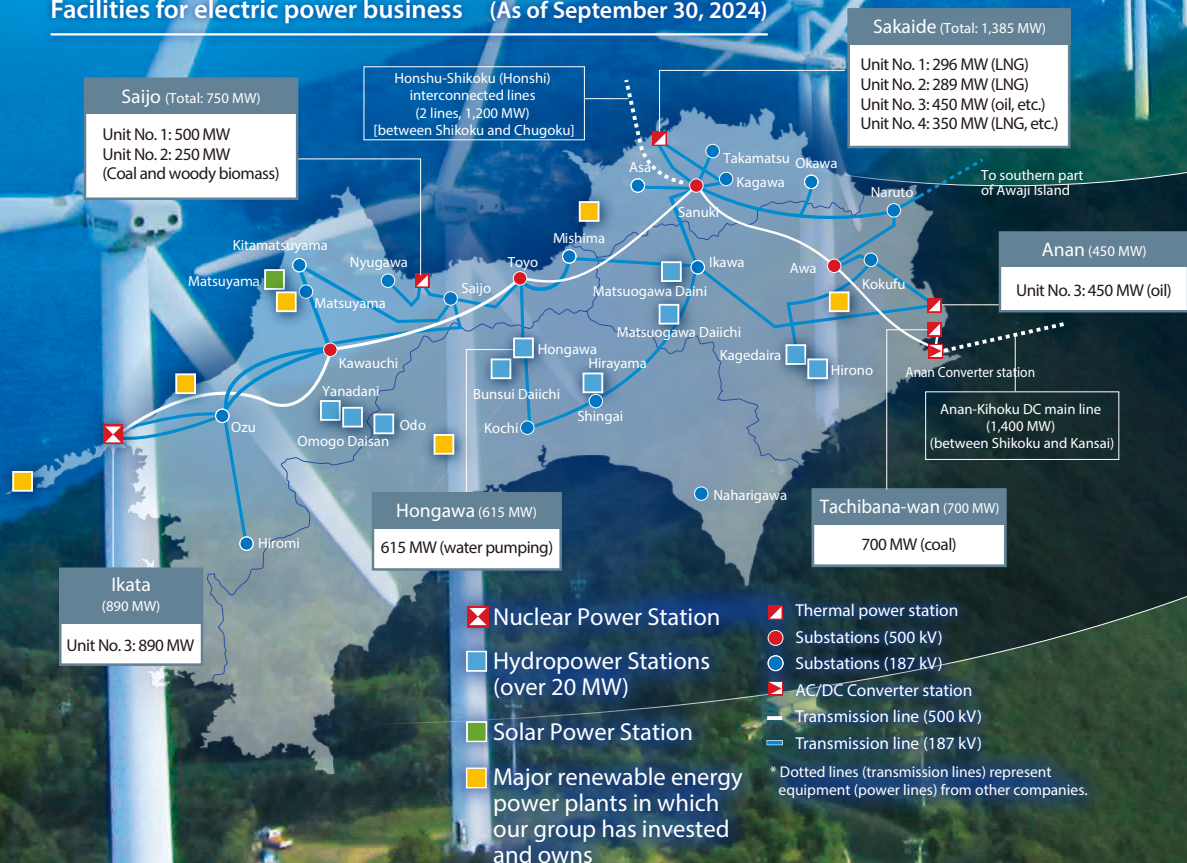
#### Electricity Supplied



#### Total Electricity Sales



#### Facilities for electric power business (As of September 30, 2024)







## Group Strengths in the Value Chain

Utilizing the strengths primarily cultivated in the electric power business, from fuel procurement to power generation, transmission, distribution, and provision of energy services, we provide a range of value to individual and corporate customers as well as business partners.



Fuel procurement



Electric power generation

### Balancing Economic Efficiency and Stability in Fuel Procurement

- We economically and stably procure coal and LNG for thermal power generation, and uranium fuel for nuclear power in light of fuel characteristics.
- Spent nuclear fuel is stored within the power plant and then sent to a reprocessing facility, where it is processed and reused as fuel.

### A Competitive, Balanced Power Source Structure

- We achieve a balanced power generation structure in the Shikoku region from the perspective of S (Safety) + 3E (Energy Security, Economic Efficiency, Environment).
- We thoroughly implement the most economical operations in view of fuel prices and wholesale market prices.

#### Electric Power Business Value Chain

#### Expansion Beyond the Electric Power Business

- Through our coal procurement subsidiary in Australia, we procure high-quality coal at low prices and also sell it to companies outside the Group.
- We operate two LNG terminals in Shikoku, selling gas through pipelines and trucks.

- Utilizing the know-how gained from the power generation business, we are engaged in renewable energy development throughout Japan and overseas power generation (IPP) projects.
- Based on the technical capabilities developed through electric power-related construction, we have secured contracts for power plant-related works and facilities construction for both the public and private sectors.

#### Our Strengths

- Wide-ranging procurement of coal, LNG, oil, wood biomass, and uranium fuel, etc.
- Stable fuel procurement through diversification of procurement sources, and of procurement periods and methods.
- Inventory management and procurement risk management, etc.

- Extensive experience and know-how in the construction, operation, and maintenance of nuclear, renewable, and thermal power plants
- Approximately 40% of our in-house power generation is from decarbonized sources (nuclear and renewable energy)
- Know-how for optimizing the economics of supply and demand operations using AI, etc.

#### Toward Sustainable Value Creation

- Balancing economical and stable procurement of fossil fuels and nuclear fuels
- Support for building supply chains for next-generation fuels such as ammonia and hydrogen, etc.

- Achieving stable electricity supply through safe and stable operation of power plants
- Gradual decarbonization of power sources in consideration of technological advancements and economic efficiency, etc.





Transmission  
&  
distribution

### Reliable Network

- We deliver high-quality and stable electricity to our customers through improvements in the supply reliability of transmission, substation, and distribution facilities.
- We have a highly resilient transmission network connecting main transmission lines to Honshu via two routes.



Providing  
energy  
services

### Strong Trust and Brand Power in the Shikoku Region

- Leveraging the strong brand power and credibility cultivated through the electric power business, along with our many connections in local communities, we provide various products and services in addition to electric power sales, including LNG wholesale sales, solar PPAs, and energy consulting.



- We are also receiving orders for construction and engineering projects related to transmission, substations, and distribution, not only in the Shikoku area but across Japan.
- We develop systems for stable operation of the power grid, and provide services utilizing smart meters.



- In the information and communication sector, while steadily increasing the number of contracts in the FTTH business for individuals in Shikoku, we are also seeing an increase in contracts with customers outside Shikoku, including for corporate data center businesses.
- We are engaged in real estate and tourism businesses using our own assets, primarily in the Shikoku area.

- Extensive experience and know-how in the construction, operation, and maintenance of transmission, substation, and distribution facilities
- World-class electric power quality with few outages and stable frequency
- Preparation for large-scale disasters such as the Tonankai and Nankai earthquakes, including measures to counter tsunami, and recovery systems, etc.

- Strong brand power and credibility in the Shikoku region
- Strong networks with local governments, community organizations, and business partner companies
- Know-how and technical capabilities for providing energy-centered services, etc.

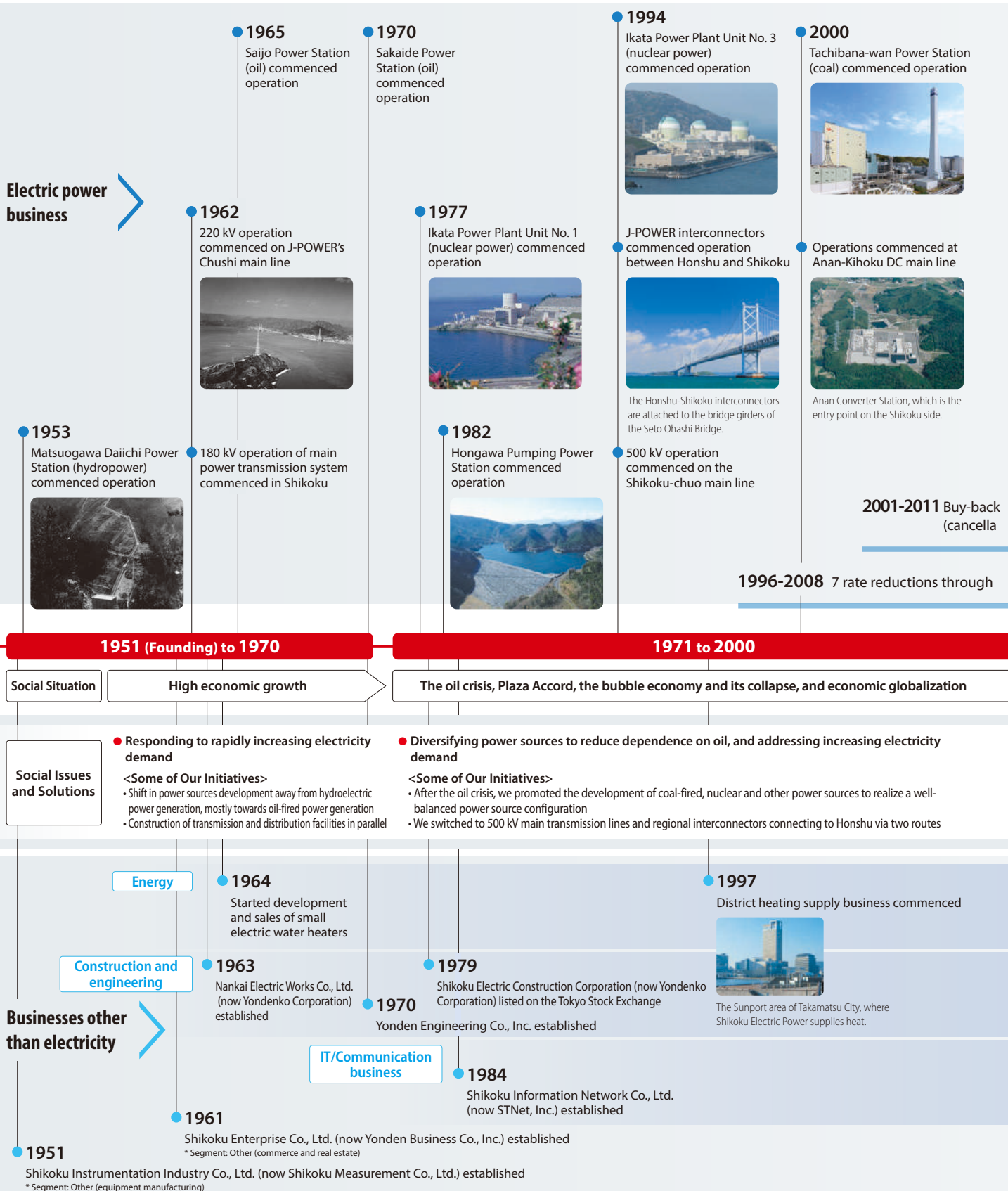
- Building next-generation networks, and maintaining the supply reliability and cost efficiency of transmission and distribution facilities
- Expanding the connection capacity and curbing output controls for renewable energy

- Providing one-stop support for customers' comfortable, safe, and secure lifestyles
- Further increasing fans of the Shikoku Electric Power Group by continuously providing a variety of products and services, etc.

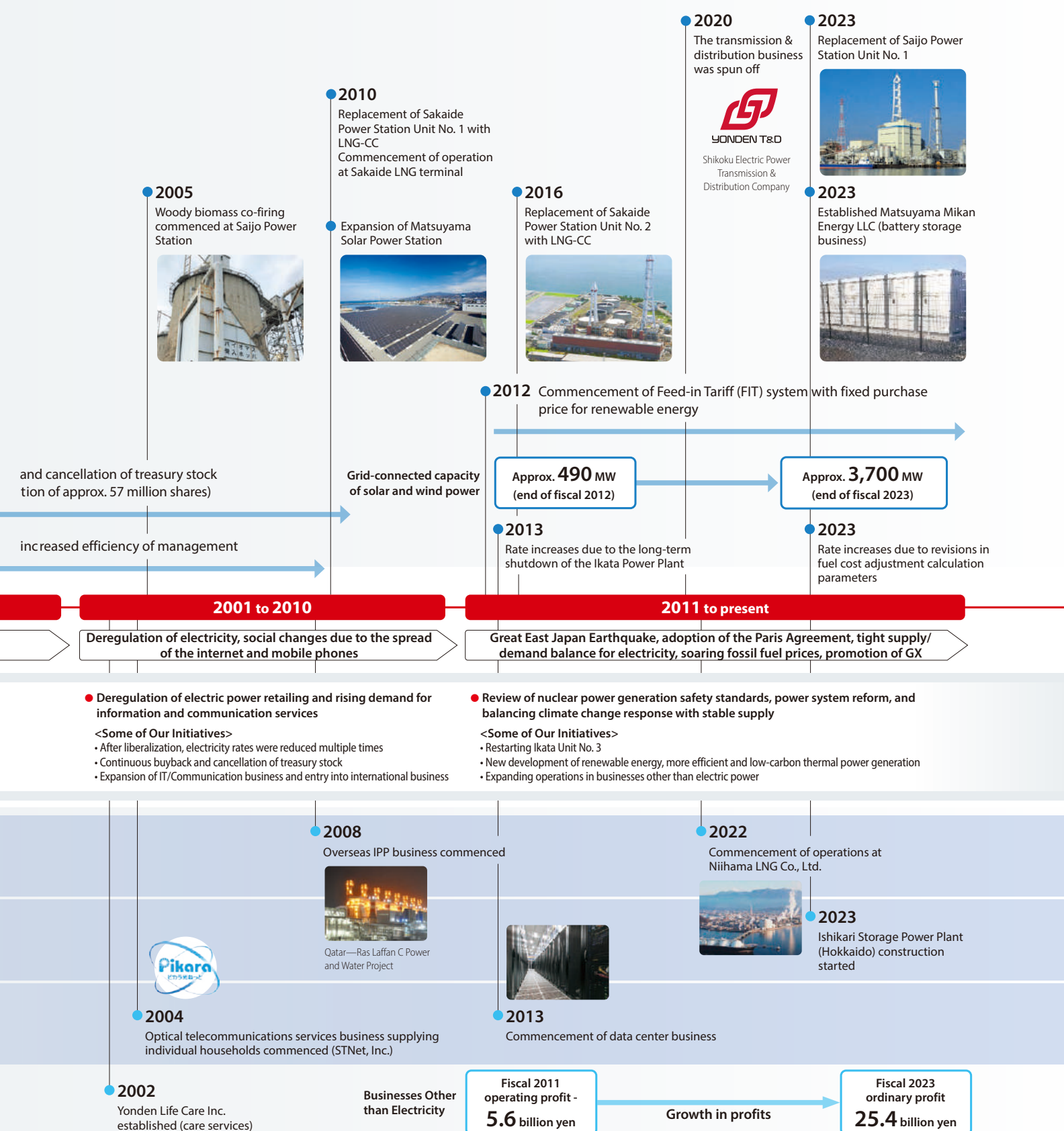


# History of Shikoku Electric Power Group

Since our founding, we have fulfilled our public-interest mission as an energy supplier while expanding our business



by solving social issues that change with the times, and digging up customer needs.





## President's Message



**We will realize sustainable value creation through the two main pillars of the electricity business and other businesses.**

Director and President

Yoshihiro Miyamoto

宮本喜弘

## The goal of the Shikoku Electric Power Group: Sustainable enhancement of shareholder and social value

I am Miyamoto, and I assumed the position of President in June of this year.

The Shikoku Electric Power Group aims to create sustainable value through both the electricity business and other businesses such as information and communication, construction, and engineering with the goal of becoming “a multi-utility corporate group supporting work and life.” As the president leading the group, I see my key missions as:

- To lay out and execute a road map through which the Group creates and expands shareholder and social value as a publicly listed company
- To build a vibrant Shikoku by following our corporate philosophy of “living in the community, moving forward with the community, and prospering with the community,” as a corporate group based in the region

I believe that the Group can realize its vision and contribute to achieving carbon neutrality by 2050 by working on sustainable value creation through creating affluent lifestyles, ensuring a stable supply of electricity and realizing a decarbonized society, and revitalizing the Shikoku region.

When looking at the environment surrounding the Group’s business activities, there is a growing global trend toward achieving a balance between ensuring energy security, economic growth, and the decarbonization of society. In Japan, the outlook for electricity demand has shifted to an increase for the first time in 20 years, driven by construction and expansion of semiconductor factories and data centers. The government is considering the GX 2040 Vision, which integrates industrial policy and energy supply. Going forward, we recognize that it will be important to meet the carbon

neutral needs of our customers by advancing the decarbonization of power sources while ensuring energy security. Additionally, with the rapid spread of generative AI and significant progress in related technologies, new customer needs are emerging, and I feel that business opportunities are on the horizon in the energy and information communication sectors.

At this time, the Group has entered a phase where it can proactively address future needs, having completed a cycle of large-scale investments in power sources. We are currently working on formulating our next medium-term management plan and are considering strategies for medium-term growth.

The Group’s greatest strength lies in the strong brand and credibility in the Shikoku region we have cultivated through our business activities, as well as the robust personal networks we have built with local governments, regional businesses, and community organizations. In the electricity business, we have a competitive power source backed by the stable operation of Ikata Unit No. 3. In businesses other than electricity, we have strength in business development such as information and communications, international business, construction, and engineering which leverage our power-related technologies and expertise, and our diverse partnerships with trading companies and manufacturers.

Furthermore, human resources are necessary to leverage these strengths and ensure the Group’s continued growth and development. Based on a human resource strategy aligned with our business strategy, we will advance the recruitment and development of human resources and we will advance human capital management and realize sustained

### Who is President Miyamoto?

#### Q. Why did you join the Company and what did you do after joining?

I always enjoyed mathematics and physics, which led me to major in electrical engineering at university. While researching generators, I became interested in electric power companies, and my desire to contribute to my home region of Shikoku led me to join the Company.

After joining, I was assigned to the Ikeda Power Plant in Tokushima Prefecture, where I gained experience in construction at hydroelectric plants and substations, as well as grid operations. As a young employee, I felt that my work was directly contributing to a stable power supply. Later, I transferred to the newly established Environmental Department, which led to my involvement in corporate planning in the latter half of my career. I’ve now worked in corporate planning for so long that young employees sometimes have a hard time believing I used to be in a technical department.



Miyamoto at the time of working on a substation construction.



## President's Message

improvements in shareholder and social value by establishing an environment where employees can autonomously enhance their abilities, take on challenges, and grow, and by combining

the strengths of a diverse workforce, both inside and outside the Company, and activating our organization and business activities.

## Value creation to realize the vision: Progress of the Medium-Term Management Plan 2025 and future challenges

As a milestone toward realizing the Group Vision, we have set a target in the Medium-Term Management Plan 2025 to maintain consolidated ordinary profit equivalent to around 3% return on assets (ROA) (40 billion yen or more), and are working to build a business structure where both the electric power and other businesses can each secure half of the target profits as our two pillars of value creation.

In fiscal 2023, the electricity business achieved strong financial results due to temporary factors such as time lag effect of the fuel cost adjustment system, in addition to the resolution of structural challenges on the revenue side caused by rising fuel prices. However, despite these factors, consolidated ordinary profit did not reach the target level, and we recognize that further improvement in the profitability of the power generation and sales business is a challenge.

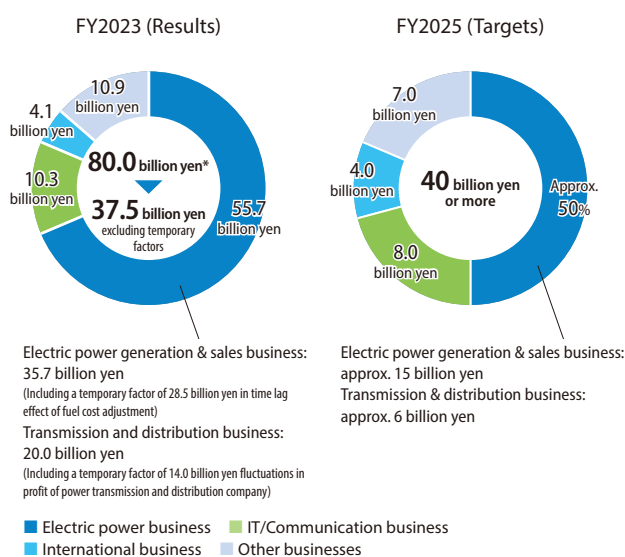
Therefore, in fiscal 2024, in order to control the volatility of income and expenditure due to fluctuations in fuel and market prices in the power generation business, we are ensuring the stable operation of Ikata Unit No. 3 and working to curb unplanned outages at thermal power plants, diversify fuel suppliers, and spreading price risks. In addition, from the perspective of stabilizing and maximizing wholesale revenue,

we are carefully adjusting the composition of long-term and short-term bilateral contracts and spot market transactions based on market outlooks. In the retail business, where profitability has declined in the intensely competitive environment following full deregulation, we are working to secure appropriate profit margins on a case-by-case basis.

Meanwhile, although profits in the transmission and distribution business have risen due to temporary factors, it is a regulated business and therefore requires systematic efficiency improvements under the revenue cap system.

Regarding businesses other than electricity, the information and communications business, which is positioned as a growth business, has seen growth in optical communication services, data centers, and cloud services, driven by the advancement of DX and the rapid spread of generative AI, and has developed into a business generating around 10 billion yen in ordinary profit. Regarding international business, as a result of our efforts to expand the business while thoroughly managing risks, our owned capacity as of the end of fiscal 2023 increased by 220,000 kW from the previous year to 1.11 million kW, and we are now on track to achieve the ordinary income of 4 billion yen targeted in the Medium-term Management Plan 2025.

### Ordinary profit by segment

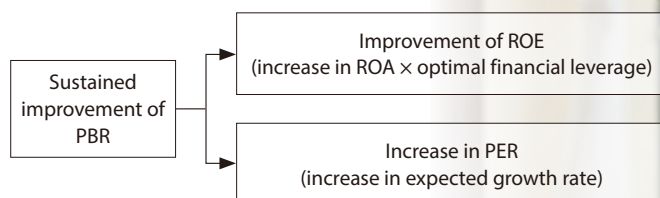


### Key activity indicators

	FY2020 results	FY2023 results	FY2025 targets [FY2030 targets]
Equipment utility rate (excluding water pumping at the Hongawa Power Plant)	38%	49%	[55%]
Ikata Unit No. 3	—	87%	[Top level in Japan]
New renewable energy development	170 MW	350 MW	[500 MW]
Total electricity sales (excluding transmission and distribution)	28.0 billion kWh	28.4 billion kWh	[30.0 billion kWh]
Retail	22.0 billion kWh	22.2 billion kWh	22.0 billion kWh
Owned capacity within the international business	710 MW	1,110 MW	1,500 MW

\*Targets for FY2030 are given in square brackets for indicators without targets for fiscal 2025.

**My key mission is to chart a course for  
the Shikoku Electric Power Group's growth and  
sustainably enhance shareholder value.**



Additionally, the construction and engineering business, which leverages our technical capabilities cultivated through power-related construction, is also expected to deliver stable profits, and businesses other than electricity are steadily expanding.

Considering this situation, the Group's profitability, excluding temporary factors, has steadily improved, and the profit indicators outlined in the Medium-Term Management Plan 2025—such as consolidated ordinary profit of 40 billion yen or more equivalent to around 3% ROA, and around 8% return on

equity (ROE)—are largely within reach. Regarding shareholder returns, we plan to increase dividends to 40 yen in fiscal 2024, aiming to achieve the fiscal 2025 target of a 50 yen dividend.

The Group will continue to improve the profitability of its electric power business and expand the scope of its businesses other than electricity in order to achieve the goals of the Medium-Term Management Plan 2025, and also to realize the Group Vision beyond.

## Approach to shareholder value enhancement and financial strategy: Growth story and stable shareholder returns

The Group has set ROA and ROE as its management targets, and we are operating with an awareness of securing profits that exceed the cost of capital, improving asset efficiency, and enhancing shareholder capital efficiency. Regarding shareholder returns, while we prioritize stable dividends and control the cost of capital by maintaining a degree of financial soundness, we are implementing a phased dividend increase to achieve the fiscal 2025 target of an annual 50-yen dividend.

In April 2024, we reflected the increase in total assets due to changes in depreciation methods and other factors, and once again clarified the position of the profit target in the Medium-Term Management Plan 2025. We raised the ordinary profit target from the previous 35 billion yen to over 40 billion yen, which corresponds to around 3% ROA, and revised the ROE target upward from approximately 7% to around 8%.

We recognize that stock price reflects the Group's shareholder value as evaluated by shareholders and investors, and that improving ROE and the price-to-earnings ratio (PER) is essential for enhancing shareholder value. Since improvement of profitability is important to increase ROE, we will first aim to

achieve a business structure that can sustainably secure profits of around 3% ROA by advancing the above measures with both the electricity business and businesses other than electricity serving as the two pillars. On the other hand, regarding financial leverage, our policy is to prioritize maintaining a certain level of financial soundness in the short term to recover damaged equity capital, with a target equity ratio of around 25%.

To improve PER, it is important to present a probable sustainable growth story and to achieve a ROE that exceeds shareholders' expected rate of return. To this end, I view my mission as president to be to achieve the Medium-Term Management Plan 2025 and also give a clear path to sustained value creation and expansion beyond fiscal 2026. Currently, we are holding internal discussions on the ideal business portfolio, optimal cash flow allocation, and the recruitment and development of human resources to support our business strategy in preparation for the formulation of the next Medium-Term Management Plan.

We also believe that one strength in improving price book-value ratio PBR is the continuation of stable dividends and the



## President's Message



**We will systematically decarbonize power sources while taking into account technological developments and economic feasibility.**

phased increase of dividends toward an annual dividend of 50 yen. By engaging in ongoing dialogue through IR and SR activities while an approach of balancing both a sustainable growth story and dividend yields, we aim to improve PBR.

The Group recognizes the importance of both maintaining its credit rating to control increases in the cost of capital cost and securing an ROE of 8% or more in the face of rising interest

rates, which are expected to increase funding interest rates and shareholders' expected rates of return. While considering the scale of growth and decarbonization investments, we are advancing discussions on the optimal capital structure. With the next Medium-Term Management Plan in mind, we are also deepening discussions on the introduction of ROIC and the handling of quantitative shareholder return indicators.

## Making challenges to achieve a decarbonized society by 2050: Decarbonization of power sources and further utilization of electricity

Addressing climate change is a critical issue for us as a responsible energy supplier. The Group aims to balance ensuring a stable power supply with realizing a decarbonized society. Based on our roadmap to achieve carbon neutrality by 2050, we are taking measures on both the demand and supply sides to achieve low-carbon and decarbonized power sources, promote electrification in society and industry, and further utilize electric energy.

Regarding efforts on the supply side, we have positioned the period up to 2030 as the low-carbon phase and the period up to 2050 as the decarbonization phase. For fiscal 2030, we have set the following goals:

- Reduce CO<sub>2</sub> emissions from the retail sector by 50% in comparison to fiscal 2013
- Reduce our greenhouse gas emissions (direct emissions from our power generation operations, etc.) by 30% in comparison to fiscal 2013

We are aiming to achieve the fiscal 2030 targets for both power generation and retail by advancing efforts to reduce CO<sub>2</sub> emissions from our own power generation by maximizing the use of nuclear power, expanding the development of renewable energy sources, and co-firing biomass at thermal

power plants, while also procuring electricity from other companies with low emissions intensity in the retail sector.

With regard to the decarbonization of thermal power sources, which can significantly reduce CO<sub>2</sub> emissions from our own power generation, multiple pathways and scenarios exist for achieving carbon neutrality by 2050, depending on the development status and economic viability of related technologies, and the specific conditions of each power source. The Group is considering the full-scale introduction of ammonia into coal-fired power plants around 2030. However, due to the high costs of facility modifications and other measures, we aim to take advantage of government support programs and other measures, and connect this to the decarbonization phase from fiscal 2031 onward. We are also exploring the potential of hydrogen and CCUS (Carbon dioxide Capture, Utilization, and Storage) in terms of implementation locations, scale, and timing, while taking into account the degree of technological progress and economic viability.

Regarding the further utilization of electricity, we are promoting electrification through residential electrification and conversion of industrial heat sources. Additionally, in response to the growing needs for decarbonized electricity from

manufacturers and other companies, the expansion of solar PPA, and the spread of EVs and storage batteries, we are advancing demand-side initiatives such as distributed energy business and energy consulting. Shikoku Electric Power Transmission & Distribution Co., Inc. is expanding the

connection of solar and wind power to the grid and working to curtail the output control amount. Our retail business is also taking on the challenge of achieving carbon neutrality by introducing pricing structures that encourage a shift in electricity demand to daytime hours.

## Human capital management at the Shikoku Electric Power Group: Human resources are the source of value creation

The greatest driving force for sustainably expanding both shareholder and social value through business activities is human resources. Based on a management policy centered around the two pillars of the electricity business and other businesses, the Group is implementing a human resource strategy to maximize the value of its employees. This includes recruitment and development of the pioneers of the future; promoting diversity, equity, and inclusion (DE&I); and creating an environment where employees can fully demonstrate their abilities.

An important aspect of our human resource strategy is to advance the recruitment and development and optimal placement of necessary personnel in response to changes in the business environment and our portfolio, thereby maximizing the overall performance of the organization. In order to secure human resources that will support the Group's growth and competitiveness over the medium to long term while addressing short-term needs, we are focusing on the recruitment and development for personnel who will carry our DNA of supporting the stable supply of power, and who will drive the expansion of key areas outside the electricity business

and promote digital transformation (DX).

In promoting DE&I, the key is to ensure the diversity of the workforce and then look at how to transform that diversity into organizational strength. As customer and partner needs and issues become more diverse across all business areas, diverse opinions and ideas that are not constrained by preconceived notions are essential in order to respond flexibly to such changes. In the power generation, transmission, and distribution business, preventing mistakes that could lead to blackouts is critically important. However, in the retail and non-electricity businesses, it is important to be proactive and willing to try new things while tolerating a certain amount of failure. Although the process of exchanging diverse opinions and building consensus can be challenging, it leads to many new insights and discoveries, so I personally strive to promote this process and encourage our managers within the Company to do the same. Moreover, we are activating our organization and business activities by integrating personnel with diverse backgrounds through the promotion of female employees, hiring of mid-career skilled professionals, and welcoming human resources from our partner companies.

### Who is President Miyamoto?

#### Q. Could you describe your personality?

I enjoy talking to others. People often say, "Learning is a lifelong process," and I truly feel that even now, I am constantly learning new things from conversations with people of different backgrounds and ages. Because of this, I've always valued maintaining a sense of curiosity to learn about a broad range of topics, as well as in connecting with others. This extends not only within the Company but also to my interactions outside the workplace.

Before assuming the role of president, I oversaw DX as the Chief Digital Officer (CDO). In this field, it is particularly important to have the flexibility to listen to and accept diverse opinions. Sometimes, I'm surprised by the innovative ideas from younger employees, and engaging in intense discussions and thinking about new challenges we could make together is something I enjoy.





## President's Message

Additionally, for employees to fully demonstrate their capabilities, it is important to create a work environment and organizational culture where employees can autonomously enhance their abilities, take on challenges, and grow with a sense of ownership through equal opportunities, flexible working styles appropriate to various life stages, and improved engagement.

I believe that human resources are the source of value creation, and we will continue to practice the Shikoku Electric Power Group's human capital management, where each individual works with a sense of purpose and contributes to sustainable value creation through business activities.

## Enhancing corporate governance: The foundation of sustainable value creation

In corporate governance, which serves as the foundation of sustainable value creation, improving management transparency and ensuring diversity are important. Our Board of Directors consists of 36% outside directors and 14% female directors. All five outside directors are independent directors

who meet the requirements of the Tokyo Stock Exchange. Additionally, all outside directors serve as members of the Personnel Committee and the Compensation Committee, which are also both chaired by outside directors to ensure transparency and objectivity in decision-making.



### Message from the Chairman of the Board

## The Role of Outside Directors at the Company

Chairman of the Board  
Keisuke Nagai

The role the Board of Directors most expects outside directors to fulfill is to monitor and supervise management based on their wealth of experience and deep insight from a standpoint independent of business execution. At the Company, outside directors who meet the independence criteria set by the Tokyo Stock Exchange also serve as Audit and Supervisory Committee members, fulfilling two key roles:

- As outside directors, to bridge the perspectives of shareholders and management, helping executive directors recognize key points and supporting management strategies and critical decision-making through offering advice and support for the Company's sustainable growth
- As members of the Audit and Supervisory Committee, to monitor and supervise the legality and appropriateness of the execution of duties by directors and the Board of Directors, thereby ensuring compliance and improving governance.

As Chairman of the Board, I always seek the opinions of all

outside directors when deliberating important decisions or reports at board meetings. The outside directors sometimes offer tough opinions based on their shareholder perspective and knowledge and experience in management, questioning the resolve of the leadership. This enables meaningful discussions and maintains a constructive tension between outside and executive directors.

Additionally, all outside directors serve as members of the Personnel Committee, including as Chairman, providing candid opinions regarding future candidates for directors. In our case, department heads present their explanations when the Audit and Supervisory Committee addresses significant issues from each department. Many of these are executive officers and part of the pool of potential director candidates, and direct communication is facilitated through Q&A sessions, which not only deepens understanding of the business but also serves as a forum for continuously assessing future director candidates.

## Message to stakeholders

The Shikoku Electric Power Group's strong brand and credibility in the Shikoku region are the result of many years of stable power supply. When a cold wave hit Japan in January 2021, the supply-demand balance for electric power tightened nationwide, and we faced a heightened risk of being unable to provide sufficient electricity as fuel inventories dwindled due to increased thermal power generation. As the head of corporate planning at the time, I worked hard to address the situation and was once again reminded of the significance of ensuring a stable supply of electricity to society. Our mission is to maintain this stable supply while managing various risks.

In recent years, society has also come to expect us to reduce the CO<sub>2</sub> emissions associated with power generation. Reducing CO<sub>2</sub> emissions from our own power generation hinges on the safe and stable operation of Ikata Unit No. 3, which in turn requires the trust of the local community. In addition, we must steadily develop renewable energy and efficiently advance the decarbonization of thermal power, while also taking into account technological developments and economic feasibility.

Fortunately, the Group has the advantage of being small, which enables us to quickly share and respond to issues in both the electricity business and other businesses because of our close proximity with customers and the field, and between employees and management, as well as the low barriers between business units and Group companies. The Group will continue to leverage these strengths to drive transformation and take on new challenges, and seek to be a force for happiness for everyone through business management that enhances sustainability. We ask all our stakeholders for their continued understanding and support of the Group's business activities.

### Who is President Miyamoto?

#### Q. Can you tell us about your private life?

I'm from Awa City in Tokushima Prefecture, and all my family is from Shikoku, so Shikoku is truly my home. I still regularly return to my parent's house, where I grow rice and fruits. It's always enjoyable to cultivate something that bears fruit.



#### Q. Could you share a memorable work experience and your thoughts for the future?

The times when supply and demand were tight immediately after the Great East Japan Earthquake and in 2021 are still memorable events. In 2021, we worked hard to secure supply capacity, even asking for help from outside the Company. Despite it being a holiday right after the New Year, everyone willingly cooperated, and it really made me appreciate the importance of human connections.

The most interesting work I've done so far was analyzing the power grid and building a system to prevent blackouts. Since I have a background in science, I found the combination of theory and practice to be a perfect fit, and I became so absorbed in the work that I felt like I could do it for the rest of my life. Like myself, I feel that many people in the Company tend to think things through thoroughly and take on challenges of their own volition. I want to continue to preserve this culture while fostering an atmosphere of co-creation, where people think things through, then expand their network and work together to execute their ideas. As president, I will devote myself to creating an environment where employees take joy in working for the Group and pass this sense of joy on to our stakeholders.



# Sustainable Value Creation Process

We will realize the creation of sustainable corporate value by forging stronger relationships of trust with every stakeholder who supports our Group's business, and fulfilling our social responsibilities widely through business activities.

## Awareness of business environment

### Revealing social issues

- Realization of high-quality, stable energy supply
- Promotion of GX (green transformation)  
(decarbonization of power sources and promotion of the electrification of society)
- Labor shortages, reviewing and diversification of work styles
- Lifting of zero interest rates, rising prices and wages, depreciation of yen
- Increase and intensification of natural disasters

### Recognition of risks and opportunities for sustainable value creation

### Changes in business climate

- Expectations for increase in electricity demand, and risks of power supply and demand constraints
- Non-discrimination in wholesale sales (subsidiaries and third-party retailers), competition in electricity retailing
- Stronger nuclear power generation safety regulations
- Large-scale introduction of renewable energy power sources
- Expansion of solar PPAs and DR needs
- Technological innovations such as AI, and promotion of DX

## Inputs

### Manufacturing Capital

- Power generation facilities: 5,330 MW  
(nuclear 17%, renewable energy 22%, thermal 61%)
- Transmission line length: 3,000 km
- Distribution lines: 46,000 km
- Optical communication lines: 39,000 km

### Financial Capital

- Equity capital: 360.4 billion yen
- Credit rating  
A+ (R&I)  
A- (S&P)

### Human Capital

- Number of employees: 8,018  
(Electric power 52%, IT/Communication 10%, Energy 4%, Construction and engineering 17%, Others 17%)

### Intellectual Capital

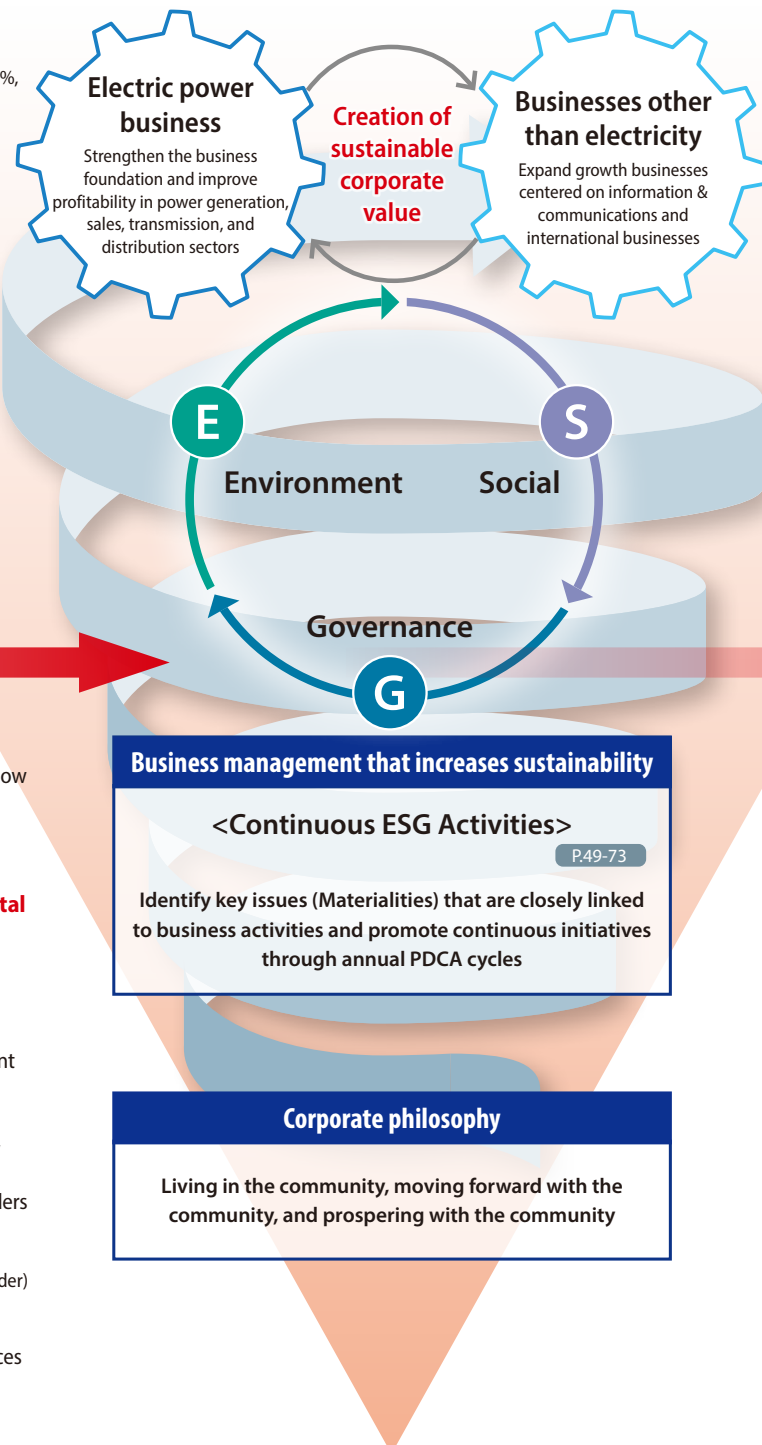
- Technical expertise and know-how cultivated over many years of business activities
- Number of patents held: 284

### Social and Relationship Capital

- Number of electricity contracts: 2.54 million
- Number of major business locations in Shikoku: 84
- Number of material procurement partners for our Company and Shikoku Electric Power Transmission & Distribution Co., Inc.: about 2,200
- Number of individual shareholders in Shikoku region: 38,000  
(Approximately 1 in 100 of the total population of Shikoku is a shareholder)

### Natural Capital

- Rich nature and tourism resources in the Shikoku region



\* Data without a specified date is as of the end of the fiscal 2023.

## Outputs

### Products and Services

- Total electricity sales: 30.5 billion kWh
- Nuclear and renewable energy generation (own facilities): approx. 8.6 billion kWh
- Number of FTTH subscriptions: 370,000
- Overseas power generation owned capacity: 1.11 million kW

### Financial Results

- Operating revenues: 787.4 billion yen
- Ordinary profit: 80 billion yen
- ROA: 5.3%
- ROE: 18.4%
- Cash flows from operating activities: 143.6 billion yen
- Shareholders' equity ratio: 22.1%

### Social and Environmental Impact

- Reduction of greenhouse gas emissions by the Company  
-4.31 million t-CO<sub>2</sub> (compared to FY2013)
- Waste recycling ratio: 98.5%
- Total dividends: 6.2 billion yen
- Turnover rate: 0.5%
- Parental leave acquisition rate  
Women: 100%  
Men: 35.5%

## Outcomes (Expectations from Stakeholders)



### Customers

- Providing stable, high-quality, and low-cost energy
- Providing society with useful products and services

P.37-47



### Shareholders and Investors

- Returning profits to shareholders by continuously improving corporate value
- Prompt and appropriate disclosure of information

P.73



### Regional Society

- Coexistence and sustainable development with regional society
- Thorough implementation of compliance

P.60-61, 72

## Offer value to stakeholders



### Global Environment

- Balancing stable power supply while achieving a decarbonized society
- Reducing environmental impact and promoting environmental conservation

P.49-55



### Employees

- Acquiring and developing human resources to shape the future, and promoting DE&I
- Creating an environment in which employees can demonstrate their abilities

P.56-59



### Suppliers

- Promoting coexistence, prosperity, and fair trading

P.59

Seeking to be  
a force for  
happiness

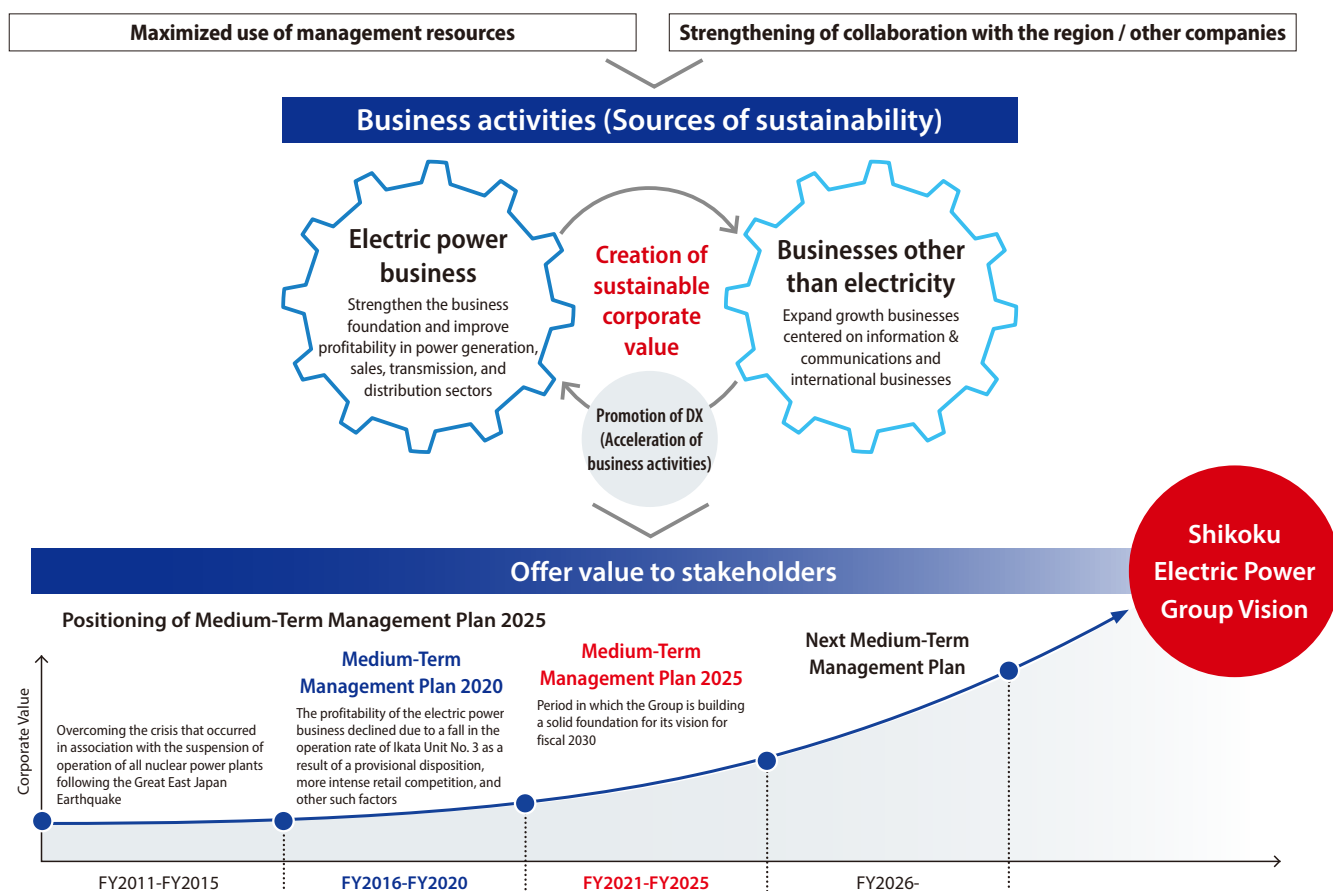
\* Data without a specified date is as of the end of the fiscal 2023.

# Shikoku Electric Power Group Medium-Term Management Plan 2025

## - Reforming and taking on challenges for sustainable growth and development -

### Policy for Initiatives Targeting Fiscal 2025

With our core electric power business and businesses other than electricity as our twin wheels, we will “strengthen the business foundations and improve the profitability of electric power generation, sales, transmission and distribution business” and “expand growth business centered on telecommunications business and international business,” while making maximum use of the Group’s management resources and cooperating positively with the region and other businesses.

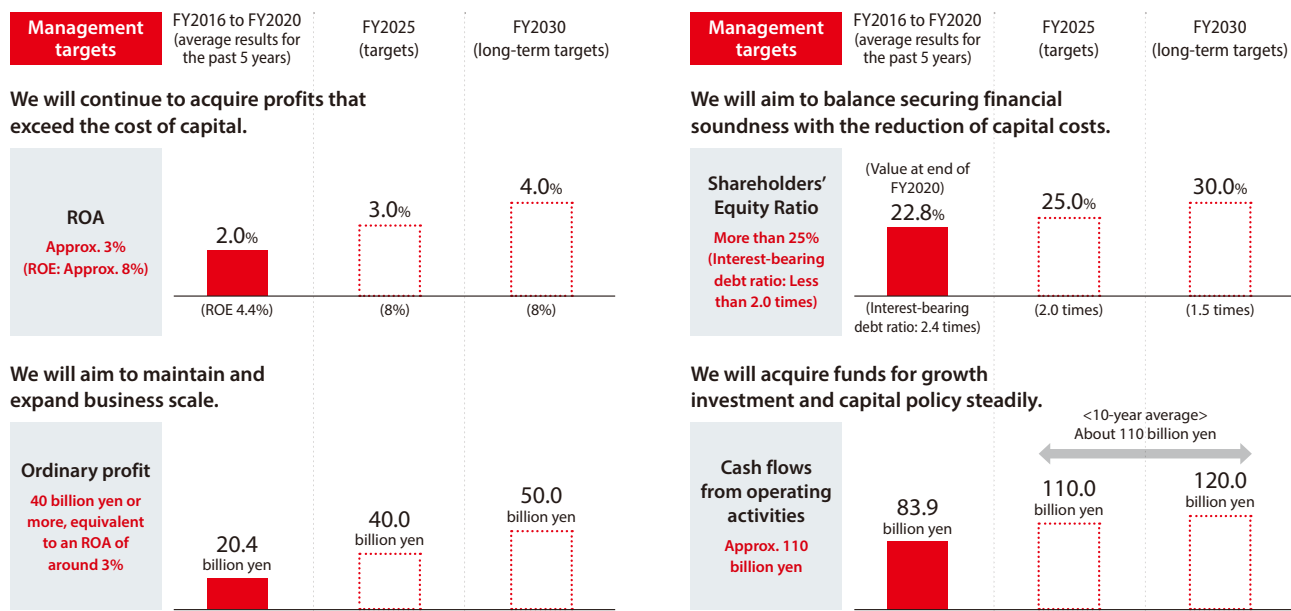


### Results and Challenges of Fiscal 2023

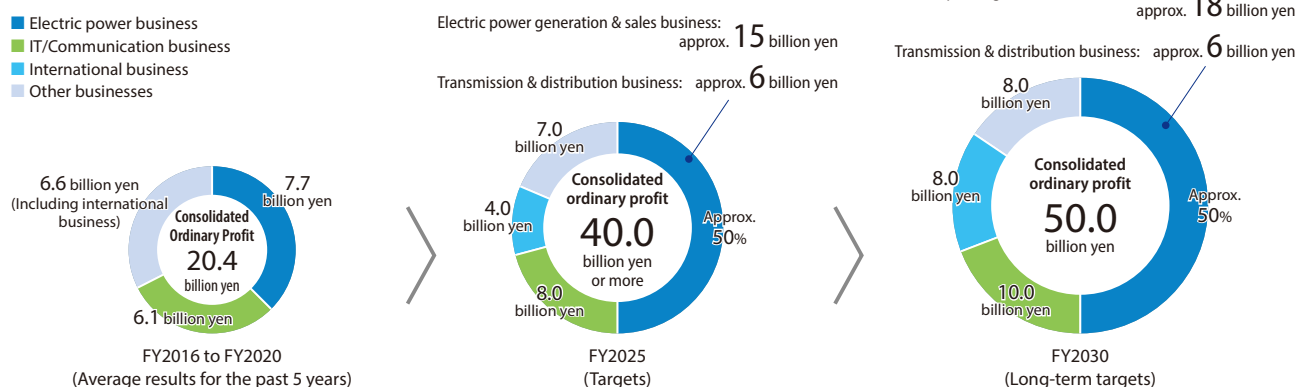
Areas	Results	Achieving the Medium-Term Management Plan 2025, and Issues/Responses Looking to the Future
<b>Electric power business</b>	<ul style="list-style-type: none"> <li>Normalizing operations by improving the imbalance in the power generation and sales business</li> <li>Stable operations in the transmission and distribution business</li> </ul>	<ul style="list-style-type: none"> <li>Balancing stable electricity supply with low carbonization and decarbonization of power sources (P.37-41)</li> <li>Strengthening stable relationships with customers (P.43)</li> <li>Next-generation upgrade of transmission and distribution facilities, and efficient management of supply and demand (P.42)</li> </ul>
<b>Businesses other than electricity</b>	<ul style="list-style-type: none"> <li>Steady expansion of growth businesses such as IT/communications business and international business</li> </ul>	<ul style="list-style-type: none"> <li>Further expansion of energy-related businesses in Japan and overseas (P.44-45)</li> <li>Securing stable earnings in the IT/communications business and construction and engineering businesses, etc. (P.46-47)</li> </ul>



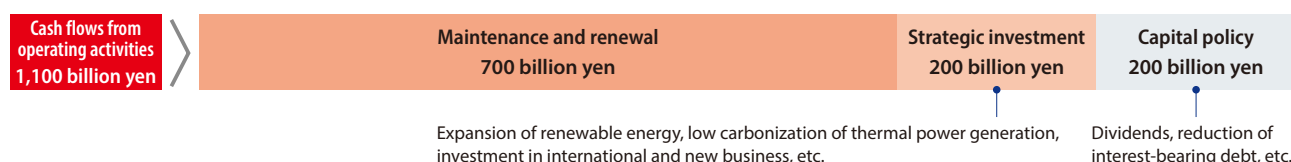
## Management Indicators, Shareholder Returns



### Profit target by segment



### Cash flow allocation (FY2021 to FY2030)



### Shareholder Returns

Basic policy	• Our basic policy for shareholder returns is to issue stable dividend payments. We will determine dividend levels based on thorough consideration of such factors as business performance, financial condition, and the medium- to long-term outlook for the operating environment.
Target to aim for	• As a target for FY2025, aim to achieve a dividend per share of ¥50. • We will aim for the further expansion of shareholder returns by achieving the target profit level as we head towards fiscal 2030.

\* In view of changes in the business environment, including the increase in total assets after the announcement of the Medium-Term Management Plan 2025, in April 2024, we revised the targets for FY2025 (ordinary profit equivalent to ROA of 3%, profit by segment for power generation and sales business, dividend targets, and ROE).

# Initiatives that Increase Sustainability

In order to achieve the creation of sustainable value through business activities, we will strengthen relationships of trust with stakeholders and extensively fulfill our Group's social responsibilities by performing transparent and open business activities based on the "Yonden Group Action Charter."

## Customers

- Provide products and services that are useful to society in good faith, with due consideration for safety, and with customer satisfaction as our top priority.
- With regards to electricity supply, deliver high-quality, stable electricity in accordance with our social mission as an electric utility.

### Methods and opportunities for dialogue

- Customer support through call centers, service counters, etc.
- Provision of solution services, etc.

## Regional Society

- Contribute to the development of local communities as a member of society.
- Maintain sound and proper relationships with political and administrative bodies.
- Resolutely confront antisocial forces that pose a threat to civil society.

### Methods and opportunities for dialogue

- Facility tours
- Participation in local events
- Energy outreach and visit-based dialogue activities, etc.

## Business Partners

- Recognize that all our business partners are good partners on equal footing, and engage in fair and free business transactions.

### Methods and opportunities for dialogue

- Public disclosure of procurement information, etc.

## Shareholders and Investors

- Conduct sound and transparent business activities with the aim of long-term, sustainable corporate value enhancement.
- Actively and accurately disclose information to shareholders and investors.

### Methods and opportunities for dialogue

- General meeting of shareholders
- Company briefings by the president and small meetings with management
- Individual meetings held by the IR/SR Secretariat, etc.



## Employees

- Respect the individuality and diversity of each employee.
- Ensure a safe and comfortable working environment and create a cheerful and open corporate culture.

### Methods and opportunities for dialogue

- Engagement surveys and workplace discussions
- Dialogue with management
- Labor-management meetings and workplace roundtables hosted by labor unions, etc.



## Global Environment

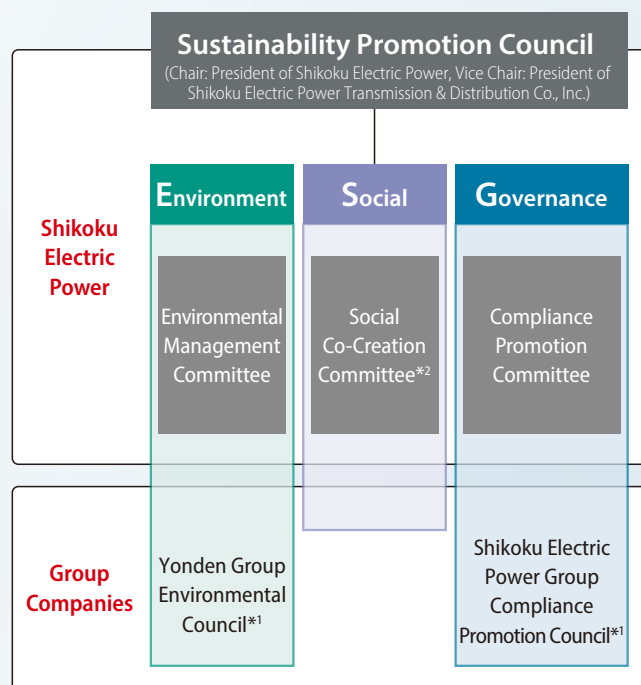
- Contribute to achieving carbon neutrality by 2050 through the low carbonization and decarbonization of power sources and the expansion of electricity use.
- Recognize the importance of environmental conservation and strive to reduce environmental impact in all business activities.

### Methods and opportunities for dialogue

- Information disclosure through our Integrated Report and website
- Environmental discussion meetings
- Tree planting and reforestation activities, etc.

## ESG Promotion System

We have established a “Sustainability Promotion Council” chaired by the President of Shikoku Electric Power and vice-chaired by the President of Shikoku Electric Power Transmission & Distribution Co., Inc., to build a system that will supervise and promote ESG-related initiatives across the entire management hierarchy.



\*1 Promoted jointly by Shikoku Electric Power and each Group company

\*2 Held jointly with Shikoku Electric Power Transmission & Distribution Co., Inc.

[WEB](#) Sustainability Promotion System (in Japanese only)




















<https://www.yonden.co.jp/corporate/csr/management/index.html>



# Initiatives that Increase Sustainability

## Priority ESG Issues (Materiality)

Based on the perspectives of E (Environment), S (Social) and G (Governance) and the SDGs in the Shikoku region, we have identified priority issues that are closely linked to our business activities and are advancing sustainable value creation initiatives while fulfilling our social responsibilities.

Priority issues (Materialities)				Related SDGs
E (Environment)	Promotion of measures against climate change [Achieving both a stable supply of electricity and a decarbonized society]	Low carbonization and decarbonization of power sources	• Study and implementation of CO <sub>2</sub> emission control measures based on national energy policy, decarbonization technologies, and economic feasibility, etc.	     
		Expansion of use of electricity	• Promotion of electrification of society and industry; expand use of EVs and storage batteries	
		Enhancement of information disclosure	• Enhancement of information disclosure based on TCFD recommendations	
	Advancing environmental preservation activities	Formation of a recycling-based society	• Promoting the reduction, reuse and recycling of waste	
		Reduction of environmental impact and preservation of biodiversity	• Ongoing environmental monitoring and publication of results • Promotion of environmental preservation activities together with the community	
	Promotion of coexisting in harmony with communities	Communication with regional society	• Ongoing dialogue and exchange activities that contribute to maintaining relationships of trust and mutual understanding	
S (Social)	Promotion of coexisting in harmony with communities	Regional revitalization and issue resolution	• Continuous implementation of various activities that contribute to regional revitalization and resolutions to local issues	          
		Acquisition and development of human resources who will contribute to the Company's growth	• Securing and development of human resources linked to business strategies	
	Implementation of human capital management	Diversity, equity & inclusion	• Fostering a work environment in which a diverse workforce can play an active role	
		Creation of an environment in which employees can demonstrate their full potential	• Improvement of employee engagement and promotion of work style reforms • Promotion of occupational safety and health safety management	
	Improvement of partnerships with suppliers	Coexistence and co-prosperity with business partners, and promotion of fair trade	• Continuous implementation of fair and free transactions as equal partners	
	Practicing transparent management	Implementation of transparent corporate governance	• Improving the transparency and quality of management by strengthening management supervision functions, etc.	
		Dialogue and information disclosure through IR/SR activities	• Enhancement of two-way communication with shareholders and investors • Timely and appropriate information disclosure	
G (Governance)	Promoting compliance	Observance of laws and corporate ethics, protection of personal information, etc.	• Thorough implementation of legal compliance and corporate ethics • Thorough personal information management and educational implementation	 
	Promotion of risk management	Identification and management of risks; leverage of opportunities	• Promotion of business management based on ongoing checks and reviews of risk	

P.78-79 Please refer to “Main ESG Data” for the definition of ESG indicators and changes over time.

Key Indicators and Initiatives	Fiscal 2023 Results	Numerical targets and fiscal 2024 policies
Reduction targets for Company greenhouse gas emissions (Scope 1 and 2 GHG emissions)	<ul style="list-style-type: none"> <li>7.9 million t-CO<sub>2</sub></li> <li>* Lower wholesale market prices resulted in lower wholesale electricity sales than in previous years, which reduced emissions</li> </ul>	<ul style="list-style-type: none"> <li>&lt;FY2030 target&gt;</li> <li>Approx. 8.5 million t-CO<sub>2</sub> (down 30% from FY2013)</li> </ul>
Reduction targets for retail sector CO <sub>2</sub> emissions (Emissions excluding FIT free-of-charge distribution)	<ul style="list-style-type: none"> <li>11.22 million t-CO<sub>2</sub></li> </ul>	<ul style="list-style-type: none"> <li>&lt;FY2030 target&gt;</li> <li>Approx. 9.8 million t-CO<sub>2</sub> (down 50% from FY2013)</li> </ul>
Expansion of use of electricity	<ul style="list-style-type: none"> <li>Ratio of all-electric housing contracts: 26% of all houses in Shikoku</li> <li>Rate of all-electric new builds: 70%</li> </ul>	<ul style="list-style-type: none"> <li>Continued to promote electrification and expand use of EVs, storage batteries, etc.</li> </ul>
Coal ash recycling ratio	<ul style="list-style-type: none"> <li>98.9%</li> </ul>	<ul style="list-style-type: none"> <li>&lt;FY2024 target&gt;</li> <li>99% or more</li> </ul>
Intensity of SOx/NOx emissions	<ul style="list-style-type: none"> <li>SOx 0.1g/kWh</li> <li>NOx 0.3g/kWh</li> </ul>	<ul style="list-style-type: none"> <li>&lt;FY2024 target&gt;</li> <li>SOx 0.3 g/kWh or less</li> <li>NOx 0.5 g/kWh or less</li> </ul>
Energy education and dialogue activities on nuclear energy	<ul style="list-style-type: none"> <li>Energy classes delivered: 208</li> <li>Held visits and dialogue activities in the area around the Ikata Power Plant</li> </ul>	<ul style="list-style-type: none"> <li>Continued on the same scale</li> </ul>
Initiatives to create local vitality, promote tourism, etc.	<ul style="list-style-type: none"> <li>Held various lively events in collaboration with Shikoku-based companies and organizations</li> </ul>	<ul style="list-style-type: none"> <li>Expanding activities in cooperation with other companies</li> </ul>
Develop personnel to drive DX	<ul style="list-style-type: none"> <li>Created training targets and put in place internal certification system</li> </ul>	<ul style="list-style-type: none"> <li>&lt;Target for end of FY2025&gt;</li> <li>Over about 5% of employees (200) (Total for Shikoku Electric Power Company and Shikoku Electric Power Transmission &amp; Distribution Co., Inc.)</li> </ul>
Ratio of female managers	<ul style="list-style-type: none"> <li>4.2% of managers (Total for Shikoku Electric Power Company and Shikoku Electric Power Transmission &amp; Distribution Co., Inc.)</li> </ul>	<ul style="list-style-type: none"> <li>&lt;Target for end of FY2025&gt;</li> <li>At least 5% of managers (Total for Shikoku Electric Power Company and Shikoku Electric Power Transmission &amp; Distribution Co., Inc.)</li> </ul>
Overall engagement score	<ul style="list-style-type: none"> <li>C+ rank (5th out of 14)</li> </ul>	<ul style="list-style-type: none"> <li>&lt;FY2030 target&gt;</li> <li>B rank (3rd out of 14)</li> </ul>
Maintenance and improvement of partnerships with business partners	<ul style="list-style-type: none"> <li>Compliance with the Declaration of Partnership-Building</li> </ul>	<ul style="list-style-type: none"> <li>Continuous implementation</li> </ul>
Promotion of effective governance	<ul style="list-style-type: none"> <li>Board of Directors: 14 meetings, 98%</li> <li>Audit &amp; Supervisory Committee: 18 meetings, 99%</li> </ul>	<ul style="list-style-type: none"> <li>Further increase effectiveness</li> </ul>
Implementation status of IR/SR activities	<ul style="list-style-type: none"> <li>Company briefings by the President: twice</li> <li>Small meetings by directors: 2 times</li> <li>Individual meetings by the secretariat: approx. 90 times</li> </ul>	<ul style="list-style-type: none"> <li>Conduct ongoing dialogue</li> </ul>
Promoting compliance	<ul style="list-style-type: none"> <li>Compliance training participation rate: 100% (Total for Shikoku Electric Power Company and Shikoku Electric Power Transmission &amp; Distribution Co., Inc.)</li> </ul>	<ul style="list-style-type: none"> <li>Continuous implementation</li> </ul>
Prevention and reduction of risks, and leverage of opportunities	<ul style="list-style-type: none"> <li>Developed a business plan reflecting risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Continuous implementation</li> </ul>

### Long-term management targets

#### Shikoku Electric Power Group Vision

P.2-3

### Carbon Neutral Challenge 2050

<CO<sub>2</sub> emissions>

- FY2030 targets
- FY2050 targets

P.28-29

### Management targets of Medium-Term Management Plan 2025

- FY2025 targets
- FY2030 targets

P.22-23

### E (Environment)

P.49-55

### S (Social)

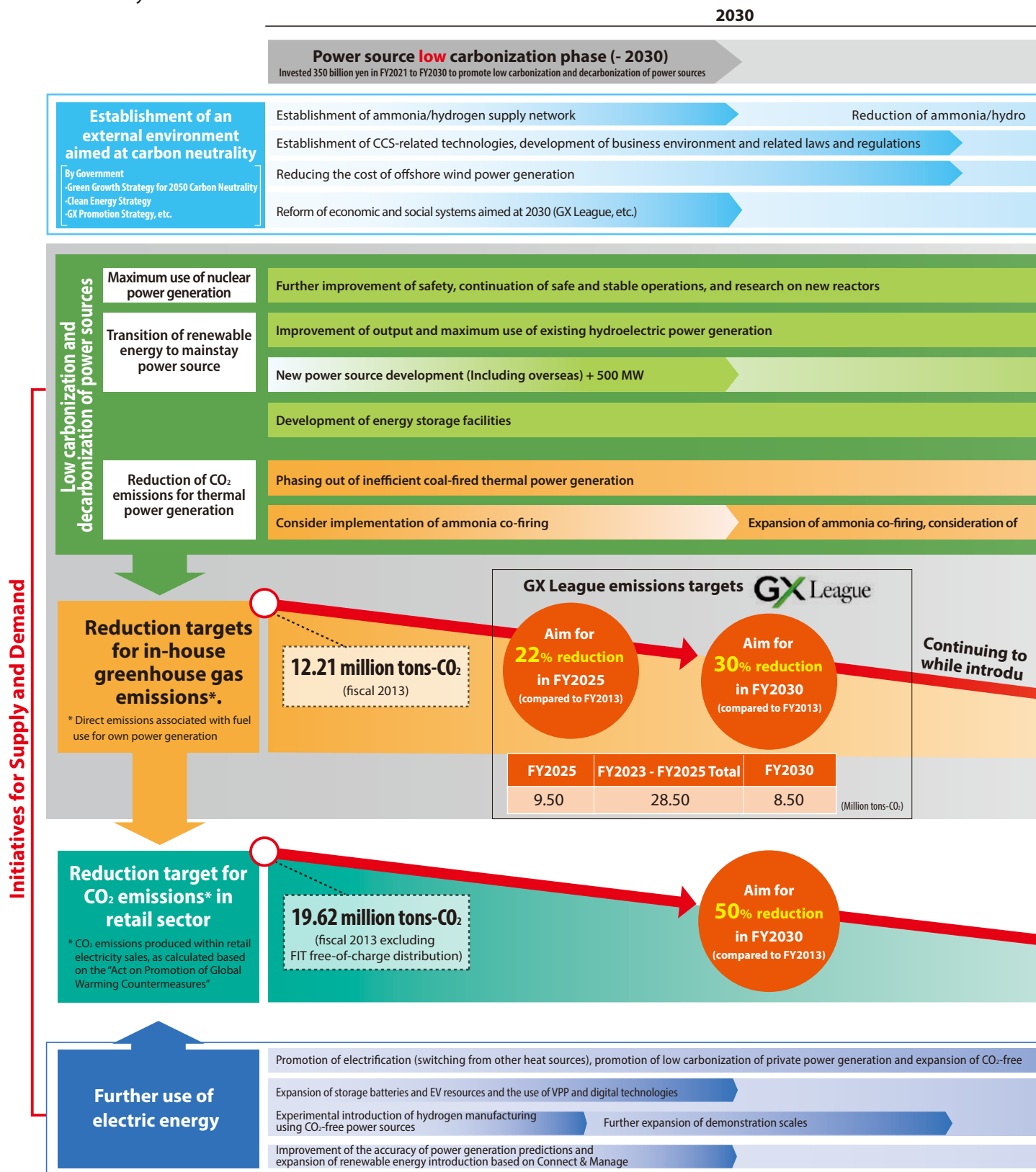
P.56-61

### G (Governance)

P.62-73

# Carbon Neutral Challenge 2050 (Roadmap) [Revised March 2024]

As a responsible supplier of energy, we will work on the low-carbonization and decarbonization of power sources and expand the use of electric energy through electrification, etc., to contribute to the realization of carbon neutrality in 2050.





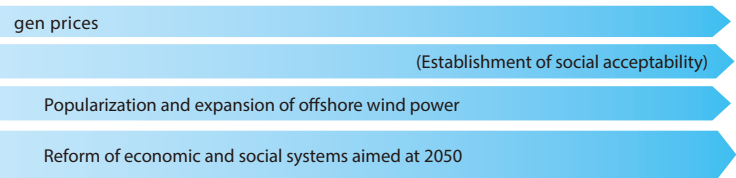
## The realization of carbon neutrality in Shikoku

Decarbonization of  
power sources

Further use of  
electric energy

2050

### Power source decarbonization phase (- 2050)



2050 target: +2,000 MW

ammonia mono-fuel combustion and hydrogen co-firing/mono-fuel combustion technology

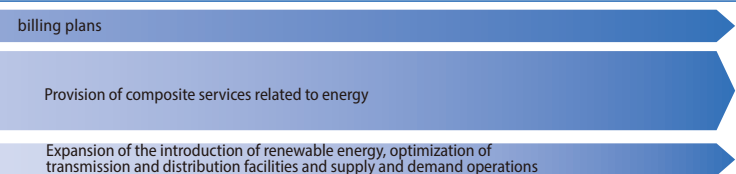
Power  
Generation

reduce emissions further toward decarbonization of power sources,  
cng and utilizing new technologies and fuels

Aiming for  
**carbon neutrality**  
in 2050

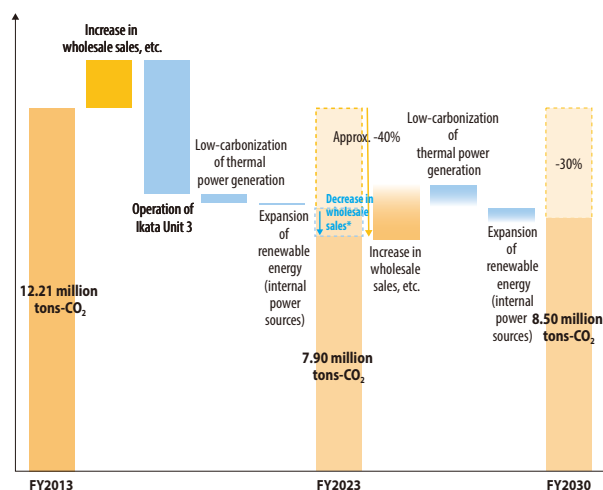
Retail

Actual  
zero CO<sub>2</sub>



Power  
Generation

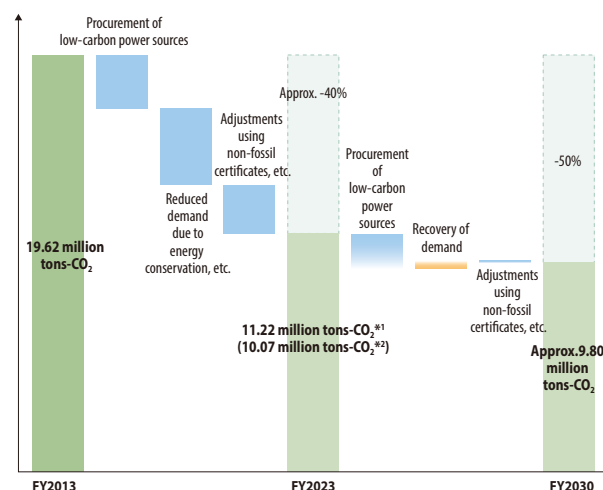
### Progress toward targets and outlook



\*A decrease in wholesale market prices led to a drop in wholesale electricity sales compared to previous years, with reduced emissions.

Retail

### Progress toward targets and outlook



\*1 Emissions excluding free allocation of FIT on the same basis as the fiscal 2030 target

\*2 Emissions including free allocation of FIT (Value based on the Act on Promotion of Global Warming Countermeasures)

### Investment in low-carbonization and decarbonization of power sources

Cumulative for FY2021-2030: **350** billion yen

### Decarbonization investment results

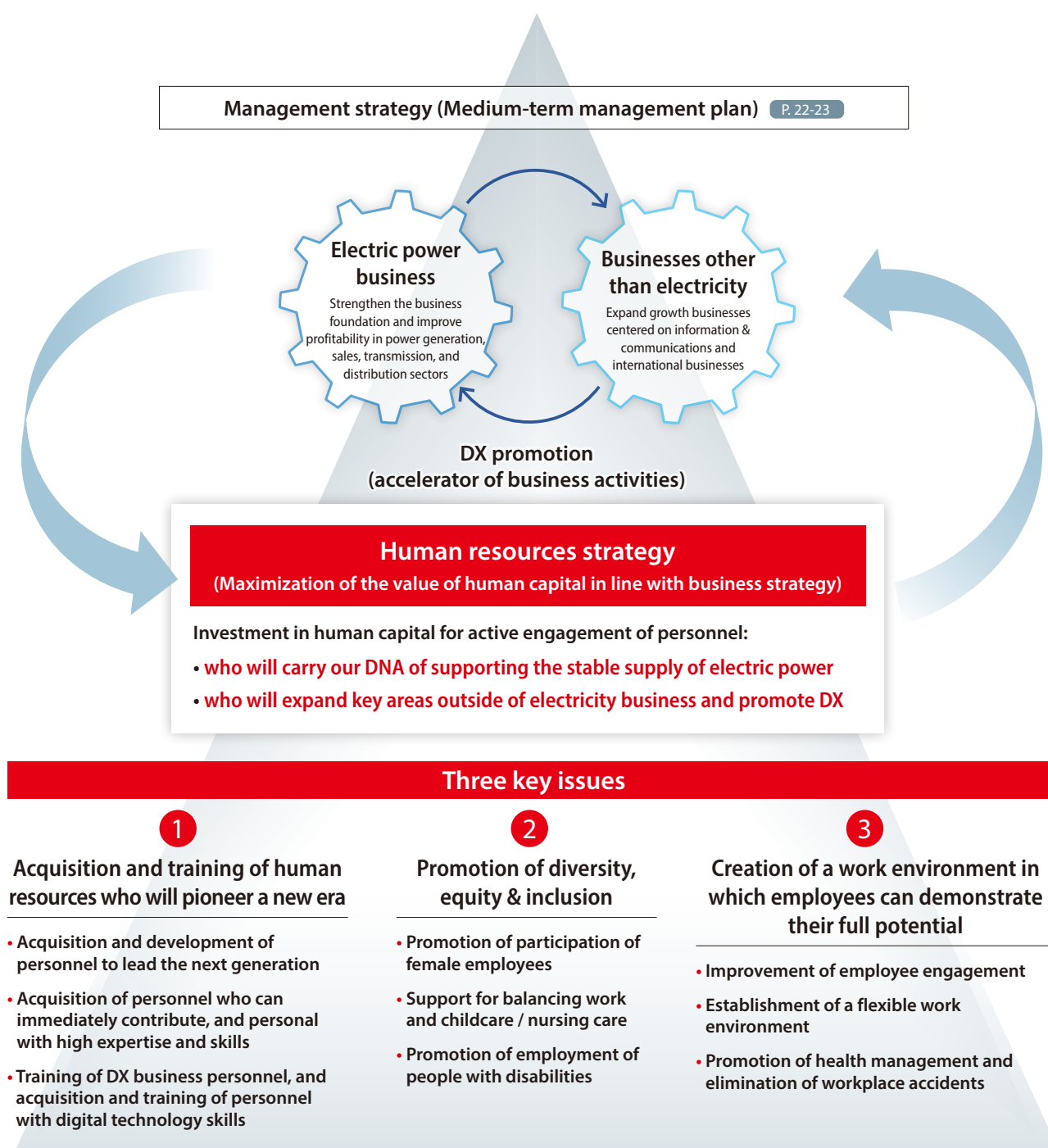
Investment in low-carbonization and decarbonization of power sources

Cumulative for FY2021-2023: approx. **160** billion yen

# Human Capital Management



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.

## Overall image of human resources strategy



\* See "Implementation of human capital management" for details on explanations of initiatives. P. 56-59

## Primary targets for each key issue (targets and results are combined for Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc.)

Three key issues	Targets		Results (FY2023)
<b>1 Acquisition and training of human resources who will pioneer a new era</b> 	Development of personnel to lead the next generation	Passing on of technology and skills that support the electricity business and early capability development	<ul style="list-style-type: none"> <li>• OJT and OFF-JT at each workplace</li> <li>• Practical education in technical divisions, etc. [Number of employees acquiring official certifications that contribute to business: 1,150 per year]</li> </ul>
		Development of personnel to drive and lead business transformation	<ul style="list-style-type: none"> <li>• Cross-departmental placement for training</li> <li>• Internal internships and work experience in different industries, etc.</li> </ul>
	Number of mid-career hires	More than double the three-year average for FY2020–2022	×1.7
	Personnel to drive DX <sup>*1</sup>	200 or more [at end of FY2025]	Created training targets and put in place internal certification system [Udemy Business <sup>*2</sup> Number of students: approx. 400]
<b>2 Promotion of diversity, equity &amp; inclusion</b> 	Percentage of female new hires		20% or more [at end of FY2030]
	Percentage of female managers <sup>*3</sup>		5% or more [at end of FY2025]
	Childcare leave utilization rate	Men	50% or more [at end of FY2025]
		Women	100% [at end of FY2025]
	Employment rate for people with disabilities <sup>*5</sup>		2.7% or more
<b>3 Creation of a work environment in which employees can demonstrate their full potential</b> 	Overall engagement score <sup>*6</sup>		B rank 3rd out of 14 [at end of FY2030]
	Number of days of annual paid leave taken <sup>*7</sup>		16.0 days or more
	Turnover rate <sup>*8</sup> (within 3 years for new hires)		0.3% or less
	Promotion of health management	Continuation of certification as an Excellent Corporation for Health Management	Certification as an Excellent Corporation for Health Management (5 consecutive years)
	Overall health risk <sup>*9</sup>	80 or less	78
	Number of workplace fatalities [including contracted and outsourced work]		0
			0

<sup>\*1</sup> Number of DX personnel certified at intermediate level or higher according to the Company's internal DX certification system

Intermediate: Personnel with the knowledge and skills necessary to promote DX within the organization

Advanced: Personnel with the specialized knowledge and skills to lead and manage DX as core personnel within the organization

<sup>\*2</sup> External e-learning program used for acquiring knowledge related to DX

<sup>\*3</sup> Section chief level or higher

<sup>\*4</sup> Including special leave for childcare purposes, the utilization rate for men is 99.2%.

<sup>\*5</sup> Employment rate for four companies in total, including Shikoku Electric Power and Shikoku Electric Power Transmission & Distribution Co., Inc., based on use of the "special subsidiary" system (target value is the statutory employment rate as of July 2026)

<sup>\*6</sup> Engagement survey (Wevox) provided by Atræ Inc. has been introduced

<sup>\*7</sup> Managing supervisors are excluded

<sup>\*8</sup> Voluntary resignations only

<sup>\*9</sup> The national average is set at 100, with lower values indicating better results



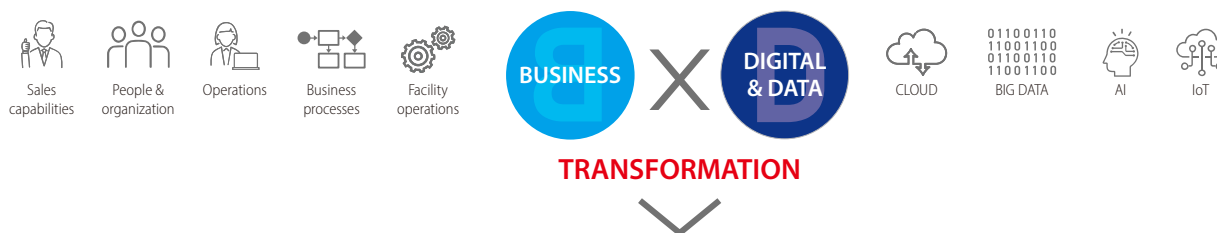
## Promotion of Digital Transformation (DX)

### Our approach to DX: DX = overall business transformation using digital technology and data, BX by “D”

We define DX as business transformation through the use of digital technology and data (BX by “D”). We will create sustainable corporate value by strengthening the competitiveness of existing businesses and creating new value through powerful company-wide reforms of business models and processes, organizations and systems, corporate culture and climate, and employee mindsets.

DX = overall business transformation using digital technology and data

#### BX by “D” → Business Transformation by “Digital & Data”

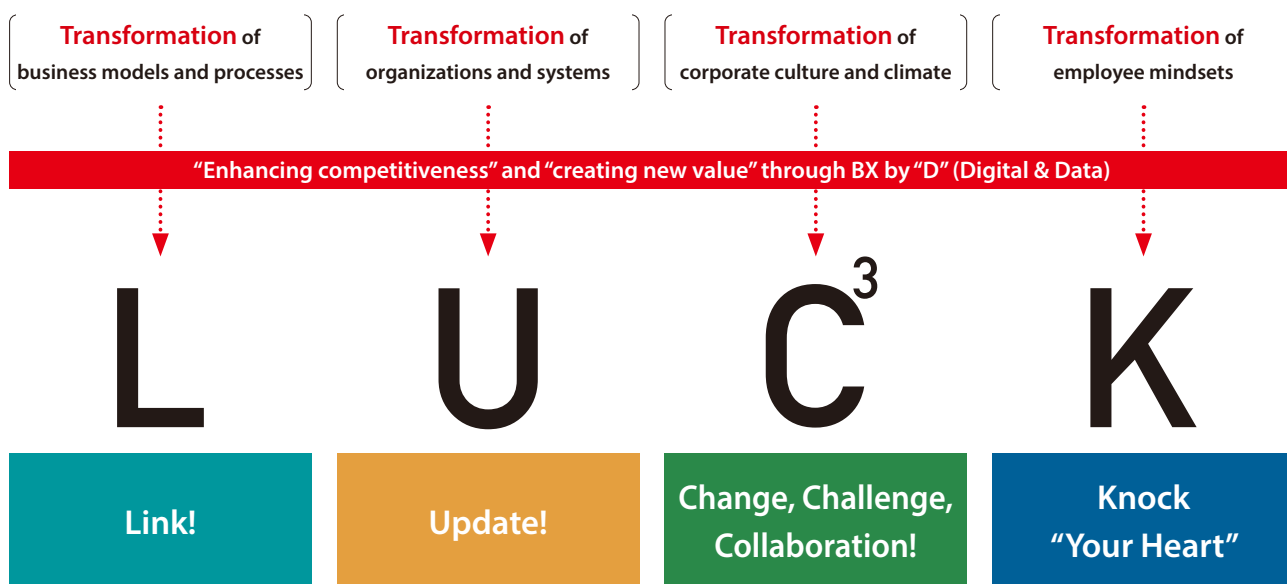


Sustained corporate value creation by realizing “enhancing competitiveness” and “creating new value” through attainment of overwhelming business speed and accurate understanding of customer needs

### Yonden Group BX Vision “LUCK”

We have newly formulated the Yonden Group BX Vision “LUCK,” which outlines the vision we aim to achieve through this business transformation by fiscal 2030. As shown in the diagram below, we have incorporated our commitment to four key transformations into keywords, each represented by the letters L, U, C, and K.

The word “luck” also means “prosperity.” By transforming our business, we seek to be a force for happiness for various stakeholders, which in turn will lead to the “prosperity” of the Group. This is the cycle we hope to realize.



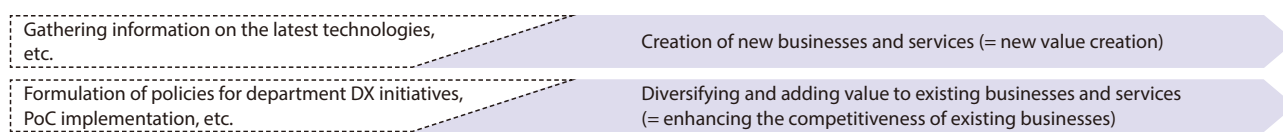
For more information on our vision, please see our website (in Japanese only) > [https://www.yonden.co.jp/corporate/dx/dx\\_01/index.html](https://www.yonden.co.jp/corporate/dx/dx_01/index.html)

## DX promotion initiatives

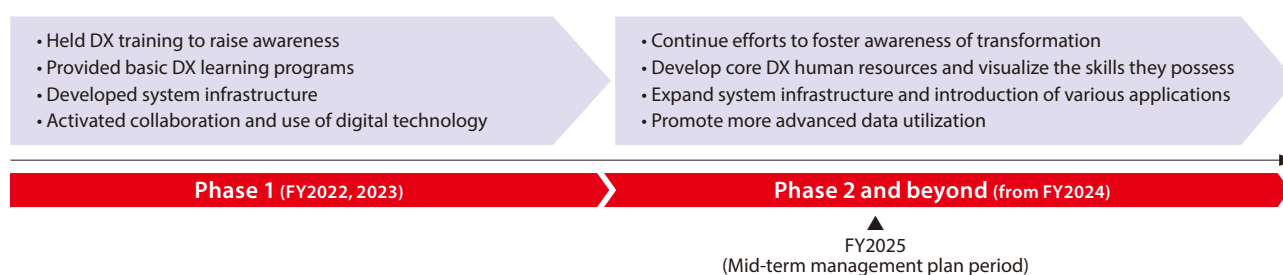
In Phase 2, starting from fiscal 2024, we will further deepen and expand the examination and implementation of specific DX measures in each department in addition to continuing and expanding efforts to improve the internal environment, such as training and information dissemination aimed at company-wide awareness reform, the provision of DX learning programs, and the development of system infrastructure.

Additionally, by developing human resources with core skills for implementing DX, visualizing the skills they possess, and promoting more advanced data utilization, we will work to diversify and add value to existing businesses and services and to create new value, such as launching new businesses and services.

### Implementation of specific DX initiatives



### Creating an environment for DX promotion

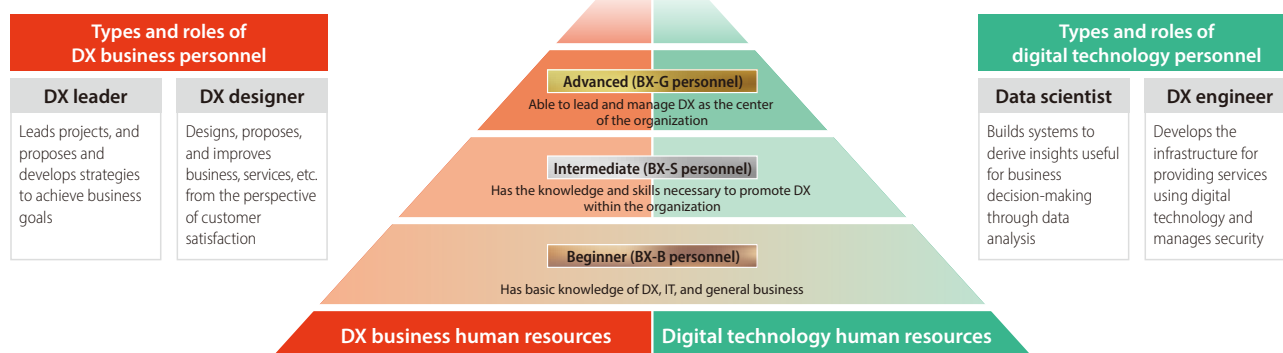


## DX human resource development

We will provide systematic training through the development and expansion of educational programs that enable DX personnel to acquire the knowledge and specialized skills necessary based on the level and type of personnel.

By the end of fiscal 2025, we aim to have around 5% (200 employees) of the total workforce at Shikoku Electric Power and Shikoku Electric Power Transmission & Distribution Co., Inc. reach an intermediate level or above.

### DX personnel levels



### DX human resource development goals (Shikoku Electric Power and Shikoku Electric Power Transmission & Distribution Co., Inc.)

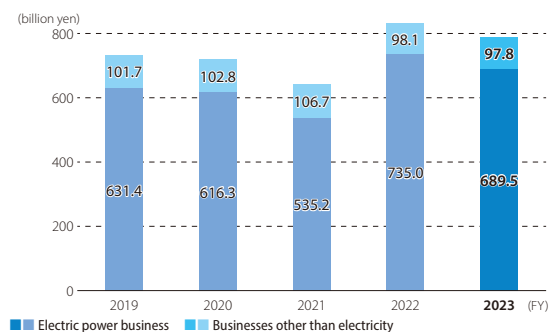
Achievement period	Target for intermediate level or higher human resources [percentage of employees and number of employees]
By end of FY2025	About 5% of employees (200)
By end of FY2030	About 15% of employees (600)

# Shikoku Electric Power Group by the Numbers

We are aiming for the realization of sustainable value creation by raising target indices not only in the financial aspect, but also in non-financial aspects related to the environment, society, and corporate governance.

## Financial Highlights

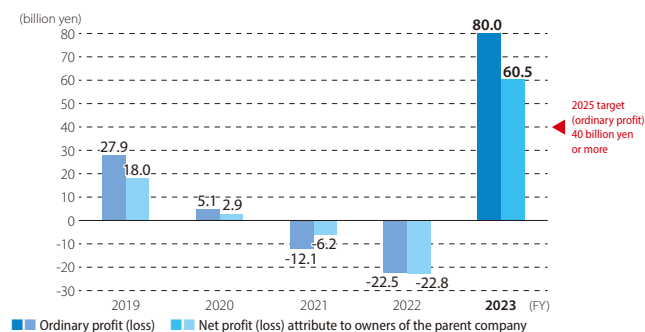
### Operating revenues



In fiscal 2023, despite an increase in retail sales due to the revision of electricity rates, a decrease in wholesale sales resulting from a decline in market prices led to a decrease of 45.8 billion yen compared to the previous fiscal year.

\* As a result of the application of the Accounting Standard for Revenue Recognition in fiscal 2021, consolidated sales decreased by 159.4 billion yen from the level before application of the standard

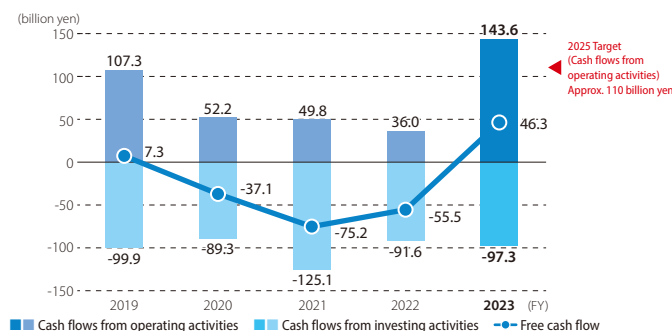
### Ordinary profit (loss) / Profit (Loss) attributable to owners of the parent



2025 target (ordinary profit) 40 billion yen or more

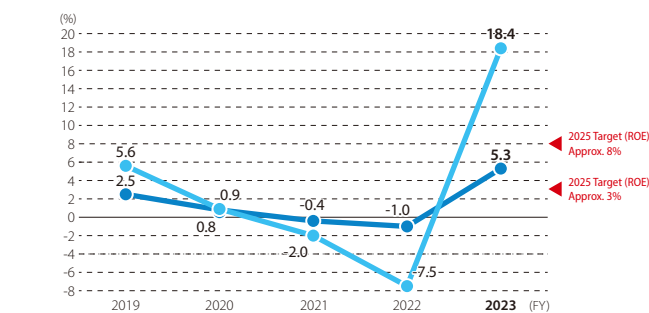
In fiscal 2023, ordinary profit improved significantly due to a significant decrease in supply-demand costs resulting from lower fuel prices and a decrease in total electricity sales. Temporary factors included a 28.5 billion yen in time lag effect of fuel cost adjustment and a 14.0 billion yen fluctuation in the balance of payments for transmission and distribution companies.

### Cash flows



Cash flows from operating activities for fiscal 2023 were 107.6 billion yen higher than the previous year due to increased profits. Cash flows from investing activities were -5.7 billion yen compared to the previous year, resulting in free cash flow of 46.3 billion yen.

### ROA\* (Return on Assets) / ROE (Return on Equity)

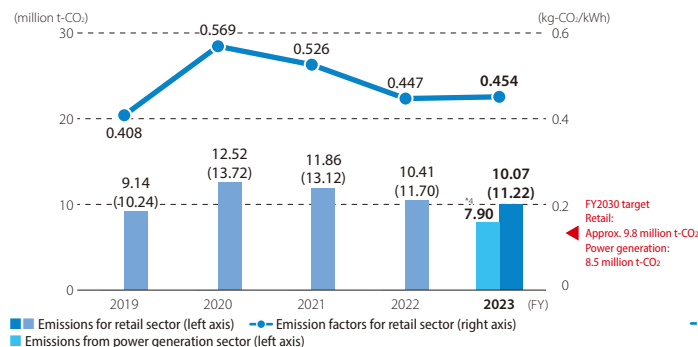


ROA and ROE declined in fiscal years 2020 to 2022 due to deteriorating profit and loss caused by the suspension of Ikata Unit No. 3 and soaring fuel prices, but improved in fiscal 2023 following the revision of electricity rates and the decline in fuel prices.

\* ROA is calculated as: Business profit (ordinary profit + interest expense) / Average total assets (average for period start/end)

## Non-financial Highlights

### Emissions and emission factors for retail sector\*1,2 / Emissions from power generation sector\*3



Efforts to reduce emissions have been made by maximizing the use of nuclear power, expanding the introduction of renewable energy, and enhancing the efficiency of thermal power generation.

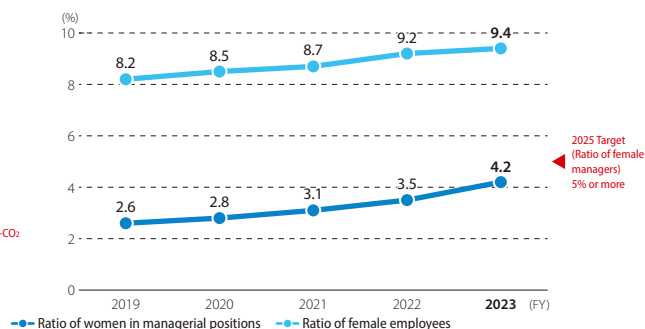
\*1 Values for retail sales based on the Act on Promotion of Global Warming Countermeasures (reflecting adjustments from the Feed-in Tariff (FIT) scheme)

\*2 Figures in parentheses exclude FIT free allocation from values in \*1 (same base as the Company's fiscal 2030 target)

\*3 Company greenhouse gas emissions (direct emissions from our power generation operations)

\*4 In fiscal 2023, lower wholesale market prices resulted in lower wholesale electricity sales than in previous years, which reduced emissions.

### Ratio of female managers\* / ratio 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. However, through efforts to expand the hiring of women and systematically develop female managers, both the ratio of female managers and female employees have gradually increased.

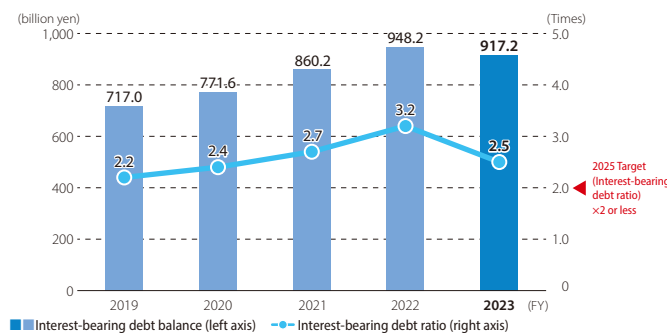
\* Combined total for Shikoku Electric Power and Shikoku Electric Power Transmission & Distribution Co., Inc.



Financial Information (11-Year Financial Summary) P.76-77

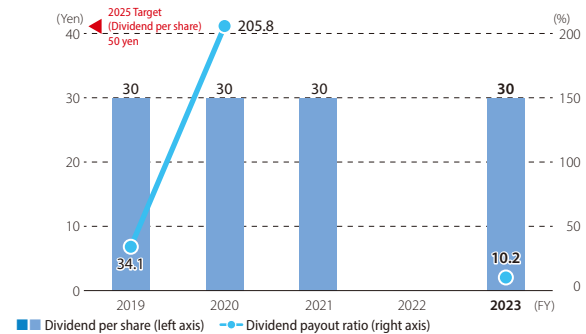
Non-financial Information (Main ESG Data, SASB Standards Index) P.78-81

### Interest-bearing debt balance / Interest-bearing debt ratio



In fiscal 2023, the interest-bearing debt balance decreased by 31.0 billion yen compared to the previous year, primarily due to a decrease in corporate bonds. Additionally, the interest-bearing debt ratio was 2.5 times due to an increase in net equity through increased net income.

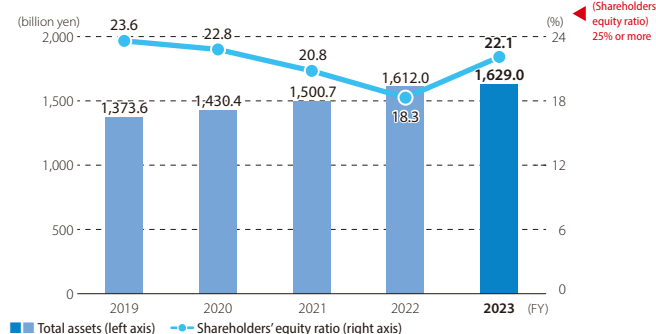
### Dividend per share / Dividend payout ratio\*



In line with the basic policy on shareholder returns, and based on the level of business performance and financial conditions, a dividend of 30 yen (15 yen interim and 15 yen year-end) was paid out in fiscal 2023.

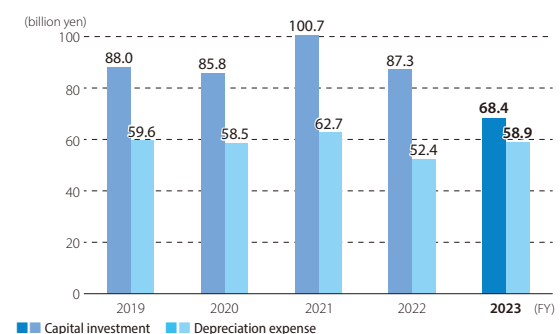
\* The dividend payout ratios for fiscal 2021 and fiscal 2022 cannot be calculated due to the recording of net losses.

### Total assets / Shareholders' equity ratio



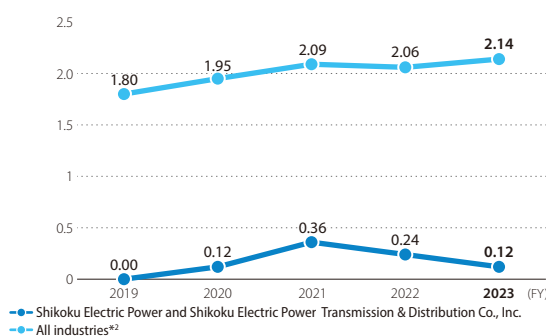
Total assets increased in FY2023 due to higher cash reserves, despite a decrease in business assets. The net equity ratio improved to 22.1% due to an increase in net equity through increased net income.

### Capital investment / Depreciation expense



Capital investment had remained at a high level due to Ikata Power Plant related construction work and the replacement of Saijo Power Plant Unit 1, but decreased in fiscal 2023 following the completion of a cycle of large-scale investments. Depreciation expenses increased mainly due to depreciation related to Saijo Power Plant Unit 1.

### Labor accident frequency rate\*1

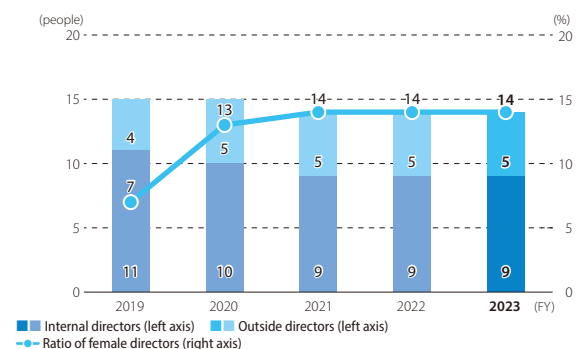


Through rigorous safety management and heightened safety awareness, the labor accident frequency rate has remained at a low level.

\*1 The number of deaths and injuries per one million working hours (requiring one day or more off work), is the total for Shikoku Electric Power and Shikoku Electric Power Transmission & Distribution Co., Inc. The data collection period is the fiscal year for Shikoku Electric Power and Shikoku Electric Power Transmission & Distribution Co., Inc. January to December for all industries.

\*2 Source: Ministry of Health, Labour and Welfare "Survey on Industrial Accidents"

### Composition of directors\*



To further enhance corporate governance, the number of outside directors was increased by one in 2020. Since then, outside directors have constituted at least one-third of the total members of the Board of Directors.

\* People after the General Meeting of Shareholders in June