

# Enhancement and Strengthening of Corporate Governance

Based on our purpose of contributing to regional development and providing comfortable, safe, and secure living, we have established the "Yonden Corporate Governance Basic Policy" to achieve sustainable enhancement of corporate value, and we are continuously working to strengthen our governance system, which serves as the foundation for fair and prompt decision-making.

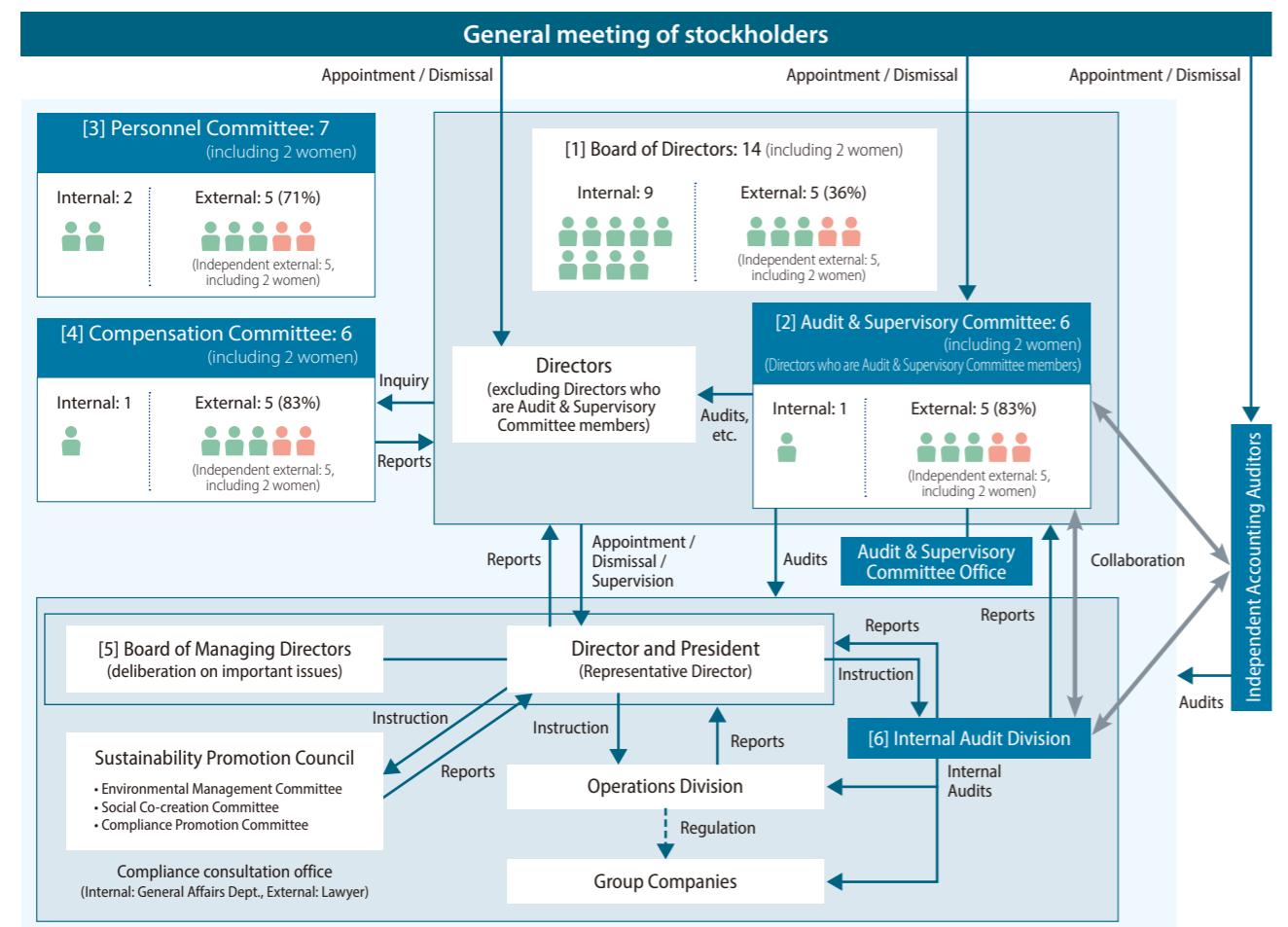
## ■ Website information

- WEB Basic Policy on Corporate Governance (in Japanese only) ▶ <https://www.yonden.co.jp/corporate/ir/policy/governance.html>
- WEB Corporate Governance Report (in Japanese only) ▶ <https://www.yonden.co.jp/assets/pdf/corporate/ir/library/governance/corporate.pdf>

## Corporate Governance Structure

Even as our business environment undergoes significant changes, as an energy business operator with a public mission, we fulfill our management responsibilities to diverse stakeholders by adopting the structure of a company with an Audit and Supervisory Committee, thereby strengthening management oversight functions through increasing the number of independent outside directors and enhancing the agility of business execution through delegation of authority from the Board of Directors to directors.

We have also established voluntary committees, namely the Personnel Committee and the Compensation Committee, appointing independent outside directors as chairpersons of each committee and ensuring that the majority of members are independent outside directors. This strengthens involvement in decisions regarding director remuneration and nominations, and ensures objectivity and transparency in governance.



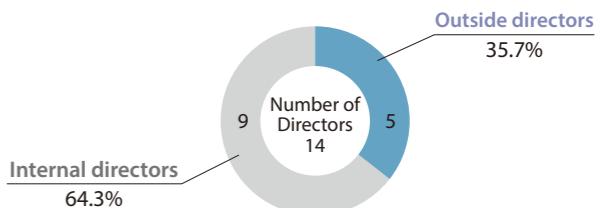
## [1] Board of Directors (Chair: Keisuke Nagai)

The Board of Directors consists of 14 members (including 5 independent outside directors) and is responsible for making decisions on important business execution and supervising the execution of duties by directors.

Under the management strategy of our Group, the Board of Directors strives to ensure a well-balanced composition with diverse knowledge, experience, and abilities by identifying the skills required of directors, such as accounting, risk management, and business development in growth fields, and appointing both internal and external directors with different areas of expertise, so that the Board as a whole can engage in thorough deliberation and make prompt and rational decisions based on diverse perspectives. (For the Board of Directors' skill matrix, see p.68)

In fiscal 2024, the 14 directors have engaged in thorough discussions on matters related to the Group's overall

management strategy, such as efforts toward decarbonization of power sources to achieve carbon neutrality and the formulation of the next Medium-Term Management Plan 2030.



- Number of meetings held 10
- Main discussion topics
  - Efforts toward decarbonization of power sources to achieve carbon neutrality
  - Participation in power generation business in Japan and overseas

## 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.

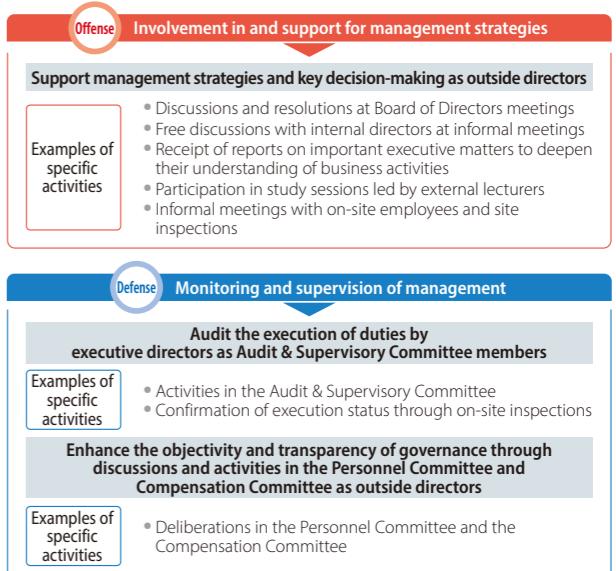
### On-site inspections by outside directors



- 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



## Enhancement and Strengthening of Corporate Governance

## List of Directors

(As of the end of June 2025)



Fujiko Takahata

Director  
Audit & Supervisory  
Committee Member

Ryohei Kagawa

Director  
Audit & Supervisory  
Committee Member

Seiji Miyazaki

Director and Senior  
Corporate Officer

Kazuhiko Shioume

Director  
Audit & Supervisory  
Committee Member

Hisashi Shirai

Director and Executive  
Vice President

Shinji Obayashi

Director and Senior  
Corporate Officer

Keisuke Nagai

Chairman of the Board

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 Suginouchi

Director and Senior  
Corporate Officer

Shoichi Nishiyama

Director  
Audit & Supervisory  
Committee Member

Yachiyo Izutani

Director  
Audit & Supervisory  
Committee Member

## 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 Managing Director, General Manager of General Planning Division  
Jun. 2017 Director and Executive Vice President, General Manager of General Planning Division, in charge of I/T/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: 37,144

## 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: 24,184

## 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 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.  
No. of shares held: 23,469

## 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: 15,059

## 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, in charge of General Affairs Dept., Siting and Environment Dept., Employee Relations & Human Resources Dept., General Education & Training Center, and General Medical Services Center  
No. of shares held: 8,931

## Kenzo Suginouchi

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. 2020 Senior Corporate Officer, in charge of Employee Relations & Human Resources Dept., General Education & Training Center, and General Medical Services Center  
Jun. 2022 Director and Senior Corporate Officer, Division Manager of Marketing & Customer Relations Division, in charge of Tokyo Branch Office  
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)  
Director of Yonden Business Company, Incorporated (incumbent)  
Director of Yonden Engineering Company, Incorporated (incumbent)  
No. of shares held: 7,180

## Shinji Obayashi

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)  
Director of SAKAIDE LNG Company, Incorporated (incumbent)  
No. of shares held: 7,053

## 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 Marketing & Customer Relations Division, in charge of Tokyo Branch Office (incumbent)  
Director of SHIKOKU INSTRUMENTATION CO., LTD. (incumbent)  
No. of shares held: 7,969

## Directors and Audit &amp; Supervisory Committee Members

## Kazuhiko Shioume

Director, Audit and Supervisory Committee Member, Chairman of the Audit and Supervisory Committee  
Date of birth: June 21, 1961  
Apr. 1985 Joined Shikoku Electric Power Company  
Jun. 2022 Audit and Supervisory Officer  
Corporate Auditor of Yonden Business Company, Incorporated (incumbent)  
Corporate Auditor of SHIKOKU INSTRUMENTATION CO., LTD. (incumbent)  
Jun. 2025 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc. (incumbent)  
Director, Audit and Supervisory Committee Member, Chairman of the Audit and Supervisory Committee (incumbent)  
Corporate Auditor of Shikoku Electric Power Transmission & Distribution Co., Incorporated (incumbent)  
Director and Audit & Supervisory Committee Member of YONDENKO CORPORATION (incumbent)  
No. of shares held: 11,596

## 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 Hyakujishi 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 Hyakujishi Bank, Ltd.  
Mar. 2024 Director of The Hyakujishi Bank, Ltd. (retired in June 2024)  
Jun. 2024 Director and President of Nihonbashi Fudosan (incumbent)  
No. of shares held: 7,831

## Fujiko Takahata

Director, Audit and Supervisory Committee Member (Outside Director)  
Date of birth: September 20, 1955  
Sep. 2007 Director of Tokiwa Co. Ltd.  
Sep. 2015 Director and President of Tokiwa Co. Ltd. (incumbent)  
Jun. 2020 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc. (incumbent)  
Apr. 2021 Director, Vice President and CCO of The Hyakujishi Bank, Ltd.  
Oct. 2022 Director and Chairman of Iyogin Holdings, Inc. (Retired in June 2025)  
Jun. 2025 Special Advisor of the Iyogin Bank, Ltd. (incumbent)  
No. of shares held: 6,546

## 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 of The Iyo Bank, Ltd.  
Jun. 2019 Corporate Auditor of Shikoku Railway Company (incumbent)  
Apr. 2020 Director and Chairman of The Iyo Bank, Ltd.  
Jun. 2021 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc. (incumbent)  
Oct. 2022 Director and Chairman of Iyogin Holdings, Inc. (Retired in June 2025)  
Jun. 2025 Special Advisor of the Iyo Bank, Ltd. (incumbent)  
No. of shares held: 5,008

## 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 of Ujiden Chemical Industry Co., Ltd.  
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: 5,988

## 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 Department, NHK  
Jun. 2015 Head of Matsuyama Broadcasting Station, NHK  
Jun. 2017 Director of Announcers' Office, NHK  
Jun. 2018 Director and Division Manager of Course Promotion Division of NHK Culture Center, Inc.  
Jun. 2019 Director and President of NHK Culture Center, Inc. (retired in April 2021)  
Jun. 2021 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc. (incumbent)  
No. of shares held: 2,502

## Enhancement and Strengthening of Corporate Governance

## [2] Audit and Supervisory Committee

■ The Audit and Supervisory Committee consists of six directors who serve as committee members, including five outside directors. Based on the audit policies and plans established by the committee, Audit and Supervisory Committee members express opinions and provide advice on management from an independent and neutral standpoint through attendance at important meetings such as the Board of Directors, regular exchanges of opinions with the Representative Director, participation in on-site inspections,

and by reviewing and investigating important documents, they conduct audits of the execution of duties by executive directors.

## Composition

- Chair: Kazuhiko Shioume
- A total of six members: one internal director (Chairperson of the Audit and Supervisory Committee, full-time) and five outside directors

## [3] Personnel Committee

■ The Personnel Committee consists of seven directors, including five outside directors, and deliberates on matters such as the appointment and dismissal of the Representative Director, directors, and executive officers. It also considers methods for improving the governance system.

■ In fiscal 2024, the committee met twice, with particular focus on deliberating matters related to the appointment of the Representative Director, directors, and executive officers.

## Composition

- Chair: Fujiko Takahata (Independent Outside Director)
- A total of seven members: five outside directors and two internal directors (Chairperson and President)

## [4] Compensation Committee

■ The Compensation Committee consists of six directors, including five outside directors, and deliberates from an objective and neutral position on matters such as the ideal remuneration system that contributes to improving incentives for directors and appropriate remuneration levels.

■ In fiscal 2024, the committee met twice, with particular focus on deliberating matters such as the structure of performance-linked cash remuneration, taking into account recent performance and the medium- to long-term business environment.

## Composition

- Chair: Ryohei Kagawa (Independent Outside Director)
- A total of six members: five outside directors and one internal director (officer in charge of General Affairs Dept. and Employee Relations & Human Resources Dept.)

## ■ Directors' remuneration

Remuneration for directors is determined so that it appropriately reflects the value of their responsibilities in achieving the Company's fundamental mission and the sustainable enhancement of corporate value, taking into consideration Company performance, the nature and execution of their duties, and remuneration levels of other companies (mainly at listed companies).

The specific levels of remuneration are determined by the Board of Directors, within the limits set by resolutions at the General Meeting of Shareholders, based on recommendations

from the Compensation Committee.

In 2023, we introduced performance-linked cash remuneration, and for fiscal 2024, in addition to using consolidated ordinary profit and dividend per share—management targets set forth in the Shikoku Electric Power Group Medium-Term Management Plan 2025—as benchmark indicators, we also determine payment amounts by taking into account indicators related to ESG initiatives, such as retail CO<sub>2</sub> emissions and our greenhouse gas emissions (direct emissions from our use of fuel for electric power generation, etc.).

## ■ Directors' compensation

Directors (excluding Audit & Supervisory Committee members)	Stock compensation
Monthly compensation Approx. 70-80%	Performance-linked remuneration* 10-20%

\* The weight of performance-linked cash remuneration is set at approximately 20% for both the Chairman of the Board and the Director & President, and 10% for other directors, in accordance with the level of management responsibility for performance.

Monthly compensation of directors who are Audit & Supervisory Committee members
Monthly compensation 100%

## ■ Compensation amounts (FY2024)

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)	327	231	69	27	9
Director Audit & Supervisory Committee Member (internal)	31	31	—	—	1
Outside Director	45	45	—	—	5

\* Including the total amount of remuneration paid to directors who retired at the General Meeting of Shareholders held in June 2024 and the number of such directors.

## Message from the Personnel Committee Chairperson



**Fujiko Takahata**  
(Outside Director)

In our Personnel Committee, outside directors make up the majority of members, and the chairperson is selected by mutual vote from the outside directors. Currently, I, an outside director, serve as chairperson.

To date, the committee has carefully deliberated on the appointment of the Representative Director, directors, and executive officers. In our Company, all outside directors also serve as Audit and Supervisory Committee members, so we maintain close communication with executive employees who are future candidates for director positions, especially in venues such as the Audit and Supervisory Committee, and I feel that our understanding of each employee's personal characteristics, execution ability, and leadership is reflected in the committee's deliberations.

This fiscal year, as a new medium-term management plan has been formulated, I believe it is necessary to once again discuss the skills that the Board of Directors should possess based on the new policy. As chairperson, I intend to lead substantial discussions from an independent and objective standpoint and contribute to the enhancement and strengthening of corporate governance.

## Message from the Compensation Committee Chairperson



**Ryohei Kagawa**  
(Outside Director)

Our core business, the Electric Power Business, is characterized by large fluctuations in performance due to factors such as fuel price volatility and the long period required from business planning to actual results. Therefore, although we introduced share-based remuneration in 2019, the proportion of short-term performance-linked remuneration has been kept lower than in other industries in our executive remuneration system.

Amid these circumstances, after deliberation by the Compensation Committee, which is mainly composed of outside directors, we introduced short-term performance-linked cash remuneration in 2023. In the detailed system design, we incorporated not only performance KPIs that contribute to the enhancement of the company's economic value, but also ESG indicators related to social value.

As a result, I believe that the efforts and responsibilities of each director are now directly linked to corporate value, and the various remuneration ratios have been revised to achieve a better balance. Going forward, we will continue to review the system to ensure that it serves as an appropriate incentive linked to the management strategy of the new Medium-Term Management Plan starting in fiscal 2026 and for realizing the strategy.

## Enhancement and Strengthening of Corporate Governance

## [5] Board of Managing Directors

Board of Managing Directors consists of the Director and President and the executive officers who oversee headquarters and divisions, and, as a body that deliberates on matters to be submitted to the Board of Directors and important matters

related to business execution, is held in principle once a week. The Chairperson of the Board and the Chairperson of the Audit and Supervisory Committee also attend.

## [6] Internal Audit Office

The Internal Audit Department is an organization under the direct control of the President, consisting of 12 members in charge of audits and nuclear power audits. The audit staff conducts internal audits independently of each department regarding the appropriateness and effectiveness of operations of our Company and its affiliates, while the nuclear power audit staff conducts internal audits of quality assurance activities

carried out by nuclear power-related departments.

The results of internal audits are regularly reported directly to all directors through Board of Managing Directors and the Audit and Supervisory Committee, and necessary improvements are encouraged in relevant departments, with follow-up on the status of improvements.

## Skills matrix

	No. of attendance at Board of Directors meetings in fiscal 2024	No. of attendance at Audit and Supervisory Committee meetings in fiscal 2024	Main expertise, experience, etc./fields of particular strength					
			Corporate Management & Business Strategy	Finance & Accounting	Legal & Risk Management	Technology & Research and Development	Marketing & Public Relations	International Business & Business Development
Directors	Keisuke Nagai	10/10	●			●		●
	Yoshihiro Miyamoto	10/10	●			●	●	●
	Hisashi Shirai	10/10		●	●			●
	Noriyuki Kawanishi	10/10			●			●
	Seiji Miyazaki	10/10				●		●
	Kenzo Suginouchi	10/10			●		●	●
	Shinji Obayashi	8/8				●		●
	Hideyoshi Ishida	8/8				●		●
Directors and Audit & Supervisory Committee Members	Kazuhiko Shioume <small>Newly elected</small>	-	-		●			●
	Ryohei Kagawa	10/10	18/18	●	●	●		
	Fujiko Takahata	10/10	18/18	●			●	●
	Iwao Otsuka	10/10	18/18	●	●		●	●
	Shoichi Nishiyama	10/10	18/18	●			●	●
	Yachiyo Izutani	10/10	18/18	●			●	●

## Director training

We provide opportunities for internal directors to acquire the knowledge and skills required of them, such as legal responsibilities of directors, DX of internal operations, training focused on promotion, and media training to improve their public relations capabilities.

For outside directors, we provide opportunities to

understand our business operations by offering explanations about our business and management issues at the time of appointment and other occasions, as well as site visits to our electric power generation facilities.

In addition, for all directors, we hold study sessions led by external experts, and strive to enhance opportunities for further development.

## Evaluation of the Effectiveness of the Board of Directors

In order to evaluate and analyze the composition, governance, and operation of the Board of Directors, we conduct an annual survey of all directors regarding the effectiveness of the Board of Directors, and implement improvement measures based on the opinions submitted.

Regarding our efforts to improve the effectiveness of the Board of Directors, we regularly receive independent and objective reviews from third-party attorneys with deep

knowledge of our business, and obtain feedback on the selection of survey items, evaluation results, and future responses based on those results.

Based on the evaluation results from the 2024 survey, we have determined that the effectiveness of the Board of Directors is being appropriately ensured. However, we will continue our ongoing efforts to further enhance the effectiveness and governance of the Board of Directors.

## Main contents of the survey

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

## Identified issues and response status

	Initiatives for enhancing effectiveness (FY2024 results)	Fiscal 2024 assessment	Initiatives for enhancing effectiveness (FY2025 policy)
Governance by the Board of Directors and operation of the Board	<ul style="list-style-type: none"> <li>Regarding the explanation of materials at the Board of Directors meetings, explanations were provided with varying levels of detail, taking into account the status of prior explanations on the agenda items.</li> <li>To enhance the quality of discussions, officers in charge were asked to add their impressions and the status of deliberations in the Board of Managing Directors during explanations.</li> </ul>	<ul style="list-style-type: none"> <li>By further summarizing the key points of explanations at Board meetings, even more time for deliberation should be secured.</li> <li>Lively discussions are being held through timely and appropriate information sharing, not limited to agenda items, and governance is functioning effectively.</li> </ul>	<ul style="list-style-type: none"> <li>In addition to current initiatives, presenters should further enhance Board deliberations by focusing on key points for each agenda item and through other improvements.</li> </ul>
Enhancement of information provision, training, and dialogue opportunities for directors	<ul style="list-style-type: none"> <li>Continuing from the previous year, we enhanced opportunities such as study sessions by external lecturers to deepen understanding of the business environment and management issues surrounding our Company, and held discussions in preparation for the next Medium-Term Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>It was meaningful that directors had multiple opportunities for broad discussions from the formulation stage of the Medium-Term Management Plan.</li> <li>Facility visits and informal discussions with on-site employees are recognized as extremely important opportunities to deepen understanding of the business. It is desirable to continue these activities and also provide opportunities to enhance knowledge of new businesses and challenge fields.</li> </ul>	<ul style="list-style-type: none"> <li>We will hold study sessions on themes that contribute to directors' execution of duties and on our Company's growth areas, as well as enhance opportunities for facility visits and similar activities.</li> </ul>

Regarding the composition of the Board of Directors, we currently share the recognition that the balance of size, diversity, and the necessary knowledge, experience, and abilities is being maintained. However, based on the management policies set forth in the new Medium-Term

Management Plan 2030, we will redefine the skills required for the entire Board and consider further enhancement of the governance system, keeping in mind issues such as increasing the ratio of female officers.

## Enhancement and Strengthening of Corporate Governance

## Small meeting with an outside director (Held December 2024)

WEB Briefing materials (in Japanese only)  
► <https://www.yonden.co.jp/corporate/ir/library/account.html>

We are presenting some of the Q&As from a small meeting with major institutional shareholders and analysts, attended by Outside Director Izutani, where opinions were exchanged mainly on human resource strategy.



Yachiyo Izutani

Outside Director and Audit & Supervisory Committee member  
Former President of NHK CULTURE CENTER, Inc.  
Osaka University Executive Director  
[at time of meeting]

Seiji Miyazaki

Director and Senior Corporate Officer  
General Manager of General Planning Division

Q How do you evaluate the diversity of the Board of Directors? For example, how do you view the need to incorporate new perspectives from outside in anticipation of new business environments, or from the standpoint of age, looking toward the future?

Izutani: Currently, there are two female outside directors, but regarding the ratio of women, I think it is time to consider increasing the ratio of female internal directors. However, the current situation within the Company is that the higher the age group, the higher the proportion of men. Therefore, we are working to nurture and promote women from the bottom up, rather than suddenly increasing the number of female officers.

Also, as the population of Shikoku declines and management diversifies through overseas investments and other means, I feel that we are entering a phase where diverse directors with different perspectives are needed.

Regarding age diversity, the president is getting younger, and candidates for management positions are also developing smoothly. As a regional company, I feel that we have assembled highly capable personnel, and I believe age diversity will also be achieved.

Q This year, there was a change in president. What kind of discussions took place in the Personnel Committee when selecting the new president?

Izutani: Outside directors serve as members of the Personnel Committee and discuss director appointments, and I feel that this time we were able to make a fully satisfactory personnel decision. What is functional in our system is that explanations of agenda items at the Audit and Supervisory Committee are always given by department heads or those in equivalent positions. Since outside directors also serve as Audit and Supervisory Committee members, these opportunities allow them to assess the abilities of department heads, who are future candidates for director, so having the same members for both outside directors and Audit and Supervisory Committee members is a significant advantage. In addition, with this personnel change, the average age of directors, such as the president, has decreased, and in a rapidly changing business environment, it is necessary to incorporate new values. In that sense, I believe the Company is achieving the necessary renewal.

Universities that do not promote DE&I are not recognized internationally, so compared to general companies, the urgency of these efforts is different. As people who have experienced such environments join the Company in the future, we will no longer be chosen as a place of employment if we remain old-fashioned. When I recently conducted DE&I training at the Company, I explained what kind of environment current university students—potential employees—are in.

Miyazaki: I believe it is truly meaningful for Director Izutani, who has firsthand experience with such environments, to speak directly to employees.

## Dialogue and Information Disclosure Through IR/SR Activities

We place importance on reflecting IR and SR activities not merely as information dissemination, but as management decisions that contribute to the sustainable enhancement of corporate value through constructive dialogue with shareholders and investors. In fiscal 2024, we enhanced opportunities for dialogue by holding several company briefings by the president and small meetings with outside directors, as well as about 80 individual meetings conducted

by the IR/SR Secretariat.

The opinions received from the capital markets through such dialogues are shared with management and reflected in strategies to enhance corporate value, such as the Medium-Term Management Plan. Going forward, we will continue to actively engage in direct dialogue with shareholders and investors and strive for continuous updates to management and information dissemination through these interactions.

## 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.

Each year, taking into account the importance for business operations and capital costs, the rationality of our holdings is reported to the Board of Directors, and shares that are deemed less necessary are promptly sold. In fiscal 2024, the number of

stocks decreased by 10 compared to the beginning of the Medium-Term Management Plan 2025.

## Shareholdings (as of end of fiscal year)

	2020	2024	Change
No. of brands	78 (12)	68 (1)	-10 (-11)
Balance sheet recorded amount [100 million yen]	327 (40)	292 (7)	-35 (-33)

Note: Of these, shares in Japan Nuclear Fuel Ltd. comprised 25.6 billion yen.

## 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.

WEB Initiatives for compliance (in Japanese only) ► <https://www.yonden.co.jp/corporate/compliance/index.html>

■ 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.

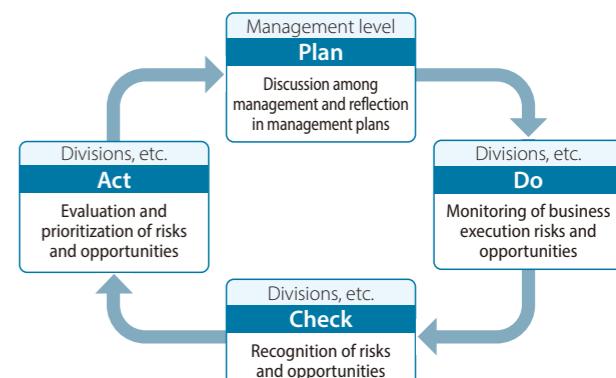
## Promotion of Risk Management

Our Group strives to ensure management stability and sustainability by formulating response plans based on the group management plan, which sets out the basic management policy each year, and by operating the PDCA cycle to identify and address external and internal risks and opportunities in our business domains.

Risks identified by each organization are evaluated on two axes: impact and likelihood. Those that could have a significant effect on business operations are designated as "management risks" and are reported to management. Furthermore, for company-wide risks, expert committees are established as needed, and appropriate measures are taken based on comprehensive assessments.

WEB Risks related to business activities ► Annual Securities Report (in Japanese only)  
► [https://www.yonden.co.jp/assets/pdf/corporate/ir/library/securities\\_report/yuhofy2024.pdf](https://www.yonden.co.jp/assets/pdf/corporate/ir/library/securities_report/yuhofy2024.pdf)

## The PDCA of risk management



## 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 2024, 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.

(For the number of consultations with the Compliance Consultation Office, see P.79)

#### 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.

#### Protection of intellectual property

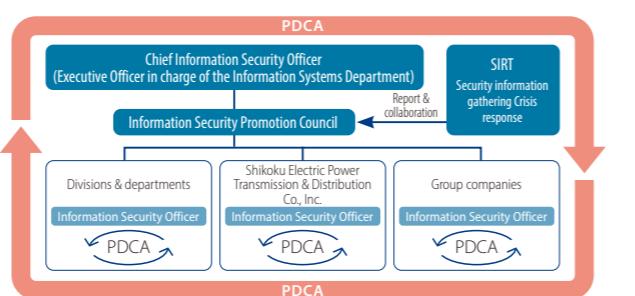
Our Group owns and utilizes patents and other intellectual property rights in fields such as energy, information and communications, electronics, construction engineering, and agriculture. In addition, in order to avoid infringing upon the intellectual property rights of third parties in our business 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.

### 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.

Based on this management framework, we have continuously improved physical, technical, organizational, and personnel measures, resulting in zero major security incidents in fiscal 2024.

#### Framework for security management within the Group



### 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"> <li>Profit opportunities arise due to reviews of policies and systems           <ul style="list-style-type: none"> <li>→ Understanding the state of discussions at councils held by the government, dialogue with policy authorities, etc.</li> </ul> </li> </ul>
	Strengthening environmental regulations	<ul style="list-style-type: none"> <li>Increased need for renewable energy           <ul style="list-style-type: none"> <li>→ New development and expanded introduction of renewable energy</li> </ul> </li> <li>Reduction of fuel costs by improving the efficiency of supply facilities           <ul style="list-style-type: none"> <li>→ Higher efficiency of thermal power generation</li> </ul> </li> <li>Promotion of electrification and progress with energy saving           <ul style="list-style-type: none"> <li>→ Promotion of energy solutions, distributed energy, and decarbonization support for local communities</li> </ul> </li> </ul>
	Changes in the environment surrounding the nuclear power business	<ul style="list-style-type: none"> <li>Improvement of safety at the Ikata Power Plant, continuation of safe and stable operation, etc.           <ul style="list-style-type: none"> <li>→ Implementation of safety measures in preparation for serious accidents and other such occurrences</li> </ul> </li> <li>Thorough information disclosure, and communication with society through dialogue with local residents</li> </ul>
	Market trends	<ul style="list-style-type: none"> <li>Stable fuel procurement           <ul style="list-style-type: none"> <li>→ Diversification of suppliers and procurement methods</li> </ul> </li> <li>Expansion of profit opportunities           <ul style="list-style-type: none"> <li>→ Expansion of sales areas and diversification of sales methods and channels</li> </ul> </li> <li>Maximization of profits by utilizing multiple markets</li> <li>Creation of new services and businesses           <ul style="list-style-type: none"> <li>→ Promotion of solar PPA and distributed energy business</li> </ul> </li> <li>Nationwide increase in electricity demand           <ul style="list-style-type: none"> <li>→ Attracting and promoting companies and factories, including data centers, etc.</li> </ul> </li> </ul>
	Facility and operations-related trouble, etc.	<ul style="list-style-type: none"> <li>Appropriate inspection, maintenance, and enhanced resilience of supply facilities           <ul style="list-style-type: none"> <li>→ Safe and stable operation of power plants, optimization of transmission and distribution facilities, and hardware and software measures to prepare for natural disasters, etc.</li> </ul> </li> </ul>
	Businesses other than electricity business	<ul style="list-style-type: none"> <li>Response to changes and opportunities in the market environment           <ul style="list-style-type: none"> <li>• Trends in digitization and DX               <ul style="list-style-type: none"> <li>→ Expansion of IT/communication business</li> </ul> </li> <li>• Increase in global energy demand               <ul style="list-style-type: none"> <li>→ Expansion of international business</li> </ul> </li> </ul> </li> <li>Rise of new needs in the energy business           <ul style="list-style-type: none"> <li>→ Initiatives for DX and distributed energy business</li> </ul> </li> </ul>
Compliance	Decline of social credibility due to violation of laws and regulations, etc. <ul style="list-style-type: none"> <li>→ Raising awareness of compliance among officers, and strengthening internal control systems</li> </ul>	<ul style="list-style-type: none"> <li>Increased need for enhanced governance and transparency           <ul style="list-style-type: none"> <li>→ Enhancement and strengthening of corporate governance</li> </ul> </li> </ul>
In common	Declining workforce and changing work environment	<ul style="list-style-type: none"> <li>Enhancement of the driving force for value creation through changes and improvements in employee awareness           <ul style="list-style-type: none"> <li>→ An environment in which diverse human resources can play an active role</li> </ul> </li> </ul>