Shikoku Electric Power Group

Seeking to be a force for happiness

Shikoku Electric Power Group

INTEGRATED REPORT 2024

Greetings

Thank you for taking the time to read the Yonden Group Integrated Report 2024.

By being a multi-utility corporate group supporting work and life, our Group aims to contribute to people's comfortable, safe and secure lifestyles, as well as to the development of the Shikoku region, with a focus on the electric power business. We are also involved in the IT/communication and construction and engineering businesses.

Through this report, we hope to deepen our stakeholders' understanding of the Shikoku Electric Power Group by conveying our fundamental approach to creating sustainable corporate value and the status of our efforts, along with financial and non-financial information, and our outlook for the future.

Yoshihiro Miyamoto
Director and President

Corporate message

Seeking to be a force for happiness

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Shikoku Electric Power Company Website

Further detailed content that was not published in this report is available on our website.

Shikoku Electric Power Outline (in Japanese only)
https://www.yonden.co.jp/corporate/yonden/index.html

Investor Relations
https://www.yonden.co.jp/english/ir/index.html

Initiatives for Sustainability (in Japanese only)
https://www.yonden.co.jp/corporate/csr/index.html

Carbon Neutral Challenge (in Japanese only)
https://www.yonden.co.jp/corporate/carbon_neutral/index.html

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

Shikoku Electric Power Group Information (in Japanese only)
https://www.yonden.co.jp/corporate/yonden/group/index.html

Reporting Period

FY2023 (April 1, 2023-March 31, 2024)
However, when it is appropriate to show past historical data and recent cases, we report on matters that fall outside this period.

Scope of Reporting

This report covers Shikoku Electric Power Co., Inc. (the Company) and its subsidiaries and affiliated companies.

Reference Guidelines for Presentation of Non-Financial Information

- "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation," Ministry of Economy, Trade and Industry
- "International Integrated Reporting Framework," International Integrated Reporting Council (IIRC)
- "Sustainability Reporting Standards," Global Reporting Initiative (GRI)
- "Environmental Reporting Guidelines (2018 version)," Ministry of the Environment
- "Recommendations of the Task Force on Climate-related Financial Disclosures," Task Force on Climate-related Financial Disclosures (TCFD)
- "SASB Standards for Electric Utilities & Power Generators," Sustainability Accounting Standards Board (SASB)

Publication Date

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English version: Published November 2024

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Caution Regarding Business Forecasts and Forward-Looking Statements

Forecasts included in this document are forward-looking statements based on data available at the time of their release and assumptions that are deemed reasonable. Actual results may differ substantially due to a number of factors.

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.

Creating the future

Eco-friendly

Community coexistence

Corporate message

Seeking to be a force for happiness

Shikoku Electric Power Group Medium-Term Management Plan 2025

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

→P.22

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

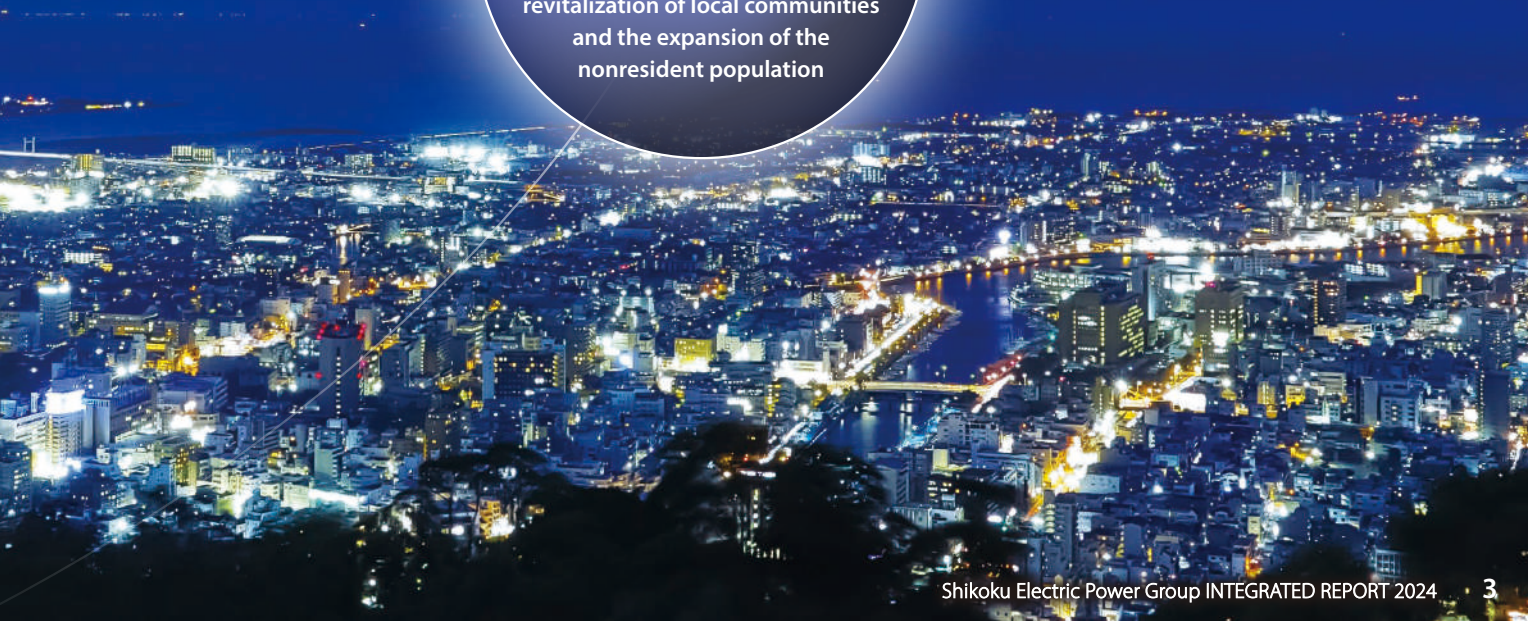
We will promote DX and provide various services centered on the energy and telecommunications services fields as a "platform in the Shikoku region"

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

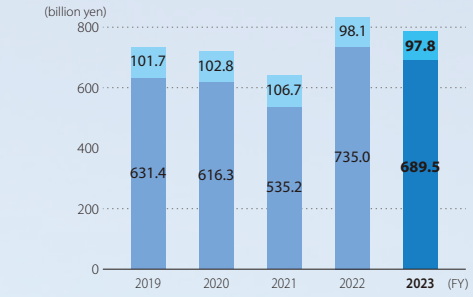
We will promote initiatives that contribute to the growth and revitalization of local communities and the expansion of the nonresident population



About the Shikoku Electric Power Group

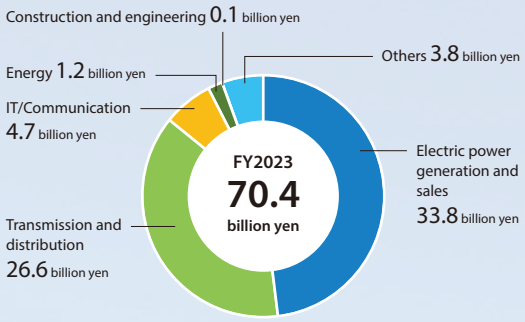
The Shikoku Electric Power Group is committed to the continuous provision of high-quality services, centered on energy, that interconnect with the lives that people lead. In this way, we contribute to comfortable, safe, and secure life as well as to the Shikoku region's development.

Operating revenues



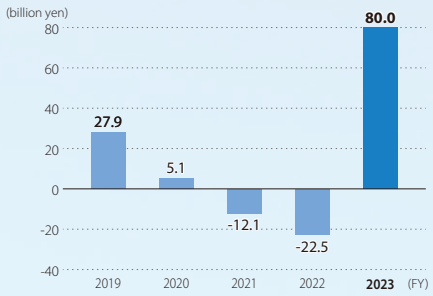
* As a result of the application of the Accounting Standard for Revenue Recognition in fiscal 2021, consolidated sales decreased by 159.4 billion yen from the level before application of the standard

Capital investment (by segment)

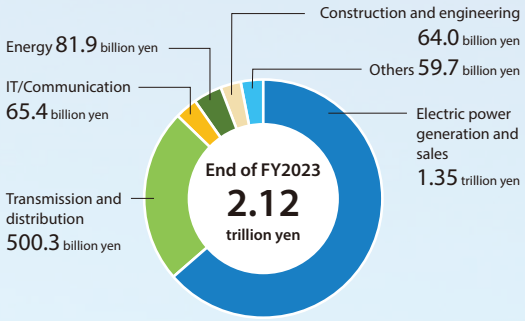


*Before elimination of intersegment transactions

Ordinary profit

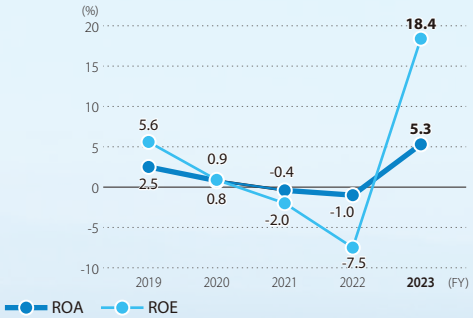


Assets (by segment)



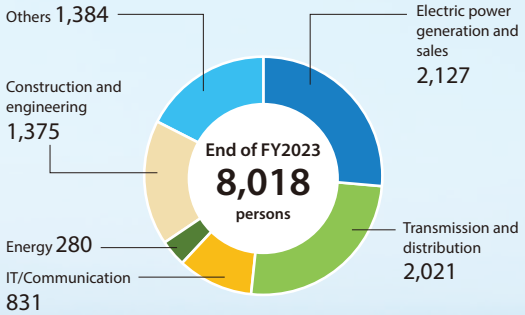
*Before elimination of intersegment transactions

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

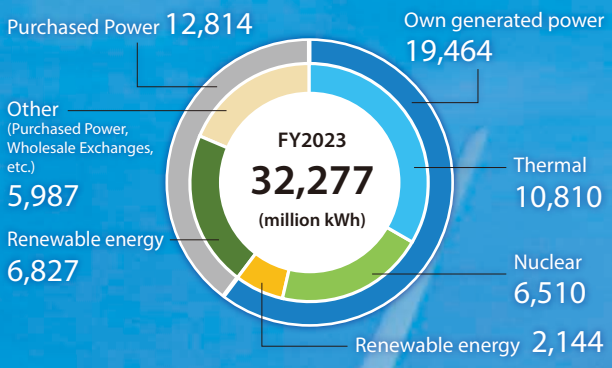
—Group business area expansion—

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.

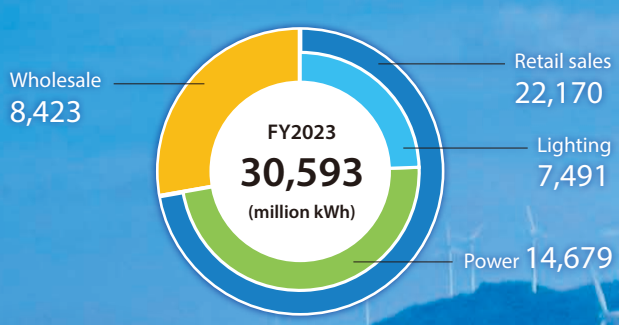
The Shikoku Electric Power Group —supporting the Shikoku region

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

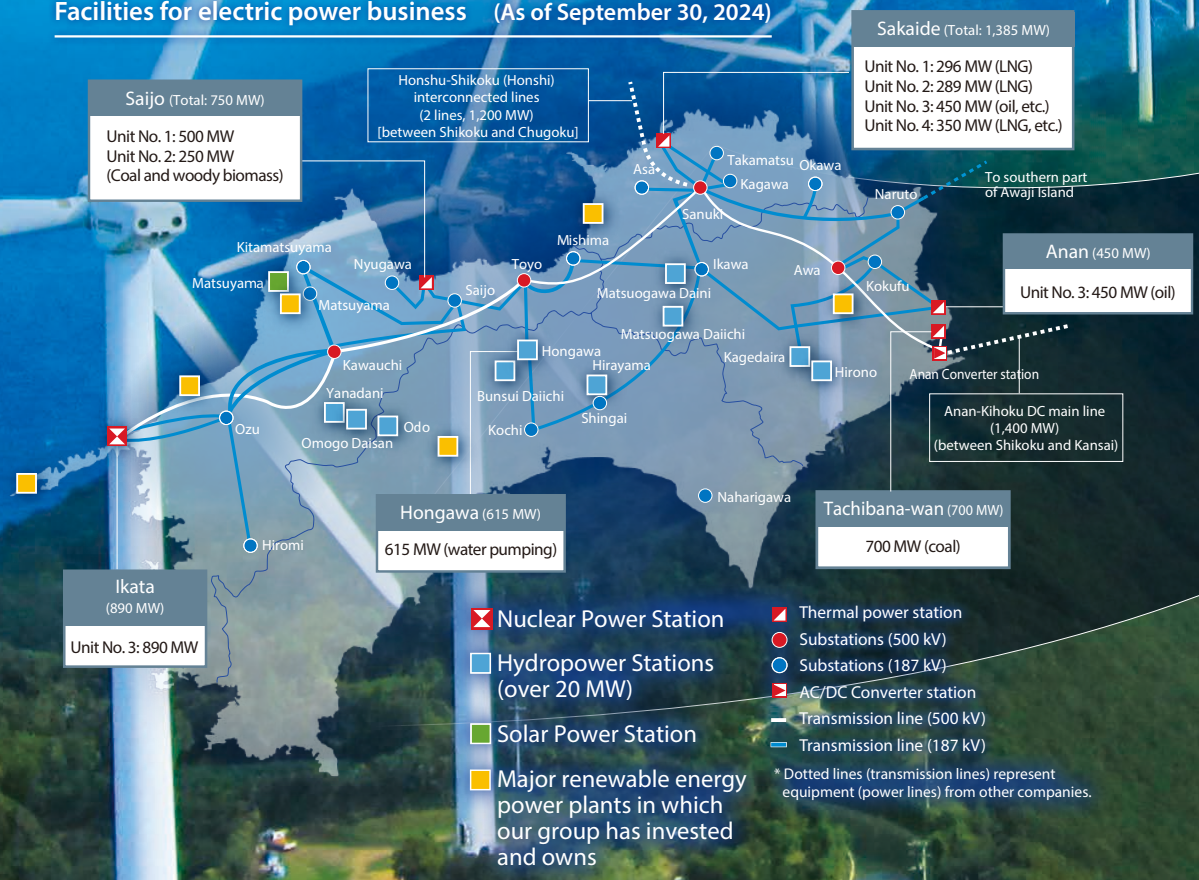
Electricity Supplied



Total Electricity Sales



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



Overseas IPP owned capacity*
Approx. 1,110 MW
*Including those not yet in operation

Hamriyah Gas-Fired Thermal Power (UAE)
[Output: Approximately 1,800 MW]

El Centro Solar (USA)
[Output: Approximately 20 MW]

● Thermal power generation
● Renewable energy

Phu Yen Solar Photovoltaic Power Generation (Vietnam)
[Output: Approximately 214 MW]

★ Coal procurement subsidiary YN Energy Pty Ltd

Shikoku Electric Power Group, Taking Flight Globally

We are actively developing thermal and renewable energy IPP projects in regions such as the Middle East, Asia, and North America.

● Renewable energy development and investment projects

Agano Mega Solar
[Output: Approximately 46 MW]

Fukushima Hirata Village Biomass Power
[Output: Approximately 4 MW]

Okami Solar Power Plant
[Output: Approximately 1 MW]
(Introduced facility: THE OUTLETS SHONAN HIRATSUKA)

Bizen Kumonoue Solar Power Plant
[Output: Approximately 70 MW]

Ei Wind Power Plant
[Output: Approximately 16 MW]

The Shikoku Electric Power Group across Japan

We are engaged in the development and O&M of renewable energy sources nationwide. Additionally, we have received orders for construction and electrical works in areas beyond the Shikoku region, including the Tokyo and Kansai areas.

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.

	Balancing Economic Efficiency and Stability in Fuel Procurement	A Competitive, Balanced Power Source Structure
Electric Power Business Value Chain	• 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.	• 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.
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.

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.**

- **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.**

- 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.

- 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

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.**

- **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.**

- 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.

- 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

Electric power business

1951 Shikoku Instrumentation Industry Co., Ltd. (now Shikoku Measurement Co., Ltd.) established
* Segment: Other (equipment manufacturing)

1953 Matsuogawa Daiichi Power Station (hydropower) commenced operation

1961 Shikoku Enterprise Co., Ltd. (now Yonden Business Co., Inc.) established
* Segment: Other (commerce and real estate)

1962 220 kV operation commenced on J-POWER's Chushi main line

1962 180 kV operation of main power transmission system commenced in Shikoku

1965 Saijo Power Station (oil) commenced operation

1970 Sakaide Power Station (oil) commenced operation

1977 Ikata Power Plant Unit No. 1 (nuclear power) commenced operation

1982 Hongawa Pumping Power Station commenced operation

1994 Ikata Power Plant Unit No. 3 (nuclear power) commenced operation

1994 J-POWER interconnectors commenced operation between Honshu and Shikoku

The Honshu-Shikoku interconnectors are attached to the bridge girders of the Seto Ohashi Bridge.

1994 500 kV operation commenced on the Shikoku-chuo main line

2000 Tachibana-wan Power Station (coal) commenced operation

2000 Operations commenced at Anan-Kihoku DC main line

Anan Converter Station, which is the entry point on the Shikoku side.

2001-2011 Buy-back (cancella

1996-2008 7 rate reductions through

1951 (Founding) to 1970 | **1971 to 2000**

Social Situation: High economic growth | The oil crisis, Plaza Accord, the bubble economy and its collapse, and economic globalization

Social Issues and Solutions

- **Responding to rapidly increasing electricity demand**
  <Some of Our Initiatives>
  - Shift in power sources development away from hydroelectric power generation, mostly towards oil-fired power generation
  - Construction of transmission and distribution facilities in parallel
- **Diversifying power sources to reduce dependence on oil, and addressing increasing electricity demand**
  <Some of Our Initiatives>
  - After the oil crisis, we promoted the development of coal-fired, nuclear and other power sources to realize a well-balanced power source configuration
  - We switched to 500 kV main transmission lines and regional interconnectors connecting to Honshu via two routes

Businesses other than electricity

Energy

1964 Started development and sales of small electric water heaters

1997 District heating supply business commenced

The Sunport area of Takamatsu City, where Shikoku Electric Power supplies heat.

Construction and engineering

1963 Nankai Electric Works Co., Ltd. (now Yondenko Corporation) established

1970 Yonden Engineering Co., Inc. established

1979 Shikoku Electric Construction Corporation (now Yondenko Corporation) listed on the Tokyo Stock Exchange

IT/Communication business

1984 Shikoku Information Network Co., Ltd. (now STNet, Inc.) established

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

2020 The transmission & distribution business was spun off

YONDEN T&D

Shikoku Electric Power Transmission & Distribution Company

2023 Replacement of Saijo Power Station Unit No. 1

2010 Replacement of Sakaide Power Station Unit No. 1 with LNG-CC Commencement of operation at Sakaide LNG terminal

2005 Woody biomass co-firing commenced at Saijo Power Station

Expansion of Matsuyama Solar Power Station

2016 Replacement of Sakaide Power Station Unit No. 2 with LNG-CC

2023 Established Matsuyama Mikan Energy LLC (battery storage business)

2012 Commencement of Feed-in Tariff (FIT) system with fixed purchase price for renewable energy

and cancellation of treasury stock
tion of approx. 57 million shares)

Grid-connected capacity of solar and wind power

Approx. **490** MW (end of fiscal 2012)

Approx. **3,700** MW (end of fiscal 2023)

increased efficiency of management

2013 Rate increases due to the long-term shutdown of the Ikata Power Plant

2023 Rate increases due to revisions in fuel cost adjustment calculation parameters

2001 to 2010

2011 to present

Deregulation of electricity, social changes due to the spread of the internet and mobile phones

Great East Japan Earthquake, adoption of the Paris Agreement, tight supply/demand balance for electricity, soaring fossil fuel prices, promotion of GX

- **Deregulation of electric power retailing and rising demand for information and communication services**

<Some of Our Initiatives>
- After liberalization, electricity rates were reduced multiple times
- Continuous buyback and cancellation of treasury stock
- Expansion of IT/Communication business and entry into international business

- **Review of nuclear power generation safety standards, power system reform, and balancing climate change response with stable supply**

<Some of Our Initiatives>
- Restarting Ikata Unit No. 3
- New development of renewable energy, more efficient and low-carbon thermal power generation
- Expanding operations in businesses other than electric power

2008 Overseas IPP business commenced

Qatar—Ras Laffan C Power and Water Project

2022 Commencement of operations at Niihama LNG Co., Ltd.

2023 Ishikari Storage Power Plant (Hokkaido) construction started

Pikara

2004 Optical telecommunications services business supplying individual households commenced (STNet, Inc.)

2013 Commencement of data center business

2002 Yonden Life Care Inc. established (care services)

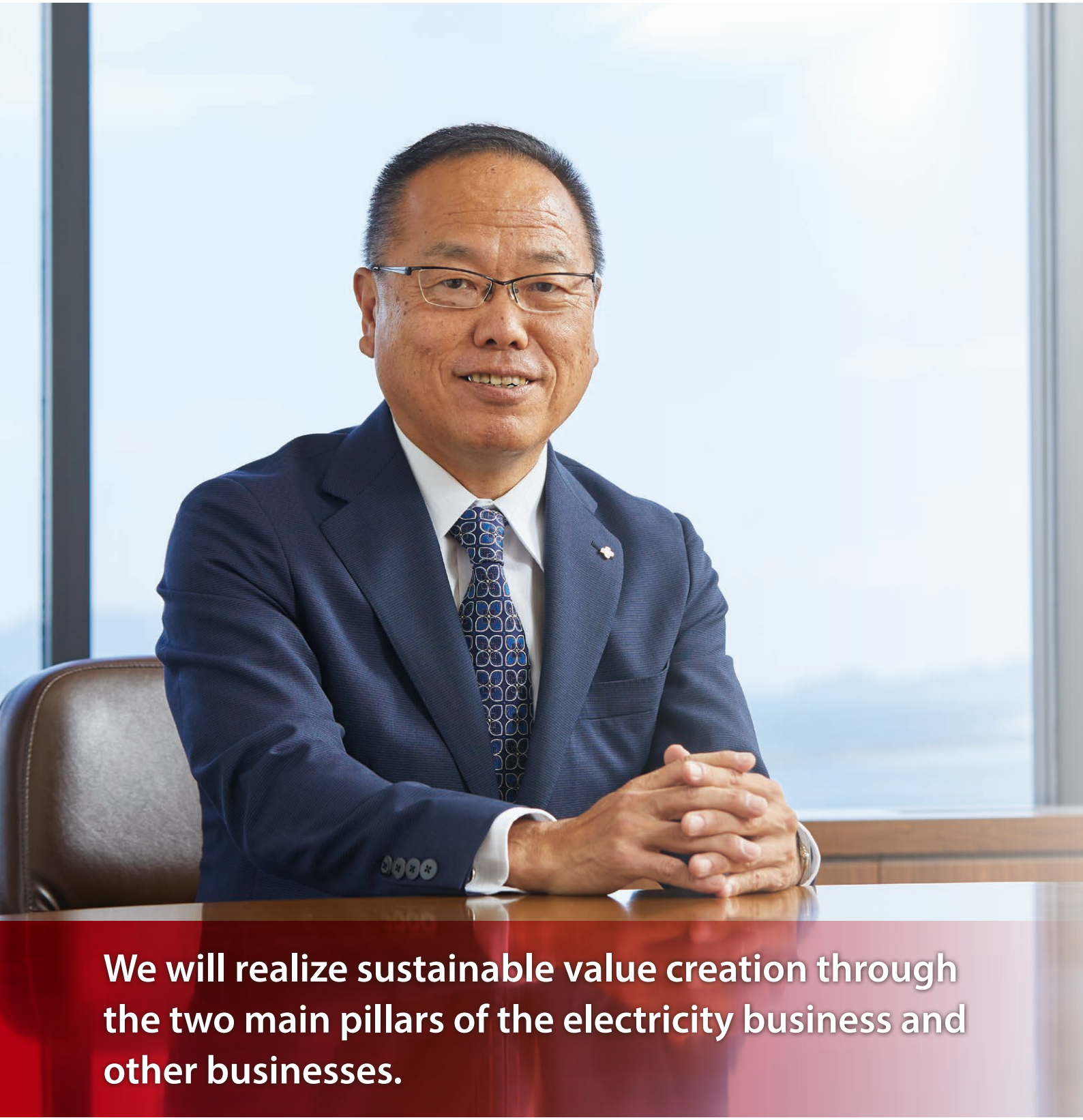
Businesses Other than Electricity

Fiscal 2011 operating profit - **5.6** billion yen

Growth in profits

Fiscal 2023 ordinary profit **25.4** billion yen

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.

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.

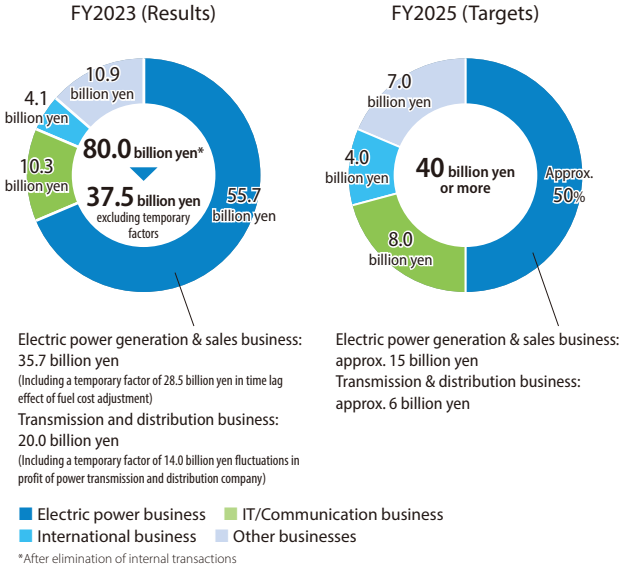
In fiscal 2023, the electricity business achieved strong financial results due to temporary factors such as time lag effect of the fuel cost adjustment system, in addition to the resolution of structural challenges on the revenue side caused by rising fuel prices. However, despite these factors, consolidated 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



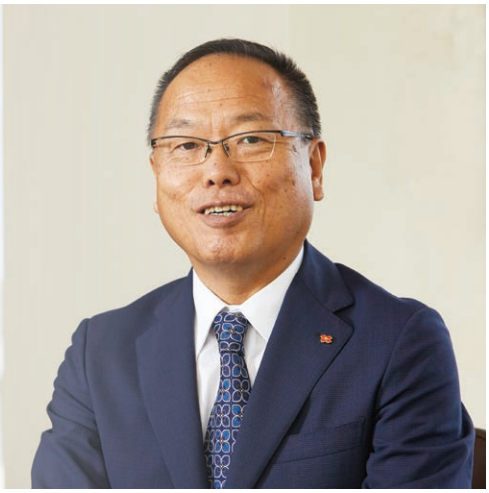
*After elimination of internal transactions

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_2 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_2 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_2 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.

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_2 emissions associated with power generation. Reducing CO_2 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

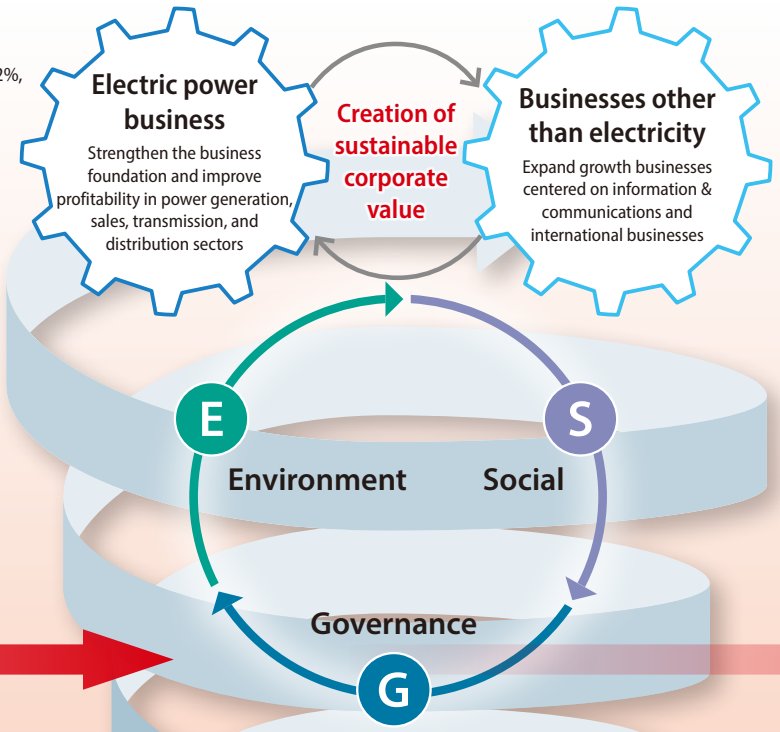
Social and Relationship Capital

- 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.



Business management that increases sustainability

<Continuous ESG Activities>

P.49-73

Identify key issues (Materialities) that are closely linked to business activities and promote continuous initiatives through annual PDCA cycles

Corporate philosophy

Living in the community, moving forward with the community, and prospering with the community

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_2 (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%

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

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

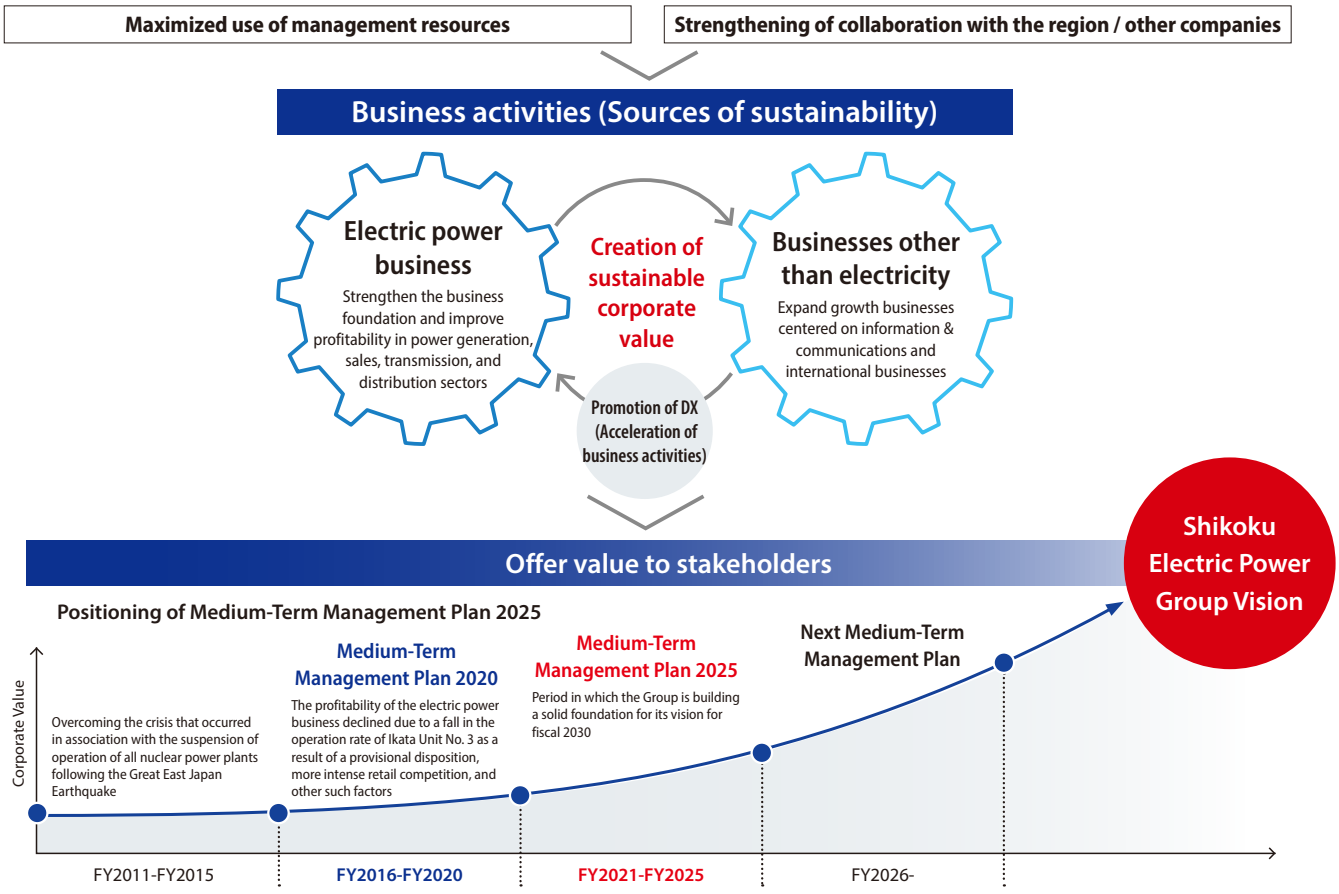
Seeking to be a force for happiness

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
Electric power business	• Normalizing operations by improving the imbalance in the power generation and sales business • Stable operations in the transmission and distribution business	• Balancing stable electricity supply with low carbonization and decarbonization of power sources P.37-41 • Strengthening stable relationships with customers P.43 • Next-generation upgrade of transmission and distribution facilities, and efficient management of supply and demand P.42
Businesses other than electricity	• Steady expansion of growth businesses such as IT/communications business and international business	• Further expansion of energy-related businesses in Japan and overseas P.44-45 • Securing stable earnings in the IT/communications business and construction and engineering businesses, etc. P.46-47

Management Indicators, Shareholder Returns

Management targets

	FY2016 to FY2020 (average results for the past 5 years)	FY2025 (targets)	FY2030 (long-term targets)
We will continue to acquire profits that exceed the cost of capital.			
ROA Approx. 3% (ROE: Approx. 8%)	2.0% (ROE 4.4%)	3.0% (8%)	4.0% (8%)
We will aim to maintain and expand business scale.			
Ordinary profit 40 billion yen or more, equivalent to an ROA of around 3%	20.4 billion yen	40.0 billion yen	50.0 billion yen

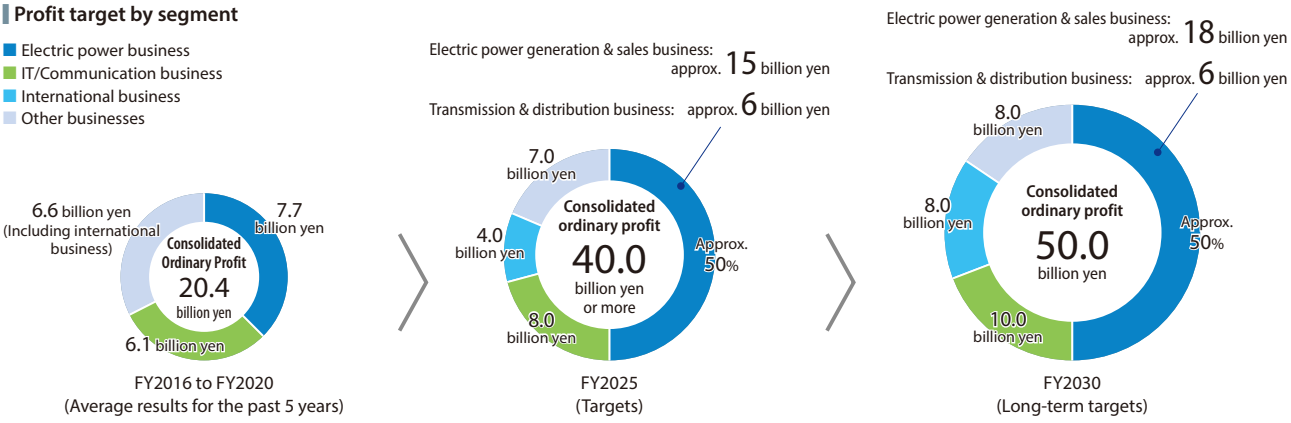
Management targets

	FY2016 to FY2020 (average results for the past 5 years)	FY2025 (targets)	FY2030 (long-term targets)
We will aim to balance securing financial soundness with the reduction of capital costs.			
Shareholders' Equity Ratio More than 25% (Interest-bearing debt ratio: Less than 2.0 times)	(Value at end of FY2020) 22.8% (Interest-bearing debt ratio: 2.4 times)	25.0% (2.0 times)	30.0% (1.5 times)
We will acquire funds for growth investment and capital policy steadily.			
Cash flows from operating activities Approx. 110 billion yen	83.9 billion yen	110.0 billion yen	120.0 billion yen

<10-year average> About 110 billion yen

Profit target by segment

- Electric power business
- IT/Communication business
- International business
- Other businesses



Cash flow allocation (FY2021 to FY2030)

Cash flows from operating activities 1,100 billion yen

Maintenance and renewal 700 billion yen	Strategic investment 200 billion yen	Capital policy 200 billion yen
	Expansion of renewable energy, low carbonization of thermal power generation, investment in international and new business, etc.	Dividends, reduction of interest-bearing debt, etc.

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 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

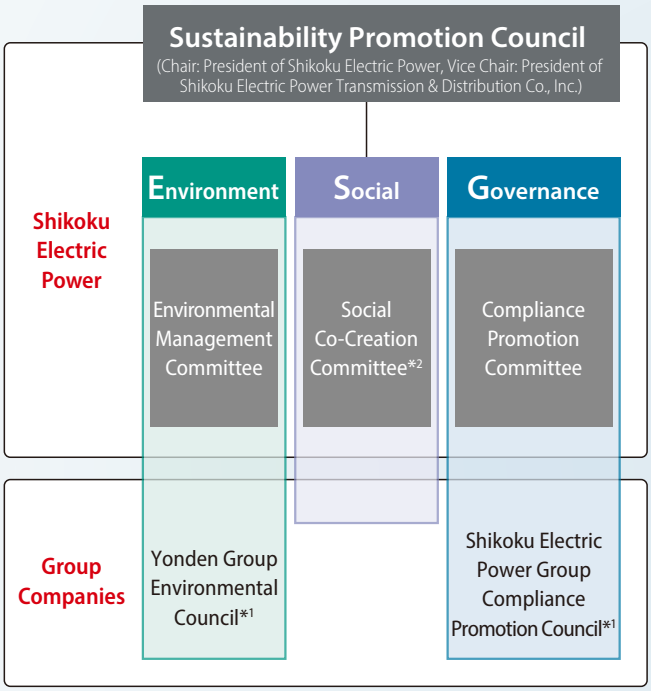
- Contribute to achieving carbon neutrality by 2050 through the low carbonization and decarbonization of power sources and the expansion of electricity use.
- Recognize the importance of environmental conservation and strive to reduce environmental impact in all business activities.

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_2 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	
S (Social)	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	
		Regional revitalization and issue resolution	• Continuous implementation of various activities that contribute to regional revitalization and resolutions to local issues	
	Implementation of human capital management	Acquisition and development of human resources who will contribute to the Company's growth	• Securing and development of human resources linked to business strategies	
		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	
G (Governance)	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	
	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)	• 7.9 million t-CO_2 * Lower wholesale market prices resulted in lower wholesale electricity sales than in previous years, which reduced emissions	<FY2030 target> • Approx. 8.5 million t-CO_2 (down 30% from FY2013)
Reduction targets for retail sector CO_2 emissions (Emissions excluding FIT free-of-charge distribution)	• 11.22 million t-CO_2	<FY2030 target> • Approx. 9.8 million t-CO_2 (down 50% from FY2013)
Expansion of use of electricity	• Ratio of all-electric housing contracts: 26% of all houses in Shikoku • Rate of all-electric new builds: 70%	• Continued to promote electrification and expand use of EVs, storage batteries, etc.
Coal ash recycling ratio	• 98.9%	<FY2024 target> • 99% or more
Intensity of SOx/NOx emissions	• SOx 0.1g/kWh • NOx 0.3g/kWh	<FY2024 target> • SOx 0.3 g/kWh or less • NOx 0.5 g/kWh or less
Energy education and dialogue activities on nuclear energy	• Energy classes delivered: 208 • Held visits and dialogue activities in the area around the Ikata Power Plant	• Continued on the same scale
Initiatives to create local vitality, promote tourism, etc.	• Held various lively events in collaboration with Shikoku-based companies and organizations	• Expanding activities in cooperation with other companies
Develop personnel to drive DX	• Created training targets and put in place internal certification system	<Target for end of FY2025> • Over about 5% of employees (200) (Total for Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc.)
Ratio of female managers	• 4.2% of managers (Total for Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc.)	<Target for end of FY2025> • At least 5% of managers (Total for Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc.)
Overall engagement score	• C+ rank (5th out of 14)	<FY2030 target> • B rank (3rd out of 14)
Maintenance and improvement of partnerships with business partners	• Compliance with the Declaration of Partnership-Building	• Continuous implementation
Promotion of effective governance	• Board of Directors: 14 meetings, 98% • Audit & Supervisory Committee: 18 meetings, 99%	• Further increase effectiveness
Implementation status of IR/SR activities	• Company briefings by the President: twice • Small meetings by directors: 2 times • Individual meetings by the secretariat: approx. 90 times	• Conduct ongoing dialogue
Promoting compliance	• Compliance training participation rate: 100% (Total for Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc.)	• Continuous implementation
Prevention and reduction of risks, and leverage of opportunities	• Developed a business plan reflecting risks and opportunities	• Continuous implementation

Long-term management targets

Shikoku Electric Power Group Vision
P.2-3

Carbon Neutral Challenge 2050
<CO_2 emissions>
• FY2030 targets
• FY2050 targets
P.28-29

Management targets of Medium-Term Management Plan 2025
• FY2025 targets
• FY2030 targets
P.22-23

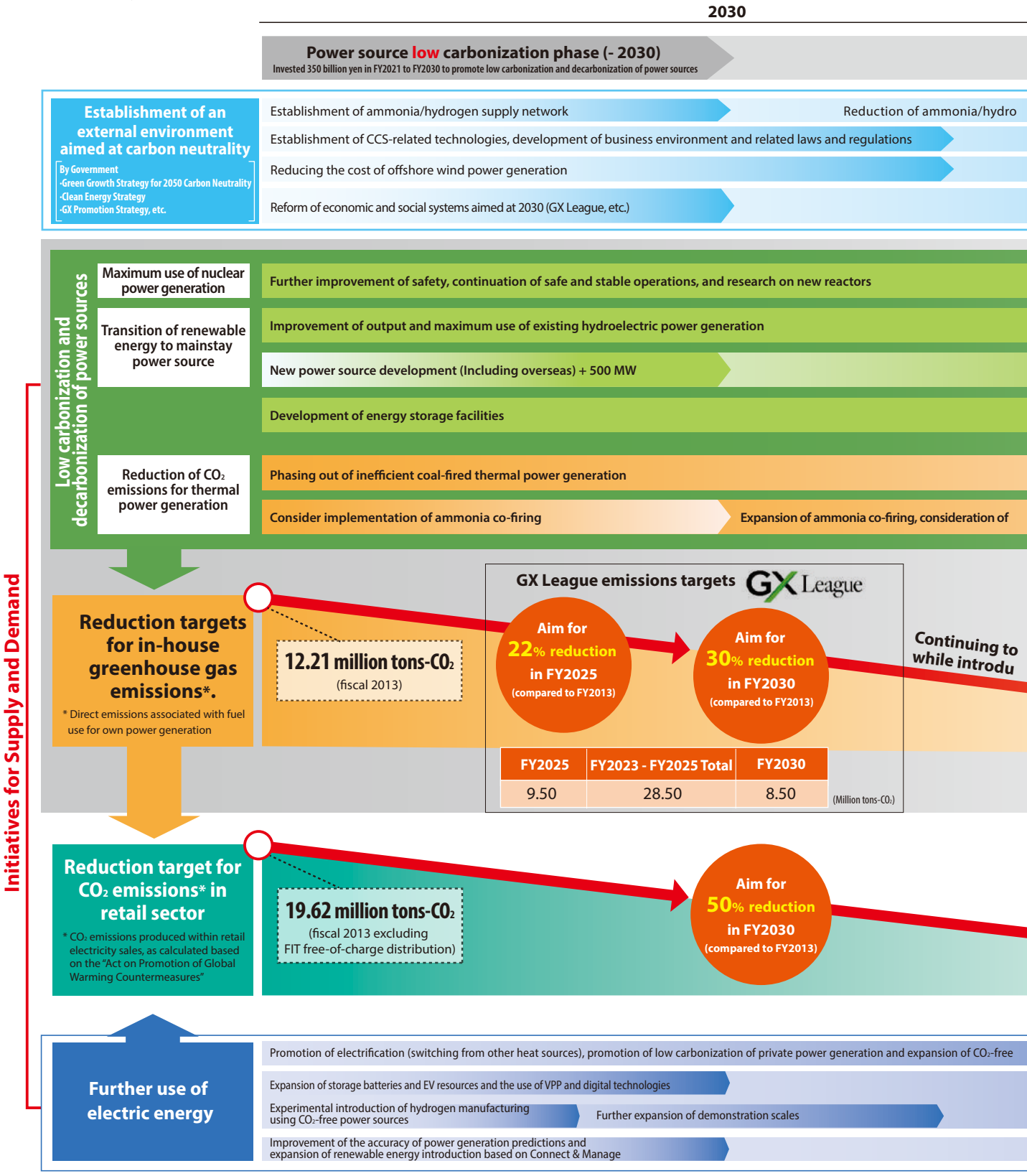
E (Environment)
P.49-55

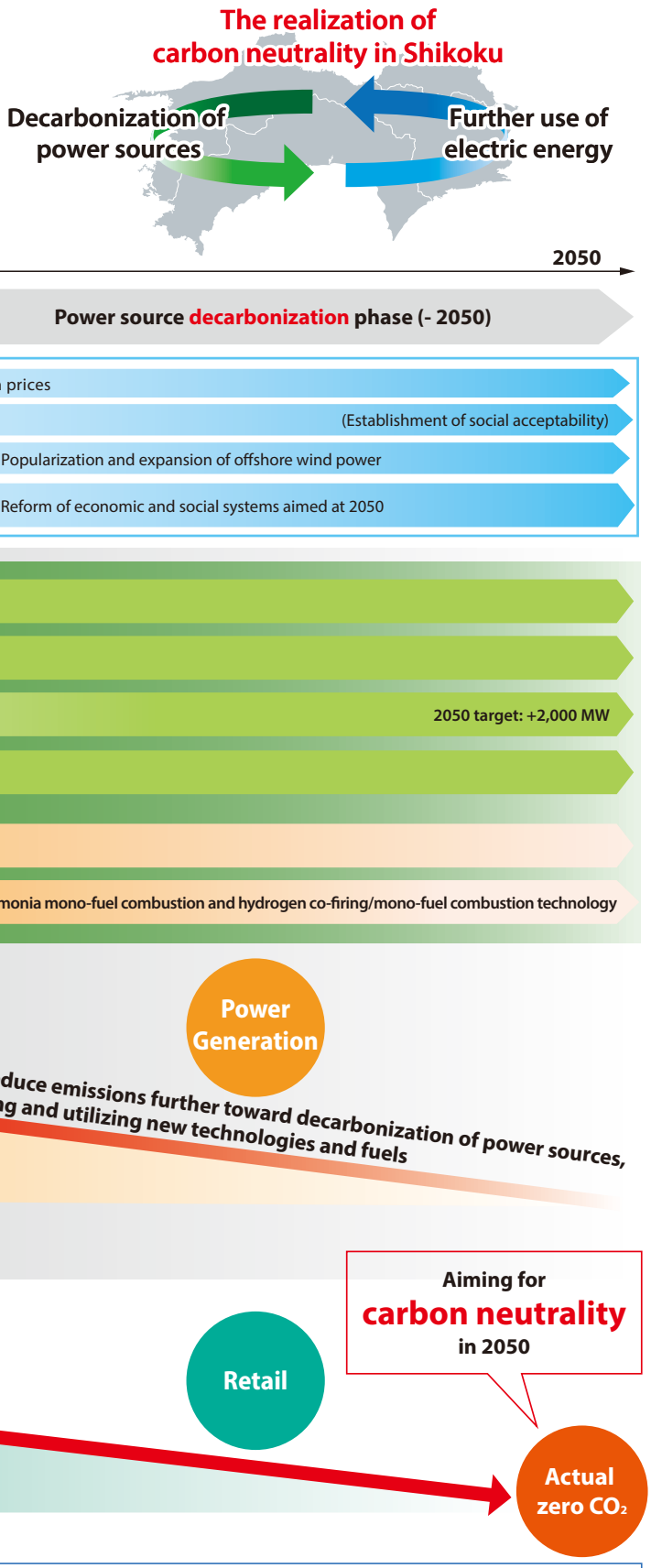
S (Social)
P.56-61

G (Governance)
P.62-73

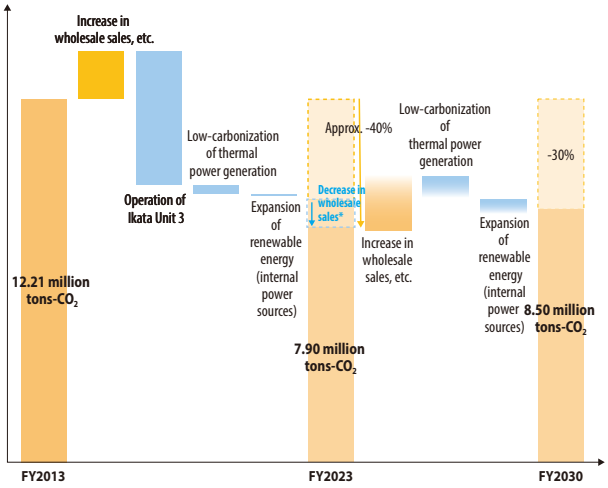
Carbon Neutral Challenge 2050 (Roadmap) [Revised March 2024]

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.



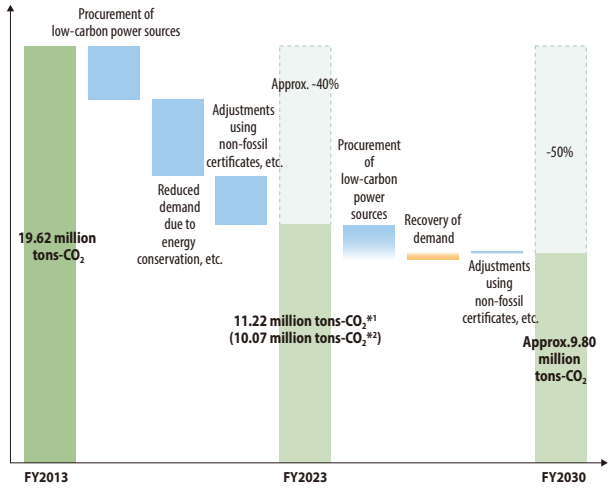


Power Generation Progress toward targets and outlook



*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

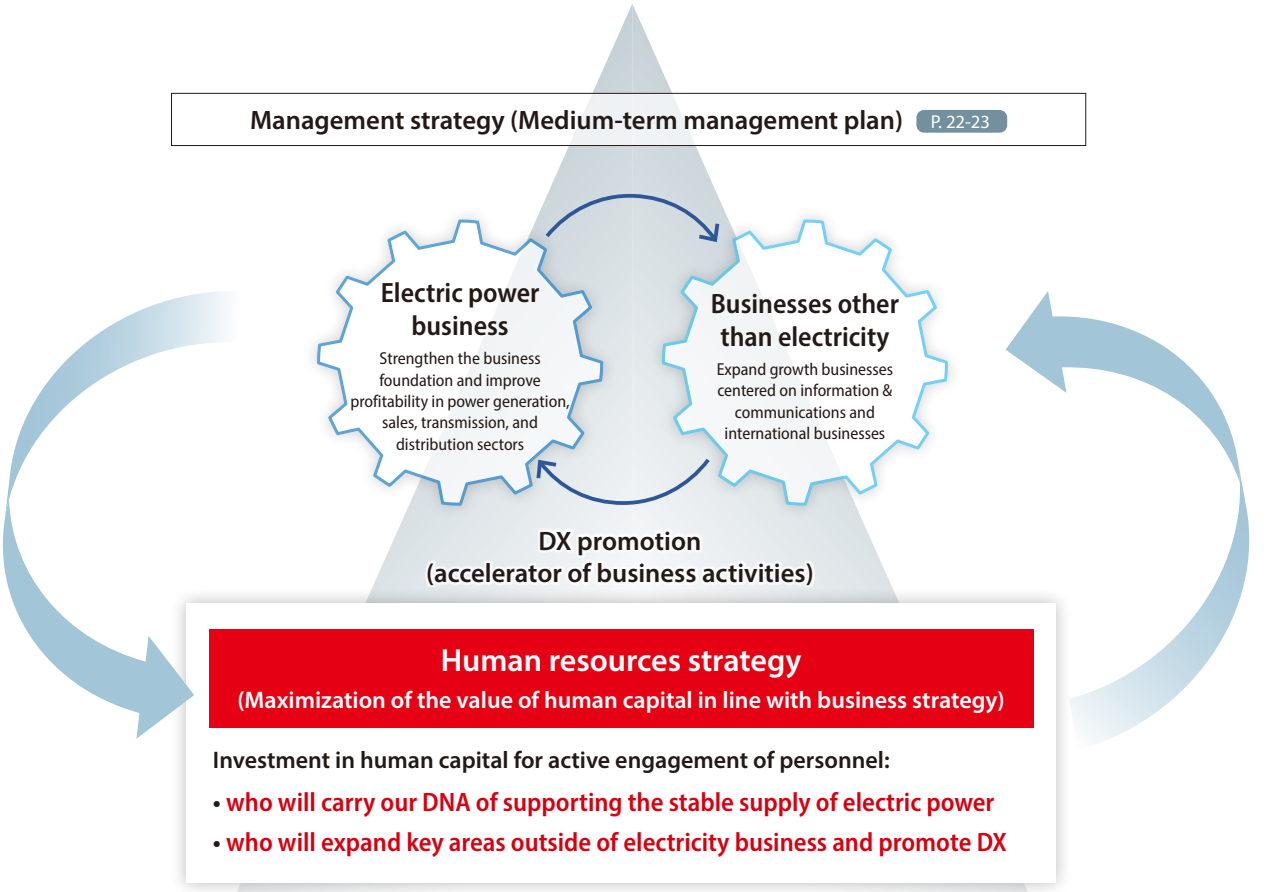
Investment in low-carbonization and decarbonization of power sources

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



Three key issues

1 Acquisition and training of human resources who will pioneer a new era

- Acquisition and development of personnel to lead the next generation
- Acquisition of personnel who can immediately contribute, and personal with high expertise and skills
- Training of DX business personnel, and acquisition and training of personnel with digital technology skills

2 Promotion of diversity, equity & inclusion

- Promotion of participation of female employees
- Support for balancing work and childcare / nursing care
- Promotion of employment of people with disabilities

3 Creation of a work environment in which employees can demonstrate their full potential

- Improvement of employee engagement
- Establishment of a flexible work environment
- Promotion of health management and elimination of workplace accidents

* 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)
1 Acquisition and training of human resources who will pioneer a new era 	Development of personnel to lead the next generation		Passing on of technology and skills that support the electricity business and early capability development	• OJT and OFF-JT at each workplace • Practical education in technical divisions, etc. [Number of employees acquiring official certifications that contribute to business: 1,150 per year]
			Development of personnel to drive and lead business transformation	• Cross-departmental placement for training • Internal internships and work experience in different industries, etc.
	Number of mid-career hires		More than double the three-year average for FY2020–2022	×1.7
	Personnel to drive DX*1		200 or more [at end of FY2025]	Created training targets and put in place internal certification system [Udemy Business*2 Number of students: approx. 400]
2 Promotion of diversity, equity & inclusion 	Percentage of female new hires		20% or more [at end of FY2030]	15%
	Percentage of female managers*3		5% or more [at end of FY2025]	4.2%
	Childcare leave utilization rate	Men	50% or more [at end of FY2025]	35.5%*4
		Women	100% [at end of FY2025]	100%
	Employment rate for people with disabilities*5		2.7% or more	2.9% [As of June 2024]
3 Creation of a work environment in which employees can demonstrate their full potential 	Overall engagement score*6		B rank 3rd out of 14 [at end of FY2030]	C+ rank 5th out of 14
	Number of days of annual paid leave taken*7		16.0 days or more	18.6 days
	Turnover rate*8 (within 3 years for new hires)		0.3% or less	0.5% (5.4%)
	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*9		80 or less	78
	Number of workplace fatalities [including contracted and outsourced work]		0	0

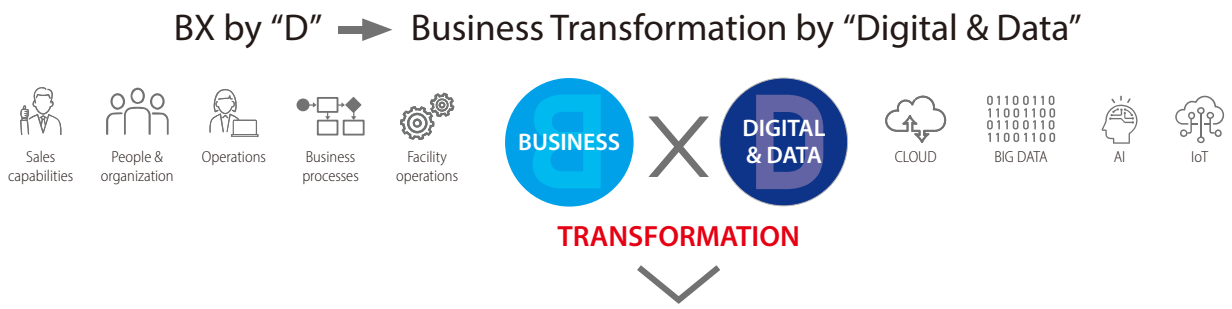
*1 Number of DX personnel certified at intermediate level or higher according to the Company's internal DX certification system
Intermediate: Personnel with the knowledge and skills necessary to promote DX within the organization
Advanced: Personnel with the specialized knowledge and skills to lead and manage DX as core personnel within the organization
*2 External e-learning program used for acquiring knowledge related to DX
*3 Section chief level or higher
*4 Including special leave for childcare purposes, the utilization rate for men is 99.2%.
*5 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)
*6 Engagement survey (Wevox) provided by Atrae Inc. has been introduced
*7 Managing supervisors are excluded
*8 Voluntary resignations only
*9 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

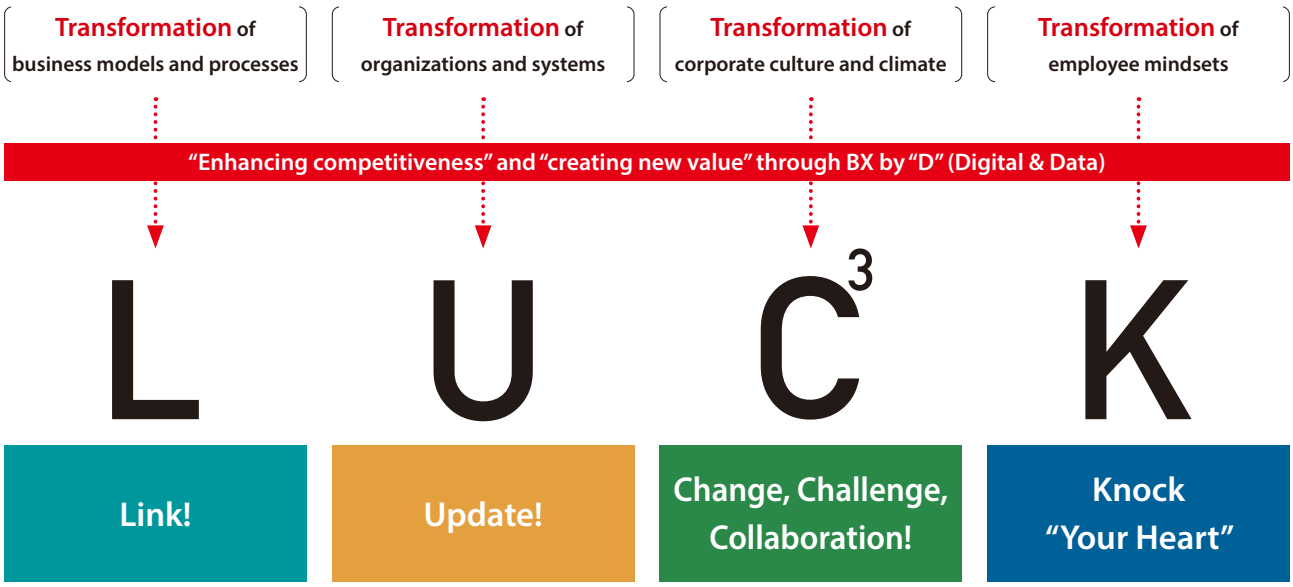


Sustained corporate value creation by realizing "enhancing competitiveness" and "creating new value" through attainment of overwhelming business speed and accurate understanding of customer needs

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.



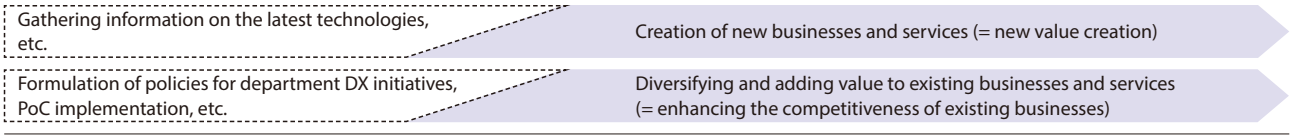
For more information on our vision, please see our website (in Japanese only) ▷ https://www.yonden.co.jp/corporate/dx/dx_01/index.html

DX promotion initiatives

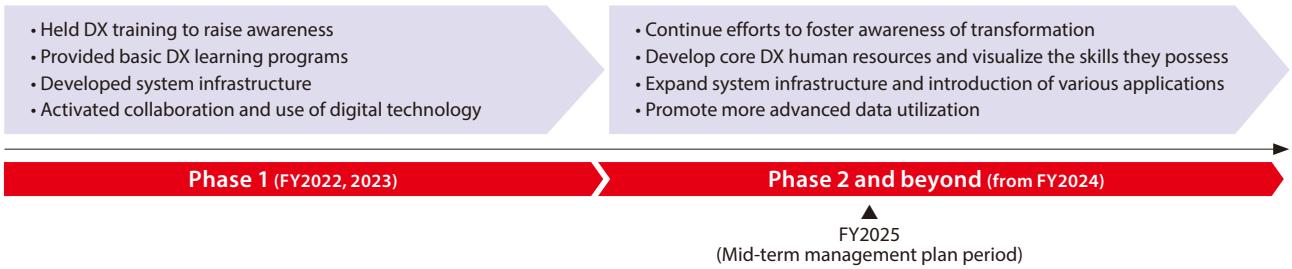
In Phase 2, starting from fiscal 2024, we will further deepen and expand the examination and implementation of specific DX measures in each department in addition to continuing and expanding efforts to improve the internal environment, such as training and information dissemination aimed at company-wide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

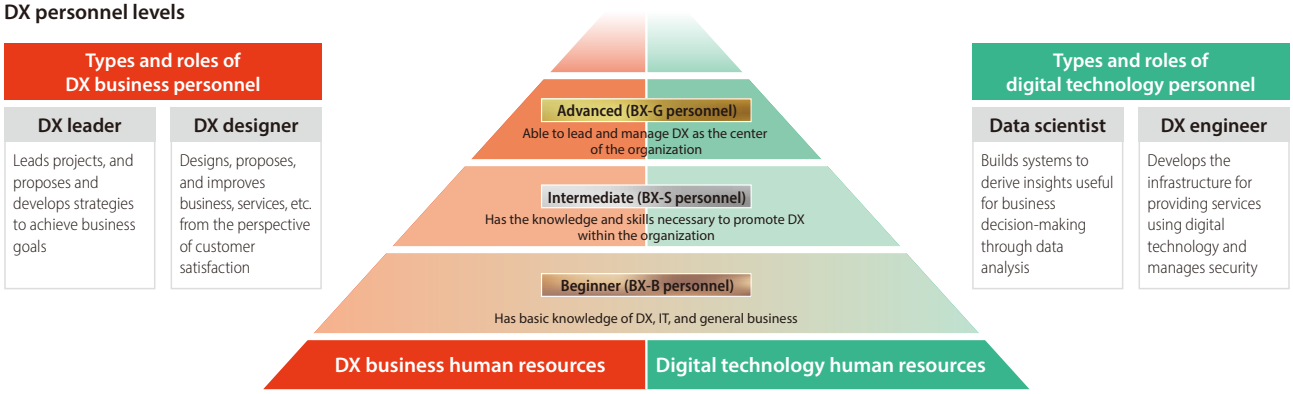


DX human resource development

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.)

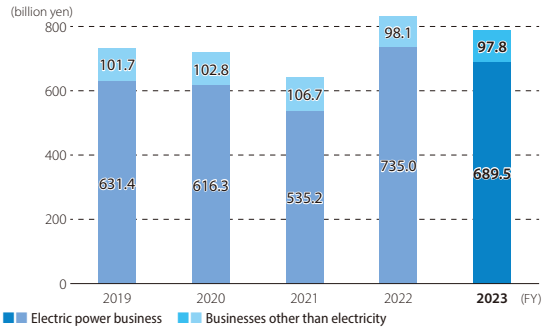
Achievement period	Target for intermediate level or higher human resources [percentage of employees and number of employees]
By end of FY2025	About 5% of employees (200)
By end of FY2030	About 15% of employees (600)

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

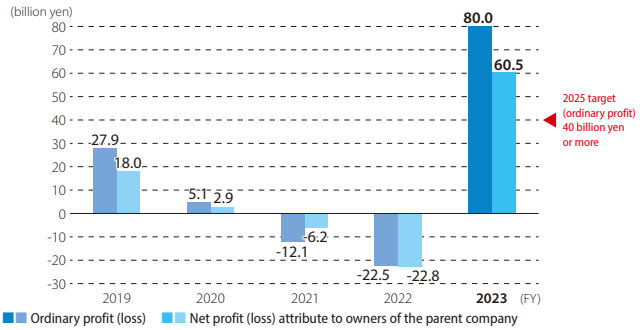
Operating revenues



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.

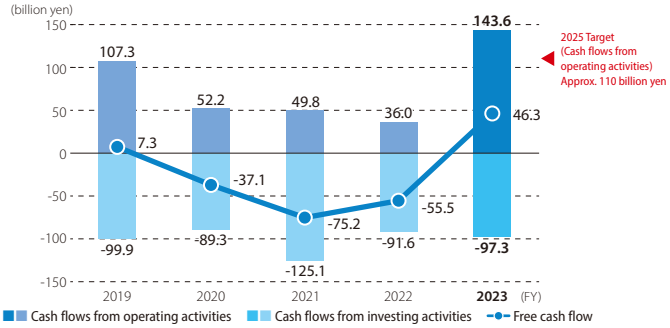
* As a result of the application of the Accounting Standard for Revenue Recognition in fiscal 2021, consolidated sales decreased by 159.4 billion yen from the level before application of the standard

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



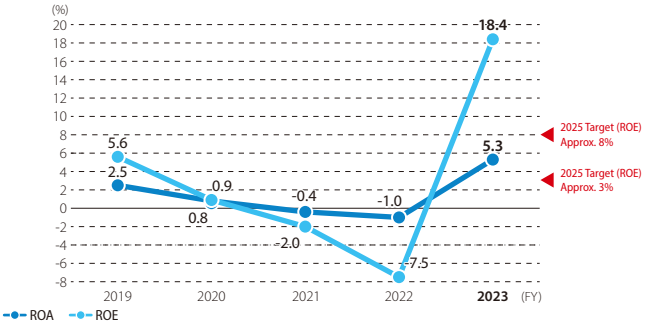
In fiscal 2023, ordinary profit improved significantly due to a significant decrease in supply-demand costs resulting from lower fuel prices and a decrease in total electricity sales. Temporary factors included a 28.5 billion yen in time lag effect of fuel cost adjustment and a 14.0 billion yen fluctuation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

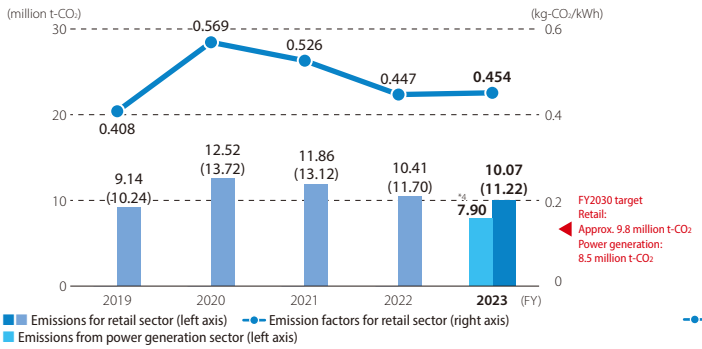


ROA and ROE declined in fiscal years 2020 to 2022 due to deteriorating profit and loss caused by the suspension of Ikata Unit No. 3 and soaring fuel prices, but improved in fiscal 2023 following the revision of electricity rates and the decline in fuel prices.

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

Non-financial Highlights

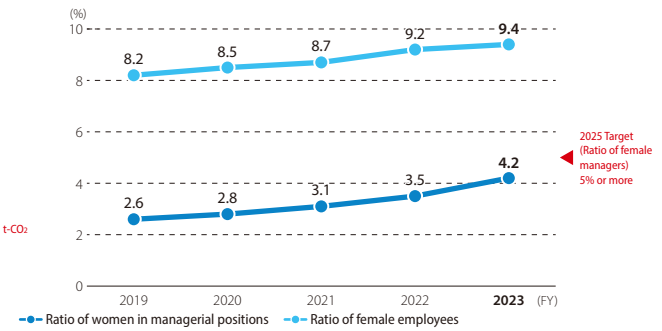
Emissions and emission factors for retail sector*1,2 / Emissions from power generation sector*3



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*

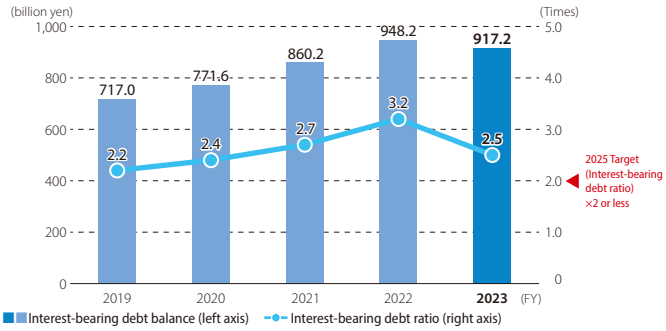


In the electricity business, the proportion of male employees is high, especially in technical departments, leading to a lower proportion of female managers. However, through efforts to expand the hiring of women and systematically develop female managers, both the ratio of female managers and female employees have gradually increased.

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

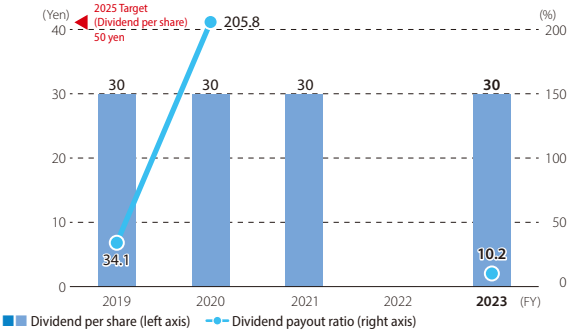
Financial Information (11-Year Financial Summary) P.76-77
Non-financial Information (Main ESG Data, SASB Standards Index) P.78-81

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.

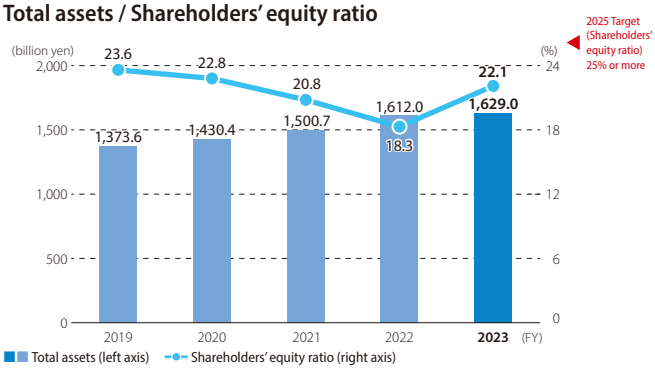
Dividend per share / Dividend payout ratio*



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.

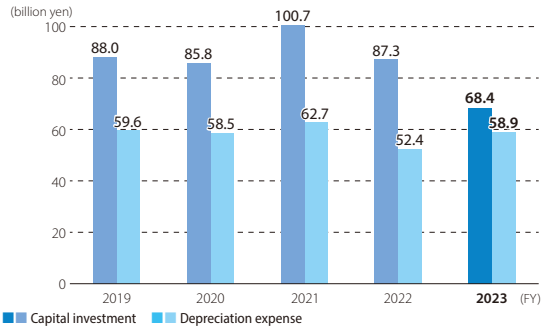
* The dividend payout ratios for fiscal 2021 and fiscal 2022 cannot be calculated due to the recording of net losses.

Total assets / Shareholders' equity ratio



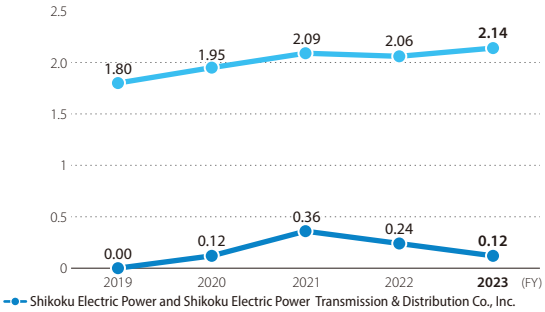
Total assets increased in FY2023 due to higher cash reserves, despite a decrease in business assets. The net equity ratio improved to 22.1% due to an increase in net equity through increased net income.

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

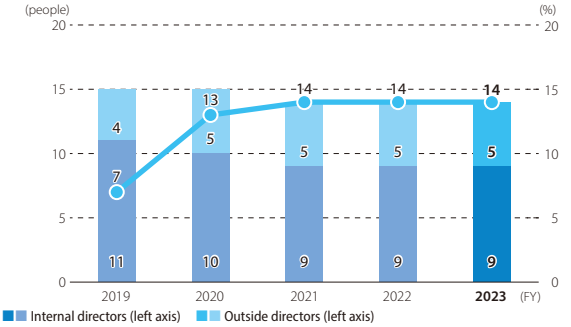


Through rigorous safety management and heightened safety awareness, the labor accident frequency rate has remained at a low level.

*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

Becoming a Force that Lights Up the Region
Value Creation through Business Activities

Electric Power Business

Power Generation Business

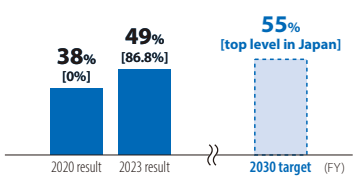
Business Operation Policy

We will continue our efforts to balance stable power supply with the low-carbonization and decarbonization of power sources.

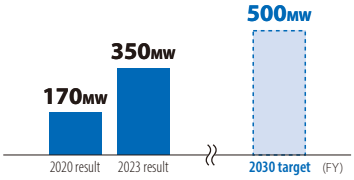
- **Continued safe and stable operation of nuclear power plants**
- **New development of renewable energy and maximum utilization of hydroelectric power plants**
- **Promotion of stable operations, low-carbonization and decarbonization at thermal power plants**
- **Pursuit of the most economical supply-demand management, economical and stable fuel procurement, and maximization of profit from wholesale revenue**

Targets and Achievements

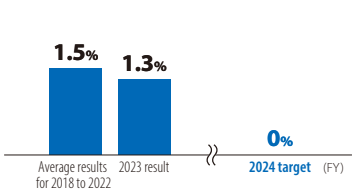
Power generation utilization ratio



New development of renewable energy



Unplanned shutdown rate of thermal power plants*



* Figure in brackets [ ] is for Ikata Unit No. 3

* Percentage of unplanned shutdowns, excluding periodic inspections, etc.

Approach to the Power Generation Mix

In Japan, which imports most of its energy, it is important that our energy policy achieves a good S (Safety) + 3E (Energy Security, Economic Efficiency, Environment) balance.

Given we are responsible for power supply in the Shikoku region, we are committed to maintaining the safe and stable operation of Ikata Unit 3 (nuclear power) as a key power source, while both maximizing the use of existing hydropower plants and expanding the introduction of renewable energy. Furthermore, since thermal power plants are indispensable as adjustment and supply power sources that complement renewable energy sources, we aim to achieve low-carbonization and decarbonization while monitoring progress in decarbonization technologies and degrees of economic feasibility.

On the other hand, in recent years there has been a renewed emphasis on balancing stable power supply with securing decarbonized power sources, given recent concerns including strengthening energy security in response to geopolitical risks, domestic supply shortages due to the elimination of aging thermal power plants, and the anticipated medium- to long-term increase in power demand due to the construction of semiconductor plants and data centers. Additionally, the government is expected to submit its 2035 NDC (national greenhouse gas reduction targets) in February 2025, and considering these circumstances, the government is considering the 7th Strategic Energy Plan and GX 2040 Vision with a view to finalizing these by the end of fiscal 2025.

Based on the national policies to be outlined in the future, we will review the medium- to long-term power source mix targeting stable power supply and achieving GX in the Shikoku region.

Utilization Policy for Each Power Source

	Nuclear	Renewable energy	Gas	Coal	Oil
Usage policies	• Continue effective utilization as a key power source supporting high-quality and stable power supply, with safety assurance as a fundamental premise.	• In addition to actively pursuing new developments in Japan and overseas, expand capacity by promoting the enhancement of existing hydropower output.	• Continue to use LNG for its supply and adjustment capacity, centered on Sakaide Power Station Units No. 1 and No. 2, which have LNG combined cycle systems.	• Use to a certain extent for its supply and adjustment capacity, while reducing environmental impacts.	• Utilize for supply capacity during periods of high demand or when power supply problems occur.

Electric Power Business Power Generation Business

Safe and stable operation of nuclear power plants

Proper implementation of operation management, maintenance, and education/training

At the Ikata Nuclear Power Plant, equipment operation monitoring and patrols are conducted 24 hours a day during operation, and periodic inspections are carried out by stopping the plant for periods not exceeding 13 months in accordance with laws and regulations, ensuring planned operation management and maintenance.

In addition, through training at a nuclear safety training center (Ehime Prefecture, Matsuyama City) which features equipment equivalent to that at the Ikata Power Plant, we are continuously improving the skills and knowledge of operators and maintenance staff so that they can take optimal actions in the event of trouble.

Response to aging technology assessment and voluntary initiatives

Ikata Unit 3 is scheduled to reach 30 years of operation in December 2024, and in accordance with laws and regulations, we have formulated a long-term facility management policy outlining maintenance tasks to be performed over the next 10 years in view of the aging technology evaluation related to deterioration of the plant's equipment and structures, and we are submitting this to the Nuclear Regulation Authority for approval.

As a voluntary initiative that exceeds legal requirements, we are promoting the use of risk management using advanced evaluation methods to further enhance safety and performance.

Dry storage facility for spent fuel

To temporarily store spent fuel more safely before being transported to a reprocessing plant, we are constructing a dry storage facility capable of storing approximately 1,200 spent fuel assemblies with the aim of becoming operational in July 2025.

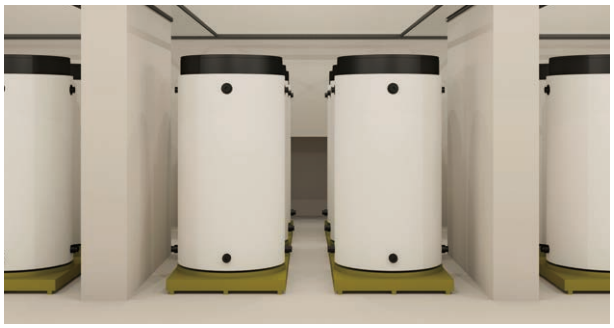


Image of interior of the dry storage facility (casks)

The facility will store in dry casks spent fuel that has been cooled for over 15 years in the fuel pool at the Ikata Power Plant, and this will use natural air convection for cooling. This method does not use water or electricity for cooling and stores the fuel in metal containers—casks—that can be directly transported out of the power plant as is, ensuring high safety.

Safe decommissioning of Ikata Units 1 and 2

The decommissioning of nuclear power plants is divided into four work phases, and it is expected that it will take 40 years to fully decommission Ikata Units 1 and 2.

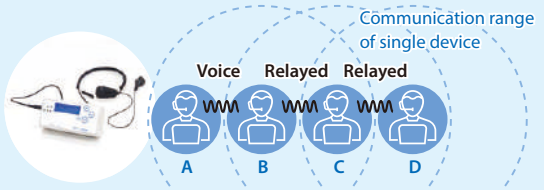
Decommissioning work on Ikata Unit 1 started in 2017, and is currently in the first phase (preparation for dismantling). All spent fuel has been transported to the spent fuel pit at Unit 3, and we are dismantling and removing equipment outside the radiation control area. Further, amounts of dismantled waste and the state of contamination are being investigated in the radiation control area. Based on the results, a dismantling plan is being considered in preparation for implementation of the second phase of decommissioning work (dismantling and removal of reactor area surrounding equipment) scheduled to start in fiscal 2027.

We are decommissioning Unit No. 2 approximately three years later than Unit No. 1. Where possible, in order to improve efficiency, dismantling and removal of equipment outside the control area is being carried out at the same time as for Unit No. 1 equipment.

Research and Development into Decommissioning Technology

Communication device for use with full-face masks

To address decommissioning challenges, we are conducting research and development with the participation of the government, Ehime Prefecture, Ehime University, and local companies. In 2023, with the cooperation of local companies, we developed and launched a communication device with a throat microphone that allows conversations while wearing protective suits or full-face masks.



The use of throat microphones makes the system less susceptible to noise, and each communication device acting as a relay, also enabling long-distance communication.

Communication device and image of communication method

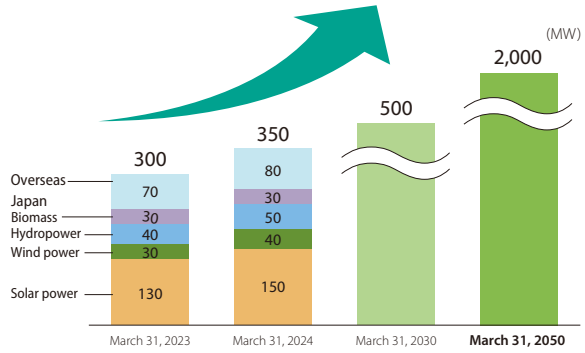
New development of renewable energy

New renewable energy development targets and progress

Our Group is aiming to develop 500 MW of new renewable energy in Japan and overseas by fiscal 2030 and 2,000 MW of renewable energy by fiscal 2050. In new developments, we evaluate the profitability of each project considering internal carbon pricing and the economic potential of CO_2 reductions, and invest in projects that can secure a certain level of return. Recently, securing the desired profitability has become challenging even with FIT and FIP, and so to increase profitability, we are implementing measures such as installing solar power on reservoirs in Kagawa Prefecture and offering it to individual customers through PPA contracts, taking into consideration geographical characteristics and customer needs.

New development capacity reached 350 MW by the end of fiscal 2023, an increase of 50 MW over the previous year. As a result, the Group's renewable energy capacity has increased to 1,480 MW.

Targets and progress in new development of renewable energy



*1 All projects are recorded when the investment decision is made.
*2 Hydropower includes power increases that have taken place since fiscal 2000.

Examples of Initiatives

Hydropower generation

In Kumakogen Town, Ehime Prefecture, we are building a new hydroelectric power plant, Kurofujigawa Power Plant (output 1.9 MW), with operations scheduled to start in December 2024.

Kurofujigawa Power Plant (Kumakogen Town, Ehime Prefecture)

Solar power generation

With suitable sites for land-based development being limited, we are moving forward with the new development of floating solar power at multiple sites using reservoir ponds where there is still room for development.

Hazama Kami-ike and Naka-ike Floating Solar Power (Takamatsu City, Kagawa Prefecture)

Renewable Energy Development Roadmap

Power source type	2022	2025	-2030
Existing hydropower	Improvement of output and maximum use of existing hydropower stations		
Development of new power sources: Hydropower	▼Commencement of operation of the Kurofujigawa power station (hydropower) (scheduled for 2024)		
	Discovery, planning and construction of new development sites		
Development of new power sources: Solar power	▼Commencement of operation for the Nagatani-ike Floating Solar Power Project (2022)	▼Commencement of operation for the Hazama Kami-ike and Naka-ike Floating Solar Power Project (2024)	
	Development involving the leveraging of reservoirs, degraded farmland, and so on		
	▼Acquisition of Bizen Kumonoue and Yumesaki Yumefurusato solar projects (2023) ▼Acquisition of Phu Yen Solar Photovoltaic Power Generation Project, Vietnam (2023)		
	Purchase of existing power stations (inquiries for this can also be made via our website)		
Development of new power sources: Wind power	▼Commencement of operations at Otoyo wind power facility (scheduled for 2025)		
	Participation in onshore wind power projects and discovery of new development sites, replacement of existing onshore wind farms, participation in offshore wind power projects		
Development of new power sources: Biomass	▼Commencement of operations for Hirata Biomass power No. 1: 2022, No. 2: 2023	▼Commencement of operations for Ozu Biomass power project (2024) ▼Commencement of operations for Sakaide Biomass power project (scheduled for 2025) ▼Commencement of sewage sludge fuel conversion project (scheduled for 2025)	
	Participation in the biomass power generation project, discovery of new development sites		

Electric Power Business Power Generation Business

Promotion of stable operations, low-carbonization at thermal power plants

Efforts for stable operation

Thermal power plants significantly contribute to the stable supply of electricity by providing supply and adjustment capacity to complement the output fluctuations of renewable energy sources. Further, maintaining the health of aging thermal power plants is essential to curb the volatility of income and expenditures caused by fluctuations in fuel and market prices. For this reason, we strive to ensure stable operation at each power plant by operating and maintaining facilities, while paying close attention to operational monitoring, including careful daily inspections and patrols.

We are moving forward with the establishment of advanced security management systems such as predictive maintenance and smart maintenance using the latest technology, and from the perspective of early detection of equipment abnormalities, are introducing systems that analyze accumulated operation data and thermal images from infrared cameras using AI to detect anomalies. As a result of these initiatives, if any signs of equipment anomalies are detected, early repairs are made during low power demand periods such as holidays in order to minimize downtime and avoid unexpected outages resulting from problems.

Maintain and improve our technical capabilities in the field

So that we can ensure the maintenance of on-site technical skills in spite of decreased construction opportunities and streamlining of workforces, we are ensuring opportunities for on-site experiences by providing training for regular inspections and infrequent construction, and expanding support for maintenance personnel across power plants.

In addition, young and mid-career employees at thermal power plants are provided opportunities for short-term experience in the headquarters thermal division through intra-departmental internships, allowing them to view the thermal power business from the perspectives of both headquarters and the plant, thereby facilitating the early development of personnel.

Promotion of low-carbonization

We have designated the period up to 2030 as the phase for low-carbonization of power sources, and have set a target to reduce our greenhouse gas emissions (direct emissions from the use of fuel for owned power generation capacity) by 30% by fiscal 2030 compared to the fiscal 2013 levels.

In the low-carbonization of thermal power generation, the Saijo Power Plant Unit No. 1, replaced with the latest high-efficiency unit in 2023, has started operation and is also co-firing wood biomass. Additionally, from 2025, this is scheduled to co-fire solid fuel comprised of sewage sludge (biomass) starting in 2025.

In the low-carbonization of existing thermal power, we intend to proceed with a view to the development status and economic feasibility of decarbonization technology, and aim to fully introduce ammonia around 2030, utilizing government support programs. To this end, we are using feasibility studies into equipment modifications and storage facilities, and in collaboration with other companies are considering the establishment of a supply chain using the Namikata Terminal in Imabari City, Ehime Prefecture, which is favorable as a receiving location.

Furthermore, we are also broadly exploring the potential for hydrogen co-firing in LNG power plants, and CO_2 separation and recovery using CCUS.

Namikata Terminal

Roadmap for low-carbonization

Item	Power source low-carbonization phase (up to 2030)		
	2022	2025	-2030
Utilization of high-efficiency, coal-fired thermal power	▼Decommissioning of former Saijo Unit No.1	▼Commencement of the operation of the new Saijo Unit No. 1	▼Commencement of co-combustion of solid fuel comprised of sewage sludge at the new Saijo Unit No. 1
	Replacement work	Utilization of high-efficiency, coal-fired thermal power	
Ammonia co-combustion	Feasibility study and review phase	Execution phase	
	Consideration of fuel-receiving storage facilities, etc. / Study into stable and economical fuel procurement	Detailed study	Design, production and construction → Commencement of co-combustion
	Consideration of collaborations with other companies		
Hydrogen co-combustion	Consideration of introduction of co-combustion technology and consideration of supply chains		
CCUS and other research and implementation	Research on and consideration of the introduction of CO_2 separation and collection, and carbon recycling technologies		

Initiatives in supply and demand management, fuel procurement and wholesale sales

Optimization of supply and demand management, and economic and stable fuel procurement

For supply and demand management, we utilize an AI-based system that creates multiple scenarios based on weather conditions, electricity demand, renewable energy generation, and wholesale electricity market prices to optimize the startup and shutdown of generators, thus achieving the most economical operations.

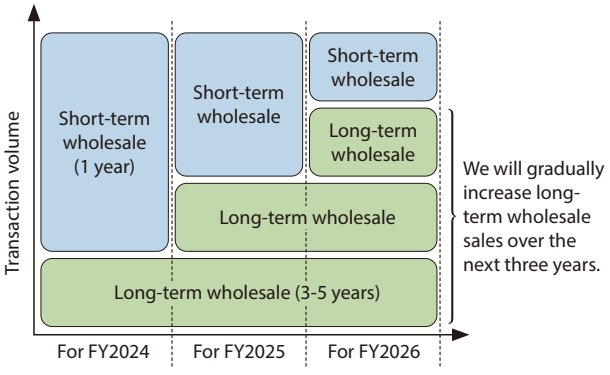
In addition, having newly obtained certification for the "Certified Advanced Safety Facility Operator System", we have more flexibility in adjusting our regular inspections, enabling more economical supply and demand management over the medium term.

Regarding fuel procurement, we are diversifying procurement sources and methods for coal, considering the stagnation of upstream investments related to decarbonization and the impact of international conflicts. We are also controlling the risks of price fluctuations by diversifying the timing of price negotiations and the price indices used. Furthermore, we are expanding the list of available procurement sources through trials of competitive new coal brands, aiming to balance economics and stability. For LNG, we secure the majority of our required volume through long-term contracts, thereby ensuring stability.

Maximizing revenue from wholesale sales

For wholesale sales, while factoring in certain risks such as power source outages, we aim to optimize profits by optimizing a combination of short-term and long-term one-on-one trades with equal treatment of subsidiary retailers and third-party retailers and trade in the spot market while also utilizing the supply-demand adjustment market.

Gradual expansion of long-term wholesale



In addition, we will gradually increase the proportion of long-term wholesale sales in our relative transactions to stabilize the recovery of generation costs over an extended period, to increase the stability of the power generation business.

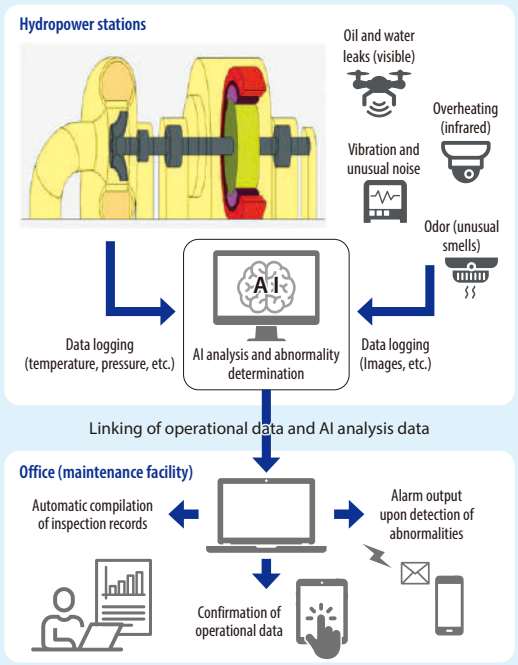
Upgrading operations through DX

Use of drones and AI in hydropower plants

In hydropower plants, we are utilizing drones to improve efficiency and reduce the time required for maintenance and inspection work. As of fiscal 2024, we will start piloting a water drone for dam sedimentation surveys and an underwater drone for inspecting long-distance waterways.

With the aim of improving inspections of turbines and generators, and enhancing power plant operations, we plan to develop and gradually install the system that enables real-time, remote identification of abnormalities, by collecting data including images, temperature, vibration, sound, and smell on a server and analyzing this with AI by multi-sensory equipment on major equipment. Additionally, we are constructing a system that uses AI to predict changes in the amount of inflow into the dam several hours ahead, to both reduce unnecessary discharge from the dam, and to improve response capabilities in the event of localized heavy rainfall, which has been increasing in recent years.

Moreover, at our thermal power plants as well as at substations of Shikoku Electric Power Transmission & Distribution Co., Inc., we are installing systems that allow remote monitoring and control of equipment by attaching various sensors to major facilities and analyzing the collected data using AI.



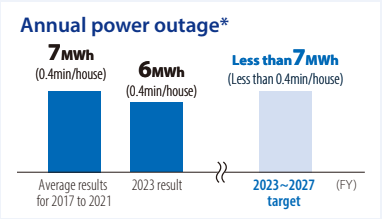
Electric Power Business Transmission and Distribution Business

Business Operation Policy

We will maintain the reliability of power supply for transmission and distribution facilities, and continue our efforts toward establishing renewable energy as a main power source.

- **Maintaining supply reliability and improving cost efficiency, and preparing for natural disasters**
- **Curbing output control of solar power generation, etc.**

Targets and Achievements



* Annual power outages excluding natural disasters and work outages

Maintain supply reliability and prepare for natural disasters

Maintaining supply reliability and improving cost efficiency

Shikoku Electric Power Transmission & Distribution Co., Inc. is expected to see an increase in the renewal of facilities built during the period of high economic growth, and will therefore evaluate the probabilities and impacts of equipment failure, prioritize accordingly, and maintain the supply reliability of our power transmission and distribution facilities by implementing renewal plans that consider workloads leveled by construction capabilities.

Additionally, we are making our inspection and patrol operations more efficient and smarter by utilizing IoT devices such as smart glasses, thereby securing stable supply while achieving cost efficiencies.

Preparing for natural disasters

We are implementing flood control measures for facilities in preparation for natural disasters such as Tonankai and Nankai earthquakes, and we conduct regular joint training with other general transmission and distribution operators, local governments, and the Self-Defense Forces to strengthen cooperation for early recovery in the event of disasters. Moreover, in view of the situation surrounding the Noto Peninsula earthquake that occurred in January 2024, we will examine measures to enhance resilience within the Shikoku region.

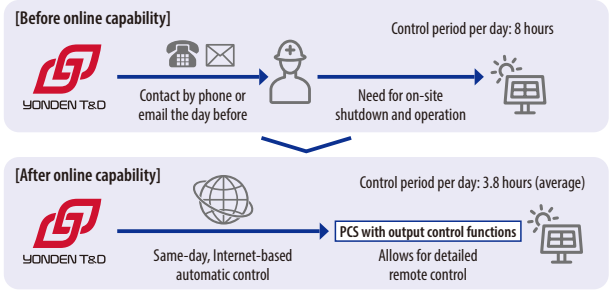
Support for recovery operations following the Noto Peninsula earthquake (Early dispatch of a total of 126 personnel with aerial work platforms, etc.)

Measures to curb output control of solar power generation, etc.

The introduction of solar and wind power generation in the Shikoku region has been expanding since the introduction of the FIT system, with connection capacity to the power grid at 3,700 MW as of the end of fiscal 2023, leading to periods of surplus electricity during low demand seasons in spring and autumn. To address this, based on the priority power supply rules of the Organization for Cross-regional Coordination of Transmission Operators, Japan, we strive to maximize use of solar power and other electricity while minimizing the output of thermal power to as low as possible. However, maintaining a balance between supply and demand balance may be difficult, and so it is becoming unavoidable to control output of solar power generation be controlled in order to maintain a stable electricity supply.

Shikoku Electric Power Transmission & Distribution Co., Inc. is recommending that solar power generation companies bring online power generation facilities capable of fine-tuning generation volumes based on the national Output Curtailment Measures package in order to curb the amount of output control for solar power generation. We are also expanding the transmission of surplus power through interregional interconnections, and promoting demand shifting to low-load periods and times by using peak-shift discounts. In addition, we work on leasing some land for substations to storage battery storage operators looking toward the introduction of grid-scale batteries.

Illustration of the effects of online capacity



Electric Power Business Retail Sales Business

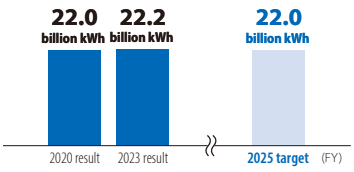
Business Operation Policy

Leveraging our strong brand power within Shikoku, we will deepen our relationships with customers and promote the expansion of all-electric housing.

- **Deepen account sales in the corporate sector**
- **Expand services for households and promote the spread of all-electrified housing**

Targets and Achievements

Retail electricity sales volume



Building stable relationships with customers

Strengthening proposal sales for corporate customers

While strengthening our relationships with our customers by assigning dedicated staff to corporate customers of a certain size or larger and having them conduct personal visits and consultations, we propose customized pricing plans and energy consulting (P. 45). When we cannot assign dedicated staff to respond to a customer, we offer proposal-based sales through our partner companies with strong sales bases in the Shikoku region, in addition to using direct mail.

For sales outside Shikoku, we are moving forward with new acquisitions by utilizing partner companies and participating in bidding projects while taking into account power source procurement conditions.

Promoting spread of all-electric houses

In collaboration with house manufacturers and builders, we are promoting to customers the comfort, convenience, economy, and environmental benefits of electric homes, as well as conducting campaigns for customers who switch to EcoCute and IH cooking heaters, thereby promoting the electrification of their homes. As a result, the ratio of all-electric housing in new detached houses in Shikoku is about 70%, and the percentage of all-electric housing among all houses was approx. 26% at the end of fiscal 2023.

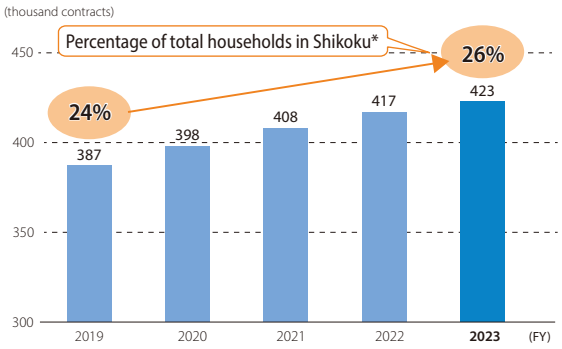
Expanding services for households

Through member-based web services and partner companies, we maintain contact with customers, provide billing menus and services as well as various campaigns with specific targets and time periods tailored to customer needs, and these have received positive feedback.

Moreover, in view of the recent situation in which electricity is surplus during the daytime in spring and autumn due to increased solar power generation, we are offering a demand response (DR) service aimed at increasing demand that awards points for shifting electricity usage to time periods designated in advance by the Company, along with pricing menus that encourage daytime shifts for hot water needs, thus promoting effective utilization of solar power.

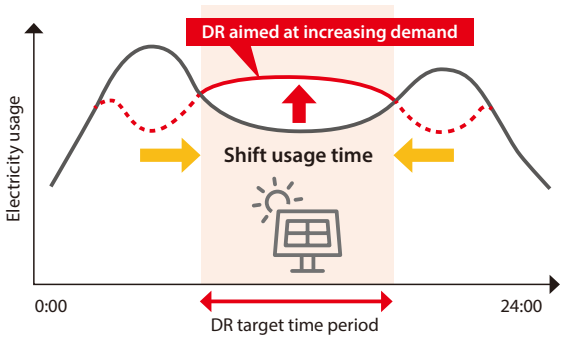
In addition, we are providing energy-savings information via the Web, and have received the highest rating of "Five Stars" in the Energy Conservation Communication Ranking System of the Agency for Natural Resources and Energy for two years running, thereby enhancing our relationship with customers in various ways.

Trends in numbers of all-electric house contracts



* About 1.6 million households (as of October 1, 2018, based on our estimate from a housing and land survey of Japan conducted by the Ministry of Internal Affairs and Communications)

How the heightened demand response service aimed at increasing demand works



Businesses Other than Electricity Energy Business

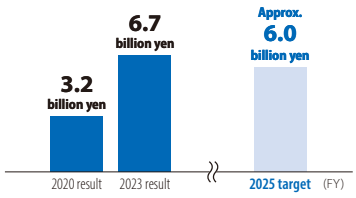
Business Operation Policy

We will expand our business in Japan and overseas using energy resources, principally electricity.

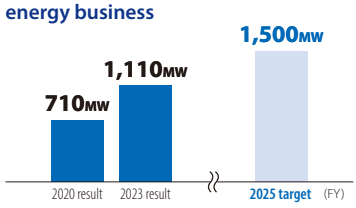
- **International energy business: Actively acquiring and developing new projects while ensuring thorough risk management**
- **Domestic energy business: Expanding our distributed energy business such as solar PPA, and promoting LNG sales**

Targets and Achievements

Ordinary profit



Owned capacity of international energy business



* Reference values organized by financial segment with targets in the Medium-Term Management Plan 2025

International energy business

State of business participation

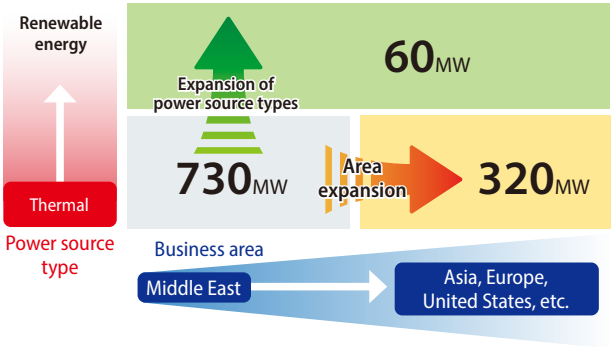
We have positioned our international energy business as one of our growth fields, and we aim to further expand the business by steadily promoting the acquisition of new projects and the operation of existing projects, while thoroughly managing risks.

Existing projects have recently expanded beyond thermal power generation in the Middle East to include Asia, North America, and South America, with our owned capacity reaching 1,110 MW (up 220 MW from the previous fiscal year) by the end of fiscal 2023.

Strengthening organizations and human resources for business expansion

Looking towards medium- to long-term business expansion, we are systematically strengthening our organization and human resources by accumulating practical experience through assignments and postings at overseas investment destinations, expanding support from the internal thermal and renewable energy divisions, and advancing new graduate and career professional recruitment in the international business division. Our goal is to achieve owned capacity of 1,500 MW by fiscal 2025 and 2,000 MW by fiscal 2030.

Expansion of business areas and power source types



Participation in IPP businesses

Riyadh PP11 Gas Thermal Power Generation (Participated in August 2023)

This is a combined cycle natural gas power plant using high-efficiency gas turbines, and is our first participation project in Saudi Arabia. This supplies electricity to a state-owned company in Saudi Arabia based on a sales contract until 2034, and is expected to generate stable revenue.

Power generation output 1,730 MW (owned capacity 220 MW)

Domestic Energy Business

Distributed Energy Business

Our Group is promoting the expanded use of electrical energy toward the decarbonization of society and industry, and in March 2024, we established the Energy Solution Business Office, which integrates related departments to work on solar PPA, EV-related projects, VPP, DR, and other businesses.

In the solar PPA business, we are building a cooperative system with developers and contractors nationwide, centered around a joint venture with Sumitomo Corporation called Sun Trinity, and are strengthening our business foundation by installing battery storage and aiming for business expansion.

In the EV-related business, we support our customers' adoption of EVs by packaging EV leasing along with installation and maintenance of chargers using CO_2-free electricity.

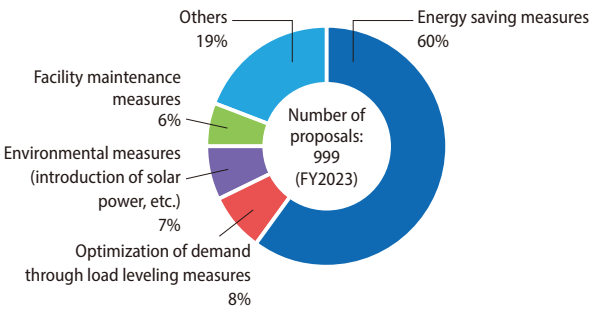
In the VPP and DR business, we aggregate customer facilities such as private generation, and utilize these mainly in the capacity market. Additionally, in the economic DR program, which pays compensation to customers for participation, we are implementing DR aimed at increasing demand starting in April 2024, in addition to DR aimed at decreasing demand.

Furthermore, we are collaborating with other operators to construct a grid-scale battery (output 12 MW) within the Matsuyama Solar Power Plant, which is planned to be used in the supply-demand adjustment market once completed.

Energy consultations

We provide energy consulting to customers of a certain size or larger by assigning dedicated staff, focusing on customers interested in cost and CO_2 reductions. By utilizing the technology and construction capabilities of our Group companies along with national subsidies, we make proposals regarding energy-saving and CO_2 reduction measures for converting heat sources to electricity, as well as on optimizing demand through load leveling, thereby strengthening relationships with customers and expanding orders to the Group.

Results of energy consulting proposals



Additionally, we continuously conduct kitchen electrification experience sessions and encourage and support sub-users, such as design companies that have influence over decisions regarding heat sources.

Gas sales business

We sell approximately 100,000 tons of liquefied natural gas annually through pipelines and trucks from the Sakaide LNG base, located near the Sakaide Power Station.

In response to fuel conversion needs for heat demand in the Shikoku region, we collaborate with other companies in selling gas through pipelines to industrial customers in the vicinity, utilizing the Niihama LNG Terminal in Ehime Prefecture and facilities in Shikoku Chuo City as bases.

Examples of distributed energy initiatives

Introduction of solar carports to commercial facilities

In December 2023, Sun Trinity LLC concluded a contract with AEON MALL Co., Ltd. to install solar carport facilities with a total capacity of 15 MW in outdoor parking lots at 12 commercial facilities within Japan.

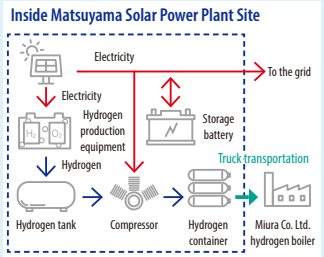
With this as a start, they aim to introduce solar carports at more than 50 AEON MALL commercial facilities by fiscal 2025, with plans for further expansion of installation locations from fiscal 2026 onward.

Representation of solar carport

Demonstration testing of green hydrogen production using solar power generation

We plan to conduct a demonstration test for producing green hydrogen in collaboration with Ehime Prefecture and Miura Industries Co., Ltd. on the premises of the Matsuyama Solar Power Plant starting in fiscal 2025, with construction of facilities underway.

The demonstration test is expected to produce enough hydrogen for a fuel cell vehicle to drive 500 km per day, with the produced hydrogen being used in Miura Co.,Ltd.'s hydrogen boilers. Through this project, we aim to accumulate knowledge on hydrogen production, transportation, and utilization, targeting the future full-scale use of hydrogen energy.



Green hydrogen production flow

Businesses Other than Electricity

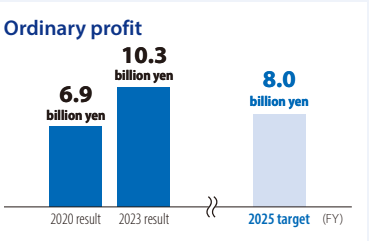
IT/Communication Business

Business Operation Policy

On the strength of our technologies and human resources that cover a wide range of information and communication areas, we will provide ICT services that support daily life and business.

- **Expansion of optical communication business through a variety of services**
- **Expanding data center and cloud computing businesses by acquiring customers within and outside Shikoku**

Targets and Achievements



Optical communications business

Our "Pikara" optical communications service is efficiently deployed primarily in densely populated urban areas of Shikoku, and the number of subscribers is growing steadily.

In the individual sector, we were the first provider in Shikoku to offer a high-capacity 10 Gbps high-speed communication plan, and with the growing demand for high-speed communication due to high-quality video content and remote work, we have seen an increase in transitions from the 1 Gbps plan, along with new subscriptions.

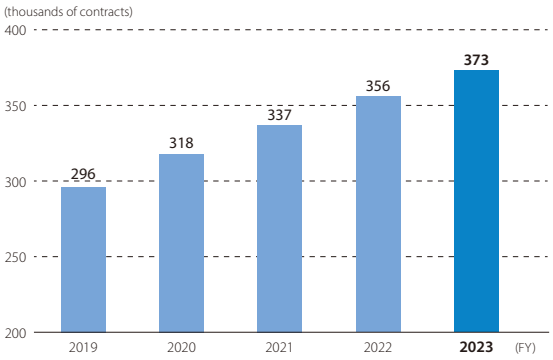
In the corporate sector, we utilize our owned fiber optic infrastructure to provide dedicated networks that connect multiple customer sites with high quality and security. In addition to these communications services, STNet Co., Ltd. leverages its strength in providing a one-stop solution for system development and infrastructure construction for cloud services, and through solution proposal sales to customers currently using our communications services, this leads to new contracts and expands orders in line with customers' DX needs.

Data center and cloud business

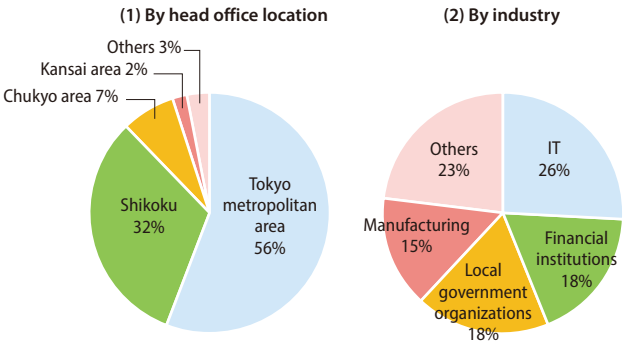
The data center "Powerico," located in Takamatsu City, Kagawa Prefecture, benefits from its advantageous location with minimal natural disasters and offers high reliability, meeting the highest Tier 4 standards set by JDCC. As the value of data as an information asset grows with the advancement of DX, it has been contracted primarily by customers such as financial institutions and municipalities, who require high security.

In preparation for large-scale disasters, many customers prioritize risk diversification by storing critical data across both metropolitan and regional data centers. Therefore, we offer services such as connecting Powerico with data centers concentrated in Osaka through a secure, dedicated network. Additionally, for customers who prioritize reducing CO_2 emissions in their supply chains, we provide options for utilizing renewable energy to power their servers. By offering such a diverse range of services, we enhance the added value of our data center and drive sales growth.

Trend in the number of Pikara Hikari Network subscribers



Customer attributes in the data center business (end of fiscal 2023)



*Attributes of end-user customers for both (1) and (2)

Businesses Other than Electricity

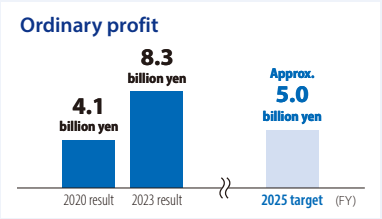
Construction and Engineering Business, etc.

Business Operation Policy

We will continue to increase orders and create new products and services by using the technical expertise and know-how cultivated in power-related businesses.

- **Expand external profits in the construction and engineering business, by leveraging technical capabilities**
- **Creating new products and services leveraging know-how gained in the electric power business**

Targets and Achievements



* Reference values organized by financial segment with targets in the Medium-Term Management Plan 2025

Construction and engineering business

Leveraging the technical expertise and know-how gained in the electric power-related construction business, we are securing contracts for construction and electrical works for both public and private sectors, both in Shikoku and elsewhere.

Yonden Engineering Co., Inc. is expanding orders for EPC (Engineering, Procurement, and Construction) and O&M (Operation and Maintenance) for renewable energy sources, battery storage, and other equipment across the country, and has recently taken on construction work including of a grid-connected battery storage facility (10 MW) in Ishikari City, Hokkaido, and a wind power plant (2 MW) in Yusuhara Town, Kochi Prefecture.

YONDENKO CORPORATION is further consolidating its sales and construction capabilities in the Tokyo metropolitan area and the Kansai region through M&A. It is proactively working to acquire more orders and striving to expand upon its business domains.

In addition, with its strengths as a comprehensive consulting company, Yonden Consultants Company, Incorporated, is designing roads and river structures, etc. for government agencies, and is working on developing new areas such as offering support in the formulation of decarbonization plans for municipalities and companies.

Example construction from Yonden Engineering Co., Inc. (Kawaminami Wind Farm, Hokkaido)

Utilizing know-how gained from the electric power business

Sales of renewable energy output control systems

Shikoku Measurement Co., Ltd. has leveraged its know-how and advanced technology in the design, production, and maintenance of grid control and supply operation systems for transmission and distribution companies in developing a system with which general transmission and distribution operators can properly control renewable energy output and issue output control instructions to power generation operators.

As the need for renewable energy output control rises nationwide, this system is being utilized by multiple general transmission and distribution operators.

Sales of hydrogen visualization technology

Hydrogen gas, which is expected to be used in the move toward carbon neutrality, is colorless and odorless, making it difficult to detect. To address this, Shikoku Research Institute Co., Ltd. has developed technology to detect and visualize hydrogen gas leaks and hydrogen flames, and products based on this technology are being employed in safety monitoring at hydrogen stations and hydrogen transport facilities.

Hydrogen flame visualization system and flame display

Becoming a Force that Lights Up the Future
Business Management that Increases Sustainability

Response to Environmental Issues

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

Initiatives Against Climate Change

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

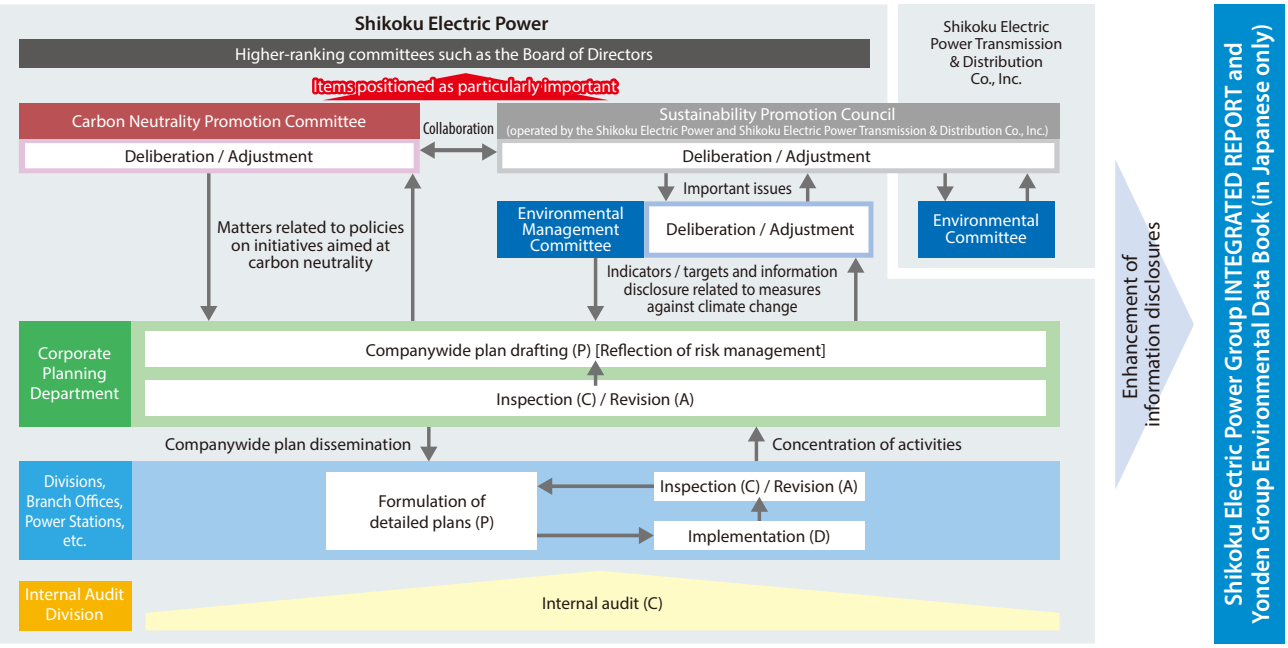
* Abbreviation for the "Task Force on Climate-related Financial Disclosures". The TCFD was established in December 2015 by the Financial Stability Board (FSB), which is composed of financial authorities of major countries, in response to a request from the G20 Finance Ministers and Central Bank Governors.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

■ Governance

Governance and promotion framework for measures against climate change

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

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



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

Performance-linked remuneration system in consideration of climate change measures

We introduced a performance-linked remuneration system (See page 69) for our directors and other officers to reflect our achievements for climate change in their remuneration in order to advance our efforts for low-carbon implementation and decarbonization.

Response to Environmental Issues

Risk management

We recognize the importance of managing climate change-related risks, and every year we consider the likelihood of the risks occurring and their impact on income and expenditures (increase in costs) to identify climate change-related risks that could have a significant impact on our business. The identified risks are checked by management, and confirmed risks are mentioned in our business plans for the next year to let our employees prevent the risks from occurring.

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

Strategy

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

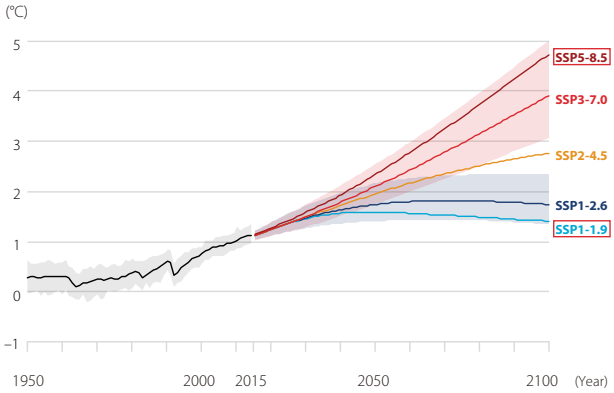
Scenario selection

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

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

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

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



Source: IPCC AR6 WG I

Future image of the electric power business

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

Risks and opportunities

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

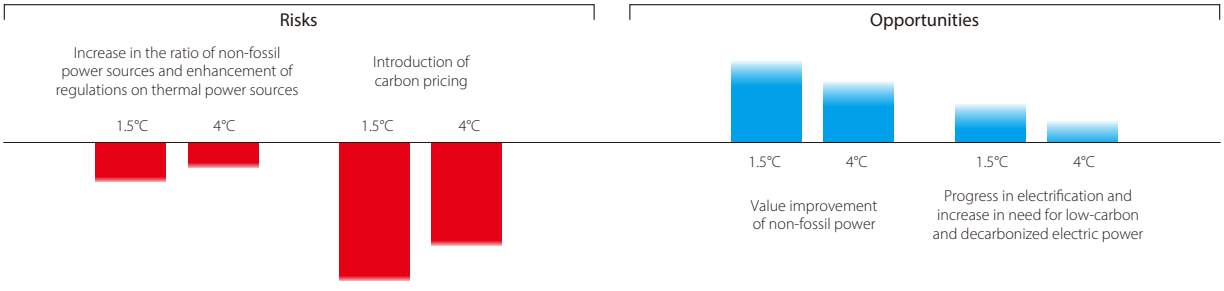
Also, we considered measures to minimize the risks and maximize the opportunities. The measures have already been described in our Group's Medium-term Management Plan, and we will do our business according to the plan to help realize a sustainable society.

Key risks, opportunities and measures extracted from each scenario

Classification			Impact period*	Details of risks and opportunities	Main measures
Transition risks	Policies and regulations	Increase in the ratio of non-fossil power sources and enhancement of regulations on thermal power sources	Short/ Medium/ Long	• Increase in costs due to the increase in the ratio of non-fossil power sources and enhancement of regulations on thermal power sources	• R&D and introduction of new technologies such as hydrogen and ammonia power generation • Expansion of the introduction of renewable energy power sources • Advising for energy policy and involvement in energy policy
		Introduction of carbon pricing	Medium/ Long	• Increase in costs due to the introduction of carbon pricing	
	Market	Decrease in electricity sales	Short/ Medium/ Long	• Decrease in electricity sales due to the spread of distributed power sources • Decrease in the customer acceptability for pricing plans with low environmental value derived from thermal power sources, resulting in reduced electricity sales	• Planning for profit opportunities with business projects designed to leverage distributed power resources • Promotion of low carbonization and decarbonization of power sources
	Reputation	Insufficient information disclosure	Short/ Medium/ Long	• Decline in investor appetite, reputational damage resulting in higher funding costs, lower stock price, and/or divestment	• Proper disclosure of information to stakeholders
Physical risks	Chronic	Unusual weather persistent and chronic	Short/ Medium/ Long	• Insufficient supply and adjustment capacity against severe weather condition • Decrease in hydropower generation due to decrease in the water flow rate incidental to changes in precipitation patterns	• Assurance of sufficient power supply and adjustment capacity through more application of electric energy • Implementation of more efficient power generation and optimization of power operations
	Acute	Intensification of natural disasters	Short/ Medium/ Long	• Large increase in the cost of recovery from typhoons and other natural disasters	• Reinforcement of partnerships with local governments and related organizations to make our organizational scheme for disaster response
Opportunities	Energy sources	Value improvement of non-fossil power	Short/ Medium/ Long	• Increase in advantages of nuclear power stations • Increase in profits with more power generation through renewable energy	• Safe and stable operation of our nuclear power stations • Increase in investment in renewable energy sources
		Progress in R&D for new technologies	Medium/ Long	• Commercialization of hydrogen utilization technologies and other advanced technologies through R&D	• Joint R&D and demonstration tests with manufacturers and other electric power companies
	Products and services	Progress of electrification and increase in need for low carbonized/decarbonized electric power	Short/ Medium/ Long	• Increase in electricity sales due to greater need for electrification • Increase in electricity sales in accordance with the increase in need for low carbon and decarbonized electric power	• More deployment of low-carbon and decarbonized power sources and promotion of electrification • CO_2-free pricing plans
	Resilience	Increase in need for secure power supply and adjustment capacity	Short/ Medium/ Long	• Increase in market prices due to insufficient power supply and adjustment capacity nationwide	• Secure power supply and adjustment capacity through optimization of supply facilities
		Increase in need for disaster prevention and mitigation	Short/ Medium/ Long	• Reinforcement of trust relationships with customers and society and improvement of our corporate reputation through disaster-resilient business management	• Reinforcement of our capability to cope with disasters through reinforcement of facilities and partnerships with local governments and related organizations

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

Major impact assessment for FY2030 by scenario



Response to Environmental Issues

Transition plan: Carbon Neutral Challenge 2050

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

For the challenge, based on the measures for addressing climate change-related risks and opportunities incorporated in our Medium-Term Management Plan, we have formulated a roadmap (page 28 and page 29) concerning the low-carbon and decarbonized power sources, more application of electric energy with a view to fiscal 2030 and even further ahead to fiscal 2050, and we promote their initiatives while considering environmental conservation.

■ Indicators and targets

We have set targets for various climate-related indicators, including CO_2 emissions from our retail sector and power generation sector. We are promoting initiatives that are aimed at achieving the goals to minimize climate change-related risks and maximize opportunities.

Targets for reduction of greenhouse gas emissions for fiscal 2030

We have set a target of reducing our own greenhouse gas emissions (direct emissions associated with fuel use for our own power generation) by 30% compared to fiscal 2013 levels (from 12.21 million tons to 8.5 million tons) by fiscal 2030, and a target of halving the CO_2 emissions from the retail sector compared to fiscal 2013 levels (from 19.62 million tons to 9.8 million tons, approximately). We aim to achieve the targets through low-carbon and decarbonized power sources by making maximum use of nuclear power, making renewable energy the main power source, and improving the efficiency of thermal power generation, and through increased application of electric energy by promoting electrification in the industrial and transport sectors.

*See page 29 for actual emissions in FY2023.

Shikoku Electric Power's targeted emissions in the GX League

Emissions volume [10,000 tons-CO_2]	Criteria	Targets		
	FY2013	FY2025	Total for FY2023-FY2025	FY2030
Scope 1	1,221	950	2,850	850
Scope 2	0.0465	0.0240	0.0720	0.0240

Emissions throughout the supply chain in FY2023*1

	Scope 1*2	Scope 2*3	Scope 3*4
Emissions volume [10,000 tons-CO_2]	791*5	0	533

Scope 3 breakdown	Emissions volume [10,000 tons-CO_2]
Capital goods	54
Fuel and energy-related activities	430
Investments	24
Other	25

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

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

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

*4 Indirect emissions in electricity purchased from other companies

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

Green bonds

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

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

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

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

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

Type	Capacity of production with renewable energy*1 (MW)	Amount of CO_2 emission reductions*2 (t)
Hydropower	17.9	6,607
Wind power	0.9	—
Solar power	116.6	42,967
Storage batteries	6.6	—
Total	142.0	49,574

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

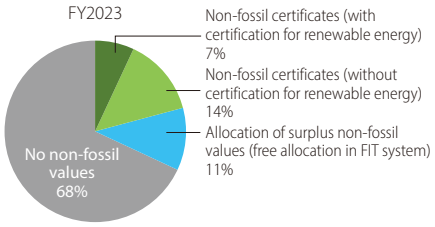
*2 Calculated using power generation and CO_2 emission factors for renewable energy in projects that have already been in operation

Indicators and targets

Ratio of non-fossil certificates held by the retail sector to the amount of electricity sold
44% or more in fiscal 2030

In order to respond to opportunities such as the increasing need for low-carbon and decarbonized electricity, we will aim to increase the ratio of non-fossil certificates held by the retail sector in relation to the amount of electricity sold (equivalent to the ratio of non-fossil power sources specified by the Act on Sophisticated Methods of Energy Supply Structures) to 44% or more in fiscal 2030. We will also work on safely and stably running our nuclear plants, which are non-fossil power sources, and increasing the output of our hydropower plants.

Ratio of non-fossil certificates held by the retail sector to the amount of electricity sold



*The Act on Sophisticated Methods of Energy Supply Structures sets targets for the ratio of non-fossil fuel energy sources, such as renewable energy and nuclear energy, to retail electricity suppliers, and requires them to use non-fossil fuel sources for at least 44% in their respective production of power for sales by fiscal year 2030.

Investments aimed at low-carbon and decarbonized power sources
Cumulative total for the 10-year period from fiscal 2021 to fiscal 2030 of 350 billion yen

In order to respond to climate change-related risks and opportunities, we will invest a cumulative 350 billion yen over the 10-year period spanning from fiscal 2021 to fiscal 2030 to promote low-carbon and decarbonized power sources.

	Result in FY2021 to FY2023
Investments in low-carbon and decarbonized power sources	Approx. 160 billion yen

Internal carbon pricing

Shikoku Electric Power has introduced internal carbon pricing. We are using it to make investment decisions, aiming to accelerate capital investment for renewable energy development and for low-carbon and decarbonized solutions.

No power plants inadequately prepared for conceivable flood risks

We have conducted risk assessments of our power plants against conceivable floods based on past disasters. With the outcomes of the assessments, we have made our power plants fully prepared for possible risks.

And, we will make efforts to be able to respond to disasters that had not been previously anticipated and prepare for risks by making our facilities prepared for disasters and by conducting disaster drills.

Achieve benchmark indices (Act on Rationalizing Energy Use) by FY2030 (Index A: 1.00 or higher, Index B: 44.3% or higher, Coal index: 43.00% or higher)

The thermal efficiency of thermal power plants declines gradually as a result of operating time and deterioration of plant equipment. However, we are properly implementing daily equipment inspections, operational management, and equipment upgrades to maintain the thermal efficiency of our thermal power plants. Moreover, we are renewing our aging thermal power facilities to improve the efficiency of the thermal power generation of the facilities.

Through these efforts, we aim to achieve the targets of benchmark indices specified by the Energy Conservation Act by fiscal 2030.

	FY2021	FY2022	FY2023
Index A*1	1.02	1.04	1.04
Index B (%)*1	42.1	43.5	43.4
Coal index (%)*1, *2	—	39.43	41.18

*1 The Energy Conservation Act sets benchmark indices for specific industries and business fields so that degrees of energy conservation of businesses belonging to one of the specific industries can be compared within the industry, and the act sets out Index A, which should be 1.00 or above, Index B, which should be 44.3% or above, and Coal index. which should be 43.00% or above by 2030.

Index A: Index for the rate of achievement to the target for power generation efficiency by fuel source type

Index B: Index for the comprehensive efficiency of thermal power generation

Coal index: Index for the efficiency of coal-fired power generation

*2 Included from fiscal 2022 due to a revision of the Energy Conservation Act

Development of new renewable energy power sources
500,000 kW by FY2030 and 2,000,000 kW by FY2050 in the Group

We have been conducting projects for it both within and outside Shikoku, and achieved 350,000 kW of development of new renewable energy power sources by the end of fiscal year 2023 (an increase of 50,000 kW from the previous year). Going forward, the entire Group will work together to advance our renewable energy development with the aim of achieving our goals.

Response to Environmental Issues

Promoting Environmental Preservation Activities

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

Prevention of air pollution

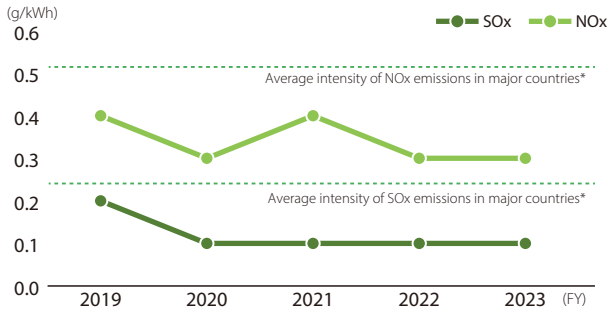
Achievement in FY2023 SOx emission intensity **0.1 g/kWh**

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

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

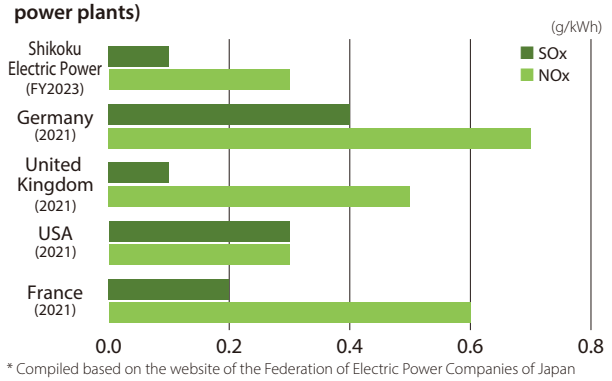
And, we systematically have renewed our aging oil-fired thermal power facilities at the Sakaide Power Station to implement the LNG combined cycle and curb the amount of power generated by oil, and we replaced the aging coal-fired power plant facilities in the Saijo Power Plant Unit 1 with the latest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

Intensity of SOx and NOx emissions from thermal power plants



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

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



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

Coal ash recycling

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

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

Recent example of recycling of coal ash

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

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

Recycling of remains of demolished structures

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

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

How wires and poles are recycled

Power lines before recycling

Recycled power lines

Concrete poles before recycling

Recycled construction aggregates

Conservation of biodiversity

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

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

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

Initiatives at our electric power stations

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

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

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

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

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

Our environmental conservation activities

Conservation activities for the Oriental stork

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

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

Staff maintaining a nesting tower (Seiyo City)

Oriental stork flying into the area (Seiyo City)

Environmental conservation activities together with local communities

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

Activities in Shimanto Yonden Forest

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

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

Forest conservation activities

Practice of Human Capital Management

Human Resources Strategies to Maximize the Value of Our Human Capital

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

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

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

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

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

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

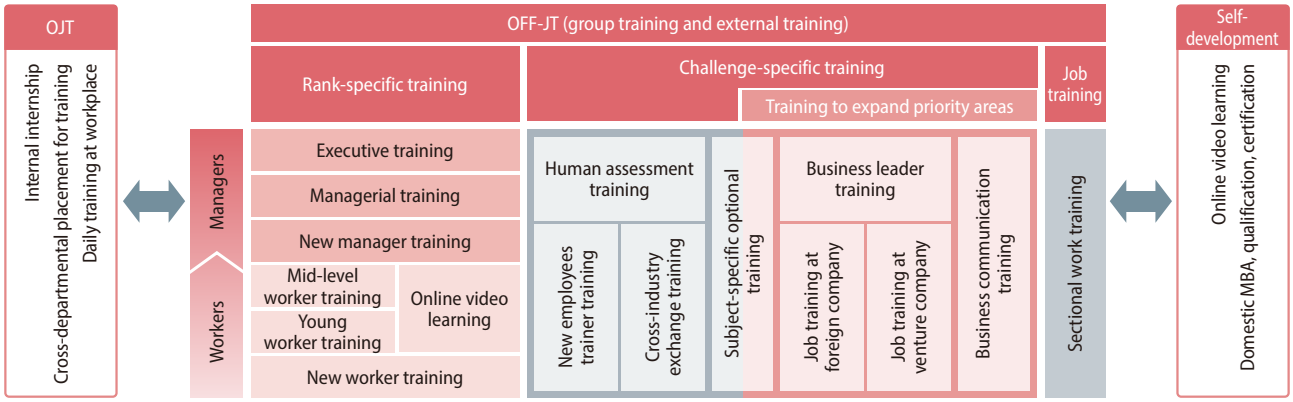
For such young and mid-career employees, we combine on-the-job training (OJT) in daily work with rank-specific training and self-development programs to quickly make them work-ready. For personnel hired in technical departments, we systematically help them to acquire the technical skills necessary for the maintenance and operation of facilities and the knowledge of laws and regulations through practical educational programs formulated by the department so that new personnel can inherit our DNA of on-site capabilities that support the stable supply of electricity and a sense of mission.

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

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

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

Education system



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

We are systematically developing DX talent through educational programs designed to ensure that mid-level and above leading DX talent make up approximately 5% of our employees by the end of fiscal 2025 and approximately 15% by fiscal 2030. P.32 Promotion of Digital Transformation (DX)

Diversity, Equity & Inclusion

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

Promotion of the careers of female employees

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

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

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

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

Efforts to promote women's careers

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

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

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

Lecture for female workers by a female outside director

Support for balancing work with childcare or nursing care

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

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

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

Changes in the rate of taking childcare leave

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

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

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

Promotion of employment of the challenged

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

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

Practice of Human Capital Management

More opportunities for specialized and experienced workers

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

Creating an Environment Where Employees Can Maximize Their Potential

Talks with management

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

Improvement of employee engagement

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

For young employees who have been with the Company for up to five years, we regularly conduct surveys, focusing on smooth communication in the workplace and motivation to work. Based on their responses, we hold individual interviews, provide training or give an assignment, focusing on their individual characteristics and aptitude, and offer them opportunities to take on new challenges. Through the efforts, we successfully allow 94.6% of new graduates to keep working for our Company three years after joining the Company.

Overall engagement score

Present (FY2023)	Target (FY2030)
C+	B
5th grade out of 14 grades	3rd grade out of 14 grades

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

Establishment of a flexible work environment

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

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

Primary systems that enable flexible working styles

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

Initiatives for safety management

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

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

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

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

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

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

Initiatives aimed at health and productivity management

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

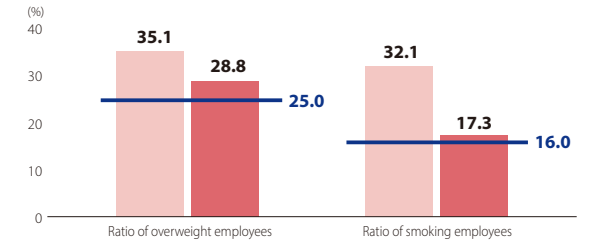
Also, in line with the President's health management declaration, we conduct stress checks on our employees and, based on the results of the checks, we provide individual care, take measures for mental health to improve the workplace conditions, and provide individual health guidance to reduce the risk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

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

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

2024 健康経営優良法人 Health and productivity

Numerical targets for reducing lifestyle disease risks



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

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

Initiatives as a Human-Respecting Company

Yonden Group Human Rights Policy

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

Education on human rights

In order to make our employees aware of respect for human rights, we provide them with basic knowledge and case studies on the concept of human rights and laws and regulations related to human rights in new employee training and group training. We also have our employees participate in external lectures on human rights issues and hold human rights study sessions in workplaces.

Respect for human rights in the supply chain

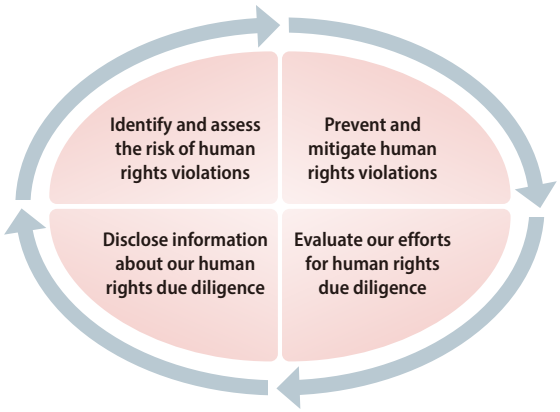
We aim to coexist and prosper with our business partners on level ground, and promote fair and free transactions with them based on our "Declaration of Partnership-Building".

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

Human rights due diligence

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

Human rights due diligence cycle



Grievance mechanism

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

Coexisting Activities in Harmony with Communities

Initiatives for Revitalizing the Shikoku Region and Addressing Local Challenges

Creating local vitality and promoting the expansion of the exchange population

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

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

One-day Pilgrimage Group Walk

Festivals Web Calendar

Tourism business

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

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

Image of the Mandarin Oriental Setouchi-Takamatsu

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

Agribusiness

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

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

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

Working on agribusiness together with local communities

Nursing care business

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

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

Serviced elderly housing "Grace Base Takamatsu"

Enhancement of Communication with Local Communities

Proactive disclosure of information and dialog about our nuclear facilities

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

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

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

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

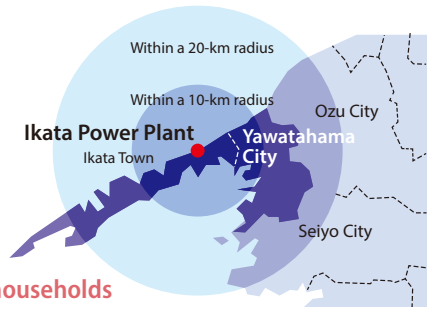
Reports made in accordance with the safety agreement with Ehime Prefecture and Ikata Town

(Unit: number of notifications)

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

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

Coverage of our visiting-for-dialog activities



Eligible for visits: Approx. 26,000 households

Communication with local residents

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

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

Education on energy for children

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

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

Tour of our plant for elementary school students

Support for the arts, culture, and sports

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

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

Enhancement and Strengthening of Corporate Governance

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

■ **Website information**

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

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

Message from Outside Director

Yachiyo Izutani
Director
Audit & Supervisory Committee
Member

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

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

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

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

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

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

Corporate Governance Structure

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

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

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

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

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

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

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

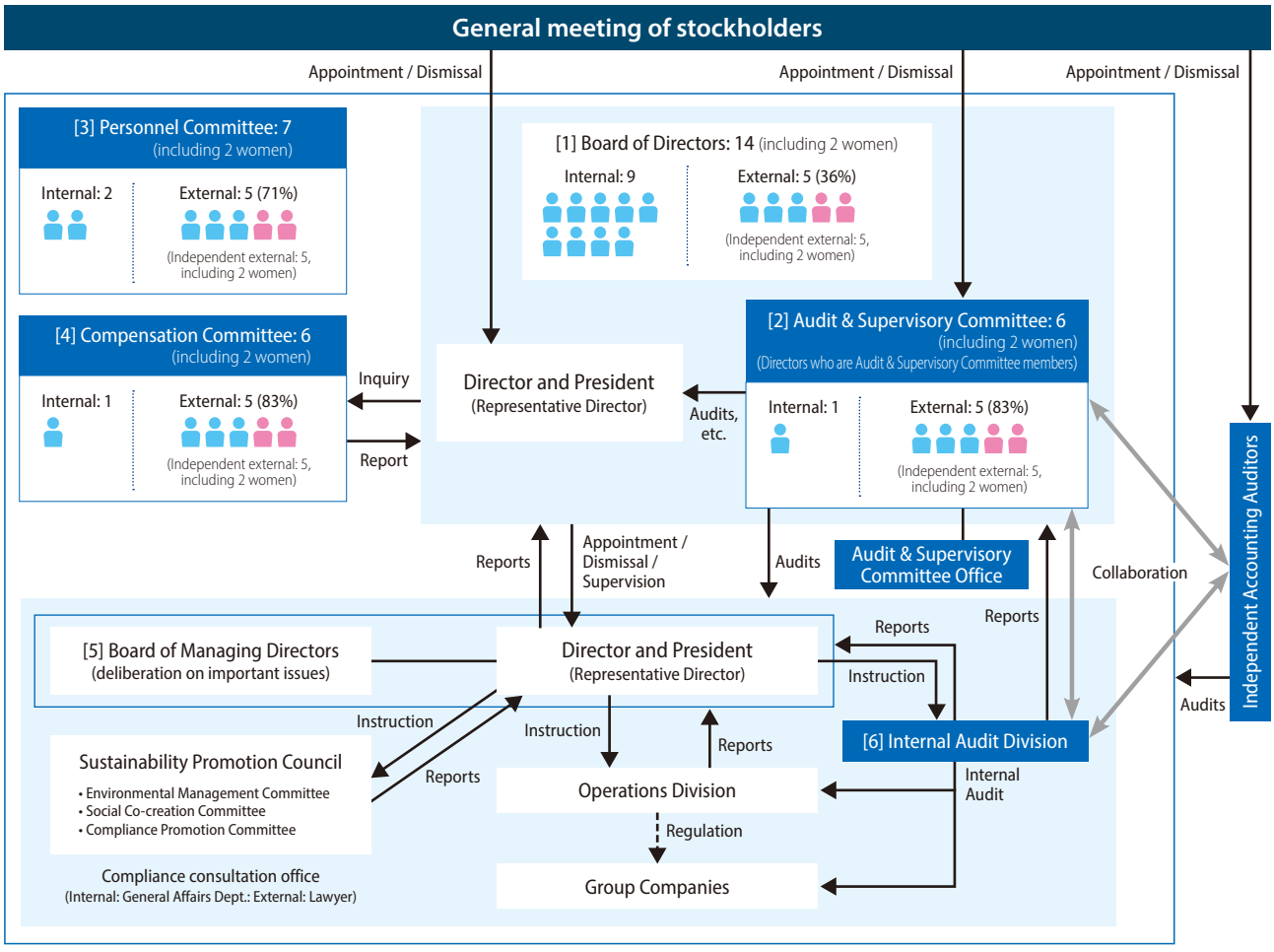
- The Compensation Committee deliberates on the amount of director compensation at the request of the Board of Directors, and the details of proposals related to director compensation at the General Meeting of Shareholders, then reports its findings to the board

[5] Board of Managing Directors

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

[6] Internal Audit Office

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



Enhancement and Strengthening of Corporate Governance

List of Directors

Fujiko Takahata
Director
Audit & Supervisory Committee Member

Ryohei Kagawa
Director
Audit & Supervisory Committee Member

Seiji Miyazaki
Director and Senior Corporate Officer

Hiroshi Kawahara
Director
Audit & Supervisory Committee Member (full-time)

Hisashi Shirai
Director and Executive Vice President

Shinji Obayashi
Director and Senior Corporate Officer

Keisuke Nagai
Chairman of the Board

■ Directors

Keisuke Nagai

Chairman of the Board
Representative Director

Date of birth: February 11, 1957

Apr. 1981 Joined Shikoku Electric Power Company
Jun. 2013 Senior Corporate Officer, General Planning Division, Department Manager of Corporate Planning Department
Jun. 2015 Senior Corporate Officer, General Manager of General Planning Division
Jun. 2017 Director and Executive Vice President, General Manager of General Planning Division, in charge of IT/Communication
Apr. 2018 Director and Executive Vice President, General Manager of General Planning Division, in charge of Renewable Energy Dept., Supply/Demand Operation Dept., and Information Systems Dept.
Jun. 2019 Director and President
Jun. 2024 Chairman of the Board (incumbent)

No. of shares held: 36,186

Yoshihiro Miyamoto

Director and President
Representative Director

Date of birth: January 6, 1963

Apr. 1985 Joined Shikoku Electric Power Company
Jun. 2019 Senior Corporate Officer, General Planning Division, Department Manager of Corporate Planning Department
Jun. 2021 Director and Senior Corporate Officer, General Manager of General Planning Division, in charge of Renewable Energy Dept. and Public Relations Dept.
Jun. 2024 Director and President (incumbent)

No. of shares held: 19,469

Hisashi Shirai

Director and Executive Vice President
General Manager of Business Development Division, in charge of Accounting & Finance Dept., Purchasing & Materials Dept., and Information Systems Dept., Representative Director

Date of birth: October 3, 1958

Apr. 1981 Joined Shikoku Electric Power Company
Jun. 2016 Senior Corporate Officer, in charge of Accounting & Finance Dept.
Jun. 2017 Executive Managing Director, in charge of Accounting & Finance Dept. and Purchasing & Materials Dept.
Jun. 2019 Director and Senior Corporate Officer, General Manager of Business Development Division, in charge of Accounting & Finance Dept., Purchasing & Materials Dept., and Information Systems Dept.
Jun. 2022 Director and Executive Vice President, General Manager of Business Development Division, in charge of Accounting & Finance Dept., Purchasing & Materials Dept., and Information Systems Dept. (incumbent)

No. of shares held: 22,425

Noriyuki Kawanishi

Director and Executive Vice President
Division Manager of Nuclear Power Division, in charge of Civil & Architectural Engineering Dept., Representative Director

Date of birth: November 15, 1960

Apr. 1983 Joined Shikoku Electric Power Company
Jun. 2022 Senior Corporate Officer, Deputy Division Manager of Nuclear Power Division, Department Manager of Nuclear Power Department
Jun. 2023 Director and Executive Vice President, Division Manager of Nuclear Power Division, in charge of Civil & Architectural Engineering Dept. (incumbent)

No. of shares held: 13,622

■ Directors and Audit & Supervisory Committee Members

Hiroshi Kawahara

Director, Audit and Supervisory Committee Member, Chairman of the Audit and Supervisory Committee

Date of birth: September 12, 1957

Apr. 1980 Joined Shikoku Electric Power Company
Apr. 2018 Senior Corporate Officer, Assistant to President of Transmission & Distribution Company, in charge of Corporate Planning Department and Transmission & Substation Department
Jun. 2019 Director and Audit & Supervisory Committee Member
Apr. 2020 Corporate Auditor of Shikoku Electric Power Transmission & Distribution Co., Incorporated (incumbent)
Jun. 2021 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc., Chairman of the Audit and Supervisory Committee (incumbent)

No. of shares held: 26,480

Ryohei Kagawa

Director, Audit and Supervisory Committee Member (Outside Director)

Date of birth: November 21, 1958

Apr. 2016 Director and Senior Managing Executive Officer of The Hyakujushi Bank, Ltd.
Apr. 2019 Director, Senior Managing Executive Officer, and CCO
Jun. 2019 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc. (incumbent)
Apr. 2021 Director, Vice President and CCO of The Hyakujushi Bank, Ltd.
Mar. 2024 Director (retired in June 2024)
Jun. 2024 Director and President of Nihonbashi Fudosan (incumbent)

No. of shares held: 6,872

Fujiko Takahata

Director, Supervisory Committee Member (Outside Director)

Date of birth: September 20, 1955

Sep. 2007 Director of Tokiwa Co. Ltd.
Sep. 2015 Director and President (incumbent)
Jun. 2020 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc. (incumbent)

No. of shares held: 5,588

Iwao Otsuka

Director, Audit and Supervisory Committee Member (Outside Director)

Date of birth: April 7, 1952

Jun. 2011 Director of The Iyo Bank, Ltd.
Jun. 2012 Director and President
Jun. 2019 Corporate Auditor of Shikoku Railway Company (incumbent)
Apr. 2020 Director and Chairman of The Iyo Bank, Ltd. (incumbent)
Jun. 2021 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc. (incumbent)
Oct. 2022 Director and Chairman of Iyogin Holdings, Inc. (incumbent)

No. of shares held: 4,050

(As of the end of June 2024)

Yoshihiro Miyamoto
Director and President

Hideyoshi Ishida
Director and Senior Corporate Officer

Noriyuki Kawanishi
Director and Executive Vice President

Iwao Otsuka
Director
Audit & Supervisory Committee Member

Kenzo Suginouchi
Director and Senior Corporate Officer

Shoichi Nishiyama
Director
Audit & Supervisory Committee Member

Yachiyo Izutani
Director
Audit & Supervisory Committee Member

Seiji Miyazaki

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

Date of birth: June 26, 1960

Apr. 1983 Joined Shikoku Electric Power Company
Jun. 2019 Senior Corporate Officer, Deputy Division Manager of Marketing & Customer Relations Division
Jun. 2022 Director and Senior Corporate Officer, Division Manager of Marketing & Customer Relations Division
Jun. 2023 Director and Senior Corporate Officer, Division Manager of Marketing & Customer Relations Division, in charge of Tokyo Branch Office
Jun. 2024 Director and Senior Corporate Officer, General Manager of General Planning Division, in charge of Renewable Energy Dept. and Public Relations Dept. (incumbent)

No. of shares held: 7,972

Kenzo Suginouchi

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

Date of birth: October 5, 1961

Apr. 1984 Joined Shikoku Electric Power Company
Jun. 2020 Senior Corporate Officer, in charge of Employee Relations & Human Resources Dept., General Education & Training Center, and General Medical Services Center
Jun. 2023 Director and Senior Corporate Officer, in charge of General Affairs Dept., Siting and Environment Dept., Employee Relations & Human Resources Dept., General Education & Training Center, and General Medical Services Center (incumbent)

No. of shares held: 6,222

Shinji Obayashi

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

Date of birth: April 8, 1960

Apr. 1984 Joined Shikoku Electric Power Company
Jun. 2022 Senior Corporate Officer, Deputy Division Manager of Marketing & Customer Relations Division
Jun. 2024 Director and Senior Corporate Officer, Division Manager of Marketing & Customer Relations Division, in charge of Tokyo Branch Office (incumbent)

No. of shares held: 6,126

Hideyoshi Ishida

Director and Senior Corporate Officer
Division Manager of Thermal Power Division

Date of birth: February 14, 1964

Apr. 1989 Joined Shikoku Electric Power Company
Jun. 2023 Senior Corporate Officer, Deputy Division Manager of Thermal Power Division, in charge of Thermal Power Department
Jun. 2024 Director and Senior Corporate Officer, Division Manager of Thermal Power Division (incumbent)

No. of shares held: 5,210

Shoichi Nishiyama

Director, Audit and Supervisory Committee Member (Outside Director)

Date of birth: January 6, 1955

Jun. 1994 Director of Ujiden Chemical Industry Co., Ltd.
Jan. 1999 Director and President
Jun. 2021 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc. (incumbent)
Feb. 2023 Director and Chairman of Ujiden Chemical Industry Co., Ltd. (incumbent)

No. of shares held: 4,551

Yachiyo Izutani

Director, Audit and Supervisory Committee Member (Outside Director)

Date of birth: September 9, 1958

Jun. 2011 Head of Nara Broadcasting Station, Japan Broadcasting Corporation (NHK)
Jun. 2013 Head of Work Life Balance Promotion, Human Resources
Jun. 2015 Head of Matsuyama Broadcasting Station
Jun. 2017 Director of Announcers' Office
Jun. 2018 Director and Division Manager of Course Promotion Division of NHK Culture Center, Inc.
Jun. 2019 Director and President (retired in April 2021)
Jun. 2021 Director and Audit & Supervisory Committee Member of Shikoku Electric Power Company, Inc. (incumbent)

No. of shares held: 2,023

Enhancement and Strengthening of Corporate Governance

Skills Matrix

■ Directors

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

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

Directors and Audit & Supervisory Committee Members

*refers to an Outside Director

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

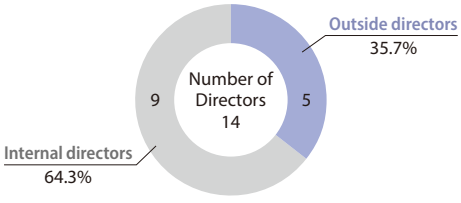
(C) Corporate Management & Business Strategy
(F) Finance & Accounting
(L) Legal & Risk Management
(T) Technology & Research and Development
(M) Marketing & Public Relations
(I) International Business & Business Development
(E) Environment & Society

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

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

At Shikoku Electric Company, the following set of skills has been chosen for members of the Board of Directors:
- Skills generally required of members of the Board of Directors
- Skills deemed necessary in light of medium-term management policies

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



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

Enhancement and Strengthening of Corporate Governance

Evaluation of the Effectiveness of the Board of Directors

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

Additionally, our efforts to improve the effectiveness of the Board of Directors are regularly checked by a third-party law office. This external party has expressed the view that our questionnaire items, evaluation results, and future actions are appropriate.

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

Questionnaire items

Composition of the Board of Directors	• Is the size, diversity, and balance of knowledge, experience, and skills that the Board of Directors should possess appropriate?
Governance by the Board of Directors and operation of the Board	• Are the scope of reporting and resolutions, frequency of meetings, and deliberation time appropriate? • Are the content and volume of materials appropriate, and what is needed to facilitate more active discussions? • Are discussions conducted from the perspective of stakeholders? • Are corporate decision-making and the supervision of the execution of duties functioning effectively?
Provision of information, training, and opportunities for dialogue for directors	• Is the necessary information for execution of duties provided? • Are opportunities for free exchange of opinions among directors ensured?

Identified issues and response status

	Initiatives for enhancing effectiveness (fiscal 2023 results)	Fiscal 2023 assessment	Initiatives for enhancing effectiveness (fiscal 2024 policy)
Governance by the Board of Directors and operation of the Board	• While the governance of the Board of Directors is functioning effectively, operational improvements will be implemented, such as focusing the points to be explained during meetings to further enhance the quality of deliberations.	• Governance is functioning effectively, with the active exchange of opinions not only on agenda items, but also on current issues and topics. • Discussions at the Board of Directors have become more substantial through the enhancement of pre-meeting explanations, etc. • When deliberating on individual matters, it would be beneficial to have information provided on the status of discussions within the Board of Managing Directors.	• Regarding explanations of materials at the Board of Directors meetings, continue to adjust the level of detail based on pre-meeting explanations. • Make discussions more substantial by adding comments from officers in charge or sharing the status of deliberations in the Board of Managing Directors during explanations.
Enhancement of information provision, training, and dialogue opportunities for directors	• Enhance the sharing of related peripheral information with outside directors in addition to providing information necessary for execution of duties. • Increase opportunities for directors to freely exchange opinions outside of the Board of Directors meetings.	• Based on discussions at the Board of Directors, it is judged that the information necessary for execution for duties is being provided appropriately. • Opinion exchanges attended by all directors and study sessions led by external lecturers were valuable.	• Fiscal 2023 initiatives will be continued and opportunities for free exchange of opinions ensured through setting themes that allow both internal and external directors to gain insights.

Regarding the composition of the Board of Directors, the common view is that the size, diversity, and balance of the necessary knowledge, experience, and skills are currently being maintained. However, we will continue to review these aspects in the medium to long term, as aligning the necessary skills with the business portfolio and increasing the ratio of female directors will become issues.

The Role of Outside Directors

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

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

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

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

The role and activities of outside directors

Offense — Involvement in and support for management strategies

Support management strategies and key decision-making as outside directors

<Examples of specific activities>

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

Defense — Monitoring and supervision of management

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

<Examples of specific activities>

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

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

<Examples of specific activities>

- Deliberations in the Personnel Committee and the Compensation Committee

Directors' Compensation

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

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

Directors' compensation

Directors (excluding Audit & Supervisory Committee members)

* Using consolidated ordinary income and dividends per share as reference indicators, the amount to be paid is determined by taking into account the status of ESG initiatives (retail CO_2 emissions and our own greenhouse gas emissions [direct emissions from fuel use for company power generation, etc.] in fiscal 2024)

Monthly compensation of directors who are Audit & Supervisory Committee members

Monthly compensation 100%

Compensation amounts (FY2023)

(millions of yen)

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

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

Reduction of Cross-shareholdings

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

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

Shareholdings (as of end of fiscal year)

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

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

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

Enhancement and Strengthening of Corporate Governance

Appropriate Internal Controls

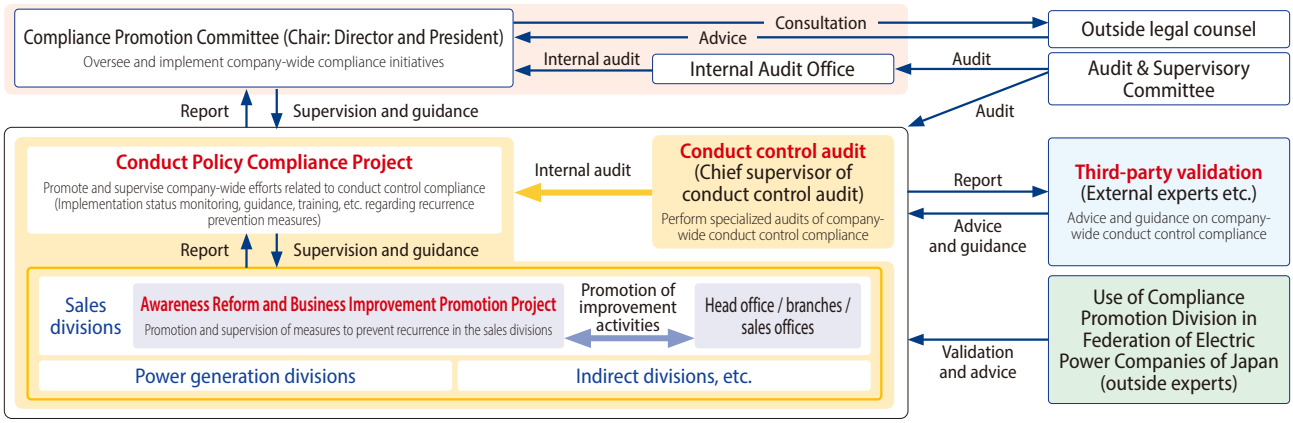
Having recognized the importance of winning the trust of society at large, the Board of Directors passed a resolution setting out the System for Ensuring Appropriate Business, which is our basic policy on internal controls, so that we can conduct business activities that are legal, appropriate, and efficient.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

We regularly check and improve the operation of these systems, continuously promote understanding among directors and employees to ensure that internal controls function effectively and that highly sound business operations can be carried out.

Strengthening internal controls related to conduct control

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

Strengthening internal controls related to conduct control



Promotion of Risk Management

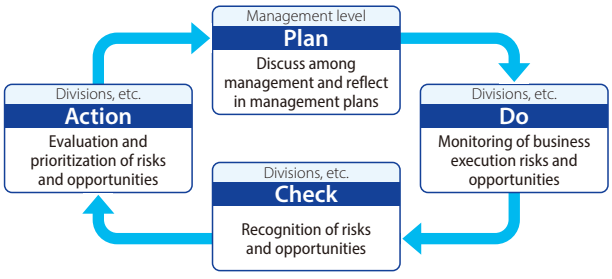
In accordance with the "Risk Management Rules," each department, etc. autonomously identifies, evaluates, and controls risks inherent within their respective areas or those arising from changes in the external environment as the risk owner. The Risk Management Office (Corporate Planning Department and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

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

For risks that cut across the entire Company, we set up expert committees as necessary and address such risks in an appropriate manner based on comprehensive assessments. For emergency situations brought about by natural disasters or other circumstances, we have established individual rules and manuals and clarified the management structure so that damage is minimized and recovery expedited.

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

The PDCA of risk management



Key risks and opportunities

[→ specifies how we will respond]

	Major events	Assumed risk	Assumed opportunity
Electricity business	Changes in energy policy or electric power business systems	● Strengthening of rules based on reviews of policies and systems → Understanding the state of discussions at councils held by the government, dialogue with policy authorities, etc.	● Profit opportunities arise due to reviews of policies and systems → Understanding of the state of discussions at councils held by the government, etc.
	Strengthening environmental regulations	● Operating restrictions on thermal power generation and increased power generation costs, etc. due to the strengthening of regulations → Analysis and responses to risks and opportunities based on climate change scenarios P.50-53	● Expansion of introduction of renewable energy → New development and expanded introduction of renewable energy P.39 ● Reduction of fuel costs by improving the efficiency of supply facilities → Higher efficiency of thermal power generation P.40 ● Promotion of electrification and progress with energy saving → Promotion of energy consulting, distributed energy, and decarbonization support for local communities P.45
	Changes in the environment surrounding the nuclear power business	● Increase in the cost of alternative thermal fuels associated with long-term shutdowns due to lawsuits, changes in laws, etc., and increase in capital investment associated with additional measures, etc. → See description on the right ● Review of state systems related to the nuclear fuel cycle, etc. → Understanding the state of discussions at councils held by the government, dialogue with policy authorities	● Improvement of safety at the Ikata Power Plant, continuation of safe and stable operation, etc. → Implementation of safety measures in preparation for serious accidents and other such occurrences → Thorough information disclosure, and communication with society through dialogue with local residents P.38, 61
	Market trends	● Significant fluctuations in fuel prices and exchange rates → See "Stable fuel procurement" on the right ● Decline in retail electricity sales volumes and unit prices due to market competition, and decline in wholesale unit prices due to increase in FIT electricity → See "Expansion of profit opportunities" on the right ● Decline in area power demand due to population decline, energy saving, the spread of storage batteries, etc. → Refer to "Creation of new services and business" on the right	● Stable fuel procurement → Diversification of suppliers and procurement methods P.41 ● Expansion of profit opportunities → Expansion of sales areas and diversification of sales methods and channels → Maximization of profits by utilizing multiple markets P.41, 43 ● Creation of new services and business → Promotion of solar PPA and distributed energy business P.43, 45
	Facility and operations-related trouble, etc.	● Damage to facilities or the occurrence of operating trouble due to a large-scale natural disaster or aging of supply facilities → See description on the right P.70	● Appropriate inspection, maintenance, and enhanced resilience of supply facilities → Safe and stable operation of power plants, optimization of transmission and distribution facilities, and hardware and software measures to prepare for natural disasters P.40, 42
Businesses other than electricity	Businesses other than electricity business	● Rapid changes in market conditions, including price fluctuations, and the emergence of country risk → Identification and management of risks assumed in business operations ● Structural changes in energy business associated with the spread of distributed power sources and technological innovation, etc. → See "Rise of new needs in the energy business" on the right	● Response to changes and opportunities in the market environment ・Trends in digitization and DX → Expansion of IT/communication business P.46 ・Increase in global energy demand → Expansion of international business P.44 ● Rise of new needs in the energy business → Initiatives for DX and distributed energy business P.45
In common	Compliance	● Decline of social credibility due to violation of laws and regulations, etc. → Raising awareness of compliance among officers, and strengthening internal control systems P.70, 72	● Increased need for enhanced governance and transparency → Enhancement and strengthening of corporate governance P.62-73
	Declining workforce and changing work environment	● Difficulty in securing necessary human resources due to decrease in the workforce → Diversification of methods of acquiring and developing human resources P.56	● Enhancement of the driving force for value creation through changes and improvements in employee awareness → Creation of an environment in which diverse human resources can play an active role P.57, 58

Enhancement and Strengthening of Corporate Governance

Promoting Compliance

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

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

Implementation of ongoing compliance education

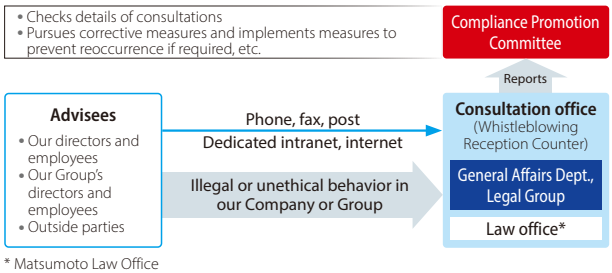
Every year, we implement e-learning training for all employees, based on various potential work-related compliance issues. In fiscal 2023, 100% of employees undertook this training.

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

Establishment of Compliance Consultation Office

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

Overview of Shikoku Electric Power's Compliance Consultation Office



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

Protection of intellectual property rights

Our Group owns and utilizes patents and other intellectual property rights in fields such as energy, information and communications, electronics, construction engineering, and agriculture. In addition, in order to avoid infringing upon the intellectual property rights of third parties in our business activities, we provide training on legal systems and cases of infringement concerning patents, etc. mainly for staff in charge of intellectual property, including at Group companies.

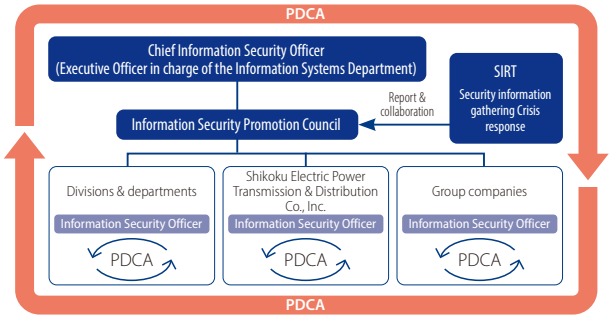
Protection of personal information

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

Ensuring Information Security

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

Framework for security management within the Group



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

Recent security improvement measures

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

Dialogue and Information Disclosure Through IR/SR Activities

Based on the "Yonden Basic Policy on Investor Relations," we focus on ongoing communication between shareholders and investors with Shikoku Electric Power's management and IR personnel. In fiscal 2023, we held multiple company briefings by the president and small meetings between directors and shareholders/analysts, as well as approximately 90 individual meetings conducted by the IR/SR office. The opinions and requests regarding management policies and business operations received from shareholders and investors were shared with the management team and utilized in business management.

Small meeting with an outside director
(Held March 2024)

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

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

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

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

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

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

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

Kagawa: Outside directors actively present their opinions at both the Board of Directors and Audit & Supervisory Committee meetings, reflecting their experiences and the viewpoint of the public, and the executive side has been receptive to incorporating these opinions. I do not feel that my role is skewed toward either the outside director or audit committee duties, and I believe the current system is functioning effectively. At Shikoku Electric Power, we have a structure in place where important matters are explained by the heads of each department at the Audit & Supervisory Committee, ensuring that sufficient information is provided to support important decision-making. With regards to the formulation of the current Medium-Term Management Plan and annual execution plans, we engage in thorough Q&A sessions with the executive team, which have led to satisfactory conclusions. In this way, we are fully committed to management, including communication.

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

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

Kagawa: The executive side has been diligent in addressing proposals and inquiries from the outside directors. The chairman also ensures that all outside directors have the opportunity to express their opinions regarding important decisions and reports. There has never been a situation where the outside directors' opinions or comments were suppressed by the executive side.

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

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

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

Financial / Corporate Information

WEB **Please see the Securities Report for details of the Consolidated Financial Statements and Notes.**
https://www.yonden.co.jp/corporate/ir/library/securities_report.html

Main Data on Electric Power Business

(millions of kWh)

	FY2019	FY2020	FY2021	FY2022	FY2023
Total Electricity Sales	29,855	27,857	31,675	32,752	**30,593**
Lighting	8,169	8,210	8,035	7,686	**7,491**
Power	14,226	13,777	14,530	15,727	**14,679**
Wholesale	7,460	5,870	9,110	9,339	**8,423**
Electricity Supplied*1	31,407	29,762	33,466	34,487	**32,277**
Nuclear	5,651	0	2,362	6,903	**6,510**
Renewable Energy*2	2,325	2,394	1,983	1,791	**2,144**
Renewable Energy (Purchased Power)*2	5,035	5,898	6,257	6,140	**6,827**
Coal	6,167	7,113	7,677	5,911	**7,031**
Gas	3,679	4,038	3,132	3,403	**3,086**
Oil	302	609	1,810	1,819	**693**
Other (Purchased Power, Wholesale Exchanges, Etc.)	8,248	9,710	10,245	8,520	**5,986**

(thousands)

Number of Customers	2,700	2,621	2,561	2,546	**2,539**
Lighting	2,402	2,347	2,295	2,283	**2,283**
Power	297	274	266	263	**256**

(%)

Nuclear Power Plant Capacity Factor	75.4	0.0	31.6	92.4	**86.8**
Flow Rate	105.1	98.9	84.7	73.6	**93.2**

(People)

Number of Employees*3	4,409	4,374	4,309	4,263	**4,196**

*1 Net actual generation amount excluding electricity used on site

*2 "Renewable energy" as referred to in this document includes electricity that does not use non-fossil energy certificates and does not have value as renewable energy or CO_2 zero emissions value, as well as FIT electricity, part of the procurement cost of which is covered by a levy borne by users.

*3 From fiscal 2020 onwards, the total figure for the Company and Shikoku Electric Power Transmission & Distribution Co., Inc.

11-Year Financial Summary

This report covers the Company and companies included in the scope of consolidated financial statements.

	FY2013	FY2014	FY2015	FY2016	FY2017
Financial Performance					
Operating Revenues	636,332	664,286	654,013	684,537	731,775
Electric	551,148	578,983	574,246	602,243	642,495
Other	85,184	85,302	79,767	82,293	89,279
Operating Expenses	633,617	635,292	629,311	664,528	702,510
Electric	554,653	556,858	559,685	589,589	621,899
Other	78,964	78,433	69,625	74,938	80,610
Operating Profit	2,715	28,993	24,702	20,009	29,265
Ordinary Profit*4	8,161	34,486	31,066	24,485	35,621
Income before Income Taxes	(426)	22,864	18,906	15,689	28,032
Net Income Attributable to Owners of the Parent	(3,289)	10,333	11,147	11,349	19,675
Financial Position					
Total Assets	1,397,277	1,401,189	1,401,750	1,301,267	1,330,226
Total Equity	287,439	300,897	286,177	303,879	312,564
Interest-Bearing Debt	737,449	711,832	719,754	707,756	683,249
Cash Flows					
Cash Flows from Operating Activities	65,734	100,164	91,739	81,739	123,512
Cash Flows from Investing Activities	(71,700)	(55,164)	(88,542)	(60,379)	(81,955)
Cash Flows from Financing Activities	2,725	(25,650)	3,699	(16,186)	(31,757)
Term-End Balance of Cash and Cash Equivalents	11,109	30,544	37,441	42,518	52,218
Per Share of Common Stock					
EPS (Earnings per Share)	(16)	50	54	55	96
Cash Dividends Applicable to the Year	0	20	20	20	30
Total Equity	1,394	1,460	1,388	1,474	1,517
Financial Indicators					
Return on Assets*5	0.6	2.5	2.2	1.8	2.7
Return on Equity*6	(1.1)	3.6	3.8	3.9	6.4
Shareholders' Equity Ratio	20.6	21.5	20.4	23.3	23.5
Interest-Bearing Debt Ratio	2.6	2.4	2.5	2.3	2.2
Dividend Payout Ratio*7	—	39.9	36.9	36.3	31.4

*1 US$ amounts are translated from yen at the rate of ¥151 = US$1.

*2 As a result of the application of the Accounting Standard for Revenue Recognition in fiscal 2021, operating revenue decreased by 159.4 billion yen from the level before application of the standard.

*3 As a result of the application of the Accounting Standard for Revenue Recognition in fiscal 2021, electric power business operating revenue decreased by 151.2 billion yen from the level before application of the standard.

*4 Ordinary profit + interest expenses

*5 (Ordinary profit + interest expenses) / total assets (average for period)

*6 Net income attributable to owners of the parent for fiscal year under review / shareholders' equity (average for period)

*7 Figures for fiscal 2013 and fiscal 2021 to fiscal 2022 cannot be calculated due to the recording of net losses.

					(millions of yen)	(thousands of US$*1)
FY2018	FY2019	FY2020	FY2021	FY2022	**FY2023**	**FY2023**
737,274	733,187	719,231	641,948*2	833,203	**787,403**	**5,214,589**
639,601	631,479	616,375	535,241*3	735,069	**689,531**	**4,566,430**
97,673	101,708	102,855	106,707	98,133	**97,871**	**648,152**
711,544	701,899	712,774	655,466	845,489	**708,876**	**4,694,543**
623,640	611,308	621,147	560,663	760,611	**626,003**	**4,145,715**
87,904	90,591	91,626	94,803	84,877	**82,873**	**548,827**
25,729	31,288	6,456	(13,517)	(12,285)	**78,526**	**520,039**
32,125	34,069	10,863	(6,535)	(16,330)	**86,268**	**571,311**
25,145	26,180	5,188	(7,091)	(21,669)	**80,496**	**533,086**
16,995	18,092	2,999	(6,262)	(22,871)	**60,515**	**400,761**
1,353,941	1,373,640	1,430,424	1,500,744	1,612,025	**1,629,054**	**10,788,437**
321,189	326,648	327,953	315,297	298,312	**363,168**	**2,405,086**
704,261	717,062	771,672	860,290	948,292	**917,294**	**6,074,794**
54,507	107,313	52,293	49,841	36,086	**143,676**	**951,496**
(82,400)	(99,946)	(89,331)	(125,102)	(91,600)	**(97,317)**	**(644,483)**
14,541	6,318	48,310	82,261	84,829	**(34,182)**	**(226,370)**
40,681	54,289	65,444	72,928	105,904	**118,296**	**783,417**
					(yen)	(US$)
83	88	15	(30)	(111)	**294**	**1.94**
30	30	30	30	0	**30**	**0.20**
1,550	1,578	1,583	1,521	1,438	**1,753**	**11.61**
					(%)	
2.4	2.5	0.8	(0.4)	(1.0)	**5.3**	
5.4	5.6	0.9	(2.0)	(7.5)	**18.4**	
23.6	23.6	22.8	20.8	18.3	**22.1**	
2.2	2.2	2.4	2.7	3.2	**2.5**	
36.4	34.1	205.8	—	—	**10.2**	

Main ESG Data

Major Item		Item		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
E (Environment)	Promotion of measures against climate change	CO_2 emission volume	Excluding FIT free-of-charge distribution*1	10,000 tons-CO_2	1,024	1,372	1,312	1,170	**1,122**
			Including FIT free-of-charge distribution*2		914	1,252	1,186	1,041	**1,007**
		CO_2 emission factor (including FIT free-of-charge distribution)*2		kg-CO_2/kWh	0.408	0.569	0.526	0.447	**0.454**
		Ratio of non-fossil fuel power sources*3		%	39	24	30	31	**32**
		Greenhouse gases throughout the whole supply chain*4	Scope 1*5	10,000 tons-CO_2	739	854	966	809	**791**
			Scope 2*6		0	0	0	0	**0**
			Scope 3*7		669	648	721	635	**533**
		Thermal efficiency benchmark for thermal power plants*8	Indicator A	—	1.03	1.02	1.02	1.04	**1.04**
			Indicator B	%	43.1	43.1	42.1	43.5	**43.4**
			Coal indicator	%	—	—	—	39.43	**41.18**
		Solar and wind power connection volume		10 MW	303	321	340	361	**370**
	Advancing environmental preservation activities	Waste recycling ratio		%	88.7	99.0	96.9	97.5	**98.5**
			Coal ash recycling ratio	%	99.8	99.7	99.8	99.6	**98.9**
		Intensity of SOx emissions		g/kWh	0.2	0.1	0.1	0.1	**0.1**
		Intensity of NOx emissions		g/kWh	0.4	0.3	0.4	0.3	**0.3**
		Violations of environment-related laws and regulations		Cases	0	1	0	0	**0**
S (Social)	Community coexistence activities	Number of visits for dialogue around the Ikata Power Plant*10		10,000 households	2.67	2.68	2.69	2.67	**2.57**
		Delivery Energy Classes provided to schools, etc.	Number of meetings held	Times	310	121	183	194	**208**
			Number of participants	People	10,195	3,945	5,413	6,242	**7,113**
	Fostering employee motivation*9	Number of employees	Male	People	4,048	4,001	3,935	3,870	**3,801**
			Female	People	361	373	374	393	**395**
		Years of service	Male	Years	22.6	22.4	21.9	21.2	**20.5**
			Female		19.4	18.7	18.2	17.2	**17.0**
		Number of new hires	Male	People	74	89	92	103	**106**
			Female (Ratio)	People (%)	18 (19.6)	18 (16.8)	20 (17.9)	24 (18.9)	**19 (15.2)**
		Ratio of female managers (female employee ratio)		%	2.6 (8.2)	2.8 (8.5)	3.1 (8.7)	3.5 (9.2)	**4.2 (9.4)**
		Ratio of female managers against the total number of female employees		%	12.3	12.4	13.4	14.8	**17.4**
		Gender wage gap (full-time workers)*11		%	—	—	—	68.2	**68.4**

Major Item		Item			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
S (Social)	Fostering employee motivation*9	Ratio of employees taking childcare leave	Male		%	0.6	3.3	5.7	9.6	**35.5**
			Female			100.0	100.0	100.0	100.0	**100.0**
		Number of paid vacation days*12	Male		Days	15.8	15.9	16.5	17.2	**18.7**
			Female			14.7	15.8	15.9	16.1	**18.5**
		Employee turnover rate*13	Male		%	0.3	0.3	0.2	0.5	**0.4**
			Female			0.8	0.0	1.9	1.9	**1.3**
		Ratio of employees with disabilities*14			%	2.2	2.4	2.5	2.6	**2.7**
		Labor accident frequency rate (employees only)*15			—	0.00	0.12	0.36	0.24	**0.12**
		Number of occupational accidents requiring time off from work	Employees (number of fatal accidents)		Cases	0 (0)	1 (0)	3 (0)	2 (0)	**1 (0)**
			Contract employees (number of fatal accidents)			7 (0)	3 (0)	3 (0)	0 (0)	**0 (0)**
		Ratio of obese employees			%	29.1	29.3	29.3	29.3	**28.8**
		Ratio of smoking employees			%	18.8	19.1	19.0	17.8	**17.3**
G (Governance)	Corporate governance	Total number of Directors*16			People	15	15	14	14	**14**
			Outside Director		People	4	5	5	5	**5**
				Female Directors (% of total number of Directors)	People (%)	1 (6.7)	2 (13.3)	2 (14.3)	2 (14.3)	**2 (14.3)**
		Board of Directors	Number of meetings held		Times	11	11	12	11	**14**
			Attendance rate		%	98.2	98.2	100.0	98.7	**98.0**
		Audit & Supervisory Committee	Number of meetings held		Times	18	17	19	18	**18**
			Attendance rate		%	98.1	99.1	99.2	97.7	**99.1**
	Compliance*9	Percentage of employees receiving compliance education			%	99.9	99.8	99.9	100.0	**100.0**
		Number of consultations with the Compliance Consultation Office			Cases	6	2	8	9	**15**

*1 The value obtained after excluding the FIT free-of-charge distribution from the value pertaining to retail sales based on the Act on Promotion of Global Warming Countermeasures (reflecting adjustments made under the feed-in tariff system) [same basis as the fiscal 2030 target of the Company]

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

*3 Indicator for retail sales based on the Act on Sophisticated Methods of Energy Supply Structures

*4 Calculated for the Company and consolidated subsidiaries (excluding companies with negligible emissions) in reference to documents such as the "Basic Guidelines for Calculating Greenhouse Gas Emissions through the Supply Chain (ver. 2.6)" (Ministry of the Environment / Ministry of Economy, Trade and Industry)

*5 Direct emissions from the use of fuel for in-house power generation, etc.

*6 Indirect emissions associated with the use of electricity purchased from other companies at the Company's places of business (offices)

*7 Indirect emissions contained in electricity for sale purchased from other companies

*8 Indicators based on the Energy Conservation Act (coal indicators are reported from fiscal 2022 results onwards following revisions to the Energy Conservation Act)

*9 Unless otherwise noted, calculated based on the total for the Company and Shikoku Electric Power Transmission & Distribution Co., Inc.

*10 Due to the spread of COVID-19 infections in fiscal 2020 to fiscal 2022, this activity was switched to distributing leaflets instead of making door-to-door visits.

*11 The difference in wages between men and women is partly attributable to differences in the ratio of men to women in managerial positions and to differences in average age. There is a 98% wage difference between men and women at the same position (section chief level). In order to increase the ratio of female managers, we will promote talented and motivated women, and support them in balancing work and family life.

*12 Managing supervisors, etc. excluded

*13 Voluntary resignation only

*14 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

*15 Number of deaths and injuries per million total working hours (wherein operations are suspended for one day or more)

*16 States after the General Meeting of Shareholders in June

SASB Standards INDEX

From the perspective of enhancing information disclosure in light of growing environmental awareness, we are disclosing information based on "Electric Utilities & Power Generators," a disclosure standard for the power industry prepared by the Sustainability Accounting Standards Board (SASB).

* Sustainability Accounting Standards Board (SASB): A non-profit organization established in the United States in 2011 aimed at the preparation of disclosure standards for sustainability information

TOPIC (Environment)		Unit	Topics Covered
Greenhouse Gas Related	Scope 1 greenhouse gas emissions	t-CO_2	7,910,000t-CO_2*1
	Percentage covered under emissions-limited regulations	%	0% (No regulated market exists in Japan)
	Percentage covered under emissions-reporting regulations	%	100%
	Greenhouse gas (GHG) emissions associated with power deliveries	t-CO_2	10,070,000 t-CO_2
	○ Short-term and long-term plans to reduce Scope 1 emissions ○ Emissions reduction targets ○ Analysis of performance against above targets	—	The Company has set a goal to reduce its GHG emissions (hereafter, "the Company's direct emissions") by 30% from fiscal 2013 levels by fiscal 2030 (12.21 million tons → 8.5 million tons). In fiscal 2023, its direct emissions were 7.9 million tons (about -40% compared to fiscal 2013) due to lower wholesale market prices, which reduced the amount of wholesale electricity sold compared to previous years and curbed emissions. We will continue our efforts to reduce emissions by maximizing the use of nuclear power generation, introducing and expanding the use of renewable energy, and improving the efficiency of thermal power generation. (The Company's direct emissions targets) Fiscal 2025: (9,500,000t-CO_2) Fiscal 2023 to fiscal 2025: (28,500,000t-CO_2) Fiscal 2030: (8,500,000t-CO_2)
	○ Number of customers served in markets subject to renewable portfolio standards (RPS) ○ Percentage fulfillment of RPS target by market	Cases/%	N/A (the RPS Act was abolished in Japan in 2012)
Air Related	Air emissions of NOx, SOx, particulate matter (PM10), lead (Pb) and mercury (Hg) and the percentage of each in or near areas of dense population	t · %	NOx: 3,023 t, 100% SOx: 1,210 t, 100% Figures not disclosed for particulate matter (PM 10), lead and mercury because the measurement method recommended by the SASB standard has not been adopted
Water Resources	Total water withdrawn, total water consumed, and the percentage of each in regions with High or Extremely High Baseline Water Stress	10^3m^3 · %	Total water withdrawn: [Fresh water] 9,276,165 × 10^3m^3; 0% [Seawater] 4,144,043 × 10^3m^3; 0% Total water consumed: 1,686 × 10^3m^3; 0%
	Number of incidents of non-compliance associated with water withdrawn and/or quality permits, standards, and regulations	Cases	0 cases
	Description of water management risks and discussion of strategies and practices to mitigate those risks	—	The Company manages risks related to water resources by thorough observation of water withdrawn at hydroelectric power plants, temperature differences in water withdrawn and discharges at thermal and nuclear power plants, and effluent standards. Water stress in the Shikoku area was confirmed using the "WRI Aqueduct Water Risk Atlas" tool. The level is "Low-Medium," so it is assumed that the risk of drought and other events is low. Moreover, the maximum impact for fiscal 2050 was anticipated to be about the same, indicating that the impact of water-related risk on our Company's business will be limited.
Coal Ash Management	Amount of coal combustion residuals (CCR) generated; percentage recycled	t · %	280,303 t, 98.9%
	Total number of coal combustion residual (CCR) impoundments	—	Not disclosed (We recycle coal ash thoroughly as described above and the proportion of landfill is about 1.1% of the total)

TOPIC (Social Capital)		Unit	Topics Covered
Energy Affordability	Average retail electric rate for residential, commercial, and industrial customers	JPY/kWh	Residential: 35.15[JPY]/kWh, Commercial: 34.28[JPY]/kWh, Industrial: 34.86[JPY]/kWh
	Typical monthly electric bill for residential customers for 500 kWh and 1,000 kWh of electricity delivered per month	JPY	500 kWh: 18,349 [JPY] 1,000 kWh: 37,644 [JPY]
	Number of electric power disconnections for nonpayment of electric bills for (1) Household use, and (2) Percentage reconnected within 30 days	Cases/%	(1) 22,059 cases (excluding the number of disconnections based on specified retail service provisions) (2) None (If payment is not made after the due date has passed, the supply contract is cancelled based on the terms of electricity supply [low voltage].)

TOPIC (Human Capital)		Unit	Topics Covered
Workforce Health & Safety	Total recordable labor accident incident rate (TRIR: number/200,000 work hours)	%	Employees: 0.02% Contract employees: 0%
	Fatality rate of labor accident	%	Employees: 0% Contract employees: 0%
	Near miss frequency rate (NMFR)	%	Not disclosed (Although figures are managed at each workplace, total figures are not disclosed because statistics are not kept for the Group as a whole.)

TOPIC (Business Model & Innovation)		Unit	Topics Covered
End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that are decoupled and contain a lost revenue adjustment mechanism	%	N/A
	Percentage of electric load served by smart grid technology	%	Smart meter installation rate: 100% * Excluding some areas where replacement work is difficult
	Customer electricity savings from efficiency measures	MWh	We disclose the following quantitative data instead of customer electricity savings: ○Electrification and energy solutions services ・Number of proposals of electrification and energy saving solution services: 10,521 ○Energy-saving related information provision services (https://www.yonden.co.jp/y-con/index.html [in Japanese only]) ・Number of Yonden Concierge registrations: 606,124 Yonden Concierge is a service that provides customers with references to monthly electricity rates and amounts used, electrification simulations and energy-saving effect simulations, etc.

TOPIC (Leadership & Governance)		Unit	Topics Covered
Nuclear Safety & Emergency Management	Number of nuclear power units	Units	1 unit (Ikata Power Plant Unit No. 3)
	Description of efforts to manage nuclear safety and emergency preparedness	—	We implement various safety measures and training to ensure that nuclear accidents do not occur, and we have prepared thoroughly so that even in the event that a nuclear accident did occur, we could bring it under control quickly and appropriately. In addition, we summarize and report regularly to the Minister of Economy, Trade and Industry on the state of undertakings to prevent nuclear accidents and efforts aimed at further enhancement of these measures. (https://www.yonden.co.jp/energy/atom/safety/disaster_countermeasures/index.html [in Japanese only]) We will continue to strive for improvements in our ability to respond to accidents by conducting improvement activities at all times, including the enhancement of training and response equipment.
Grid resiliency	Number of incidents of non-compliance with physical and/or cyber security standards or regulations	Number	Not disclosed (because of the potential for new risks to occur as a result of disclosure)
	System Average Interruption Duration Index (SAIDI)	Minutes	Average annual interruption due to accidents: 8 minutes
	System Average Interruption Frequency Index (SAIFI)	Frequency	Average number of power outages per year due to accidents, etc.: 0.14
	Customer Average Interruption Duration Index (CAIDI)	Minutes	Annual average recovery time for disruption due to accidents: 60 minutes

TOPIC (Others)		Unit	Topics Covered
Others	Numbers of residential, commercial, and industrial customers served	Number	Residential: 1,894,689; Low voltage excluding residential: 617,255 Commercial: 16,709; Industrial: 10,362
	Total electricity delivered to residential, commercial, industrial, all other retail customers, and wholesale customers	MWh	Residential: 7,081,060 MWh, Low voltage excluding residential: 1,486,951 MWh Commercial: 5,255,485 MWh; Industrial: 8,307,623 MWh Wholesale: 8,423,330 MWh
	Length of transmission and distribution lines	km	Transmission lines: 3,398 km (electric line length), Distribution lines: 46,406 km (electric line length)
	Total electricity generated, percentage by major energy source, percentage in regulated markets	MWh/%	Electric supplied: 19,463,744 MWh Power generation ratios: Thermal power (56%), nuclear (33%), hydroelectric power (11%), and renewable energy (0.02%) Percentage in regulated markets: Not applicable.
	Total wholesale electricity purchased	MWh	12,813,631 MWh (amount of purchased power)

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

*2 Direct emissions from the use of fuel for in-house power generation, etc.

Business Performance and Financial Position (Consolidated)

Fiscal 2023 results (April 1, 2023 - March 31, 2024)

Analysis of Business Performance

Electricity sales

Retail sales of electricity decreased 5.3% year on year, to 22,200 million kWh, and wholesaling of electricity decreased 9.8% year on year, to 8,400 million kWh. As a result, total electricity sales were 30,600 million kWh, a year on year decrease of 6.6%.

Electricity supply

Nuclear power generation decreased 5.7% from the previous year to 6.5 billion kWH due to a decrease in the number of operating days following periodic inspections. In addition, own generated hydropower increased 19.7% year on year to 2.1 billion kWh, and purchased power decreased 13.1% year on year to 12.7 billion kWh. As a result, own thermal power generation decreased 2.9% to 10.8 billion kWh.

Operating results

Operating revenues decreased 5.5% from the previous year to 787.4 billion yen despite increases due to the removal of the fuel cost adjustment cap for unregulated tariffs and the revision of regulated tariffs, mainly due to a decrease in wholesale revenues from lower market prices and other factors

Operating expenses decreased by 16.2% to 708.8 billion yen despite increases in repair and depreciation costs, mainly due to lower supply-demand related costs from reduced fuel prices and total electricity sales volume.

As a result, operating profit improved by 90.7 billion yen year on year to 78.5 billion yen, ordinary profit improved by 102.5 billion yen to a profit of 80.0 billion yen, and profit attributable to owners of the parent improved by 83.3 billion yen to a profit of 60.5 billion yen.

(Reference) Fiscal 2023 Results by Segment and Change Factors (Before Elimination of Internal Transactions)

			FY2023 (billion yen)	Year-on-year difference (billion yen)	Change (%)	Main reason for difference with previous year	Main operating entities
Electric power business	Electric power generation & sales	Operating revenues	670.0	(39.0)	(5.5)	• Decrease in wholesale sales revenue, etc.	Shikoku Electric Power Company, Inc.
		Ordinary profit	35.7	64.7	—	• Decrease in supply-demand related costs, etc.	
	Transmission & distribution	Operating revenues	240.0	(26.1)	(9.8)	• Decrease in supply-demand adjustment income, etc.	Shikoku Electric Power Transmission & Distribution Co., Inc.
		Ordinary profit	20.0	12.8	176.3	• Decrease in supply-demand adjustment costs, etc.	
IT/Communication		Operating revenues	49.1	3.5	7.8	• Increase in income from optical communication services and increase in orders for system development projects, etc.	STNet, Inc. Cable Media Shikoku, Co., Ltd. Cable Television Tokushima, Inc.
		Ordinary profit	10.3	1.0	10.7	• Increase in profit due to increased sales, etc.	
Energy business		Operating revenues	25.8	0.0	0.3	—	Sakaide LNG Company, Inc. Yonden Energy Service Co., Ltd. SEP International Netherlands B.V. YN Energy Pty Ltd
		Ordinary profit	6.7	21.8	—	• Recovery from previous year's overseas business investment losses, etc.	
Construction and engineering business		Operating revenues	65.2	12.2	23.0	• Increase in contracted construction work, etc.	Yondenko Corporation Yonden Engineering Company, Incorporated Yonden Consultants Co., Inc.
		Ordinary profit	5.8	2.3	67.0	• Increase due to increase in orders	
Others		Operating revenues	35.5	(0.0)	(0.1)	—	Shikoku Instrumentation Co., Ltd. Yonden Business Co., Inc. Shikoku Research Institute Inc.
		Ordinary profit	2.4	0.3	14.4	—	

Analysis of Financial Position

Assets totaled 1,629.0 billion yen, up 1.1% year on year, mainly due to an increase in cash on hand, despite a decrease in business assets.

Liabilities amounted to 1,265.8 billion yen, down 3.6% year on year, mainly due to a decrease in bonds and borrowings.

Net assets increased by 21.7% year on year to 363.1 billion yen due to securing profits.

WEB **Securities report (in Japanese only)**
https://www.yonden.co.jp/corporate/ir/library/securities_report.html

WEB **Fact Books**
https://www.yonden.co.jp/english/ir/tools/fact.html

Analysis of Cash Flows

Cash flow from operating activities totaled 143.6 billion yen, up 298.1% year on year, mainly due to profit retention and depreciation recovery.

Cash flow from investing activities amounted to 97.3 billion yen, with expenditures up 6.2% year on year, mainly due to distribution-related construction projects.

Cash flow from financing activities resulted in a 34.1 billion yen expenditure, down 119.0 billion yen year on year, due to scheduled bond and loan repayments while limiting new borrowing.

Dividend Policy

Our basic policy for shareholder returns is to issue stable dividend payments. Dividend levels are determined based on thorough consideration of such factors as business performance, financial condition, and the medium- to long-term outlook for the operating environment.

For fiscal 2023, dividends were set at 15 yen per share for both the interim and year-end, resulting in a total dividend of 30 yen per share.

Capital Investment

In power generation and sales business, the replacement of Unit No. 1 at the Saijo Power Plant and the construction of the Kurofujigawa Power Plant resulted in a total of 33.8 billion yen (before elimination of intersegment transactions).

In power transmission and distribution business, facilities were renewed to maintain the supply reliability of the power network, resulting in a total of 26.6 billion yen (before elimination of intersegment transactions).

Consolidated capital investment for the entire Group, which includes IT/communication, energy, construction and engineering, and other business segments, totaled 68.4 billion yen (after elimination of intersegment transactions).

Research and Development

The Group works on R&D related to the supply and use of electricity aimed at the improvement of its technological capabilities and competitiveness. In fiscal 2023, the R&D expenses of the Group as a whole were 4.3 billion yen.

Major research projects were as follows.

(1) R&D for reducing electricity supply costs
R&D into technology to extend the service life of facilities, technology to improve the sophistication and efficiency of operation and maintenance, and digital technology

(2) R&D to promote carbon neutrality
R&D to support the expansion of renewable energy introduction, utilization of distributed energy resources, and use of hydrogen and other related technologies, etc.

Fiscal 2024 Outlook [Announced on April 26, 2024] (April 1, 2024 to March 31, 2025)

Electricity sales

Retail sales of electricity are expected to increase 0.6% year on year, to 22,300 million kWh, and wholesaling of electricity is expected to increase 82.8% year on year, to 15,400 million kWh. As a result, total electricity sales are expected to increase 23.2% year on year, to 37,700 million kWh.

Operating results

Operating revenues are expected to increase by 64.6 billion yen year on year, to 852 billion yen, due to the increase in total electricity sales despite reductions in fuel cost adjustments due to lower fuel prices.

Operating profit is expected to decrease by 34.5 billion yen to 44.0 billion yen, ordinary profit to decrease by 32.0 billion yen to 48.0 billion yen, and profit attributable to owners of parent to decrease by 24.5 billion yen to 36.0 billion yen, mainly due to the significant decrease in fuel cost adjustment due to the loss of the marginal gains from the posting period in fiscal 2023.

Dividends

The interim and year-end dividends for fiscal 2024 are expected to be 20 yen per share.

Corporate Data and Stock Information

(As of March 31, 2024)

WEB Shikoku Electric Power Group Information (in Japanese only)
https://www.yonden.co.jp/corporate/yonden/group/index.html

WEB Shikoku Electric Power Organization Chart
https://www.yonden.co.jp/english/profile/organization.html

Corporate Data

Corporate name	Shikoku Electric Power Co., Inc.
URL	https://www.yonden.co.jp/
Location	2-5, Marunouchi, Takamatsu, Kagawa 760-8573, Japan
Date of establishment	May 1, 1951
Paid-in capital	145,551,921,500 yen
Number of employees	8,018 (consolidated) 2,170 (non-consolidated)

Stock Information

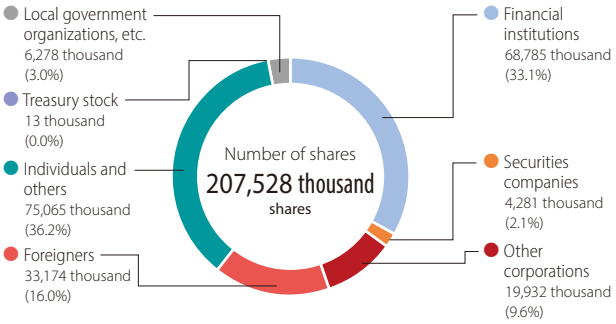
Total number of shares authorized to be issued	772,956,066 shares
Total number of shares issued	207,528,202 shares
Number of shareholders	76,672
Stock exchange listing	Tokyo Stock Exchange
Transfer agent	1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan Sumitomo Mitsui Trust Bank, Limited
Independent auditors	Deloitte Touche Tohmatsu
Business year	From April 1 to March 31 of the next year
General meeting of stockholders	June every year

Principal shareholders (Top 10)

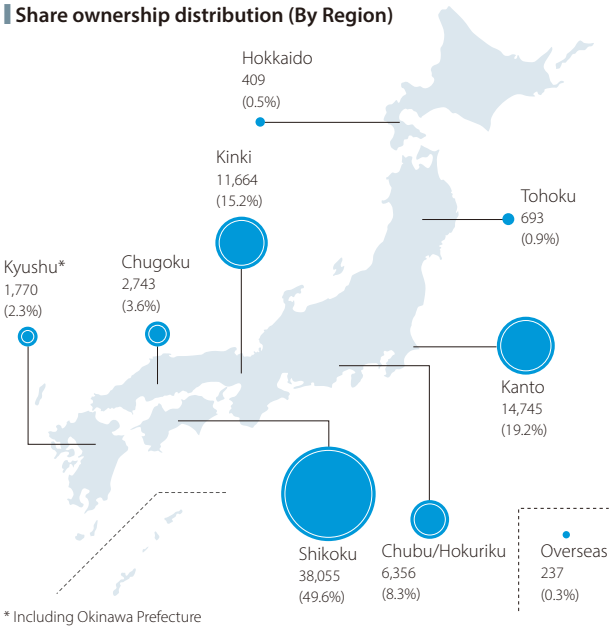
Name	Number of shares (Thousands)	Shareholding* (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	26,269	12.66%
The Iyo Bank, Ltd.	8,851	4.27%
Custody Bank of Japan, Ltd. (Trust account)	7,982	3.85%
SUMITOMO JOINT ELECTRIC POWER CO., LTD.	7,062	3.40%
Kochi Prefecture	6,230	3.00%
Nippon Life Insurance Company	5,923	2.85%
The Hyakujushi Bank, Ltd.	5,898	2.84%
Shikoku Electric Power Employee Stock Ownership	4,456	2.15%
Meiji Yasuda Life Insurance Company	4,001	1.93%
Iyotetsu Group Co., Ltd.	2,872	1.38%

* Excluding treasury stock

Share ownership distribution (By investor profile)

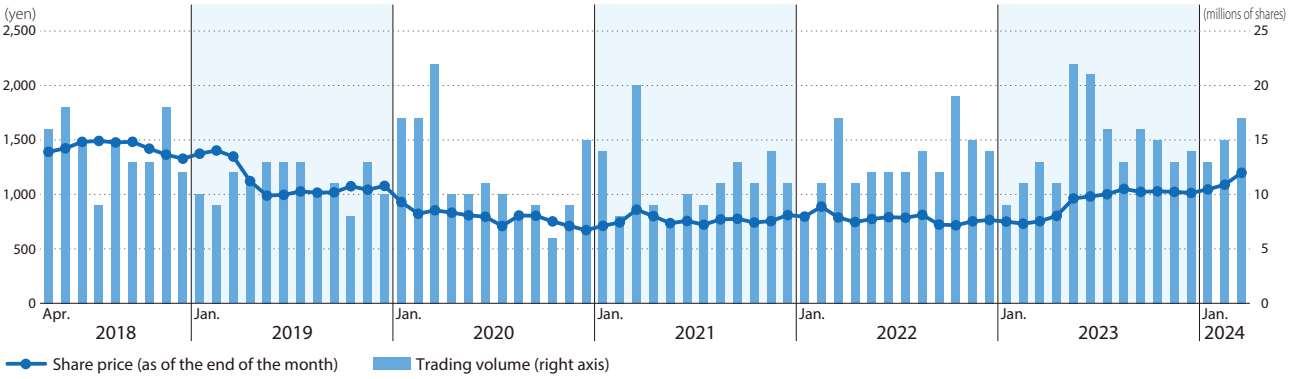


Share ownership distribution (By Region)



* Including Okinawa Prefecture

Monthly share price and trading volume



Shikoku Electric Power Group

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