

Enhancement and Strengthening of Corporate Governance

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

■ Website information

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

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

Message from Outside Director



Yachiyo Izutani

Director
Audit & Supervisory Committee
Member

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

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

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

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

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

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

Corporate Governance Structure

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

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

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

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

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

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

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

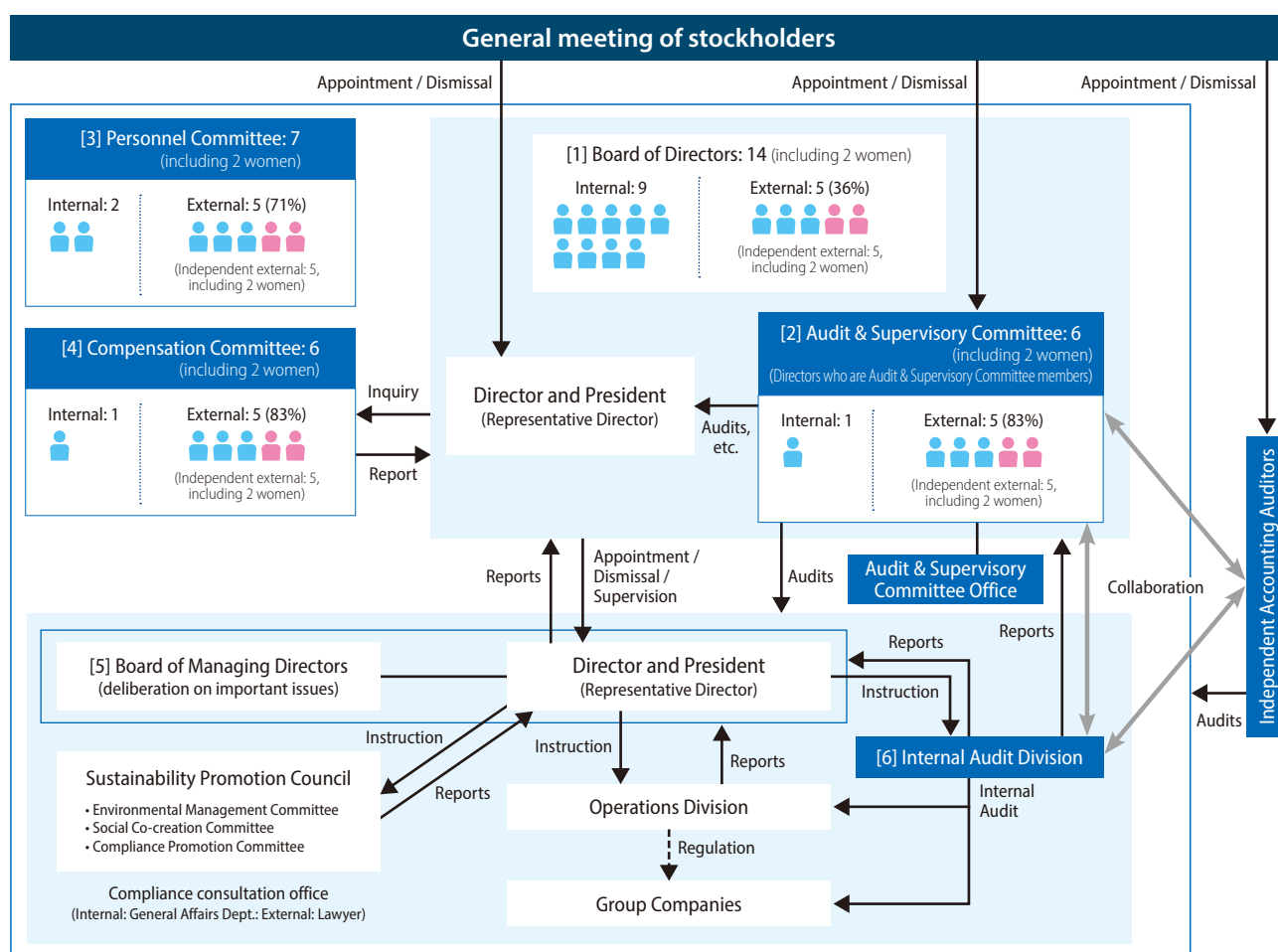
- The Compensation Committee deliberates on the amount of director compensation at the request of the Board of Directors, and the details of proposals related to director compensation at the General Meeting of Shareholders, then reports its findings to the board

[5] Board of Managing Directors

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

[6] Internal Audit Office

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



Enhancement and Strengthening of Corporate Governance

List of Directors



Fujiko Takahata

Director
Audit & Supervisory
Committee Member

Ryohei Kagawa

Director
Audit & Supervisory
Committee Member

Seiji Miyazaki

Director and Senior
Corporate Officer

Hiroshi Kawahara

Director
Audit & Supervisory
Committee Member
(full-time)

Hisashi Shirai

Director and Executive
Vice President

Shinji Obayashi

Director and Senior
Corporate Officer

Keisuke Nagai

Chairman of the Board

■ Directors

Keisuke Nagai

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

Yoshihiro Miyamoto

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

Hisashi Shirai

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

Noriyuki Kawanishi

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

■ Directors and Audit & Supervisory Committee Members

Hiroshi Kawahara

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

Ryohei Kagawa

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

Fujiko Takahata

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

Iwao Otsuka

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

(As of the end of June 2024)



Yoshihiro Miyamoto

Director and President

Hideyoshi Ishida

Director and Senior
Corporate Officer

Noriyuki Kawanishi

Director and Executive
Vice President

Iwao Otsuka

Director
Audit & Supervisory
Committee Member

Kenzo Suginochi

Director and Senior
Corporate Officer

Shoichi Nishiyama

Director
Audit & Supervisory
Committee Member

Yachiyo Izutani

Director
Audit & Supervisory
Committee Member

Seiji Miyazaki

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

Date of birth: June 26, 1960

Apr. 1983 Joined Shikoku Electric Power Company

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

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

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

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

No. of shares held: 7,972

Kenzo Suginochi

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

Date of birth: October 5, 1961

Apr. 1984 Joined Shikoku Electric Power Company

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

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

No. of shares held: 6,222

Shinji Obayashi

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

Date of birth: April 8, 1960

Apr. 1984 Joined Shikoku Electric Power Company

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

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

No. of shares held: 6,126

Hideyoshi Ishida

Director and Senior Corporate Officer
Division Manager of Thermal Power
Division

Date of birth: February 14, 1964

Apr. 1989 Joined Shikoku Electric Power Company

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

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

No. of shares held: 5,210

Shoichi Nishiyama

Director, Audit and Supervisory Committee
Member (Outside Director)

Date of birth: January 6, 1955

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

Jan. 1999 Director and President

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

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

No. of shares held: 4,551

Yachiyo Izutani

Director, Audit and Supervisory Committee
Member (Outside Director)

Date of birth: September 9, 1958

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

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

Jun. 2015 Head of Matsuyama Broadcasting Station

Jun. 2017 Director of Announcers' Office

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

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

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

No. of shares held: 2,023

Enhancement and Strengthening of Corporate Governance

Skills Matrix

■ Directors

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

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

■ Directors and Audit & Supervisory Committee Members

*refers to an Outside Director

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

C Corporate Management & Business Strategy

F Finance & Accounting

L Legal & Risk Management

T Technology & Research and Development

M Marketing & Public Relations

I International Business & Business Development

E Environment & Society

Independent

Independent Director (Notification as an Independent
Director Specified by the Tokyo Stock Exchange)

Personnel

Executive Personnel Committee

Compensation

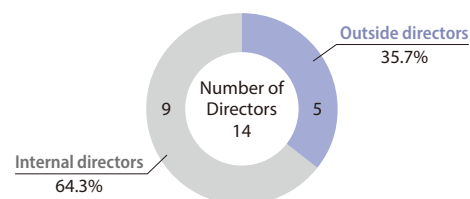
Compensation Committee

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

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

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

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



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

Enhancement and Strengthening of Corporate Governance

Evaluation of the Effectiveness of the Board of Directors

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

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

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

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

Questionnaire items

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

Identified issues and response status

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

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

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

The Role of Outside Directors

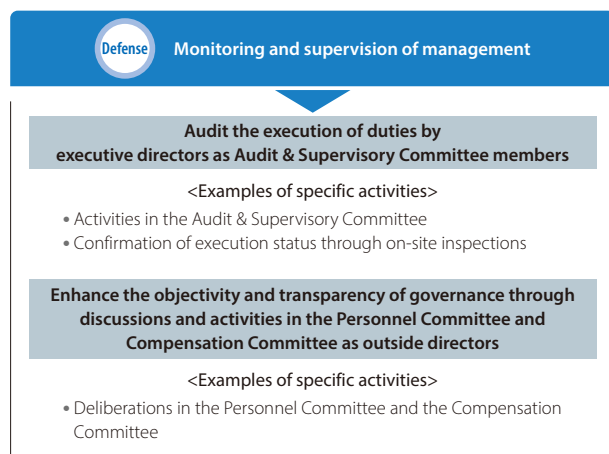
The role we most expect from our outside directors is to monitor and supervise management based on their wealth of experience and deep insight from a standpoint independent of business execution.

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

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

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

The role and activities of outside directors



Directors' Compensation

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

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

Directors' compensation

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

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

Monthly compensation of directors who are Audit & Supervisory Committee members

Monthly compensation 100%

Compensation amounts (FY2023)

(millions of yen)

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

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

Reduction of Cross-shareholdings

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

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

Shareholdings (as of end of fiscal year)

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

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

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

Enhancement and Strengthening of Corporate Governance

Appropriate Internal Controls

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

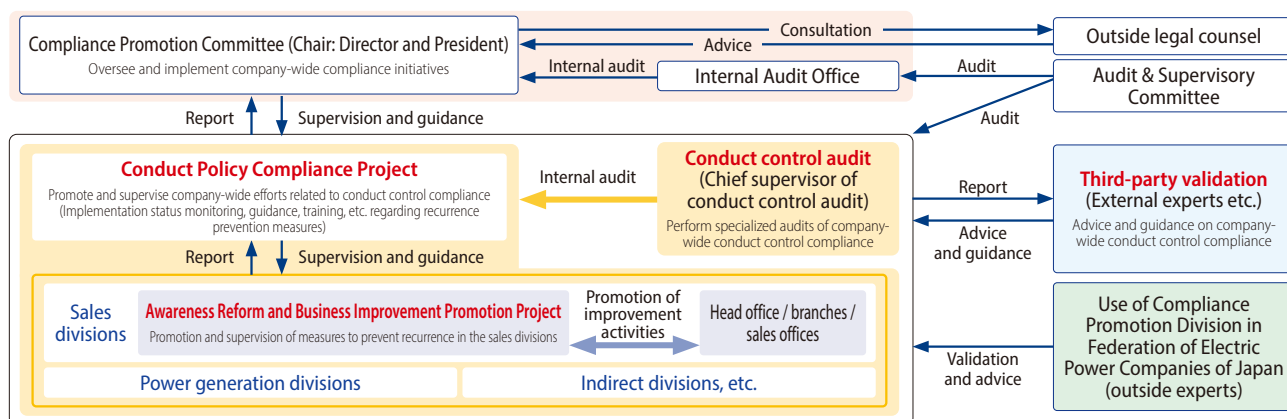
We regularly check and improve the operation of these systems, continuously promote understanding among directors and employees to ensure that internal controls

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

Strengthening internal controls related to conduct control

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

Strengthening internal controls related to conduct control



Promotion of Risk Management

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

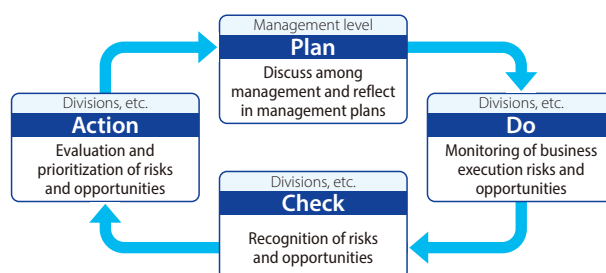
Among the risks identified by each department, etc., those that may have a significant impact on business operations in terms of severity and likelihood are designated as "management risks," and are checked and reviewed annually by the management. The results are reflected in the following fiscal year's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

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

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

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

The PDCA of risk management



Key risks and opportunities

[→ specifies how we will respond]

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

Enhancement and Strengthening of Corporate Governance

Promoting Compliance

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

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

Implementation of ongoing compliance education

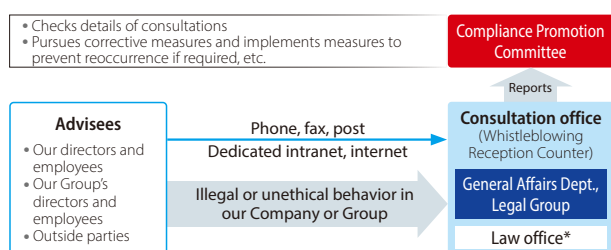
Every year, we implement e-learning training for all employees, based on various potential work-related compliance issues. In fiscal 2023, 100% of employees undertook this training.

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

Establishment of Compliance Consultation Office

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

Overview of Shikoku Electric Power's Compliance Consultation Office



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

Protection of intellectual property rights

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

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

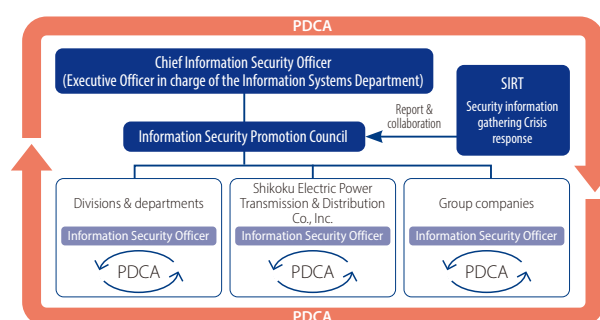
Protection of personal information

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

Ensuring Information Security

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

Framework for security management within the Group



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

Recent security improvement measures

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

Dialogue and Information Disclosure Through IR/SR Activities

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

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

Small meeting with an outside director (Held March 2024)

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

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

Ryohei Kagawa



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

Yoshihiro Miyamoto

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

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

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

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

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

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

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

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

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

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

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

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

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