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(Translation)

(Securities Code: 9504)

June 5, 2024

(Date of Commencement of Electronic Provision Measures: May 29, 2024)

To our shareholders:

Nakagawa Kengo
Representative Director, President & Chief
Executive Officer
**The Chugoku Electric Power Company,
Incorporated**
4-33 Komachi, Naka-ku, Hiroshima-shi,
Hiroshima

Convocation Notice of the 100th Annual General Meeting of Shareholders

You are cordially notified of the 100th Annual General Meeting of Shareholders of The Chugoku Electric Power Company, Incorporated (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company provides information contained in the reference materials, etc. for the general meeting of shareholders electronically (“matters to be provided electronically”), which is posted on each of the following websites on the Internet. Please access either of those websites to confirm the available information.

[Company’s website]

<https://www.energia.co.jp/ir/irkabushiki/soukai.html> (in Japanese)

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/9504/teiji/> (in Japanese)

If you will not be attending the General Meeting, you are encouraged to make use of exercising your voting rights beforehand via the enclosed Form for Exercising Voting Right or via the internet, etc.

For exercising your voting rights beforehand, please review the “Reference Materials for General Meeting of Shareholders” and **exercise your voting rights before 5:20 p.m. on Tuesday, June 25, 2024.**

1. **Date and Time:** Wednesday, June 26, 2024, at 10:00 a.m. (JST)
2. **Venue:** Head Office of the Company
4-33 Komachi, Naka-ku, Hiroshima-shi, Hiroshima

3. **Purpose of the Meeting:**

Matters to be reported:

Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements for the fiscal year 2023 (from April 1, 2023 to March 31, 2024), and audit report of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee

Matters to be resolved:

<Proposals by the Company (Resolutions No. 1 - No. 5)>

Resolution No. 1: Dividends of Surplus

Resolution No. 2: Partial Amendments to the Articles of Incorporation

Resolution No. 3: Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Resolution No. 4: Election of 4 Directors Who Are Audit and Supervisory Committee Members

Resolution No. 5: Introduction of Performance-linked Stock Compensation Plan for Directors Who Are Not Outside Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

<Proposals by the Shareholder (Resolutions No. 6 - No. 10)>

Resolution No. 6: Partial Amendments to the Articles of Incorporation (1)

Resolution No. 7: Partial Amendments to the Articles of Incorporation (2)

Resolution No. 8: Partial Amendments to the Articles of Incorporation (3)

Resolution No. 9: Partial Amendments to the Articles of Incorporation (4)

Resolution No. 10: Dismissal of 6 Directors

Particulars of the Resolutions described above are as stated in the Reference Materials for General Meeting of Shareholders described in the matters to be provided electronically.

- If any changes are made to the matters to be provided electronically, a statement to that effect and the matters before and after the change shall be posted on each of the websites described on the previous page.

Reference Materials for General Meeting of Shareholders

Resolutions and Reference Information

<Proposals by the Company (Resolutions No. 1 - No. 5)>

Resolutions No. 1 through No. 5 were proposed by the Company.

Resolution No. 1: Dividends of Surplus

The Company's policy regarding profit distribution to shareholders is to set the dividend payout ratio of 10% until the consolidated equity ratio is recovered to 15% in performance, assigning top priority to the recovering and strengthening of its financial base.

In light of the above policy and the business results for the fiscal year ended March 31, 2024, the Company proposes to pay a year-end dividend of ¥30 per share. Accordingly, together with the interim dividend paid in November last year, the annual dividend for the fiscal year ended March 31, 2024 will be ¥35 per share.

Furthermore, in order to quickly restore the total amount of legal capital surplus and legal retained earnings to one-fourth of the share capital, the Company proposes to reserve the legal retained earnings as follows. In addition, the Company will set aside an amount as a general reserve as follows to contribute to strengthening its business base.

1. Matters regarding year-end dividends

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property and total amount thereof
¥30 per share of the Company
Total amount: ¥10,815,137,550
- (3) Effective date of year-end dividends of surplus
June 27, 2024

2. Other appropriation of surplus

- (1) Items of retained earnings and surplus to be increased and amounts of increase
Legal retained earnings: ¥20,902,279,081
General reserve: ¥78,000,000,000
- (2) Item of surplus to be decreased and amount of decrease
Retained earnings brought forward: ¥98,902,279,081
- (3) Effective date of increase of legal retained earnings and general reserve
June 27, 2024

Resolution No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) The Company proposes to delete a part of the business purpose stipulated in Article 2 (Purpose) of the current Articles of Incorporation in line with the current situation of the Company’s business.
- (2) For the purpose of flexible operation of general meetings of shareholders, necessary changes shall be made to Article 13 (Convocation) and Article 15 (Chairperson) of the current Articles of Incorporation to enable to select the person to convene general meetings of shareholders and the chairperson by a resolution of the Board of Directors.

2. Details of the amendments

The details of the amendments are as follows:

(Underlined portions indicate amended items)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter 1. General Provisions</p> <p>Article 2 (Purpose)</p> <p>The purpose of the Company shall be to engage in the following businesses:</p> <p>(1) through (8) (Omitted)</p> <p><u>(9) Nursing care service business;</u></p> <p>(10) through (13) (Omitted)</p>	<p style="text-align: center;">Chapter 1. General Provisions</p> <p>Article 2 (Purpose)</p> <p>The purpose of the Company shall be to engage in the following businesses:</p> <p>(1) through (8) (Unchanged)</p> <p style="text-align: right;">(Deleted)</p> <p>(9) through (12) (Unchanged)</p>
<p style="text-align: center;">Chapter 3. General Meeting of Shareholders</p> <p>Article 13 (Convocation)</p> <p>An annual general meeting of shareholders of the Company shall be held in June of each year, and an extraordinary general meeting shall be convened whenever necessary by <u>the President</u>, based on a resolution of the Board of Directors. If <u>the President</u> is unable to so act, another Director, specified in accordance with the order previously determined by a resolution of the Board of Directors, shall convene the meeting.</p> <p>Article 15 (Chairperson)</p> <p><u>The President</u> shall preside as Chairperson of general meetings of shareholders. If <u>the President</u> is unable to so act, another Director, specified in accordance with the order previously determined by a resolution of the Board of Directors, shall act as Chairperson.</p>	<p style="text-align: center;">Chapter 3. General Meeting of Shareholders</p> <p>Article 13 (Convocation)</p> <p>An annual general meeting of shareholders of the Company shall be held in June of each year, and an extraordinary general meeting shall be convened whenever necessary by <u>a Director previously determined by a resolution of the Board of Directors</u>, based on a resolution of the Board of Directors. If <u>such Director</u> is unable to so act, another Director, specified in accordance with the order previously determined by a resolution of the Board of Directors, shall convene the meeting.</p> <p>Article 15 (Chairperson)</p> <p><u>A Director previously determined by a resolution of the Board of Directors</u> shall preside as Chairperson of general meetings of shareholders. If <u>such Director</u> is unable to so act, another Director, specified in accordance with the order previously determined by a resolution of the Board of Directors, shall act as Chairperson.</p>

Resolution No. 3: Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the conclusion of this general meeting of shareholders, the terms of office of all 8 Directors excluding Directors who are Audit and Supervisory Committee Members will expire. Accordingly, from the viewpoint of further strengthening of the management structure, the Company has decided to increase the number of Directors by one, and proposes the election of 9 Directors excluding Directors who are Audit and Supervisory Committee Members.



Matters with respect to this resolution have been appropriately determined by the Board of Directors based on the deliberations carried out in the meeting of the Nominating Committee (Committee Chair: Outside Director) a majority of which consists of 5 Outside Directors including 3 Audit and Supervisory Committee Members, and accordingly, the Audit and Supervisory Committee has furnished its opinion that no particular issues have been identified in that regard.



Candidates for Directors excluding Directors who are Audit and Supervisory Committee Members are as follows:



Candidate No.	Name	Gender	Current position in the Company
1	Ashitani Shigeru <input type="checkbox"/> Reelection	<input type="checkbox"/> Male	Representative Director, Chairperson of the Board
2	Nakagawa Kengo <input type="checkbox"/> Reelection	<input type="checkbox"/> Male	Representative Director, President & Chief Executive Officer
3	Takaba Toshio <input type="checkbox"/> Reelection	<input type="checkbox"/> Male	Representative Director, Vice President & Senior Managing Executive Officer
4	Kitano Tatsuo <input type="checkbox"/> Reelection	<input type="checkbox"/> Male	Representative Director, Vice President & Senior Managing Executive Officer
5	Funaki Toru <input type="checkbox"/> Reelection	<input type="checkbox"/> Male	Representative Director, Vice President & Senior Managing Executive Officer
6	Minamoto Kyosuke <input type="checkbox"/> Reelection	<input type="checkbox"/> Male	Managing Executive Officer, Member of the Board
7	Sotobayashi Hiroko <input type="checkbox"/> New Election	<input type="checkbox"/> Female	Managing Executive Officer
8	Furuse Makoto <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	<input type="checkbox"/> Male	Outside Director
9	Shobuda Kiyotaka <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	<input type="checkbox"/> Male	Outside Director

Outside : Candidate for Outside Director Independent : Candidate for Independent Director


- Notes: 1. There are no special interests between each candidate and the Company.
2. The Company has entered into a directors and officers liability insurance policy, under which Directors, etc. are insured, as provided for in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance policy will cover compensation for damages and legal costs, etc. incurred by the insured party arising from claims for damages made against it as a result of the insured party's action (including inaction) in the capacity of Director, etc. of the Company.
- If the election of each of the candidates for Director is approved and adopted at this general meeting of shareholders, and each of the candidates assumes the office of Director, they will be insured by such insurance policy. The Company plans to renew such insurance policy under the above contents during their terms of office.

Candidate No. 1	Ashitani Shigeru (April 7, 1956)	<input type="checkbox"/> Reelection	Number of the Company's shares owned 28,800 shares
	<p>[Career summary, position and responsibility]</p> <p>Apr. 1979 Joined the Company</p> <p>June 2017 Managing Executive Officer, Member of the Board & Deputy Chief Operating Officer of Power Generation Div.</p> <p>June 2018 Managing Executive Officer, Member of the Board & Deputy Chief Operating Officer of Power Generation Div. & Chief Operating Officer of International Business Div.</p> <p>June 2020 Representative Director, Vice President & Senior Managing Executive Officer & Chief Operating Officer of Power Generation Div. and Information System & Telecommunications Div.</p> <p>June 2022 Representative Director, Vice President & Senior Managing Executive Officer & Chief Operating Officer of Power Generation Div.</p> <p>June 2023 Representative Director, Chairperson of the Board (to the present)</p> <p>[Significant concurrent positions outside the Company] Chairman of Chugoku Economic Federation</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Ashitani Shigeru has been overseeing the supervision of business execution, drawing on his business experience, including enhancement of the competitiveness of the Company's power generation, and his extensive knowledge related to overall management. The Company has nominated him as a candidate on the basis of expectations that he will improve the Company's governance and further contribute to heightening its corporate value, including organizational climate reform.</p>			
Candidate No. 2	Nakagawa Kengo (June 29, 1961)	<input type="checkbox"/> Reelection	Number of the Company's shares owned 27,606 shares
	<p>[Career summary, position and responsibility]</p> <p>Apr. 1985 Joined the Company</p> <p>Oct. 2017 Executive Officer & Deputy Chief Operating Officer of Energy Sales Div.</p> <p>June 2020 Executive Officer & Chief Operating Officer of Supply & Trading Div.</p> <p>June 2021 Managing Executive Officer & Chief Operating Officer of Supply & Trading Div.</p> <p>June 2023 Representative Director, President & Chief Executive Officer</p> <p>Apr. 2024 Representative Director, President & Chief Executive Officer & Chief Operating Officer of Power Balancing Optimization Project (to the present)</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Nakagawa Kengo has been overseeing the execution of business operations as President & Chief Executive Officer, drawing on his flexible ideas in addition to his extensive knowledge related to overall management. Furthermore, he has steadily advanced initiatives under his strong leadership to strengthen the profitability of the Comprehensive Energy Business and other businesses. Accordingly, the Company has nominated him as a candidate on the basis of expectations that he will adequately run operations through leading the Company with an enterprising and daring spirit.</p>			

Candidate No. 3	Takaba Toshio (May 6, 1957)	<input type="checkbox"/> Reelection	Number of the Company's shares owned 27,800 shares
	<p>[Career summary, position and responsibility]</p> <p>Apr. 1981 Joined the Company</p> <p>June 2018 Managing Executive Officer & Chief Operating Officer of Human Resources Development Div.</p> <p>June 2020 Managing Executive Officer, Member of the Board & Chief Operating Officer of Human Resources Development Div.</p> <p>June 2022 Representative Director, Vice President & Senior Managing Executive Officer & Supervisor of Human Resources Development & Chief Operating Officer of Nuclear Power Reinforcement Project and Corporate Finance and Procurement Div.</p> <p>March 2023 Representative Director, Vice President & Senior Managing Executive Officer & Supervisor of Corporate Revitalization and Human Resources Development & Chief Operating Officer of Nuclear Power Reinforcement Project and Corporate Finance and Procurement Div.</p> <p style="text-align: right;">(to the present)</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Takaba Toshio has worked on efficient procurement of funds, equipment, and materials as Chief Operating Officer of Corporate Finance and Procurement Div., and most recently has played a leading role for investigating a series of cases of impropriety, analyzing the causes, and formulating measures to prevent recurrence, etc. The Company has nominated him as a candidate on the basis of expectations that he will further contribute to heightening the Company's corporate value by strengthening cooperation with local communities through the use of his excellent coordination abilities and the extensive network of personal contacts he has developed up to this point.</p>			
Candidate No. 4	Kitano Tatsuo (February 5, 1958)	<input type="checkbox"/> Reelection	Number of the Company's shares owned 33,800 shares
	<p>[Career summary, position and responsibility]</p> <p>Apr. 1983 Joined the Company</p> <p>June 2017 Managing Executive Officer & Deputy Chief Operating Officer of Power Generation Div.; General Manager of Power Generation Div. (Nuclear Power Operation)</p> <p>June 2020 Managing Executive Officer, Member of the Board & Deputy Chief Operating Officer of Power Generation Div. & General Manager of Shimane Nuclear Power Headquarters</p> <p>June 2023 Representative Director, Vice President & Senior Managing Executive Office & Chief Operating Officer of Power Generation Div.</p> <p style="text-align: right;">(to the present)</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Kitano Tatsuo has excellent expertise based on extensive work experience and knowledge in the nuclear field and has been playing a leading role in enhancing understanding towards resumption of operation, etc. by overseeing the management of the resumption of Unit 2 of the Shimane Nuclear Power Station. The Company has nominated him as a candidate on the basis of expectations that he will further contribute to heightening the Company's corporate value by drawing on his excellent ability to make judgments and to take actions amid significant changes in the business environment.</p>			

Candidate No. 5	Funaki Toru (February 22, 1959)	<input type="checkbox"/> Reelection	Number of the Company's shares owned 18,200 shares
	<p>[Career summary, position and responsibility]</p> <p>Apr. 1981 Joined the Company</p> <p>June 2019 Managing Executive Officer & Chief Operating Officer of Corporate Planning Div.</p> <p>June 2022 Managing Executive Officer, Member of the Board & Chief Operating Officer of Corporate Planning Div.</p> <p>June 2023 Representative Director, Vice President & Senior Managing Executive Officer & Chief Operating Officer of Corporate Planning Div.</p> <p style="text-align: right;">(to the present)</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Funaki Toru has long engaged in consideration of an ideal form of the Company's business and management in the Corporate Planning Division and recently has made efforts to address critical issues, including improvement of the financial position and review of the management control system. The Company has nominated him as a candidate on the basis of expectations that he will further make contributions to heightening its corporate value amid significant changes in the business environment by drawing on his excellent capabilities of thought and analysis with a fine sense of proportion.</p>			
Candidate No. 6	Minamoto Kyosuke (November 15, 1959)	<input type="checkbox"/> Reelection	Number of the Company's shares owned 16,800 shares
	<p>[Career summary, position and responsibility]</p> <p>Apr. 1982 Joined the Company</p> <p>Oct. 2017 Executive Officer & General Manager of Regional Relations Div. (Public Relations) & General Manager of Kaminoseki Nuclear Power Plant Siting Project (Public Relations)</p> <p>Jan. 2020 Executive Officer & General Manager of Regional Relations Div. (Regional Relations Supervisor)</p> <p>June 2020 Managing Executive Officer & Chief Operating Officer of Regional Relations Div.</p> <p>June 2023 Managing Executive Officer, Member of the Board & Chief Operating Officer of Regional Relations Div.</p> <p>Apr. 2024 Managing Executive Officer, Member of the Board & Chief Operating Officer of Profitability Reinforcement Project and Regional Relations Div.</p> <p style="text-align: right;">(to the present)</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Minamoto Kyosuke has long engaged in corporate legal affairs and has extensive experience and knowledge. In recent years, he has been playing a core role in obtaining the trust from local communities and contributing to community development, etc. as Chief Operating Officer of Regional Relations Div. The Company has nominated him as a candidate on the basis of expectations that he will appropriately run operations, leveraging his excellent dynamics and legal mind, and with his ability to make judgments from a broad perspective.</p>			

Candidate No. 7	Sotobayashi Hiroko (July 24, 1960)	New Election	Number of the Company's shares owned 11,100 shares
	[Career summary, position and responsibility]		
	Apr. 2004 June 2019 June 2020 June 2023 Feb. 2024	Joined the Company General Manager of Corporate Planning Div. (Group Management) Executive Officer & General Manager of Corporate Planning Div. (Group Management) Managing Executive Officer & General Manager of Corporate Planning Div. (Group Management) Managing Executive Officer & Chief Operating Officer of Internal Audit Div.	
[Reasons for nomination as candidate for Director] Sotobayashi Hiroko has long been involved in group governance and project investment evaluation in the Corporate Planning Division, and most recently has been playing a leading role in efforts to enhance the sophistication of internal audits as Chief Operating Officer of the Internal Audit Division. The Company has nominated her as a new candidate on the basis of expectations that she will appropriately run operations, leveraging her high adaptability and analytical skills.			

Candidate No. 8	Furuse Makoto (August 6, 1946)	<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent	Number of the Company's shares owned 4,500 shares
		[Career summary, position and responsibility]			
		<p>June 2007 President and Representative Director of The San-in Godo Bank, Ltd.</p> <p>May 2010 Chairman of Shimane Employers' Association (Resigned in May 2015)</p> <p>Nov. 2010 Chairman of The Matsue Chamber of Commerce and Industry (Resigned in October 2019)</p> <p>Nov. 2010 Chairman of The Shimane Prefecture United Chambers of Commerce and Industry (Resigned in October 2019)</p> <p>June 2011 Chairman and Representative Director of The San-in Godo Bank, Ltd.</p> <p>June 2015 Special Advisor of The San-in Godo Bank, Ltd. (Resigned in June 2020)</p> <p>June 2020 Outside Director of the Company</p> <p style="text-align: right;">(to the present)</p>			
[Reasons for nomination as candidate for Outside Director and a summary of expected roles]					
<p>Furuse Makoto has broad knowledge and experience of business management, including work experience at The San-in Godo Bank, Ltd. The Company has nominated him as a candidate on the basis of expectations that he will leverage his extensive experience and insight as a senior corporate manager to manage the Company from an objective standpoint. Furthermore, since he has been involved in deliberations concerning nomination and compensation of Directors from an objective, fair, and neutral standpoint as the Chairperson of the Nominating Committee and the Compensation Committee, the Company has expectations that he will continue to contribute to improving the Company's governance.</p>					

- Notes:
1. Furuse Makoto is a candidate for Outside Director, and has been notified to Tokyo Stock Exchange, Inc. as independent director.
 2. Furuse Makoto is currently an Outside Director of the Company, and at the conclusion of this general meeting of shareholders, his tenure as Outside Director of the Company will be four years.
 3. Furuse Makoto has previously worked for The San-in Godo Bank, Ltd. (retired as Chairman and Representative Director on June 24, 2015). The Company has business relations with The San-in Godo Bank, Ltd., including the borrowing of funds, but as of March 31, 2024, the outstanding balance of these borrowings was less than 1% of the consolidated total assets of the Company.
 4. The Company has entered into an agreement with Furuse Makoto to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under such agreement is the amount provided for under laws and regulations.
If the election of Furuse Makoto is approved and adopted at this general meeting of shareholders, and he assumes the office of Director, the Company plans to continue such agreement with him.
 5. Although Furuse Makoto had not noticed the series of cases of impropriety, which were described in "1. Matters Concerning the Current State of the Chugoku Electric Power Group, (8) Other Important Matters Concerning the Current State of the Chugoku Electric Power Group" in the Business Report, nor the case of receiving a recommendation for improvement from the Electricity and Gas Market Surveillance Commission in March 2023 regarding inappropriate response to bidding, etc. in a wholesale power market under the Electricity Business Act, until the relevant facts came to light, he regularly called attention to every aspect of execution of business from the viewpoint of compliance and risk management at meetings of the Board of Directors, etc. After the aforementioned facts were revealed, he fulfilled his responsibilities of monitoring and supervision appropriately, mainly by receiving reports on the investigation, cause analysis and recurrence prevention measures, etc. by the management divisions, and providing his opinions, as necessary, at meetings of the Board of Directors, etc.

Candidate No. 9	Shobuda Kiyotaka (April 11, 1959)	<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent	Number of the Company's shares owned 700 shares
	<p>[Career summary, position and responsibility]</p> <p>June 2016 Director, Senior Managing Executive Officer of Mazda Motor Corporation Oversight of Quality, Brand Enhancement, Production and Business Logistics</p> <p>Apr. 2017 Director, Senior Managing Executive Officer of Mazda Motor Corporation Oversight of Quality, Brand Enhancement, Purchasing, Production and Business Logistics</p> <p>June 2021 Representative Director and Chairman of the Board of Mazda Motor Corporation (to the present)</p> <p>June 2023 Outside Director of the Company (to the present)</p> <p>[Significant concurrent positions outside the Company] Representative Director and Chairman of the Board of Mazda Motor Corporation</p>				
<p>[Reasons for nomination as candidate for Outside Director and a summary of expected roles] Shobuda Kiyotaka has extensive work experience in Japan and overseas, including at Mazda Motor Corporation and its overseas affiliates, and has broad knowledge and experience of business management. The Company has nominated him as a candidate on the basis of expectations that he will leverage his extensive experience and insight as a senior corporate manager to manage the Company from an objective standpoint. Furthermore, since he has been involved in deliberations concerning nomination and compensation of Directors from an objective, fair, and neutral standpoint as a member of the Nominating Committee and the Compensation Committee, the Company has expectations that he will continue to contribute to improving the Company's governance.</p>					

- Notes:
- Shobuda Kiyotaka is a candidate for Outside Director, and has been notified to Tokyo Stock Exchange, Inc. as independent director.
 - Shobuda Kiyotaka is currently an Outside Director of the Company, and at the conclusion of this general meeting of shareholders, his tenure as Outside Director of the Company will be one year.
 - The Company has entered into an agreement with Shobuda Kiyotaka to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under such agreement is the amount provided for under laws and regulations.
If the election of Shobuda Kiyotaka is approved and adopted at this general meeting of shareholders, and he assumes the office of Director, the Company plans to continue such agreement with him.
 - In March 2021, while Shobuda Kiyotaka was serving as Director of Mazda Motor Corporation ("Mazda"), Mazda received a recommendation from the Japan Fair Trade Commission based on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors with regard to a part of a centralized purchase of materials for automobile parts, which was found to be in violation of said Act.
 - After assuming the office of Outside Director in June 2023, Shobuda Kiyotaka received reports on the investigation, cause analysis and recurrence prevention measures, etc. by the management divisions, regarding the series of cases of impropriety, which were described in "1. Matters Concerning the Current State of the Chugoku Electric Power Group, (8) Other Important Matters Concerning the Current State of the Chugoku Electric Power Group" in the Business Report, and the case of receiving a recommendation for improvement from the Electricity and Gas Market Surveillance Commission in March 2023 regarding inappropriate response, etc. to bidding in a wholesale power market under the Electricity Business Act, and fulfilled his responsibilities of monitoring and supervision appropriately, mainly by providing his opinions, as necessary, at meetings of the Board of Directors, etc.

Resolution No. 4: Election of 4 Directors Who Are Audit and Supervisory Committee Members

At the conclusion of this general meeting of shareholders, the terms of office of all 4 Directors who are Audit and Supervisory Committee Members will expire. On this occasion, the Company proposes the election of 4 Directors who are Audit and Supervisory Committee Members.


The consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal.

Candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Gender	Current position in the Company
1	Maeda Koichi <input type="checkbox"/> New Election	<input type="checkbox"/> Male	Managing Executive Officer
2	Otani Noriko <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	<input type="checkbox"/> Female	Outside Director, Audit and Supervisory Committee Member
3	Kuga Eiichi <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	<input type="checkbox"/> Male	Outside Director, Audit and Supervisory Committee Member
4	Fujimoto Keiko <input type="checkbox"/> New Election <input type="checkbox"/> Outside <input type="checkbox"/> Independent	<input type="checkbox"/> Female	


Outside : Candidate for Outside Director Independent : Candidate for Independent Director

- Notes:
1. There are no special interests between each candidate and the Company.
 2. The Company has entered into agreements with Otani Noriko and Kuga Eiichi to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under such agreements is the amount provided for under laws and regulations. If the election of each of the candidates is approved and adopted at this general meeting of shareholders, and each assumes the office of Director who is Audit and Supervisory Committee Member, the Company plans to continue such agreements with each of the candidates.
In addition, if the election of Maeda Koichi and Fujimoto Keiko is approved and adopted at this general meeting of shareholders, and each assumes the office of Director who is Audit and Supervisory Committee Member, the Company plans to enter into such agreement with them to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability for damages under such agreement shall be the amount provided for under laws and regulations.
 3. The Company has entered into a directors and officers liability insurance policy, under which Directors, etc. are insured, as provided for in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance policy will cover compensation for damages and legal costs, etc. incurred by the insured party arising from claims for damages made against it as a result of the insured party's action (including inaction) in the capacity of Director, etc. of the Company.
If the election of each of the candidates for Director is approved and adopted at this general meeting of shareholders, and each of the candidates assumes the office of Director who is Audit and Supervisory Committee Member, they will be insured by such insurance policy. The Company plans to renew such insurance policy under the above conditions during their terms of office.

Candidate No. 1	Maeda Koichi (December 12, 1960)	New Election	Number of the Company's shares owned 4,900 shares
	<p>[Career summary, position and responsibility]</p> <p>Apr. 1985 Joined the Company</p> <p>June 2018 Executive Officer & General Manager of International Business Div. (Strategy & Planning)</p> <p>June 2020 Executive Officer & Chief Operating Officer of International Business Div.</p> <p>June 2021 Managing Executive Officer & Chief Operating Officer of International Business Div.</p> <p style="text-align: right;">(to the present)</p>		
	<p>[Reasons for nomination as candidate for Director]</p> <p>Maeda Koichi has extensive work experience in international business and considerable knowledge in the areas of finance and accounting, including project finance. The Company has nominated him as a new candidate on the basis of expectations that he will provide accurate audit and supervision by utilizing his ability for detailed analysis and logical thinking, backed by his work experience.</p>		

Candidate No. 2	Otani Noriko (December 12, 1946)	<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent	Number of the Company's shares owned 0 shares
	<p>[Career summary, position and responsibility]</p> <p>Apr. 1992 Professor of Faculty of Humanities, Yamaguchi University</p> <p>Apr. 2001 Professor of The Graduate School of East Asian Studies, Yamaguchi University</p> <p>Apr. 2005 Director of The Graduate School of East Asian Studies, Yamaguchi University</p> <p>Apr. 2010 Emeritus Professor of Yamaguchi University (to the present)</p> <p>June 2020 Outside Director, Audit and Supervisory Committee Member of the Company (to the present)</p>				
<p>[Reasons for nomination as candidate for Outside Director and a summary of expected roles]</p> <p>Otani Noriko has high-level knowledge in the actual conditions of regional communities and corporate social contribution activities as an expert in sociology. She has been giving accurate audit from an objective, fair, and neutral standpoint and valuable opinions on management based on specialized knowledge by utilizing her extensive experiences and achievements. The Company has nominated her as a candidate on the basis of expectations that she will continue to contribute to the Company with fair and accurate audit and supervision. Furthermore, since she has been involved in deliberations concerning nomination and compensation of Directors from an objective, fair, and neutral standpoint as a member of the Nominating Committee and the Compensation Committee, the Company has expectations that she will continue to contribute to improving the Company's governance.</p> <p>She has never been involved in the management of a company, except as Outside Director. However, the Company judges that she will be able to appropriately fulfill her duties as Outside Director based on the above reasons.</p>					

- Notes:
1. Otani Noriko is a candidate for Outside Director, and has been notified to Tokyo Stock Exchange, Inc. as independent director.
 2. Otani Noriko is currently Outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this general meeting of shareholders, her tenure in that position will be 4 years.
 3. Although Otani Noriko had not noticed the series of cases of impropriety, which were described in "1. Matters Concerning the Current State of the Chugoku Electric Power Group, (8) Other Important Matters Concerning the Current State of the Chugoku Electric Power Group" in the Business Report, nor the case of receiving a recommendation for improvement from the Electricity and Gas Market Surveillance Commission in March 2023 regarding inappropriate response to bidding, etc. in a wholesale power market under the Electricity Business Act, until the relevant facts came to light, she regularly called attention to every aspect of execution of business from the viewpoint of compliance and risk management at meetings of the Board of Directors, etc. After the aforementioned facts were revealed, she fulfilled her responsibilities of monitoring and supervision appropriately, mainly by receiving reports on the investigation, cause analysis and recurrence prevention measures, etc. by the management divisions, and providing her opinions, as necessary, at meetings of the Board of Directors, etc.

Candidate No. 3	Kuga Eiichi (September 1, 1956)	<input type="checkbox"/> Reelection	<input type="checkbox"/> Outside	<input type="checkbox"/> Independent	Number of the Company's shares owned 0 shares
	<p>[Career summary, position and responsibility]</p> <p>Apr. 2006 Head of Police Headquarters, Kagoshima Prefecture</p> <p>Sep. 2007 Director-General of Tokyo Metropolitan Government Office for Youth Affairs and Public Safety</p> <p>Sep. 2009 Director-General of Security Dept. of Tokyo Metropolitan Police Department</p> <p>Feb. 2011 Head of Police Headquarters, Kanagawa Prefecture</p> <p>Apr. 2013 Director of Imperial Guard Headquarters</p> <p>Aug. 2015 Retired from National Police Agency</p> <p>Dec. 2015 Advisor of Nippon Life Insurance Company (Resigned in May 2016)</p> <p>June 2016 Outside Audit & Supervisory Board Member (full-time) of Kyushu Railway Company</p> <p>June 2018 Outside Director, Audit and Supervisory Committee Member (full-time) of Kyushu Railway Company (Resigned in June 2022)</p> <p>June 2022 Outside Director, Audit and Supervisory Committee Member of the Company</p> <p style="text-align: right;">(to the present)</p>				
<p>[Reasons for nomination as candidate for Outside Director and a summary of expected roles]</p> <p>Kuga Eiichi has specialized knowledge on risk management and corporate audits. He has been giving accurate audit from an objective, fair, and neutral standpoint and valuable opinions on management based on specialized knowledge by utilizing his extensive experiences and achievements. The Company has nominated him as a candidate on the basis of expectations that he will continue to contribute to the Company with fair and accurate audit and supervision. Furthermore, since he has been involved in deliberations concerning nomination and compensation of Directors from an objective, fair, and neutral standpoint as a member of the Nominating Committee and the Compensation Committee, the Company has expectations that he will continue to contribute to improving the Company's governance.</p> <p>He has never been involved in the management of a company, except as Outside Director and Outside Audit & Supervisory Board Member. However, the Company judges that he will be able to appropriately fulfill his duties as Outside Director based on the above reasons.</p>					

- Notes:
1. Kuga Eiichi is a candidate for Outside Director, and has been notified to Tokyo Stock Exchange, Inc. as independent director.
 2. Kuga Eiichi is currently Outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this general meeting of shareholders, his tenure in that position will be 2 years.
 3. Although Kuga Eiichi had not noticed the series of cases of impropriety, which were described in "1. Matters Concerning the Current State of the Chugoku Electric Power Group, (8) Other Important Matters Concerning the Current State of the Chugoku Electric Power Group" in the Business Report, nor the case of receiving a recommendation for improvement from the Electricity and Gas Market Surveillance Commission in March 2023 regarding inappropriate response to bidding, etc. in a wholesale power market under the Electricity Business Act, until the relevant facts (excluding facts revealed prior to his appointment as an Outside Director in June 2022) came to light, he regularly called attention to every aspect of execution of business from the viewpoint of compliance and risk management at meetings of the Board of Directors, etc. After the aforementioned facts were revealed, he fulfilled his responsibilities of monitoring and supervision appropriately, mainly by receiving reports on the investigation, cause analysis and recurrence prevention measures, etc. by the management divisions, and providing his opinions, as necessary, at meetings of the Board of Directors, etc.

Candidate No. 4	Fujimoto Keiko (November 5, 1972)	New Election	Outside	Independent	Number of the Company's shares owned 0 shares
	<p>[Career summary, position and responsibility]</p> <p>Oct. 2000 Registered as an attorney-at-law</p> <p>Oct. 2017 Visiting Fellow, Essex Law School, University of Essex (UK) (Resigned in July 2018)</p> <p>June 2020 Joined Iwamoto Law Office (to the present)</p> <p>Apr. 2021 Governor of Japan Federation of Bar Associations (resigned in March 2022)</p> <p>June 2021 Outside Auditor of DaikyoNishikawa Corporation (to the present)</p> <p>[Significant concurrent positions outside the Company] Attorney-at-law & Outside Auditor of DaikyoNishikawa Corporation</p>				
<p>[Reasons for nomination as candidate for Outside Director]</p> <p>The Company has nominated her as a new candidate on the basis of expectations that she will give accurate audit and supervision from an objective, fair, and neutral standpoint by utilizing her extensive experiences and achievements as an attorney-at-law. Furthermore, the Company will have her participate in deliberations concerning nomination and compensation of Directors from an objective, fair, and neutral standpoint as a member of the Nominating Committee and the Compensation Committee.</p> <p>She has never been involved in the management of a company, except as Outside Auditor. However, the Company judges that she will be able to appropriately fulfill her duties as Outside Director based on the above reasons.</p>					

Note: Fujimoto Keiko is a candidate for Outside Director, and will be notified to Tokyo Stock Exchange, Inc. as independent director.

Reference Materials for Composition of the Board of Directors after the election

If the Resolution No. 3 and the Resolution No. 4 are approved and adopted as proposed, the Board of Directors will be composed as follows:

Name	Gender	Position in the Company	Professional skills and experience required for Directors								
			Corporate management /Managerial strategy	Finance /Accounting	Legal affairs /Risk management	Sales /Marketing	Technology /Research	Governance	Group management /Overseas business	Environment /Society /Regional contribution	
Ashitani Shigeru	Male	Representative Director, Chairperson of the Board	●						●	●	●
Nakagawa Kengo	Male	Representative Director, President & Chief Executive Officer	●			●	●				●
Takaba Toshio	Male	Representative Director, Vice President & Senior Managing Executive Officer		●	●				●		●
Kitano Tatsuo	Male	Representative Director, Vice President & Senior Managing Executive Officer					●				●
Funaki Toru	Male	Representative Director, Vice President & Senior Managing Executive Officer	●	●						●	
Minamoto Kyosuke	Male	Managing Executive Officer, Member of the Board			●				●		●
Sotobayashi Hiroko	Female	Managing Executive Officer, Member of the Board	●							●	
Furuse Makoto	Male	Outside Director	●	●		●			●		
Shobuda Kiyotaka	Male	Outside Director	●			●			●	●	
Maeda Koichi	Male	Director Audit and Supervisory Committee Member (full-time)	●	●			●			●	
Otani Noriko	Female	Outside Director, Audit and Supervisory Committee Member							●		●
Kuga Eiichi	Male	Outside Director, Audit and Supervisory Committee Member			●				●	●	
Fujimoto Keiko	Female	Outside Director, Audit and Supervisory Committee Member			●				●		

Note: The above matrix indicates up to the four major professional skills and experience among all of the professional skills and experience possessed by each individual.

It does not indicate all expertise and experience possessed by each Director.

Resolution No. 5: Introduction of Performance-linked Stock Compensation Plan for Directors Who Are Not Outside Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

1. Grounds for Proposal and Reasons Why the Resolution Is Reasonable

This resolution is to request the approval of the introduction of a new performance-linked stock compensation plan called the “Board Benefit Trust (BBT)” (hereinafter referred to as the “Plan”) for Directors who are not Outside Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter referred to as “Directors” in this resolution unless otherwise noted).

The purpose of this resolution is to better clarify the linkage between Directors’ compensation and the Company’s business performance and stock value, and raise Directors’ awareness to contribute to improving the Company’s business performance and increasing its corporate value over the medium- to long-term through sharing corporate value with shareholders. The Company believes that the content of this resolution is reasonable because it is consistent with the Company’s “Policy and Procedures Concerning Determination of Directors’ Compensation” (see below).

The introduction of this Plan has already been consulted with the Compensation Committee; the majority of whose members are Outside Directors.

This resolution is to request the approval of the specific calculation method and details of the amount of compensation, etc. to be paid to the Directors (excluding Directors who are Audit and Supervisory Committee Members) under the Plan separately from the compensation of Directors (within a range of up to 45 million yen per month; excluding the salaries of Directors serving as an employee) previously approved at the 92nd Annual General Meeting of Shareholders held on June 28, 2016.

The details of the Plan are proposed to be left to the Board of Directors within the framework of 2. below. If Resolution No. 3 is approved as originally proposed, the number of Directors subject to the Plan will be 7.

Executive Officers (Excluding Executive Officers who concurrently serve as Directors) will also be subject to the Plan.

Matters with respect to this resolution have been appropriately determined by the Board of Directors based on the deliberations carried out in the meeting of the Compensation Committee (Committee Chair: Outside Director) a majority of which consists of 5 Outside Directors including 3 Audit and Supervisory Committee Members, and accordingly, the Audit and Supervisory Committee has furnished its opinion that no particular issues have been identified in that regard.

2. Specific Calculation Method and Details of the Amount of Compensation, etc. under the Plan

(1) Overview of the Plan

The Plan is a performance-linked stock compensation plan under which the Company’s stocks will be acquired through a trust (the trust to be established under the Plan is hereinafter referred to as the “Trust”) using money contributed by the Company as the funding source and the Company’s stocks and the money equivalent to the market value of the Company’s stocks (the “Company Stock, etc.”) will be delivered to Directors through the Trust in accordance with the Officer Stock Benefit Rules established by the Company.

Directors will receive the Company Stock, etc. upon their retirement from office in principle.

(2) Amount of the Trust

On condition that this resolution is approved at the General Meeting of Shareholders, the Company will introduce the Plan for a two-fiscal-year period that extends from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2026 (hereinafter said two-fiscal-year period will be referred to as the “Initial Coverage Period,” while each period that is separately established at the Board of Directors’ meetings starting after the Initial Coverage Period has passed will be referred to as a “Subsequent Coverage Period”; also, the Initial Coverage Period and Subsequent Coverage Period will be collectively referred to as the “Coverage Period”) and following each Subsequent Coverage Period. In order to provide the Company Stock, etc. to Directors, the money described below will be contributed to the Trust as the funding source for acquisition of said stock by the Trust.

The Coverage Period will be linked to a period containing numerical targets established in the Company's management plan (hereinafter referred to as the "Management Plan Period"). If the Management Plan Period changes in the future, the number of fiscal years in the Coverage Period will also change based on the number of fiscal years in said period (however, for the Initial Coverage Period, as described below, there will be no change from the aforementioned two fiscal years, irrespective of any change in said period).

First, when the Trust is established (planned for August 2024), the Company will contribute the expected amount of funds (money) necessary for the Initial Coverage Period. The maximum number of points that can be granted to Directors under the Plan, as shown in (4) below, will be 143,000 (converted) per fiscal year. Therefore, when the Trust is established, funds reasonably expected to be necessary for acquisition of up to 286,000 shares will be contributed to the Trust, based on the last regular trading closing price of the Company's common stock at the Tokyo Stock Exchange. (For reference, if applying the closing price on April 26, 2024 which was 1,040 yen, the aforementioned necessary funds would be approximately 297 million yen.)

Also, after the Initial Coverage Period has passed until the Plan ends, the Company will, as a general rule, during each Subsequent Coverage Period, make additional contributions of funds to the Trust deemed necessary for advance acquisition of stocks reasonably expected to be necessary, based on the Plan, for provision to Directors. If, however, trust assets contain residual stock of the Company (excluding the Company's stock corresponding to points granted to Directors for each Coverage Period up to that time and whose provision to Directors is unfinished) and money (hereinafter referred to as the "Residual Stock, etc."), and additional contributions are to be made, the Residual Stock, etc. will be assigned to the benefit source funds for subsequent Coverage Periods based on the Plan. Furthermore, when calculated, additional contributions will take the Residual Stock, etc. into consideration.

The Initial Coverage Period will consist of two fiscal years because that should correspond to the remaining duration (two fiscal years) of a period in which there are established intermediate checkpoints (until the fiscal year ending March 31, 2026) in accordance with the existing Group management vision (Energia Change 2030).

(Note) Money that the Company actually contributes to the Trust includes the aforementioned stock acquisition funds, as well as trust fees and other required costs expected.

(3) Acquisition method and number of Company's stocks acquired by the Trust

Using the funds contributed as described in (2) above as the source, the Trust will acquire the Company's stock through an exchange market or acceptance of disposal of treasury stock of the Company, without issuing new shares.

The maximum number of points to be granted to Directors, as shown in (4) below, will be 143,000 (converted) per fiscal year. Therefore, for the Initial Coverage Period, the maximum number of shares of the Company's stock acquired by the Trust will be 286,000. For a Subsequent Coverage Period, the maximum number of shares of the Company's stock acquired by the Trust will be found by multiplying the maximum number of points converted per fiscal year (143,000 points) by the number of fiscal years in the Coverage Period (equal to the number of fiscal years in the Management Plan Period).

(4) Maximum number of Company Stock, etc. to be provided to Directors

In each fiscal year, Directors will be granted a certain number of points based on their position (hereinafter referred to as "Position-based Points") according to the "Officer Stock Benefit Rules." Also, in each Coverage Period, Directors will be granted points that will vary based on performance achievement (hereinafter referred to as "Performance-based Points") according to the "Officer Stock Benefit Rules." The maximum number of points granted to Directors is found by multiplying the number of fiscal years in the Coverage Period (equal to the number of fiscal years in the Management Plan Period) by the Position-based Points, namely 48,000 points per fiscal year, and Performance-based Points, namely 95,000 points. Accordingly, the maximum number of points to be granted to Directors in a single fiscal year would be converted to 143,000 points in total. This has been determined and deemed appropriate, based on a comprehensive consideration of factors such as the current officer compensation level, trends in the number of directors, and future expectations.

Regarding points granted to Directors, when the Company Stock, etc. are provided as described in (5) below, the conversion rate is one share of the Company's common stock per point (If, however, the Company's stock is split, allotted without contribution, or consolidated following approval by shareholders at the General Meeting of Shareholders, reasonable adjustments will be made to the maximum number of points, granted number of points, or conversion rate, according to the ratio, etc. thereof).

The ratio of 1,430, the number of voting rights for shares corresponding to the maximum number of points converted per fiscal year for grant to Directors, to 3,579,229, the number of voting rights for all shares issued (as of March 31, 2024), is approximately 0.04%.

As a general rule, a director's points, the criterion for the Company's Stock, etc. benefit in (5) below, will be the number of points granted to that Director by the time of retirement (hereinafter, points calculated in this way will be referred to as the "Confirmed Points").

- (5) Provision of Company Stock, etc. and specific calculation method of the amount of compensation, etc.

If a Director retires and meets the beneficiary requirements specified in the "Officer Stock Benefit Rules," that Director will complete prescribed beneficiary determination procedures. Then, as a general rule, the Director will receive from the Trust a quantity of shares of the Company's stock corresponding to the number of "Confirmed Points" determined as described in (4) above after retirement. If, however, the requirements established in the "Officer Stock Benefit Rules" are met, a monetary payment equivalent to the market value of the Company's stock will be received in place of a certain percentage of said stock benefit. (In order to provide a monetary payment, the Company's stock may be sold by the Trust.)

Incidentally, even if a Director has been granted points, if said Director is dismissed by resolution of the General Meeting of Shareholders, resigns after engaging in an illegal act while in office, or engages in an inappropriate act that may cause damages to the Company while in office, said Director will not acquire the right to receive benefits.

The amount of compensation, etc. to be received by Directors shall be calculated based on the amount obtained by multiplying the total number of points to be granted to Directors by the book value per share of the Company's stock held by the Trust at the time of granting points (If, however, the Company's stock is split, allotted without contribution, or consolidated, reasonable adjustments will be made according to the ratio, etc. thereof). In addition, in the event that money is exceptionally paid in accordance with the "Officer Stock Benefit Rules," if deemed appropriate, such amount will be added.

- (6) Exercise of voting rights

Voting rights pertaining to the Company's stock in the Trust account will not be exercised uniformly based on the trust administrator's instructions. Such method is intended to ensure neutrality toward the Company's management in the exercise of voting rights pertaining to the Company's stock in the Trust account.

- (7) Handling of dividends

Dividends for the Company's stock in the Trust account will be received by the Trust and applied to the Company's stock acquisition costs, Trust-related trustee fees, and such.

When the Trust ends, dividends that remain in the Trust will be proportionally divided and granted to the Directors who are in office at the time, based on the number of points they possess and in accordance with the "Officer Stock Benefit Rules."

- (8) Termination of the Trust

The Trust will end when the Company's stock is delisted, "Officer Stock Benefit Rules" are revoked, or similar event occurs. Of the assets that remain in the Trust when it ends, all stock of the Company will be acquired without cost by the Company and retired by a resolution of the Board of Directors. Of the assets that remain in the Trust when it ends, money will be returned to the Company, except for money that is to be provided to Directors in accordance with (7) above.

Reference Materials for Policy and Procedures Concerning Determination of Directors’ Compensation

If this resolution is approved as originally proposed, the Company plans to change “Policy and Procedures Concerning Determination of Directors’ Compensation” described in “2. Matters Concerning Corporate Officers, (4) Compensation, etc. for Directors” in the Business Report.

1. Policy

Compensation for Directors shall be determined in accordance with the following policy.

(1) Basic Policy

- Compensation for Directors shall be set at an appropriate level, taking into consideration the Company’s business environment and the level of compensation of general listed companies and companies in industries and business categories similar to those of the Company in particular.
- Decisions on compensation shall take into account not only by short-term performance but also medium- to long-term performance in order to respond to the trust of shareholders and achieve sustainable growth.
- Compensation for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) consists of monthly remuneration (basic remuneration), performance-linked bonus (short-term performance-linked compensation), and performance-based stock compensation (medium- to long-term performance-linked compensation). The respective percentages in compensation for Directors shall be basically set as follows: 70% for monthly remuneration, 10% for performance-linked bonus, and 20% for performance-based stock compensation.
- Compensation for Outside Directors and Directors who are Audit and Supervisory Committee Members shall be limited to monthly remuneration (basic remuneration) in the light of their responsibilities.

(2) Monthly remuneration (basic remuneration)

- Monthly remuneration shall be paid in cash.
- Monthly remuneration shall be commensurate with the position of each Director, while taking into consideration the Company’s business environment.
- Monthly remuneration for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) shall reflect on an evaluation of their individual performance during the previous fiscal year.

(3) Performance-linked bonus (short-term performance-linked compensation)

- Performance-linked bonuses shall be paid to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) in cash at a certain time during the following fiscal year after the end of each fiscal year.
- In order to clarify each Director’s responsibility for the Company’s business performance and to provide incentives for Directors to improve their performance, consolidated ordinary income shall be used as the primary performance indicator for determining the total amount of performance-linked bonuses for each fiscal year. In addition, the results of ESG-related initiatives, such as employee engagement and reduction of CO₂ emissions, shall be also reflected in the total amount.
- The total amount of performance-linked bonuses shall be allocated to each Director according to his or her position and individual performance evaluation during the previous fiscal year.

(4) Performance-based stock compensation (medium- to long-term performance-linked compensation)

- Performance-based stock compensation shall be granted to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) in the form of points calculated in accordance with the Officer Stock Benefit Rules, and shall be paid at the time of their retirement in the form of common stock of the Company corresponding to the accumulated value of the points and cash after converting a portion of such stock to market value.
- In order to provide incentives for medium- to long-term performance improvement and increase in corporate value, points shall consist of position-based points and performance-based point. Position-based points shall be granted each fiscal year according to the position of each Director. Performance-based points shall be granted in a lump sum at the end of the management plan period as determined by the Board of Directors based on the degree of achievement of the consolidated ordinary income target set forth in the management plan.

(5) Determination of the amount of compensation by individual

- Decisions on the amounts of individual monthly compensation and performance-linked bonuses for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be delegated to the Chairperson of the Board of Directors based on a resolution of the Board of Directors. The Board of Directors shall consult with the Compensation Committee, a majority of whose members are Outside Directors, regarding the level of compensation for Directors so that the Chairperson may properly exercise the authority to make such decisions. The Chairperson who has received the above delegation shall make decisions respecting the results of the Compensation Committee's deliberations.

2. Procedures

- Matters concerning compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by the Board of Directors after consulting the Compensation Committee.
- Matters concerning compensation for Directors who are Audit and Supervisory Committee Members shall be determined by the Audit and Supervisory Committee through deliberations by Directors who are Audit and Supervisory Committee Members.

<Proposals by the Shareholder (Resolutions No. 6 - No. 10)>

**Resolutions No. 6 through No. 10 were proposed by Shareholders (69 Shareholders).
The proposing Shareholders hold 1,071 voting rights.**

Resolution No. 6: Partial Amendments to the Articles of Incorporation (1)

Formulation of conditions to start operation of nuclear power generation

▼ Proposal Details

Provisions of “Formulation of conditions to start operation of nuclear power generation” shall be added as Chapter 8 to the Articles of Incorporation.

Chapter 8. Formulation of conditions to start operation of nuclear power generation

Article 42. Operation of nuclear power generation shall not be resumed unless the following conditions are met:

- (1) In an area of approximately 150 km around the nuclear power station, to conduct a thorough active fault survey based on new knowledge obtained from known seismic activities, including the 2024 Noto Peninsula earthquake, and to reconfirm the presence or absence of the link between the confirmed faults and faults surrounding them;
- (2) To newly establish a more stringent design basis earthquake ground motion based on the results of the survey and evaluation in (1) above, standing on the safe side; and
- (3) To take seismic reinforcement and other measures to ensure that each equipment such as the nuclear reactors can withstand the design basis earthquake ground motion established in (2), and to prevent the release of radioactive materials into the environment.

▼ Grounds for Proposal

Although in the earthquake that struck the Noto Peninsula multiple active faults interrelated over a length of 150 km, Hokuriku Electric Power Company could only assess that active faults moved over a distance of 96 km, failing to accurately assess the earthquake. It has also been confirmed that faults which located approximately 20 km inland interrelated.

These indicate that seismology itself is still immature, and it is possible that unknowns could emerge also in the future. In response to such new findings, it is necessary to take seriously the fact that the conventional criteria for fault linking assessments which has been used has lost credibility.

To maintain the company’s social trust, we should thoroughly pursue safety assurance regarding the resumption of operation of the nuclear power generation as long as radioactive materials are handled as fuel.

Therefore, unless certain safety can be ensured through a revision of fault survey and linking assessments based on new insights from earthquake disasters, resumption of operation of the nuclear power generation is not possible.

○ Opinion of the Board of Directors

The Board of Directors is opposed to this resolution.

For Unit 2 of the Shimane Nuclear Power Station, in order to ensure seismic safety, the Company has conducted a detailed fault survey and assessments in and around the power station site in accordance with the New Regulatory Requirements established by the Nuclear Regulation Authority (NRA Japan), taking into account the latest findings and technological trends, and have conservatively established design basis earthquake ground motions in consideration of the uncertainties involved in such evaluation. In addition, the Company has adopted a seismic design with a sufficient margin for design basis earthquake ground motions.

NRA Japan confirmed the conformity of Unit 2 of the Shimane Nuclear Power Station with the New Regulatory Requirements, including the details of the establishment of the standard seismic motions, and in September 2021, the Company was granted permission for changes in reactor installation by NRA.

Currently, the Company is proceeding with safety countermeasure construction work on the basic premise of ensuring safety in preparation for the resumption of operation in December of this year.

In the event that new findings are obtained that should be reflected in the facilities of the Shimane Nuclear Power Station, based on the occurrence of the “2024 Noto Peninsula Earthquake,” the Company will take appropriate measures after reviewing and evaluating based on the findings, and will continue to pursue further safety.

Accordingly, the Board of Directors believes that it is unnecessary to include the provisions in the Articles of Incorporation as has been proposed.

Resolution No. 7: Partial Amendments to the Articles of Incorporation (2)

Spent nuclear fuel shall not be reprocessed

▼ Proposal Details

Provisions of “Spent nuclear fuel shall not be reprocessed” shall be added as Chapter 9 to the Articles of Incorporation.

Chapter 9. Spent nuclear fuel shall not be reprocessed

Article 43.

The nuclear power station shall be decommissioned without operation thereof and reprocessing of the spent nuclear fuel.

2. Dry cask storage facilities shall not be built.
3. No reprocessing plant shall be needed, and no payments to Japan Nuclear Fuel Limited shall be made.
4. Spent nuclear fuel shall continue to be safely stored within nuclear power stations to reduce radiation and to prevent accidents.

▼ Grounds for Proposal

The Japanese Government’s nuclear energy policy is to promote a nuclear fuel cycle in which spent nuclear fuel is reprocessed, and fissionable plutonium is extracted for use in fast breeder reactors and then reprocessed again.

However, the fast breeder reactor, “Monju” has had an accident and it has been decided that it will be decommissioned. The reprocessing plant cannot be “completed,” and the nuclear fuel cycle is in a state of collapse.

The place where the spent nuclear fuel goes remains unknown. Therefore, we have decided not to perform reprocessing in the future and not to create new spent nuclear fuel generated from nuclear power stations, as we are responsible for the generation of such fuel.

Instead of leaving the treatment and disposal of radioactive waste up to other operators, if treatment and disposal are difficult, we will withdraw from the entire nuclear fuel cycle business and switch to a business without nuclear power generation.

We will minimize the amount of waste generated from treatment of spent nuclear fuel and radiation, keep waste that emits radiation at locations away from the natural environments and living areas and strictly manage them.

○ Opinion of the Board of Directors

The Board of Directors is opposed to this resolution.

The Sixth Strategic Energy Plan formulated by the Japanese government states that the basic policy of the government is to promote the nuclear fuel cycle, in which spent nuclear fuel is reprocessed and the recovered uranium and plutonium are effectively utilized from the viewpoints of effective use of resources and reduction in volume and hazardousness of high-level radioactive waste. The Company

will contribute its due share to the Nuclear Reprocessing and Decommissioning Facilitation Organization of Japan (NuRO), which is responsible for reprocessing, etc., and will promote the nuclear fuel cycle in accordance with the national policy.

The Company also understands that the spent fuel reprocessing plant being constructed by Japan Nuclear Fuel Limited, which has been commissioned by NuRO, is currently undergoing a review on its safety functions and performance of equipment maintenance, and the process toward its operation is progressing steadily.

There is no problem with the storage of spent fuel to be generated at the Shimane Nuclear Power Station for the time being, since the spent fuel will be systematically removed to the reprocessing facilities by utilizing the fuel pool in the power station after the resumption of operation of Unit 2 of the Shimane Nuclear Power Station. On the other hand, in order to ensure the stable operation of the Shimane Nuclear Power Station, the Company is advancing a survey and assessments related to the installation of an interim storage facility on the Company's property in Kaminoseki Town as a temporary storage facility until the spent fuel is taken out to the reprocessing facilities.

Accordingly, the Board of Directors believes that it is unnecessary to include the provisions in the Articles of Incorporation as has been proposed.

Resolution No. 8: Partial Amendments to the Articles of Incorporation (3)

To take out insurance with a coverage of at least 24 trillion yen to prepare for compensation for damages in the event of nuclear disasters

▼ Proposal Details

Provisions of "To take out insurance with a coverage of at least 24 trillion yen to prepare for compensation for damages in the event of nuclear disasters" shall be added as Chapter 10 to the Articles of Incorporation.

Chapter 10. To take out insurance with a coverage of at least 24 trillion yen to prepare for compensation for damages in the event of nuclear disasters

▼ Grounds for Proposal

It is prohibited to drive an uninsured car.

We are prepared to pay tens of millions of yen in compensation if we cause a personal injury accident. In preparation for such an event, we will drive our cars not only with compulsory insurance but also with voluntary insurance.

Although electric power companies are insured under the Act on Compensation for Nuclear Damage, the amount covered for compensation is only 120 billion yen.

As can be clearly seen the accident at the Fukushima Nuclear Power Station, once an accident occurs, we must be prepared to pay around 24 trillion yen in damages. Operating a nuclear power station without such preparation does not fulfill our corporate social responsibility.

If you are convinced that a possibility of an accident like the accident at the Fukushima Nuclear Power Station is close to zero due to multiple safety measures, you should make a corporate effort to persuade insurance companies and reduce the insurance premium as much as possible.

A nuclear power station should not be operated with a cap on the amount of compensation.

○ Opinion of the Board of Directors

The Board of Directors is opposed to this resolution.

Under the "Act on Compensation for Nuclear Damage," nuclear operators are obliged to take measures to compensate for nuclear damage, such as taking out nuclear liability insurance. In addition, in preparation for the event of damages exceeding the amount of compensation measures stipulated in the Act (120 billion yen), the Company has made contributions to the Nuclear Damage Compensation and

Decommissioning Facilitation Corporation (NDF) under the “Act on Nuclear Damage Compensation and Decommissioning Facilitation Corporation.”

In the unlikely event that nuclear damage should occur due to the operation and maintenance of the Shimane Nuclear Power Station, the Company will receive financial assistance from NDF, as necessary, to appropriately compensate for the damage. Based on the belief that “there is no end to the Company’s efforts to improve safety” regarding the Shimane Nuclear Power Station, the Company will not only meet the New Regulatory Requirements established by the Nuclear Regulation Authority but will also tirelessly pursue further safety improvements.

Accordingly, the Board of Directors believes that it is unnecessary to include the provisions in the Articles of Incorporation as has been proposed.

Resolution No. 9: Partial Amendments to the Articles of Incorporation (4)

The ratio of female directors shall be 30% or more

▼ Proposal Details

Paragraph of “The ratio of female directors shall be 30% or more” shall be added as Article 21, Paragraph 4 to Chapter 4 “Directors and Board of Directors (Appointment)” of the Articles of Incorporation.

Chapter 4. Directors and Board of Directors

(Appointment)

Article 21.

4. The ratio of female directors shall be 30% or more

▼ Grounds for Proposal

The current state of our company has caused our management philosophy of “Trust. Creation. Growth.” to waver, and we cannot say that we are a company capable of fulfilling wishes of our stakeholders.

Corporate Governance Code also calls for diversification of the Board of Directors, and the appointment of women to the Board of Directors is essential from the perspective of complying with governance.

Looking at the Company’s Board of Directors, only men occupy key positions, which means that we may be lacking in diversity in decision-making and not be able to keep up with a drastically changing business environment. The appointment of female officers should not be seen as a requirement from the government, but as a human resource issue that will enhance corporate sustainability and contribute to future growth.

However, even in the Convocation Notice of the General Meeting of Shareholders, there is no communication to shareholders about the diversity of the management.

Although female officers are being appointed through the use of external human resources, internal officers who play a central role in management are extremely important for a company, and it is only when women are appointed to internal officer positions that diverse perspectives, experiences, and sensibilities can be utilized in a company’s decision-making.

○ Opinion of the Board of Directors

The Board of Directors is opposed to this resolution.

The size and composition of the Board of Directors are determined by taking into consideration the management environment and business conditions of the Company at the time, as well as by comprehensively considering the need to invigorate deliberations at the Board of Directors, ensure highly effective supervisory functions, and balance the personalities, abilities, insights, and performance of each individual. Based on this approach, the Company will continue to select appropriate candidates for Directors, including the expansion of the appointment of female Directors.

Accordingly, the Board of Directors believes that it is unnecessary to include the provisions in the Articles of Incorporation as proposed.

Resolution No. 10: Dismissal of 6 Directors

Dismissal of 6 Directors who are members of the Nominating Committee

▼ Proposal Details

The following 6 Directors who are members of the Nominating Committee, which is an advisory body for the Board of Directors, shall be dismissed in order to improve the objectivity and transparency of the decision-making process concerning matters such as the appointment and dismissal of officers.

1. Furuse Makoto (Outside Director)
2. Nosohara Etsuko (Outside Director)
3. Otani Noriko (Outside Director)
4. Kuga Eiichi (Outside Director)
5. Ashitani Shigeru (Representative Director, Chairperson of the Board)
6. Nakagawa Kengo (Representative Director, President & Chief Executive Officer)

▼ Grounds for Proposal

The cartel incident and unauthorized viewing of customer information have significantly damaged the trust in Chugoku Electric Power Co., Inc., which has continuously suffered scandals due to a lack of corporate governance capabilities.

There also seems to be a prevailing “sense of distrust towards management” within the company. The parties responsible for forming the cartel, including the former president who resigned in order to take responsibility for the incident at last June’s Annual General Meeting of Shareholders, have been sued by Chugoku Electric Power Co., Inc. for damages.

The Japan Fair Trade Commission conducted on-sites inspections on the incident, and the details of the incident and the involvement of officers were obviously known to the Nominating Committee, which is also an advisory body to the Board of Directors.

The proper appointment of managers, particularly those with major responsibilities, constitutes the foundation of sound governance.

It is an unqualified Nominating Committee that appointed members of management who would commit such a serious violation as this one that is the biggest factor in triggering this incident. Therefore, we ask for the dismissal of the 6 members of the Nominating Committee including Outside Directors.

○ Opinion of the Board of Directors

The Board of Directors is opposed to this resolution.

The Nominating Committee of the Company mainly deliberates on the selection and dismissal of candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) and Representative Directors. Based on the approach regarding the size and composition of the Board of Directors as stated in the Opinion of the Board of Directors on Resolution No. 9, necessary comments are made by Outside Directors mainly from objective, fair and neutral standpoints, as well as mainly by internal Directors mainly from the standpoint of those who are familiar with the Company’s personnel and business. Thus, the effectiveness of their deliberations is ensured, and they function effectively.

In addition, the 6 Directors faithfully perform their duties as Directors, including appropriate supervision and precise execution of operations.

Accordingly, there is no reason for requiring the dismissal of the 6 Directors in question.

End