# History of the Chugoku Electric Power Group

In May 1951, the decision was made for the state-owned electricity sector to split into nine privately owned electric power companies that would take charge of power generation, transmission and distribution, and sales. Chugoku Haiden merged with the Chugoku Branch of the Japan Electric Generation and Transmission Company to form Chugoku Electric.
Since its establishment, the Chugoku Electric Group has provided a stable supply of electricity to support the foundations of people's lives and of industry, and while responding to the needs of the times, it has continued to grow alongside the Chugoku region. In May 2021, the Group celebrated its 70th anniversary.

## 1950s

### From economic recovery to rapid economic growth

To respond to growing electricity demand in line with economic development, the Group prioritized the development of electricity with a focus on the construction of large-capacity thermal power plants. At the same time, it moved forward with the development of network equipment, including transmission lines and substations.

**1951**
Chugoku Electric is established following an equal merger between Chugoku Haiden and the Japan Electric Generation and Transmission Company

**1951-1954**
Three rounds of electricity price revisions

**1959**
Thermal power capacity exceeds that of hydropower (shift from reliance on hydropower to thermal power)

**1961**
Commenced operations at Mizushima Power Station


Mizushima Power Station (thermal)

**1966**
Japan's first reduction of electricity prices

**1969**
Commenced full-scale operations at the Shin-Nariwagawa Power Station, the company's first pumped-storage hydroelectric power station


Shin-Nariwagawa Power Station (hydro)

## 1970s

### Oil crisis, pollution problems, and energy-saving policies

Following two oil crises, the shift away from oil progressed to ensure stable supplies of electricity and lower costs. Aiming for the best mix of power sources, the Group began diversifying its energy mix. Further, to counter worsening pollution problems, the Group quickly implemented environmental measures, such as the removal of sulfur oxides, nitrogen oxides, and other air pollutants.

**1972**
Formulated of the Basic Policy for Environmental Pollution Control

**1974**
Commenced operations at Shimane Unit 1, the first Japan-made nuclear power station


Shimane Nuclear Power Station Unit 1

**1974**
Installed desulfurization equipment at Mizushima Unit 2 (Japan-first for an oil-fired thermal power station)
**1979**
Installed denitrification equipment at Kudamatsu Unit 2 (world-first for an oil-fired thermal power station)
**1980**
Installed denitrification equipment at Shimonoseki Unit 1 (world-first for a coal-fired thermal power station)


Denitrification equipment at Kudamatsu Unit 2

**1980**
Commenced commercial operations of 500 kV substation and power line

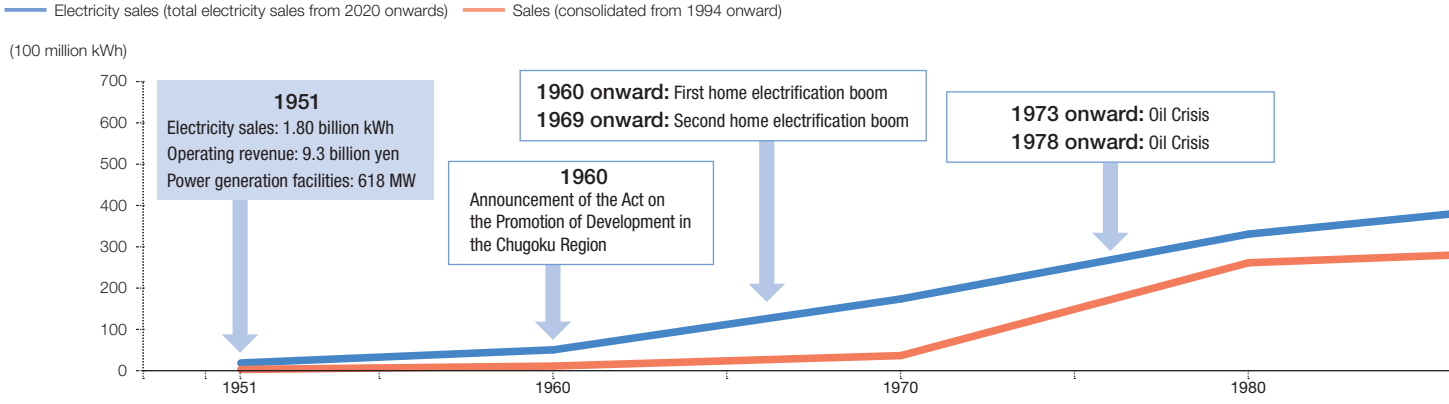

500 kV power line

**1989**
Commenced operations at Shimane Nuclear Power Station Unit 2

**1990**
Commenced operations at Yanai Power Station Unit 1 series (1-1) (combined cycle), the company's first LNG-fired thermal power station


Yanai Power Station (thermal)

### Changes in Business Scale



## 1990s

### Energy liberalization and global warming problems

With competition in the electricity industry in full swing, the Group worked to enhance its power and distribution facilities to maintain stable supplies even amid a changing management environment. Moreover, efforts by electricity businesses to counter environmental issues grew in importance in line with the increasing severity of global warming.

1991
Created new Corporate Philosophy and logo to celebrate 40th founding anniversary (CI declaration)

1991
Typhoon Mireille caused 1.55 million power outages.
Further reinforced disaster countermeasures as a result.

Work to repair fallen utility poles following Typhoon Mireille

1993
Formulated the Chugoku Electric Environmental Action Plan

1998
Commenced operations at Misumi Power Station Unit 1

Misumi Power Station (thermal)

2000
Partial liberalization of retail electric power sales began

2001
Commenced commercial operations of Route 2, a 500 kV power line

2003
Formulated the Chugoku Electric Corporate Ethics Principles

2006
Formulated the Energia Group CSR Charter of Conduct

2007
· Announced Compliance Management Promotion Declaration
· Introduced the executive officer system

## 2010s

### Great East Japan Earthquake, power system reforms, and decarbonization

Following the Great East Japan Earthquake, power system reforms progressed with the full liberalization of electricity retail and the spinning off of power transmission and distribution businesses, ushering in a new era for the electricity industry.
Further, decarbonization movements gained momentum and electricity businesses' duty to reduce carbon emissions grew in importance.

2011
Commenced operations at the Fukuyama Photovoltaic Power Station, the company's first mega solar power plant

Fukuyama Photovoltaic Power Station

2016
Full liberalization of retail electric power sales began.
Developed new electricity rate plan and members- only website.

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2016
· Transitioned to a company with an audit and supervisory committee
· Formulated new Corporate Philosophy

2017
Began work on the decommissioning of Shimane Power Station Unit 1

2020
Launched Chugoku Electric Power Transmission & Distribution Co., Inc. following business succession due to corporate split

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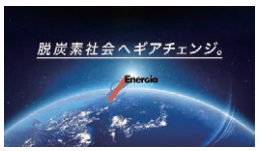
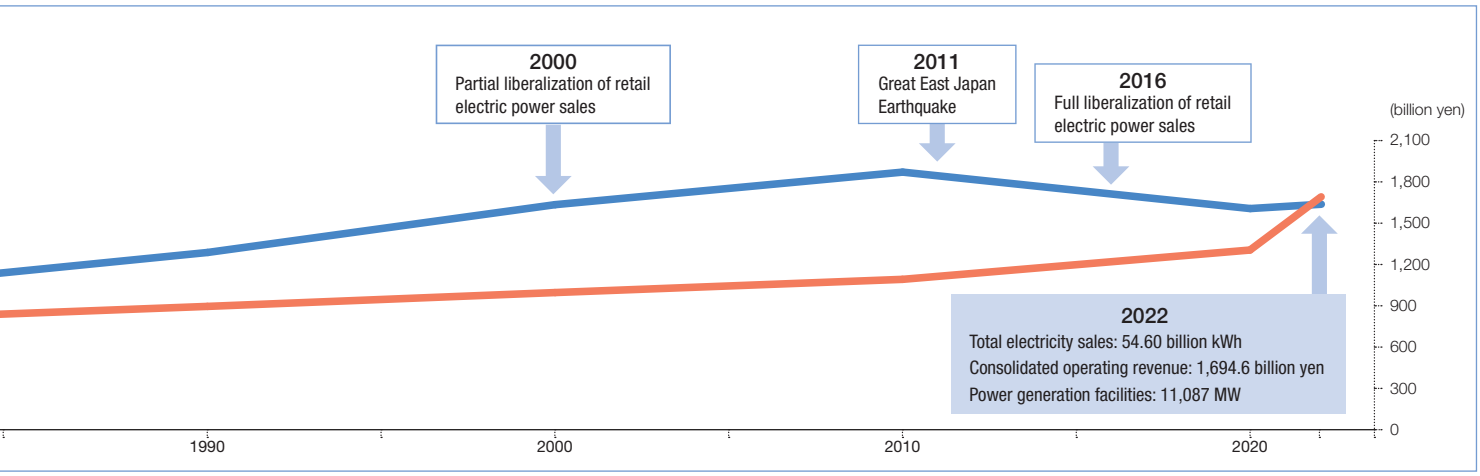
Chugoku Electric Power Transmission & Distribution

2020
· Established new Chugoku Electric Power Group Corporate Vision
· Revised the Energia Group Corporate Charter of Conduct
· Revised the Chugoku Electric Corporate Ethics Principles




2021
Announced Chugoku Electric Power Group Carbon Neutral 2050

Carbon Neutral 2050



# At a Glance (FY2023)

## Comprehensive Energy Business

19 companies

Sales (operating revenue)

**1572.6** billion yen

### Power Generation Business

We are working to build a composition of power sources that is first and foremost safe, but also one that is stable, economically efficient, and environmentally friendly.

### Sales Business

We are working as a Group to offer a range of high-value-added services that cater to diverse energy-related needs, be it for the home or for industry, to ensure that we continue to be chosen by customers.

## Power Transmission and Distribution Business

2 companies

Sales (operating revenue)

**560.2** billion yen

To ensure the electricity generated at power stations is provided to customers in a stable manner, we maintain and operate transmission, transformation, and distribution facilities while working to update our power network for the next generation.

## Information and Telecommunications Business

1 company

Sales (operating revenue)

**45.7** billion yen

We are engaged in the telecommunications and information processing businesses through which we build high-quality, high-reliability communications networks, operate data centers, and provide DX solutions.

## Other

22* companies

Sales (operating revenue)

**108.6** billion yen

We are also engaged in a wide range of other businesses, including real estate, building management, and construction consulting.

*Due to the transfer of all shares in EnerGia Care Service Co., Inc. on July 3, 2023, and its ensuing exclusion from the scope of our affiliated companies, the number of companies decreased from 22 to 21.

## Fuel procurement

**Fuel procurement** (FY2023) *Includes sold amount

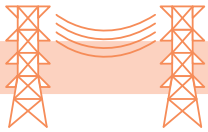
| Heavy oil | Coal* | LNG* | Biomass |
|---|---|---|---|
| 530 thousand kl | 7.23 million t | 1.75 million t | 0.43 million t |
| | Main sources: Australia, Indonesia, etc. | Main sources: Australia, Malaysia, etc. | |

## Power generation

**Chugoku Electric power generation facilities** (As of March 31, 2023)

| Hydroelectric power | Thermal power (steam) | Nuclear power | New energy sources |
|---|---|---|---|
| 90 | 7 | 1 | 2 |
| 2,907 MW | 7,354 MW | 820 MW | 6 MW |

## Transmission and distribution



**Transmission, transformation, and distribution facilities** (As of March 31, 2023)

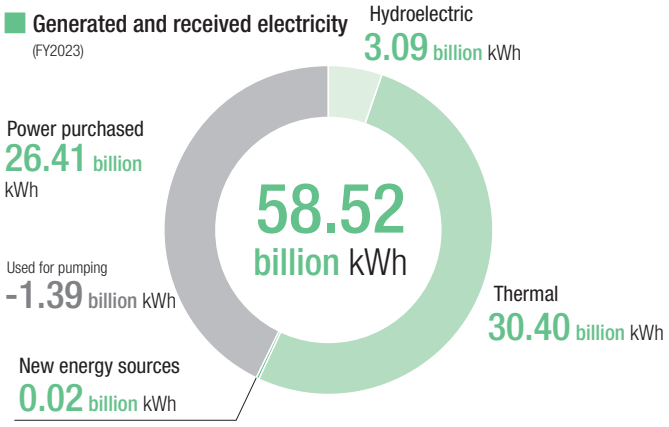
| | | | |
|---|---|---|---|
| Transmission | Transmission line length | Overhead | 8,150 km |
| | | Underground | 687 km |
| Transformation | No. of substations | | 551 |
| | Capacity | | 61.539 million kVA |
| Distribution | Distribution line length | Overhead | 81,341 km |
| | | Underground | 3,249 km |

## Sales

| | |
|---|---|
| No. of customer accounts | 4.85 million homes |

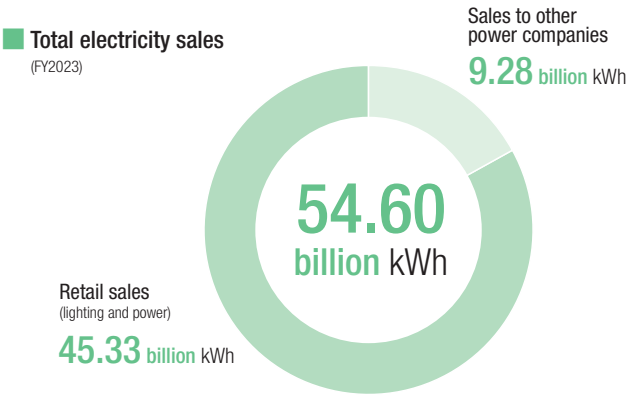
## Generated and received electricity

(FY2023)



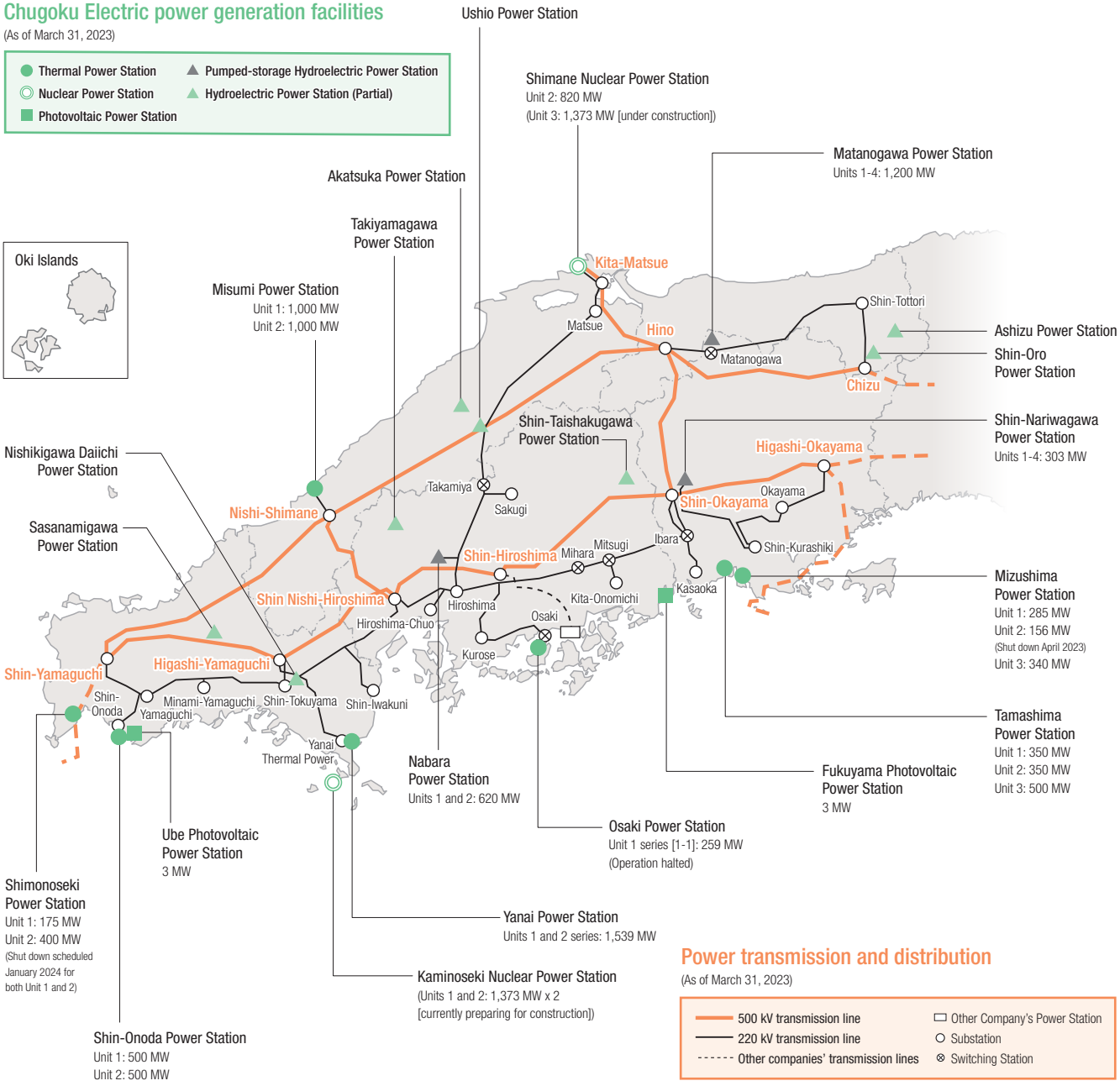

## Total electricity sales

(FY2023)




## Chugoku Electric power generation facilities

(As of March 31, 2023)



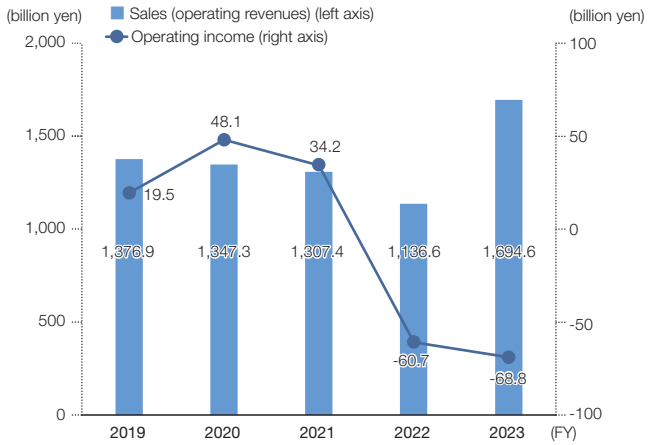

## Power transmission and distribution

(As of March 31, 2023)

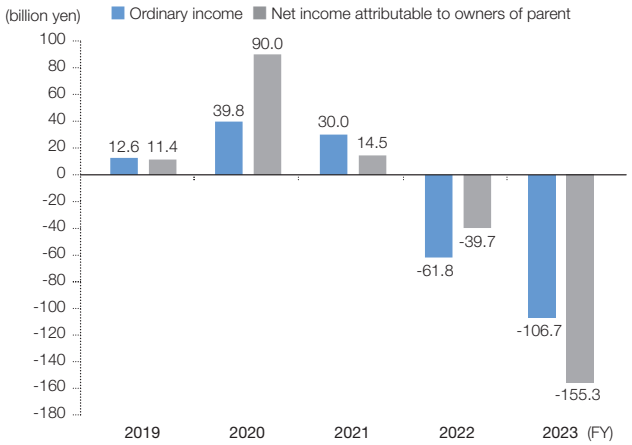
# Financial/Non-financial Highlights

## Financial

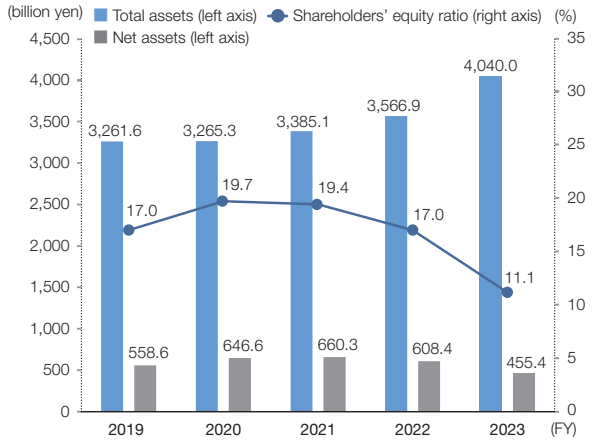
### Sales (operating revenues)/Operating income



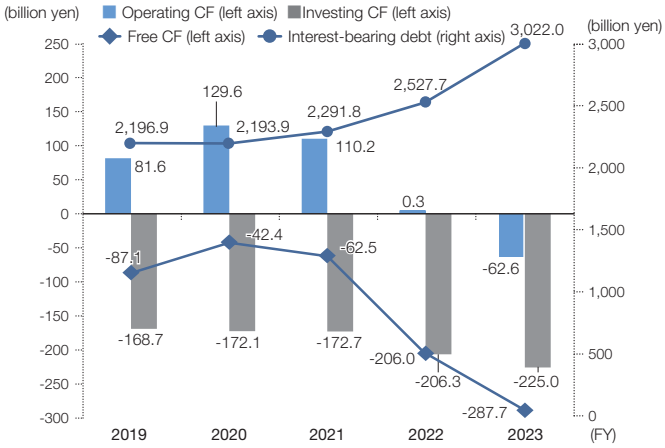

### Ordinary income/Net income attributable to owners of parent



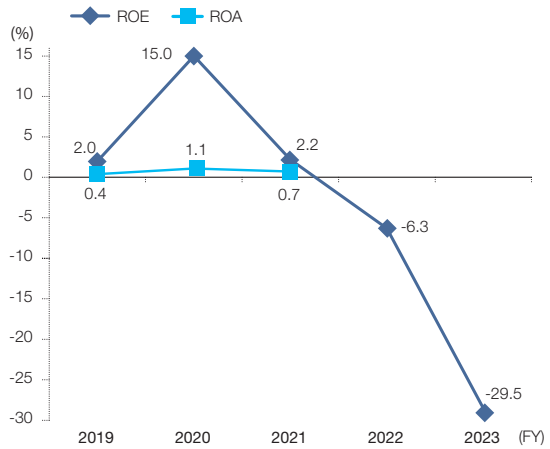

### Total assets/Net assets/Shareholders' equity ratio



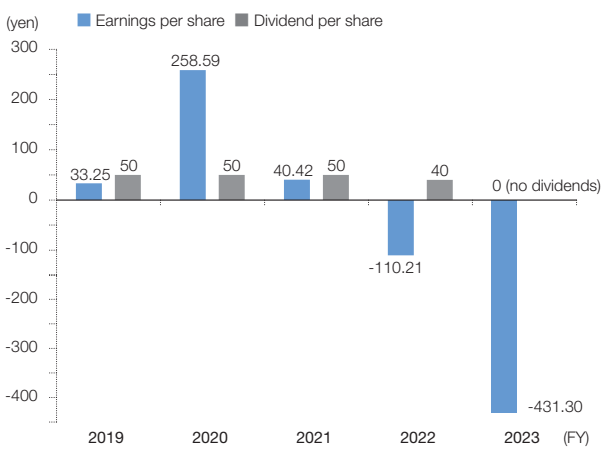

### Cash flow (operating CF/investing CF/free CF)/ Interest-bearing debt




### ROE/ROA



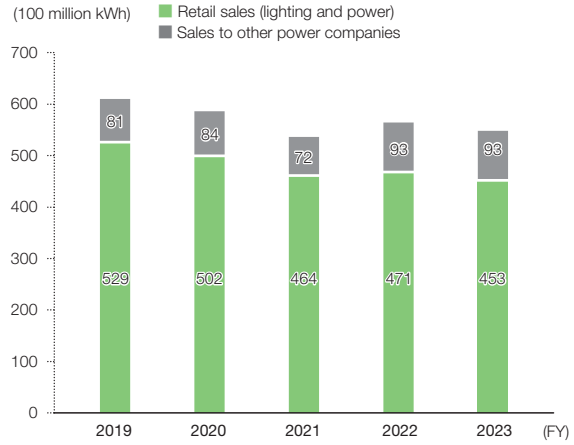

### Earnings per share/Dividend per share




(Note) ROA for FY2022-2023 is not shown as we recorded an operating loss.

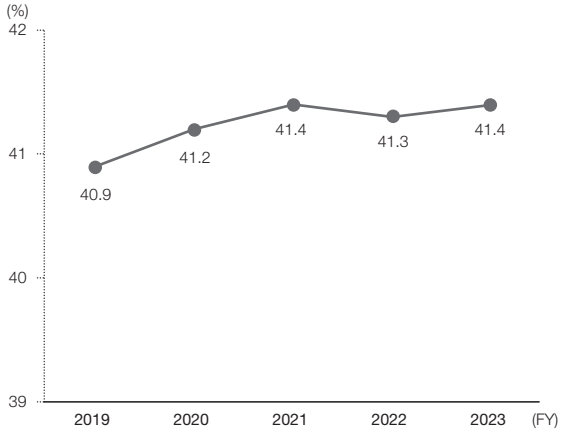
## Non-financial

### Electricity sales

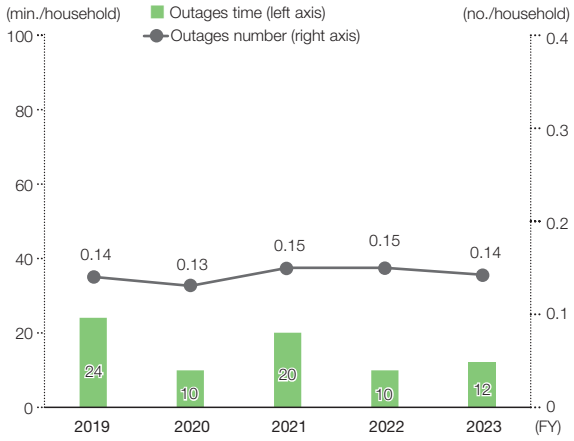



(Note) · The above electricity sales are for Chugoku Electric

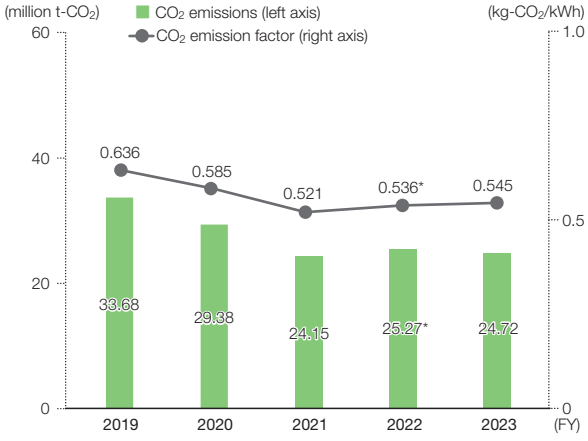
### Thermal efficiency of thermal power stations (HHV)




### Annual number and time of outages per customer household (Chugoku Electric Power Transmission & Distribution)



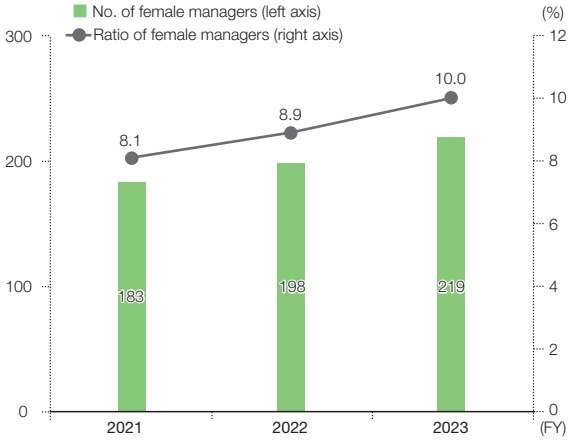

### $CO_2$ emissions/$CO_2$ emission factor




*Corrected due to error in reporting of FY2022 fuel usage related to the supply of wholesale electricity from other companies to Chugoku Electric.

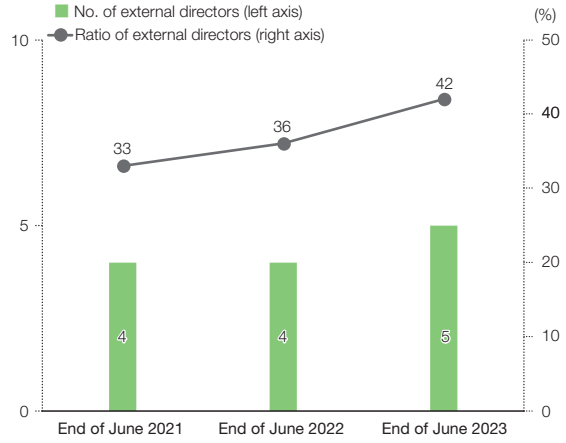
(Note) · Figures for Chugoku Electric
· $CO_2$ emission factor for FY2023 is a provisional value; the official value will be announced by the government.

### Number and ratio of female managers




(Note) Figures for Chugoku Electric

### Number and ratio of external directors




(Note) Figures for Chugoku Electric