# Value Creation Process

At the Chugoku Electric Power Group, in addition to working toward our Group Corporate Vision ENERGIACHANGE 2030, we are also engaged in Groupwide initiatives to achieve carbon neutrality by 2050.

Based on our corporate philosophy, which is a key Group value that demonstrates the way for sustainable management, we will flexibly respond to changes in our business environment and aim to create social value and improve our corporate value.

# **Key Group Value**

**Key Concept** 

# **ENERGIA**

Management Philosophy

# Trust. Creation. Growth.

We take delight in earning the trust of our customers. We create an abundant future through energy. We will grow together with the community.

# Chugoku Electric Power Group's **Corporate Philosophy**

# **INPUT**

(As of the end of FY2023)

#### Financial capital

Total consolidated assets: 4,040 billion yen

#### Manufacturing capital

Power generation: 100 locations; 11.087 million kW Power transmission: Overhead length: 8,150 km;

Underground length: 687 km

Power transformation: 551 locations; 61.539 million kVA

Power distribution: Overhead length: 81,341 km; Underground length: 3,249 km

No. of Group companies: 43

#### Intellectual capital

Technological capabilities and expertise supporting the energy business

No. of patents: 3,222

### Human capital

No. of employees (consolidated): 12,885

#### Social capital

Business foundations in the Chugoku region Relationships with shareholders, investors, customers, and partners

#### Natural capital

Hydroelectric power, solar power, wind power, and biomass power generation using nature in the Chugoku region

# **Businesses and Strategies**

### Key Issues

- Ensure a stable supply of energy
- Mitigate climate change
- Cooperate and co-create with local communities
- Promote active participation of workers

#### Fundamental Guidelines

# **Energia Group Corporate** Charter of Conduct

- Promotion of compliance management
- Enhancement of corporate governance
- Formation of a vibrant corporate culture
- Respect for human rights
- Assurance of industrial safety and health

# Chugoku Electric Power Group Corporate Vision

# **ENERGIACHANGE** 2030

- Seek to realize the potential of energy
- Work toward expanding business fields
- Inspire employees through our culture

# Go beyond, Connect to, and Expand



Chugoku Region

Renewable energy Storage batteries Electricity EV related, etc. Rusiness **Telecommunications** 

Expansion of business fields Energy

# Action

- Strengthening and improving existing businesses Taking on the Challenge of New Business
- The further enhancement of work environments for
- diverse human resources

# **External environmental** changes

Transformations in competitive environments following liberalization

Decarbonization

Advancement of digital transformations Transformation/diversification of social values

Expectations for sustainability management

Development of

Information and

DX

Venture investment/

collaboration

Non-energy

## OUTCOME

# Carbon Neutral 2050

- Shifting gears as we aim to achieve a decarbonized society -
- We proceed with the decarbonization of energy.
- We contribute to the development of local community through striving to be carbon neutral.
- We promote technological development for carbon neutral.

# **ENERGIACHANGE 2030**

### Profit/Financial targets (FY2031)

- Consolidated ordinary income: JPY 60 billion or more
- ✓ Consolidated equity ratio: 25%

# Non-financial targets

- The new introduction amount of the renewable energy by FY2031: 300 MW-700 MW
- The further enhancement of work environments for diverse human resources

## Other key indicators ahead of FY2031

- ✓ Halve CO₂ emissions for both retail business and power generation business (compared to FY2014)
- ✓ No. of all-electric home contracts: More than one million
- ✓ No. of EcoCute units installed: More than 900,000
- ✓ Ensure 100% of company-use vehicles are electric (excl. special vehicles, etc.)

# OUTPUT (FY2023)

Consolidated sales (operating revenue): 1,694.6 billion yen

Consolidated ordinary income:

- 106.7 billion yen Consolidated shareholders' equity ratio:

Newly introduced renewable energy:

+ Approx. 280 MW Power Generation p. 35 Sales p. 40

Power Transmission and Distribution p. 43 Information and Telecommunications p. 45 New Business p. 47

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