

The information shown below is an English translation of the “Mizushima Hatsudensho 2gouki, Kudamatsu Hatsudensho 3gouki oyobi Shimonoseki Hatsudensho 1・2gouki no Haishi ni Kansuru Oshirase”, notice of decommissioning thermal power plants.
 ※The Japanese document is the official. This English translation is prepared for convenience.

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Notice of Decommissioning Thermal Power Plants

Chugoku Electric Power announces that it resolved at a meeting of the Board of Directors held today to decommission Mizushima Power Station Unit 2, Kudamatsu Power Station Unit 3, and Shimonoseki Power Stations Units 1 and 2 as follows.

1. Reason for decommissioning

We are faced with the challenge of securing alternative power sources for our aging thermal power plants. We have also been considering fade-out of our inefficient coal-fired thermal power plants in order to become carbon neutral by the year 2050. Currently, we are developing Misumi Power Station Unit 2 (Location: Hamada City, Shimane Prefecture; Capacity: 1,000MW), by adopting USC, a highly efficient power generation system, and will also generate power by mixed-fuel combustion with biomass. In March of this year, the station began generating power for trial operation, and the rest construction work is progressing smoothly.

In addition to these circumstances, from the viewpoint of further reducing environmental impact toward becoming carbon neutral, we have decided to discontinue aging thermal power plants, the Mizushima Power Station Unit 2, Kudamatsu Power Station Unit 3, and Shimonoseki Power Station Units 1 and 2, including inefficient coal-fired thermal power plants.

2. Outline of facilities and scheduled date of decommissioning

Power Station Name	Mizushima Power Station		
Location	1-1 Ushiodori, Kurashiki City, Okayama Prefecture		
Category	decommissioning facility	(For reference only) Non-decommissioning facility	
Unit	2	1	3
Capacity	156MW	285MW	340MW
Primary Fuel	Coal	LNG	LNG
Start of Operation	August 1963	November 1961	February 1973
Scheduled date of decommissioning	April 2023	—	—

Power Station Name	Kudamatsu Power Station	
Location	484 Aza Higashishioage, Oaza Hirata, Kudamatsu City, Yamaguchi Prefecture	
Unit	3	
Capacity	700MW	
Primary Fuel	Heavy/Crude oil	
Start of Operation	September 1979	
Scheduled date of decommissioning	January 2023	

※Units 1 and 2 have been decommissioned.

※Unit 3 is under long-term planned shutdown since February 2019.

Power Station Name	Shimonoseki Power Station	
Location	9-1 Chofu Minatomachi, Shimonoseki City, Yamaguchi Prefecture	
Unit	1	2
Capacity	175MW	400MW
Primary Fuel	Coal	Heavy oil
Start of Operation	March 1967	September 1977
Scheduled date of decommissioning	January 2024	

3. Extraordinary losses

Due to the decommissioning of the facilities described above, impairment losses on fixed assets and a loss on valuation of supplies will be recorded as extraordinary losses in the first quarter of the fiscal year ending March 31, 2023, the amount of which is currently under evaluation.

The current estimate is approximately 8 billion yen.

4. Forecast of consolidated financial results

Regarding the forecast of consolidated financial results for the fiscal year ending March 31, 2023, both operating revenues and profits are yet undecided since we are currently unable to forecast revenues and expenses. The reasons are firstly we are unable to calculate the total amount of electricity sales reasonably due to the difficulty in assuming the impact of higher energy prices and other factors on economic activities, and secondly we are unable to predict reasonably how the fuel procurement environment changes and how fuel prices fluctuate.

We shall promptly provide our forecasts including the impact of this matter at the time when we are able to reasonably calculate the electricity sales and revenues and expenses based on fuel price trends and other factors.