

The information shown below is an English translation of the "Kosei Torihiki Inkai karano Hajiyosochimeirei・Kacyokinnoufumeirei no Jyuryo ni tsuite", receipt of cease and desist order and surcharge payment order from the Japan Fair Trade Commission released on March 30, 2023.
* The "Kosei Torihiki Inkai karano Hajiyosochimeirei・Kacyokinnoufumeirei no Jyuryo ni tsuite" in Japanese is the official document. This English translation is prepared for convenience.

March 30, 2023

Name of Listed Company : THE CHUGOKU ELECTRIC POWER CO., INC.
Code : 9504 (Prime of Tokyo Stock Exchange)
Representative : Natsuhiko Takimoto, Representative Director President & Chief Executive Officer
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Receipt of Cease and Desist Order and Surcharge Payment Order from The Japan Fair Trade Commission

On March 30, 2023, Chugoku Electric received the cease and desist order and surcharge payment order in accordance with the Japan Antimonopoly Act from the Japan Fair Trade Commission. An outline of each order is as follows.
We express our sincere apologies to shareholders, customers and all relevant personnel for the great deal of concern or inconvenience caused by this matter.

1. Outline of cease and desist order

The Commission came to conclusion that Chugoku Electric had violated the Article 3 of the Japan Antimonopoly Act (prohibited unreasonable restraint of trade) in connection with the retail supply of electricity (extra high voltage or high voltage) in relation to customers within the areas where the Kansai Electric Power CO., Inc. and Chugoku Electric had supplied electricity prior to the full liberalization of retail electric power sales and the bidding of governmental and municipal offices in the Chugoku region.

In response to this conclusion, the Commission has ordered us to take such measures as to pass a resolution at Board of Directors Meeting confirming that the relevant violations had ceased and inform its customers and thoroughly inform all employees the fact as well as to avoid a recurrence of similar conduct.

2. Outline of surcharge payment order

- (1) Amount of charges to be paid : 70.71586 billion yen
- (2) Payment deadline : October 31, 2023
- (3) Impact on business performance

As previously announced on December 2, 2022, we have already recorded extraordinary loss of 70.71586 billion yen for the 3rd quarter of the year ending March 31, 2023, as a provision for losses related to the Japan Antimonopoly Act and thus we have not changed our forecasts of financial results for the year ending March 31, 2023 previously announced on January 31, 2023.

Our position on this matter, measures to prevent recurrence, etc. will be announced separately according to the details of each order.