

The information shown below is an English translation of the “Kosei Torihiki Iinkai karano Hajjyosochimeirei • Kacyokinnoufumeirei ni Taisuru Torikeshisoso no Teiki ni tsuite”, Notice Regarding the Filing of Litigation for Revocation of the Cease and Desist Order and the Surcharge Payment Order from the Japan Fair Trade Commission released on April 28, 2023.

* The “ Kosei Torihiki Iinkai karano Hajjyosochimeirei • Kacyokinnoufumeirei ni Taisuru Torikeshisoso no Teiki ni tsuite ” in Japanese is the official document. This English translation is prepared for convenience.

Apr 28, 2023

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

On March 30, 2023, Chugoku Electric received the cease and desist order and the surcharge payment order in accordance with the Japan Antimonopoly Act from the Japan Fair Trade Commission about supply of extra-high voltage power and high voltage power at Chugoku area and Kansai area. (This matter was disclosed in “Receipt of Cease and Desist Order and Surcharge Payment Order from The Japan Fair Trade Commission,” and “Response Moving Forward Following the Receipt of the Cease and Desist Order, Etc., from The Japan Fair Trade Commission,” also dated March 30, 2023.)

We express our sincere apologies to shareholders, customers and all relevant personnel for the great deal of concern or inconvenience caused by this matter.

We have closely examined and confirmed the contents of each order and carefully consider our response, and we decided that we file a litigation for revocation of each order at the Board of Directors Meeting held on Apr 28, 2023. This is because there remains discrepancies in opinions between Chugoku Electric and the Commission regarding some of the factual findings and legal interpretations in the contents of each order.

We will explain our position and seek a fair judgment in the litigation for revocation.

【Reference】 Outline of the cease and desist order and the surcharge payment order

1. Outline of the cease and desist order

The Commission concluded 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 the surcharge payment order

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