



**Investors Meeting for  
FY2019 Financial Results**

# **The Summary of Financial Results for FY2019**

**(April 1, 2018 through March 31, 2019)**

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The Chugoku Electric Power Co., Inc.

May 9, 2019

In this report, the term “Fiscal Year 2019” refers to the period between April 1, 2018 and March 31, 2019.

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# I . FY2019 Financial Results

# 1-1. Financial Results Summary <Consolidated>

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- Operating revenues were 1,376.9 billion yen, a increase of 62.0 billion yen in comparison with the previous year. This is mainly because of the increase in electricity sales revenue due to the effect of fuel cost adjustment system, and the increase in grants on the act of renewable energy and renewable energy power promotion surcharge, despite the decrease in electricity sales.
- Operating expenses were 1,357.4 billion yen, a increase of 82.1 billion yen in comparison with the previous year. This is mainly because of the increase in material expenses due to the increase in fuel prices, and the increase in payments of the levy on the act of renewable energy, despite our efforts for business efficiency enhancement.
- As a result, operating income was 19.5 billion yen, a decrease of 20.0 billion yen in comparison with the previous year.
- Ordinary income including other expenses and other income, such as interest expense, was 12.6 billion yen, a decrease of 18.0 billion yen in comparison with the previous year.
- Net income attributable to owners of the parent deducting income taxes was 11.4 billion yen, a decrease of 9.2 billion yen in comparison with the previous year. This is the result of drawing down the provision for drought, applying the provision for depreciation of nuclear power plants and recording extraordinary loss due to the Heavy rain in July 2018 and extraordinary income due to the sales of securities.

# 1-2. Financial Results Summary

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## (1) Consolidated

(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	1,376.9	1,314.9	62.0	4.7 %
Operating income	19.5	39.6	-20.0	-50.7 %
Ordinary income	12.6	30.7	-18.0	-58.7 %
Net income attributable to owners of the parent	11.4	20.7	-9.2	-44.7 %

(Rounded down to the hundred million yen)

## (2) Non-consolidated

(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	1,280.5	1,227.4	53.0	4.3 %
Operating income	11.2	32.4	-21.1	-65.3 %
Ordinary income	6.9	24.0	-17.1	-71.3 %
Net income	8.5	16.4	-7.9	-48.2 %

(Rounded down to the hundred million yen)

## 2. Electricity Sales

- Electricity sales were 52.94 billion kWh, down by 4.5% in comparison with the previous year due to reasons such as impact of intensified competition with the full liberalization of the retail sale of electricity.

(billion kWh)

	FY2019 (A)	FY2018 (B)	Difference (A-B)	Rate of change (A/B-1)
<b>Total</b>	<b>52.94</b>	<b>55.43</b>	<b>-2.49</b>	<b>-4.5 %</b>
<b>Lighting</b>	<b>17.49</b>	<b>18.56</b>	<b>-1.07</b>	<b>-5.8 %</b>
<b>Power</b>	<b>35.46</b>	<b>36.87</b>	<b>-1.41</b>	<b>-3.8 %</b>

[Reference]

(billion kWh)

	FY2019 (A)	FY2018 (B)	Difference (A-B)	Rate of change (A/B-1)
<b>Sales to other power companies</b>	<b>8.08</b>	<b>6.65</b>	<b>1.43</b>	<b>21.5 %</b>

Note: Sales to other power companies represents transmitted volume in the generated and received electricity.

# 3. Generated and Received Electricity

- Total of generated and received electricity was down by 4.1% in comparison with the previous year.
- Hydroelectric power of own facilities decreased in comparison with the previous year due to the decrease in water flow.
- Thermal power of own facilities decreased due to reasons such as the decrease in electricity sales.

(billion kWh)

		FY2019 (A)	FY2018 (B)	Difference (A-B)	Rate of change (A/B-1)
<b>Total</b>		<b>57.54</b>	<b>59.99</b>	<b>-2.45</b>	<b>-4.1 %</b>
<b>Own facilities</b>	<b>Subtotal</b>	<b>35.35</b>	<b>37.44</b>	<b>-2.09</b>	<b>-5.6 %</b>
	(Flow Rate)	<b>(92.4 %)</b>	<b>(105.9 %)</b>	<b>(-13.5 %)</b>	
	<b>Hydroelectric</b>	<b>3.30</b>	<b>3.78</b>	<b>-0.49</b>	<b>-12.8 %</b>
	<b>Thermal</b>	<b>32.04</b>	<b>33.64</b>	<b>-1.60</b>	<b>-4.8 %</b>
	(Utilization Rate)	<b>( - )</b>	<b>( - )</b>	<b>( - )</b>	
	<b>Nuclear</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>New energy sources</b>	<b>0.01</b>	<b>0.01</b>	<b>-0.00</b>	<b>-4.1 %</b>
<b>Interchanged and purchased</b>	<b>Subtotal</b>	<b>23.05</b>	<b>23.49</b>	<b>-0.44</b>	<b>-1.9 %</b>
	<b>Purchased</b>	<b>31.13</b>	<b>30.14</b>	<b>0.99</b>	<b>3.3 %</b>
	<b>Transmitted</b>	<b>-8.08</b>	<b>-6.65</b>	<b>-1.43</b>	<b>21.5 %</b>
<b>Pumping use</b>		<b>-0.86</b>	<b>-0.94</b>	<b>0.08</b>	<b>-8.7 %</b>

# 4. Income Statement <Consolidated> (1) Revenues

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(billion yen)

	FY2019 (A)	FY2018 (B)	[Rate of change] Difference (A-B)	Breakdown
<b>Ordinary revenues</b>	<b>1,390.0</b>	<b>1,330.6</b>	<b>59.3</b>	
<b>Operating revenues</b>	<b>1,376.9</b> <b>(1,280.5)</b>	<b>1,314.9</b> <b>(1,227.4)</b>	<b>62.0</b> <b>(53.0)</b>	
<b>from electric power operations</b>	<b>1,248.5</b>	<b>1,201.2</b>	<b>[3.9 %]</b> <b>47.2</b>	
<b>Electricity sales</b>	<b>981.3</b>	<b>976.4</b>	<b>[0.5 %]</b> <b>4.9</b>	<ul style="list-style-type: none"> <li>·Fuel cost adjustment charges +58.2</li> <li>·Increase in renewable energy power promotion surcharge +6.1</li> <li>·Decrease in electricity sales -43.8</li> </ul>
<b>Others</b>	<b>267.1</b>	<b>224.8</b>	<b>[18.8 %]</b> <b>42.3</b>	<ul style="list-style-type: none"> <li>·Increase in electricity sales to other power companies +20.4</li> <li>·Increase in grants on the act of renewable energy +13.7</li> </ul>
<b>from other operations</b>	<b>266.5</b>	<b>231.0</b>	<b>35.4</b>	
<b>Internal transaction in consolidated accounting</b>	<b>-138.0</b>	<b>-117.3</b>	<b>-20.7</b>	
<b>Other revenues</b>	<b>13.0</b>	<b>15.6</b>	<b>-2.6</b>	

Note: Figures in parentheses ( ) are Non-Consolidated.

(Rounded down to the hundred million yen)

# 4. Income Statement <Consolidated> (2) Expenses

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(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)	Breakdown
Ordinary expenses	1,377.3	1,299.9	77.4	
Operating expenses	1,357.4	1,275.3	82.1	[6.4 %]
from electric power operations	1,238.0	1,169.7	68.3	[5.8 %]
Personnel	94.4	96.6	-2.2	
Material	642.7	571.9	70.7	· Higher CIF price +56.6 · Increase in purchase cost of renewable energy +22.2
Fuel	236.7	207.8	28.8	· Decrease in water flow and capacity factor of coal power plants +8.1
Purchased power	405.9	364.0	41.8	· Decrease in electricity sales -21.6
Maintenance	80.6	89.8	-9.2	
Depreciation	91.7	90.9	0.8	
Nuclear power back- end	6.5	4.7	1.7	
Others	321.9	315.5	6.3	· Increase in payments of the levy on the act of renewable energy +6.1
from other operations	256.0	222.3	33.6	
Internal transaction in consolidated accounting	-136.6	-116.8	-19.8	
Other expenses	19.8	24.5	-4.6	
	(18.5)	(22.0)	(-3.4)	

Note: Figures in parentheses ( ) are Non-Consolidated.

(Rounded down to the hundred million yen)

# 4. Income Statement <Consolidated> (3)Income, etc.

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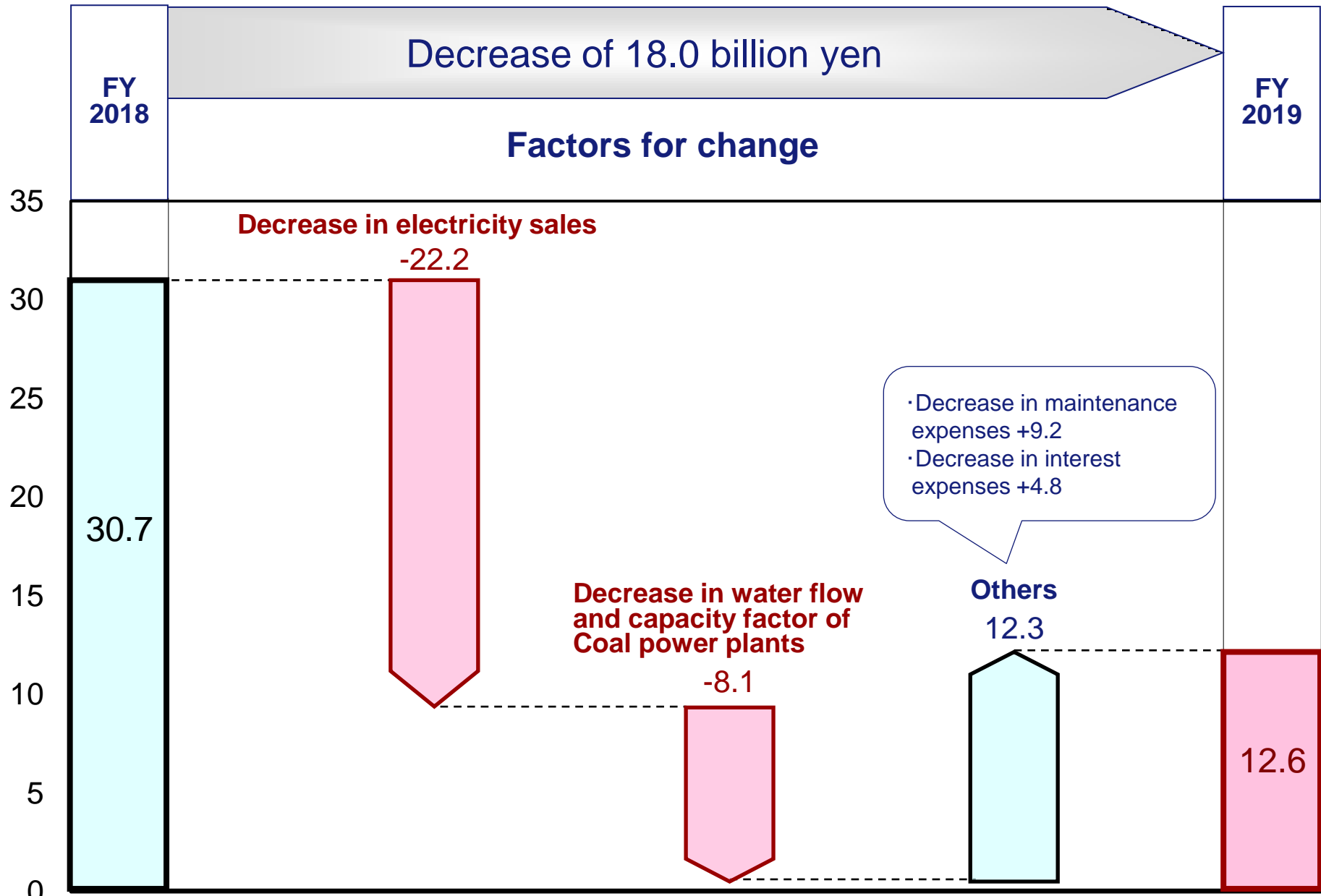
(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)	Breakdown
Operating income	19.5 (11.2)	39.6 (32.4)	-20.0 (-21.1)	
Ordinary income	12.6 (6.9)	30.7 (24.0)	-18.0 (-17.1)	
Provision for drought	-0.2	0.2	-0.4	
Provision for depreciation of nuclear power plant	2.5	3.3	-0.8	
Extraordinary income	10.4	-	10.4	·Sales of securities
Extraordinary loss	5.9	-	5.9	·The Heavy rain in July 2018 +3.7 ·Loss on partial business withdrawal of consolidated subsidiary +2.1
Income taxes, etc.	3.4	6.4	-2.9	
Net income attributable to owners of the parent	11.4 (8.5)	20.7 (16.4)	-9.2 (-7.9)	

Note: Figures in parentheses ( ) are Non-Consolidated.

(Rounded down to the hundred million yen)

# 5. Factors for change in Ordinary income <Consolidated>



(billion yen)

# 6. Segment Information (1/2)

## (1) Electric Power Business

- As described on page 1 “1-1. Financial Results Summary < Consolidated >”.

(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)
Operating revenues	1,248.5	1,201.2	47.2
Operating expenses	1,238.2	1,169.5	68.6
Operating income	10.2	31.7	-21.4

## (2) Comprehensive Energy Supply Business

(Rounded down to the hundred million yen)

- Operating revenues were 73.9 billion yen, a increase of 23.6 billion yen in comparison with the previous year due to reasons such as the increase in fuel sales business due to the increase in fuel prices.
- Operating expenses were 72.1 billion yen, a increase of 24.0 billion yen in comparison with the previous year due to reasons such as the increase in fuel sales expenses.
- As a result, operating income was 1.8 billion yen, a decrease of 0.3 billion yen in comparison with the previous year.

(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)
Operating revenues	73.9	50.2	23.6
Operating expenses	72.1	48.1	24.0
Operating income	1.8	2.1	-0.3

(Rounded down to the hundred million yen)

## (3) Information & Telecommunication Business

- Operating revenues were 41.8 billion yen, a increase of 0.8 billion yen in comparison with the previous year due to reasons such as the increase in telecommunications related business through the increase in communication lines.
- Operating expenses were 39.5 billion yen, a increase of 1.2 billion yen in comparison with the previous year due to reasons such as the increase in telecommunication related expenses.
- As a result, operating income was 2.3 billion yen, a decrease of 0.3 billion yen in comparison with the previous year.

(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)
Operating revenues	41.8	40.9	0.8
Operating expenses	39.5	38.3	1.2
Operating income	2.3	2.6	-0.3

(Rounded down to the hundred million yen)

# **II . Forecasts of Financial Results**

## **Dividends for FY2020**

- We expect that operating revenues will decrease in comparison with the previous year, for the reasons such as the decrease in electricity sales.
- We expect that ordinary income will increase in comparison with the previous year, for the reasons such as the decrease in expenses by business efficiency enhancement, despite the decrease in electricity sales.

**(Note)**

Based on the recent changes in the business environment, we will change our accounting policy and change the depreciation method for tangible fixed assets from the declining balance method to the straight line method from FY2020.

As a result of this change, depreciation expenses in FY2020 are expected to decrease by approximately 22.0 billion yen.

## 2. Forecasts of Financial Results Summary

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### (1) Consolidated

(billion yen)

	FY2020 (Forecasts) (A)	FY2019 (B)	Difference (A-B)
Operating revenues	1,371.0	1,376.9	-5.9
Operating income	42.0	19.5	22.4
Ordinary income	36.0	12.6	23.3
Net income attributable to owners of the parent	25.0	11.4	13.5

### (2) Non-consolidated

(billion yen)

	FY2020 (Forecasts) (A)	FY2019 (B)	Difference (A-B)
Operating revenues	1,270.0	1,280.5	-10.5
Operating income	36.0	11.2	24.7
Ordinary income	30.0	6.9	23.0
Net income	21.0	8.5	12.4

	FY2020 (Forecasts)	FY2019
Electricity sales (billion kWh)	50.7	52.9
Exchange rate (¥/\$)	110	111
Crude oil prices (All Japan CIF) (\$/b)	70	72
Nuclear capacity factor (%)	-	-

## Financial impact (Sensitivity)

(billion yen)

	FY2020 (Forecasts)	FY2019
Exchange rate (¥1/\$)	2.5	2.7
Crude oil prices (All Japan CIF) (\$1/b)	2.1	2.1
Water flow rate (1%)	0.5	0.4
Nuclear capacity factor (1%)	0.6	0.6

- We have continued stable dividends of ¥50 per share, based on our dividend policy “constant nominal payment”, in consideration of medium-and-long term viewpoint.
- Regarding the payment of dividends, we are based on twice a year at interim and year-end.
- Based on our dividend policy above, we have paid out ¥25 per share as the interim dividends to our shareholders and is planning to pay out ¥25 as the year-end dividends of FY2019 (annual dividends of ¥50 per share of FY2019).
- Regarding the forecasts of the dividends of FY2020, we are planning to pay out ¥25 as interim and the year-end.

< Dividends > (yen per share)

	FY2020	FY2019
Interim	25	25
Year-end	25	25
Total	50	50

**(Reference) Key points**

# 1. Income Statement and Balance Sheet

## Income Statement

(billion yen)

	FY2019		FY2018	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Summary of financial results	For the first time in 6 years	For the first time in 6 years	For the first time in 3 years	For the first time in 3 years
	Increase in revenues (+62.0)	Increase in revenues (+53.0)	Increase in revenues (+114.5)	Increase in revenues (+105.6)
	Decrease in income (-18.0)	Decrease in income (-17.1)	Increase in income (+11.2)	Increase in income (+7.8)
Operating revenues	1,376.9 (No.1)	1,280.5 (No.1)	1,314.9 (No.1)	1,227.4 (No.1)
Operating income	19.5 (No.22)	11.2 (No.50)	39.6 (No.20)	32.4 (No.38)
Ordinary income	12.6 (No.22)	6.9 (No.47)	30.7 (No.18)	24.0 (No.34)
Net income attributable to owners of the parent / Net income	11.4 (No.19)	8.5 (No.38)	20.7 (No.18)	16.4 (No.34)

## Balance Sheet

(billion yen)

	FY2019		FY2018	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Total assets	3,261.6	3,085.1	3,179.4	2,939.9
Net assets	558.6	403.7	580.7	418.5
Shareholders' equity ratio	17.0 %	13.1 %	18.2 %	14.2 %
Interest-bearing debt	2,196.9	2,200.2	2,078.2	2,029.4

Note: "Increase / decrease in income" in the summary of financial results is based on ordinary income.

The consolidated settlement has been implemented since FY1995.

The ranking is a simple comparison with the past amount at the time of each settlement.

## 2. Major Factors

		FY2019 (A)	FY2018 (B)	Difference (A-B)
Exchange rate	(¥/\$)	111	111	-
Crude oil prices (All Japan CIF)	(\$/b)	* { 72.1	57.0	15.1
Foreign coal prices (All Japan CIF)	(\$/t)	{ 120.5	102.7	17.8
Nuclear capacity factor	(%)	-	-	-

\* Provisional figures

# **(Reference) Appendix**

# 1. Summary of Cash Flows <Consolidated>

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(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)
Cash Flow form Operating Activities	81.6	164.7	-83.1
Cash Flow from Investing Activities	-168.7	-188.5	19.8
Free Cash Flow	-87.1	-23.7	-63.3
Cash Flow from Financing Activities	97.5	4.4	93.0
Cash and Cash Equivalents (increase and decrease)	10.2	-19.1	

(Rounded down to the hundred million yen)

# 3. Operating expenses <Non-Consolidated> (1/2) 18

## (1) Personnel

(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)	Breakdown
Total	94.4	96.6	-2.2	·Decrease in salary allowance -2.5
Retirement allowances	3.6	2.3	1.3	·Increase in actuarial difference depreciation +1.4

## Actuarial Difference

(billion yen)

	Recorded amount	FY2018 amount of amortization	FY2019		
			Amount of amortization	Balance of non-amortization	Non-amortization years
FY2013	4.7	0.9	-	-	-
FY2014	12.2	2.4	2.4	-	-
FY2015	8.9	1.7	1.7	1.7	1
FY2016	-11.0	-2.2	-2.2	-4.4	2
FY2017	2.9	0.5	0.5	1.7	3
FY2018	-2.2	-	-0.4	-1.8	4
FY2019	-1.1	-	-	-1.1	5
Total		3.5	2.1	-3.8	-

Note: Amortize for five years from next recorded year.

(Rounded down to the hundred million yen)

# 3. Operating expenses <Non-Consolidated> (2/2) 19

## (2) Maintenance

(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)	Breakdown
<b>Total</b>	<b>80.6</b>	<b>89.8</b>	<b>-9.2</b>	
<b>Power source</b>	<b>34.3</b>	<b>41.6</b>	<b>-7.2</b>	<ul style="list-style-type: none"> <li>▪ Decrease in thermal power -3.6</li> <li>▪ Decrease in nuclear power -3.6</li> </ul>
<b>Electric power transport</b>	<b>44.0</b>	<b>45.9</b>	<b>-1.8</b>	<ul style="list-style-type: none"> <li>▪ Decrease in distribution -1.7</li> </ul>
<b>Others</b>	<b>2.1</b>	<b>2.2</b>	<b>-0.0</b>	

## (3) Depreciation

(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)	Breakdown
<b>Total</b>	<b>91.7</b>	<b>90.9</b>	<b>0.8</b>	
<b>Power source</b>	<b>36.3</b>	<b>34.7</b>	<b>1.6</b>	<ul style="list-style-type: none"> <li>▪ Increase in thermal power +1.9</li> </ul>
<b>Electric power transport</b>	<b>48.1</b>	<b>48.7</b>	<b>-0.6</b>	
<b>Others</b>	<b>7.2</b>	<b>7.4</b>	<b>-0.2</b>	

(Rounded down to the hundred million yen)

# 4. Procurement and Consumption of Fuel (in-house)

## (1) Procurement volume

	Unit	FY2019 (A)	FY2018 (B)	Difference (A-B)
Fuel oil *	million liters	440	660	-220
Crude oil	million liters	30	110	-80
Coal **	thousand tons	6,330	6,140	190
LNG **	thousand tons	2,240	2,430	-190

\* Internal combustion power plant included

\*\* Sales included

## (2) Consumption volume

	Unit	FY2019 (A)	FY2018 (B)	Difference (A-B)
Fuel oil ***	million liters	500	610	-110
Crude oil	million liters	50	150	-100
Coal	thousand tons	5,770	5,880	-110
LNG	thousand tons	1,910	1,940	-30

\*\*\* Internal combustion power plant included

# 5. Capital Expenditure <Non-Consolidated>

(billion yen)

	FY2019 (A)	FY2018 (B)	Difference (A-B)
<b>Total</b>	<b>169.8</b>	<b>204.8</b>	<b>-35.0</b>
<b>Power Source</b>	<b>106.0</b>	<b>134.7</b>	<b>-28.7</b>
<b>Electric Power Transport</b>	<b>47.8</b>	<b>55.2</b>	<b>-7.3</b>
<b>Transmission</b>	<b>16.0</b>	<b>20.8</b>	<b>-4.8</b>
<b>Transformation</b>	<b>14.4</b>	<b>16.5</b>	<b>-2.0</b>
<b>Distribution</b>	<b>17.3</b>	<b>17.8</b>	<b>-0.5</b>
<b>Nuclear Fuel</b>	<b>8.2</b>	<b>10.2</b>	<b>-2.0</b>
<b>Others</b>	<b>7.7</b>	<b>4.6</b>	<b>3.1</b>

Note: Incidental Business Facilities Excluded

(Rounded down to the hundred million yen)

## 6. Interest-bearing debt, Interest rate, and Interest expense <Non-Consolidated>

### (1) Breakdown of Interest-bearing debt

(billion yen)

	End of FY2019 (A)	End of FY2018 (B)	Difference (A-B)
Interest-bearing debt	2,200.2	2,029.4	170.8
Corporate bond	990.4	917.4	73.0
Long-term debt	1,113.9	1,034.6	79.2
Short-term debt	95.8	67.3	28.4
CP	-	10.0	-10.0

### (2) Interest rate

	FY2019	FY2018
Average	0.62 %	0.86 %
End of period	0.60 %	0.71 %

### (3) Interest expense

(billion yen)

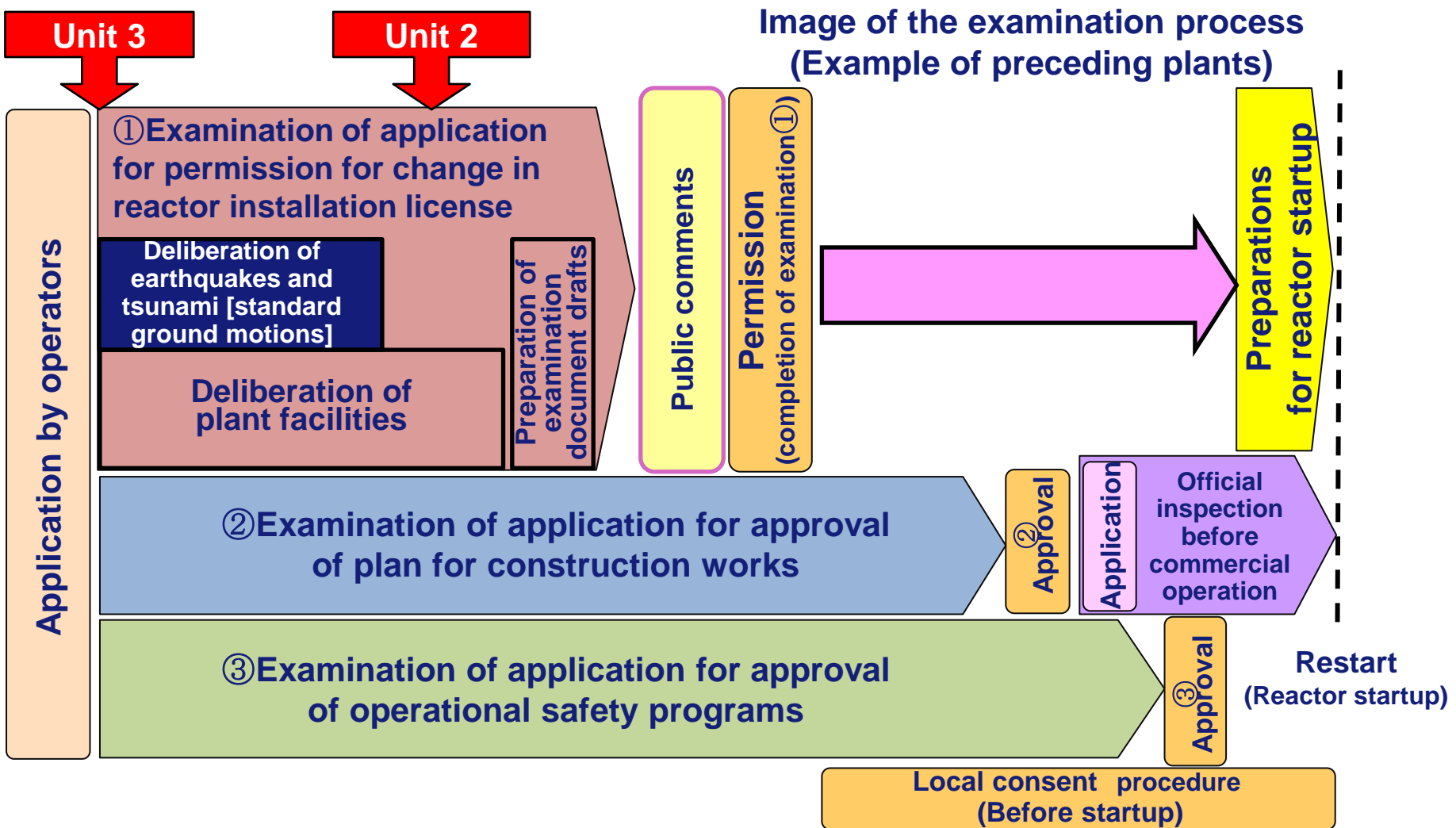
	FY2019 (A)	FY2018 (B)	Difference (A-B)
Interest expense	12.3	17.2	-4.8

(Rounded down to the hundred million yen)

## **III. Recent Topics**

# 1-1. State of Shimane Nuclear Power Station [ Compatibility confirmation review process ]

- Regarding Unit 2, in December 2013, we applied for examination to verify its compliance with the new requirements. The examinations began in January 2014. As of the end of April this year, a total of 104 examinations have been conducted.
- Regarding Unit 3, in August 2018, we applied for the examination.



# 1-2. State of Progress of Compliance Examinations

## [ Shimane Unit 2: Earthquake and Tsunami ]

■ The standard ground motions and the standard tsunami were evaluated as adequate.

	Main examination items	Examination status	Outline of examination	◆ Examination status ★ Chugoku Electric's assessment
Earthquake	Earthquake ground motion determined without identifying the hypocenter	Completed	Matters relating to standard ground motions regarded as needing to be considered for the power station	◆ Explained that Rumoi and Western Tottori Prefecture Earthquakes will be taken into account  ◆ Explained that, based on the results of surveys up until now we revise the eastern end of Shinji Fault from Shimoubeohigashi to the east shore of Mihonosekicho, and the evaluated length from approx. 25km to approx. 39km. ◆ Explained that the Shinji Fault and Tottori Offshore Western Fault are not linked. ◆ Explained the ground motion assessment for the Shinji Fault and the seaward fault.
	Earthquake ground motion determined with identifying the hypocenter	Completed		◆ Explained adequacy of subsurface structure models
	Subsurface structures of the site and surroundings	Completed		★ Set Ss-D (820 gal), etc. ◆ Explained the year excess probability of the standard ground motions.
	Standard ground motions	Completed		◆ Explained that we decide not to change the seismic design classifications
	Seismic design policy	Being implemented	Matters relating to assessment of the equipment with regard to the standard ground motions	◆ Explained that there are no fracture zones, active faults or the like
	Geology and geological structure of the site	Completed	Matters relating to the ground inside the power station site	★ Assess that they are safe
	Stability of ground and inclines	Unimplemented		
Tsunami	Standard tsunami	Completed	Matters relating to tsunamis regarded as needing to be considered for the power station	◆ Reassess as 11.6 m (original application: 9.5 m)
	Anti-tsunami design policy	Being implemented		★ Assess that safety can be maintained (15 m breakwater and watertight doors installed)

# 1-3. State of Progress of Compliance Examinations

## [ Shimane Unit 2: Plant-related ]

■ The examination regarding plants was resumed from February 2019.

	Main examination items	Examination status	Outline of examination	◆ Examination status ★ Chugoku Electric's assessment	
Countermeasures for severe accidents	Probabilistic risk assessment (PRA)	Being implemented	Quantitative assessment of the probability of the reactor core being damaged and leading to a severe accident, and assessment of efficacy of countermeasures for a severe accident, etc.	◆ Explained the probabilities of damage to the reactor core and rupture of the containment vessel due to internal/external events ◆ Explained the accident scenarios selected on the basis of the PRA results ◆ Explained that the severe accident countermeasures are effective for the accident scenarios selected.	
	Selection of accident sequences	Being implemented		Matters relating to assessment, etc., of radiation exposure in the event of an accident	◆ Explained the adequacy of the analytical programs used in the PRA and efficacy assessment ◆ Assess as 44 mSv in 7 days ◆ Explained about power supply equipment, radiation exposure assessment, operation methods, etc.
	Efficacy assessment	Being implemented			
	Analytical codes	Being implemented			
	Reactor control room	Being implemented	Matters relating to the equipment's design, specifications, performance and operation methods	◆ Explained the adequacy of the design policy, specifications, performance and operation methods.	
	Contingency measure center	Being implemented			
	Filtered vent equipment	Being implemented			
Countermeasures for design basis accidents	Interior inundation	Being implemented	Assessment and countermeasures, etc., regarding newly-added natural disasters	◆ Explained the impact assessment and countermeasures for interior inundation ◆ Explained about the impact assessment of exterior and interior fires. ◆ Explained that we are assessing for maximum wind speed 92 m/s (original application: 69 m/s) ◆ Explained that we have reassessed for Mt. Sanbesan and Mt. Daisen. [approx. 30 cm of volcanic ash (original application: approx. 2cm) ]	
	Fire	Being implemented			
	Tornados (impact assessment and countermeasures)	Being implemented			
	Volcanoes (impact assessment and countermeasures)	Being implemented			

# 1-4. State of Shimane Nuclear Power Station [ Shimane Unit 2: Plant-related ]

	Main examination items	Examination status	Outline of examination	◆ Examination status ★ Chugoku Electric's assessment
Countermeasures for design basis accidents	Single failure of passive system	Being implemented	Assessment and countermeasures, etc., regarding newly-added natural disasters	◆ Explained that passive systems have been identified and will be able to maintain their safety functions
	Protective power supply equipment	Completed		◆ Explained the reliability of external power supplies
	Reactor coolant pressure boundary	Completed		◆ Explained the concept of range setting and the soundness of the equipment within the range
	Prevention of illegal intrusion	Completed		◆ Explained the measures to prevent intrusion
Others	Specialized safety facility	Being implemented	Anti-terrorist measures, etc.	◆ Explained the outline of the application

## < State of safety measure works >

- Aiming for completion as early as possible in FY2020, safety measures construction of Shimane Unit 2 is in progress.
- Of Shimane Unit 3, we aim to complete construction in the first half of FY2021.



# 2. Misumi Power Station Unit 2 (Coal)

- We started construction in November 2018.
- We aim to start operation in November 2022.

[ Completed Projection Drawing ]



[ Project Overview ]

<b>Location</b>	Hamada-city, Shimane Pref.
<b>Installed Capacity</b>	1 GW
<b>Type of Generation</b>	Ultra Super Critical (USC)
<b>Fuel</b>	Coal
<b>Start of Operation</b>	November 2022

[ State of Construction ]  
(As of February 2019)



FY	2019	2020	2021	2022	2023
<b>Schedule</b>	▼Received notice of confirmation of environmental impact assessment (April)		Start of operation (November)		
	▼Start of construction (November)		▼		
	Civil engineering and construction				
	Equipment installation			Test operation	

## 3-1. Ongoing Projects in Indonesia

- We obtained 25% of shares in a hydroelectric power generation project which is in commercial operation located in North Sumatra Province of the Republic of Indonesia in March 2019.
- This is our first participation in the power generation business in Indonesia.

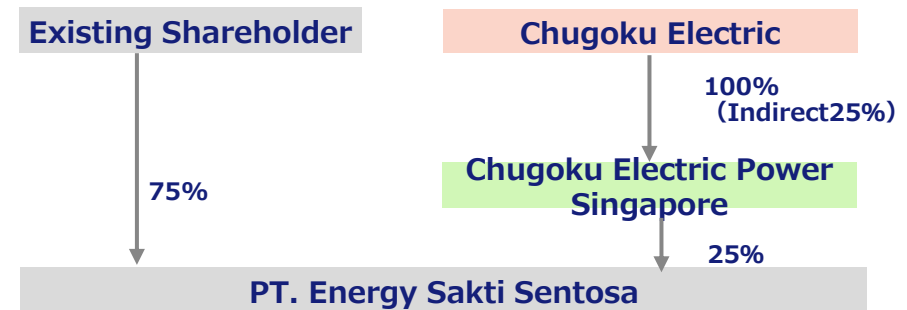
### [ Project Overview ]

Installed Capacity	18MW
Type of Generation	Run-of-River
Start of Operation	April 2016
Off-taker	Indonesian state-owned electric power company
Share obtained	25%

### [ Appearance ]



### [ Investment Scheme ]



### [ Plant Location ]



# 3-2. Ongoing Projects in Taiwan

- We obtained 3.4% ownership interest in the offshore wind power generation in Taiwan in April 2019.
- This project is our first participation in the power generation business in Taiwan.

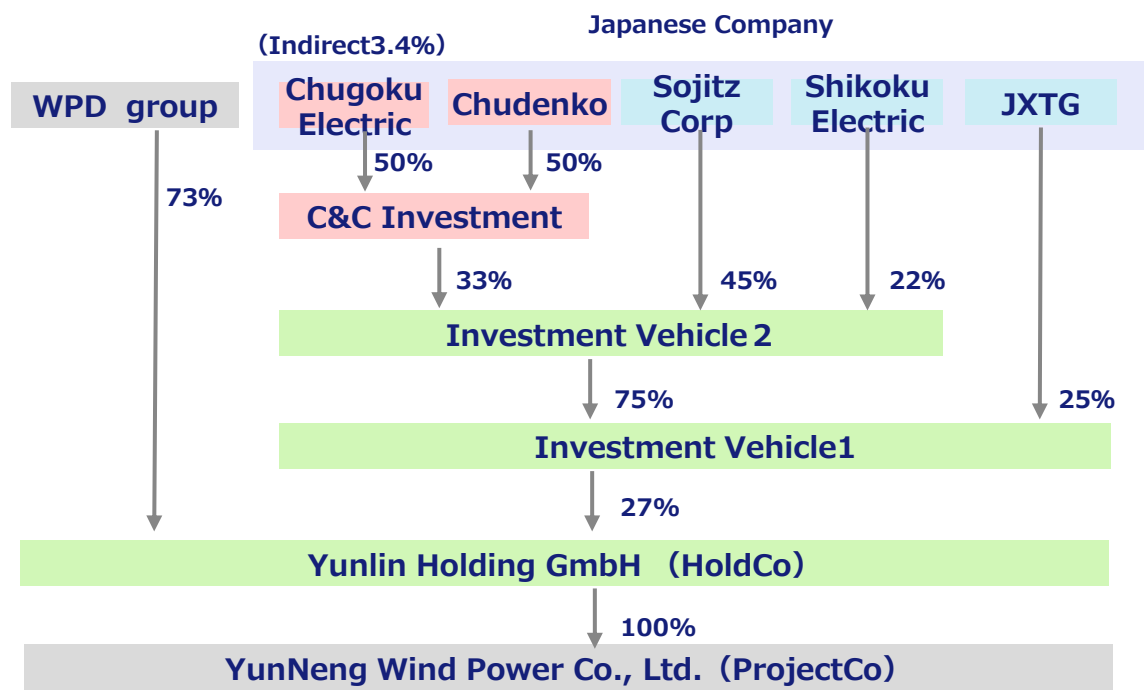
## [ Project Overview ]

Installed Capacity	0.64GW
Type of Generation	Offshore wind power
Start of Operation	December 2021
Off-taker	Taiwan Power Company
Share obtained	3.4%

## [ Plant Location ]



## [ Investment Scheme ]



# 4. Biomass Power Generation in Japan

- We started construction of the plants in Kaita and Onahama in December 2018 and January 2019 respectively.

## [ Project Overview ]

<b>Name</b>	AIR WATER & ENERGIA POWER YAMAGUCHI CORPORATION	AIR WATER & ENERGIA POWER ONAHAMA CORPORATION	KAITA BIOMASS POWER CO., LTD.
<b>Address</b>	3-1, Kanebo-cho, Hofu City, Yamaguchi Pref.	2-4, Onahama, Iwaki City, Fukushima Pref.	2-118, Myojin-machi, Kaita-cho, Aki-gun, Hiroshima Pref.
<b>Installed Capacity</b>	112 MW	75 MW	112MW
<b>Type of Generation</b>	Circulating Fluidized Bed	Circulating Fluidized Bed	Circulating Fluidized Bed
<b>Start of Operation</b>	FY2020	FY2022	FY2021
<b>Fuel</b>	Woody biomass (including domestic materials primarily procured from Yamaguchi Pref.), Coal	Woody biomass	Woody biomass (including domestic materials primarily procured from Hiroshima Pref.), Coal, Natural gas (use for support)
<b>Investment ratio</b>	AIR WATER 51% Chugoku Electric 49%	AIR WATER 51% Chugoku Electric 49%	HIROSHIMA GAS 50% Chugoku Electric 50%



## 5. Establish “Energia Creative Lab”

- We established a new department, “Energia Creative Lab”, for promoting innovation in existing businesses and creation of new businesses.

### [ Changes in the business environment ]

- Development of digital technology
- Rise of next-generation business model utilizing technologies such as distributed power supply, storage battery and block chain

- Social issues caused by population decrease, aging, etc.
- Maintenance and management problems of aging public facilities

### [ Concept ]

#### “Innovation in electricity business”

- Productivity improvement using advanced digital technology
- Innovation of business model using next-generation technology

#### “Solution of local problem”

- Creation of new business that leads to regional revitalization

Various  
external  
partners

Cooperation through Open Innovation

Start Up

Company

University

Financial  
Institute

Local  
Government

etc.

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