

The Summary of Financial Results for FY2021

(April 1 through March 31, 2021)

The Chugoku Electric Power Co., Inc.

May 11, 2021

In this report, the term “Fiscal Year 2021” refers to the period between April 1, 2020 and March 31, 2021.

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I . FY2021 Financial Results

1-1. Financial Results Summary <Consolidated>

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- Operating revenues were 1,307.4 billion yen, a decrease of 39.8 billion yen in comparison with the previous year. This is because of the increasing competition, as well as the decrease in electricity charges revenue due to the decrease in retail electricity sales for reasons such as stagnation of production activities in the first half of the year caused by COVID-19.
- Operating expenses were 1,273.2 billion yen, a decrease of 25.9 billion yen in comparison with the previous year. This is because of the decrease in material expenses due to the decrease in retail electricity sales, despite the increase in costs for procuring fuel and electricity due to the tight supply and demand for electricity during winter, as well as our efforts for overall business efficiency enhancement.
- As a result, operating income was 34.2 billion yen, a decrease of 13.8 billion yen in comparison with the previous year.
- Ordinary income including non-operating income and expenses such as interest expense was 30 billion yen, a decrease of 9.7 billion yen in comparison with the previous year.
- Net income attributable to owners of the parent was 14.5 billion yen. This is the result of recording 11.4 billion yen for allowance for doubtful accounts as extraordinary losses for some receivables affected by the increasing market prices due to tight supply and demand for electricity, as well as deducting income taxes and other taxes.
This is a decrease of 75.4 billion yen in comparison with the previous year, in which a provision for depreciation of nuclear power plants was drawn down.

1-2. Financial Results Summary <Consolidated>

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(billion yen)

	FY2021 (A)	FY2020 (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	1,307.4	1,347.3	-39.8	-3.0 %
Operating income	34.2	48.1	-13.8	-28.8 %
Ordinary income	30.0	39.8	-9.7	-24.5 %
Net income attributable to owners of the parent	14.5	90.0	-75.4	-83.8 %

(Rounded down to the hundred million yen)

2. Income Statement <Consolidated>

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(billion yen)

	FY2021 (A)	FY2020 (B)	Difference (A-B)
Ordinary revenues	1,321.0	1,358.4	-37.4
Operating revenues	1,307.4	1,347.3	-39.8
Other revenues	13.5	11.1	2.4
Ordinary expenses	1,290.9	1,318.6	-27.6
Operating expenses	1,273.2	1,299.1	-25.9
Other expenses	17.7	19.4	-1.6
Operating income	34.2	48.1	-13.8
Ordinary income	30.0	39.8	-9.7
Provision for drought	0.0	-0.3	0.3
Provision for depreciation of nuclear power plant	-	-86.2	86.2
Extraordinary loss	11.4	2.2	9.2
Income taxes, etc.	4.0	34.2	-30.1
Net income attributable to owners of the parent	14.5	90.0	-75.4

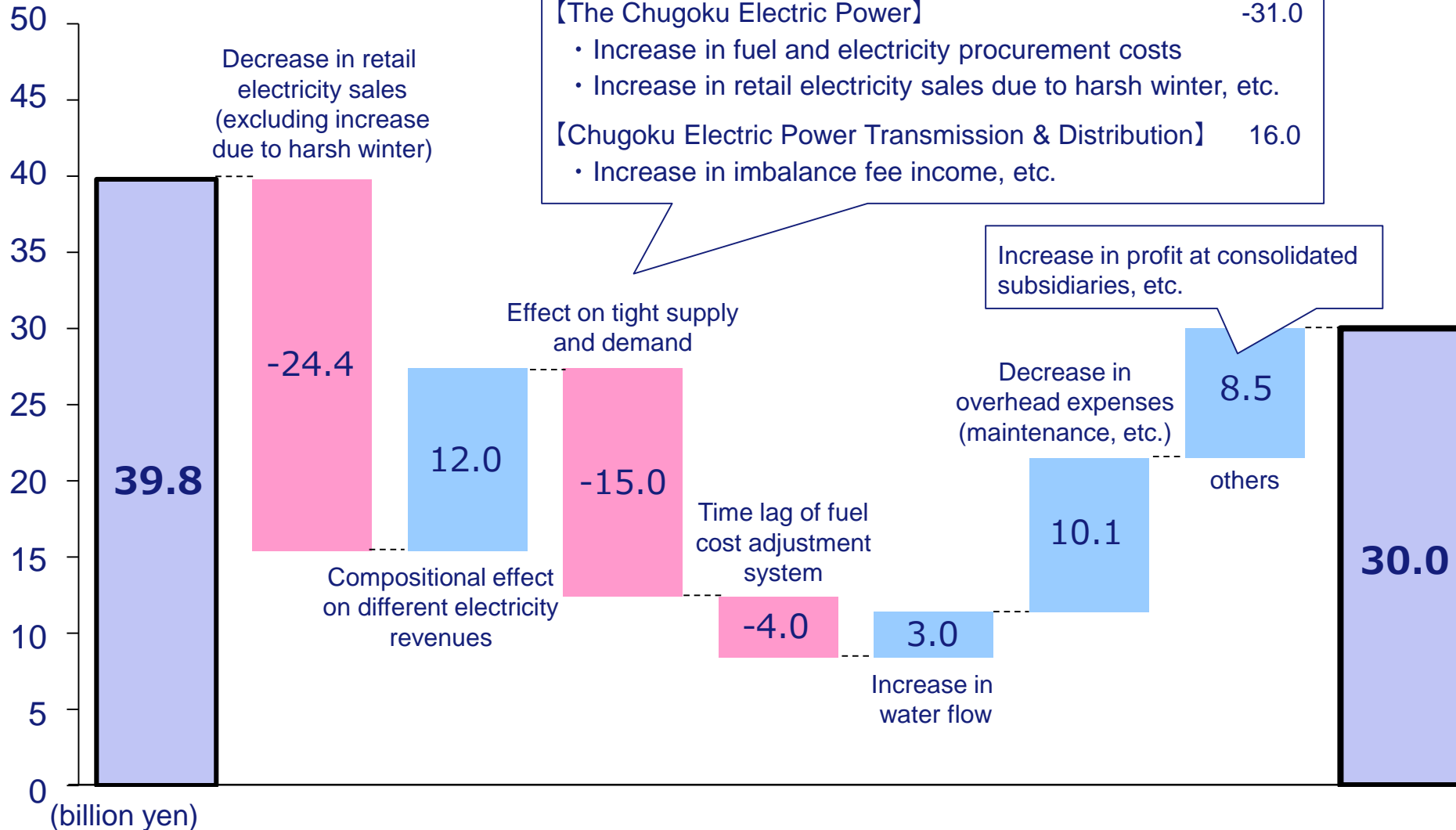
(Rounded down to the hundred million yen)

3. Factors for Change in Ordinary Income <Consolidated>

FY 2020

Consolidated ordinary income -9.7 billion yen

FY 2021



4. Total Electricity Sales

- Total electricity sales were down by 4.9% in comparison with the previous year due to reasons such as the intensified competition and the impact of COVID-19.
- Retail electricity sales were 46.39 billion kWh, down by 7.1% in comparison with the previous year.
- Electricity sales to other power companies were 7.17 billion kWh, an increase of 12.5% in comparison with the previous year.

(billion kWh)

		FY2021 (A)	FY2020 (B)	Difference (A-B)	Rate of change (A/B-1)
Total sales		53.56	56.29	-2.73	-4.9 %
Retail sales	Subtotal	46.39	49.92	-3.53	-7.1 %
	Lighting	16.82	16.75	0.07	0.4 %
	Power	29.57	33.17	-3.60	-10.9 %
Sales to other power companies		7.17	6.37	0.80	12.5 %

Note: We transferred the power transmission and distribution business to Chugoku Electric Power Transmission & Distribution Co., Inc. through a corporate split on April 1, 2020. The figures for FY2020 are based on the assumption that the company was split into two companies under certain assumptions to facilitate comparison with the figures for FY2021.

5. Generated and Received Electricity

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- Total of generated and received electricity was down by 6.7% in comparison with the previous year.
- Hydroelectric power of own facilities increased due to the increase in water flow.
- Thermal power of own facilities decreased due to reasons such as the decrease in retail electricity sales.

(billion kWh)

		FY2021 (A)	FY2020 (B)	Difference (A-B)	Rate of change (A/B-1)
Total		50.90	54.56	-3.66	-6.7%
Own facilities	Subtotal	31.55	32.80	-1.25	-3.8%
	(Water Flow Rate)	(96.5 %)	(81.3 %)	(15.2%)	
	Hydroelectric	3.48	2.94	0.54	18.4 %
	Thermal	28.06	29.85	-1.80	-6.0 %
	(Utilization Rate)	(-)	(-)	(-)	
	Nuclear	-	-	-	-
	New energy sources	0.01	0.01	0.00	2.9 %
Interchanged and purchased	Subtotal	20.53	22.62	-2.10	-9.3 %
	Purchased	32.11	34.12	-2.02	-5.9 %
	Transmitted	-11.58	-11.50	-0.08	0.7 %
Pumping use		-1.18	-0.87	-0.31	35.9 %

Note: The figures for FY2020 are based on the assumption that the company was split into two companies under certain assumptions to facilitate comparison with the figures for FY2021.

6. Segment Information

- The Power Transmission and Distribution Business saw an increase in income because of the increase in imbalance fee income, due to increased supply of electricity to electricity generation and retail companies in the Chugoku area, where there was a lack of supply following a tight supply and demand for electricity, and because of increasing market prices.
- On the other hand, the Comprehensive Energy Business saw a decrease in income because of an increase in costs for procuring fuel and electricity due to the tight supply and demand for electricity.

(billion yen)

		FY2021 (A)	FY2020 (B)	Difference (A-B)
Comprehensive Energy Business	Operating revenues	1,181.3	1,268.4	-87.1
	Operating income	-12.6	19.7	-32.3
Power Transmission and Distribution Business	Operating revenues	423.8	352.7	71.0
	Operating income	41.0	23.1	17.8
Information and Telecommunications Business	Operating revenues	45.1	42.9	2.1
	Operating income	3.4	3.4	-0.0
Others	Operating revenues	101.9	103.6	-1.6
	Operating income	4.3	3.5	0.8
Amount of Adjustment	Operating revenues	-444.7	-420.5	-24.2
	Operating income	-1.9	-1.6	-0.2
Total	Operating revenues	1,307.4	1,347.3	-39.8
	Operating income	34.2	48.1	-13.8

(Rounded down to the hundred million yen)

Note: We have changed the reporting segments from "Electric Power Business", "Comprehensive Energy Supply Business" and "Information & Telecommunication Business" to "Comprehensive Energy Business", "Power Transmission and Distribution Business" and "Information and Telecommunications Business". As a result, the figures for FY2020 have been reclassified to the new reporting segments.

7. Effect on Consolidated Results Due to Tight Supply and Demand

- The effects of the tight supply and demand for electricity on the Comprehensive Energy Business and on the Power Transmission and Distribution Business were minus approximately 31 billion yen, and plus approximately 16 billion yen, respectively.
- Furthermore, as the Power Transmission and Distribution Business recorded 11.4 billion yen for allowance for doubtful accounts as extraordinary losses for some receivables affected by the increasing market prices, there was a total effect of minus approximately 26 billion yen in total on the consolidated results.

Category	Details		Effect on results
Comprehensive Energy Business <small>【The Chugoku Electric Power】</small>	Operating income	(-) Increase in fuel and electricity procurement costs	Approx. -31 billion yen
		(-) Increase in imbalance cost due to imbalance (+) Increase in retail electricity sales, etc.	
Total			Approx. -31 billion yen
Power Transmission and Distribution Business <small>【Chugoku Electric Power Transmission & Distribution】</small>	Operating income	(+) Increase in imbalance fee income due to imbalance	Approx. 16 billion yen
		(-) Increase of costs for adjusting electricity from other general transmission and distribution companies due to increases in area demand, etc.	
	Extraordinary loss	(-) Provision for allowance for doubtful accounts for some receivables affected by the increasing market prices	-11.4 billion yen
Total			Approx. 5 billion yen
Effect on consolidated results			Approx. -26 billion yen

II . Forecasts of Financial Results for FY2022 Dividends

1. Forecasts of Financial Results (Summary)

- With regard to operating revenues, we forecast a decrease due to the change from total amount display to net amount display regarding transactions involved in the "Feed-in Tariff Scheme for Renewable Energy" due to the application of the "Accounting Standard for Revenue Recognition, etc."* (hereinafter, "revenue recognition standard").
- With regard to income, despite efforts for overall business efficiency enhancement, we forecast a decrease in ordinary income because the time lag of the fuel cost adjustment system will shift from a margin of the previous fiscal year to a loss due to an increase in fuel prices. We forecast that the net income attributable to owners of the parent will increase as a reaction to recording extraordinary losses in the previous fiscal year.

* "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)

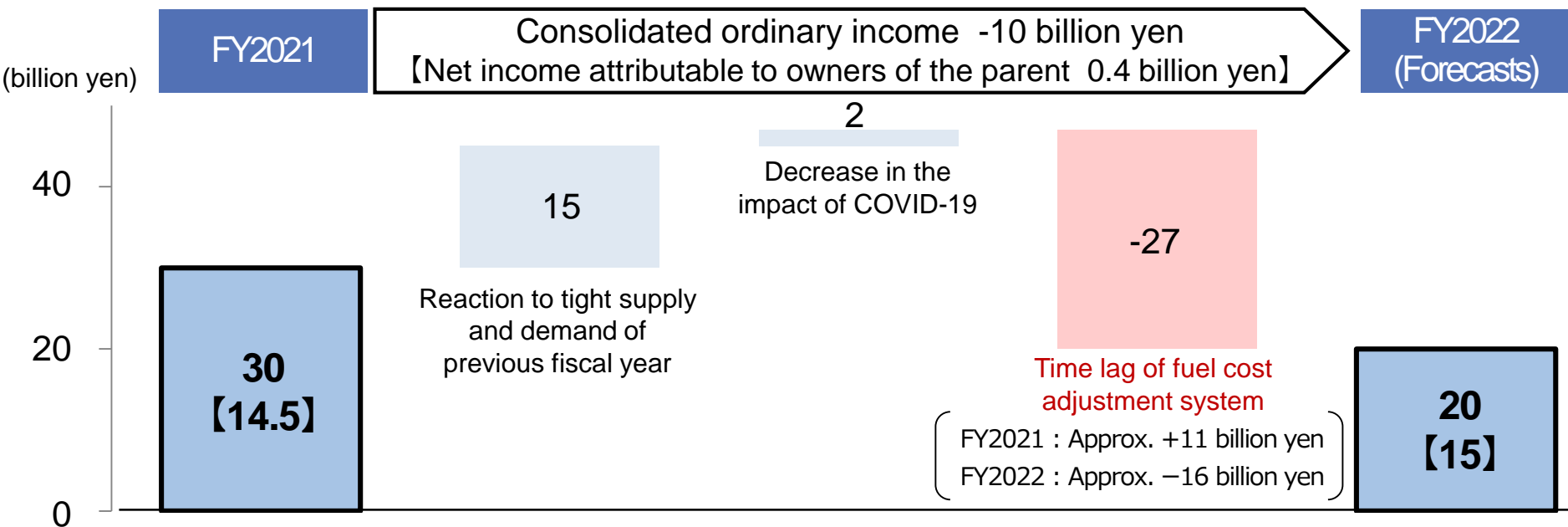
"Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 31, 2020)

(billion yen)

	FY2022 (Forecasts) (A)	FY2021 (B)	Difference (A-B)
Operating revenues	970.0	1,307.4	-337.4
Operating income	18.0	34.2	-16.2
Ordinary income	20.0	30.0	-10.0
Net income attributable to owners of the parent	15.0	14.5	0.4
Shareholder's equity ratio	Approximately 19%	19.4%	

2. Forecasts of Financial Results (Factors for Change in Ordinary Income)

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Note: Figures in square brackets 【 】 are net income attributable to owners of the parent. Forecast increase as reaction of recording extraordinary losses in previous fiscal year.

【The impact of COVID-19 (estimation)】

	FY2021 (A)	FY2022 (Forecasts) (B)	Difference (B-A)
Impact on retail electricity sales	Approx. -0.8 billion kWh	Approx. -0.5 billion kWh	Approx. 0.3 billion kWh
Impact on profits	Approx. -6 billion yen	Approx. -4 billion yen	Approx. 2 billion yen

3. Forecasts of Financial Results (Stance)

- Continuing from the previous fiscal year, we recognize that COVID-19 and increasing competition will affect our total electricity sales amount, as well as that this fiscal year will present a harsh management environment because of the time lag shifting from a margin of the previous fiscal year to a loss due to an increase in fuel prices.
- Despite this harsh management environment, we expect that we can ensure a certain level of income by conservatively setting the premise for nuclear power to inactive, and then promoting a total electricity sales amount equivalent to the previous fiscal year and engaging in group-wide efforts for overall business efficiency enhancement.
- In order to achieve the income targets listed in our Group Corporate Vision, we will aim to raise the level of our existing businesses by activating Shimane Nuclear Power Station and Misumi Power Station Unit 2, having put utmost priority on ensuring safety, as well as nurture and expand our growing businesses by promoting overseas business and creating new businesses.

4. Forecasts of Financial Results (Major Factors)

		FY2022 (Forecasts) (A)	FY2021 (B)
Total electricity sales	(billion kWh)	53.3	53.56
Exchange rate	(¥ / \$)	107	106
Crude oil prices (All Japan CIF)	(\$ / b)	65	43.4
Nuclear capacity factor	(%)	-	-

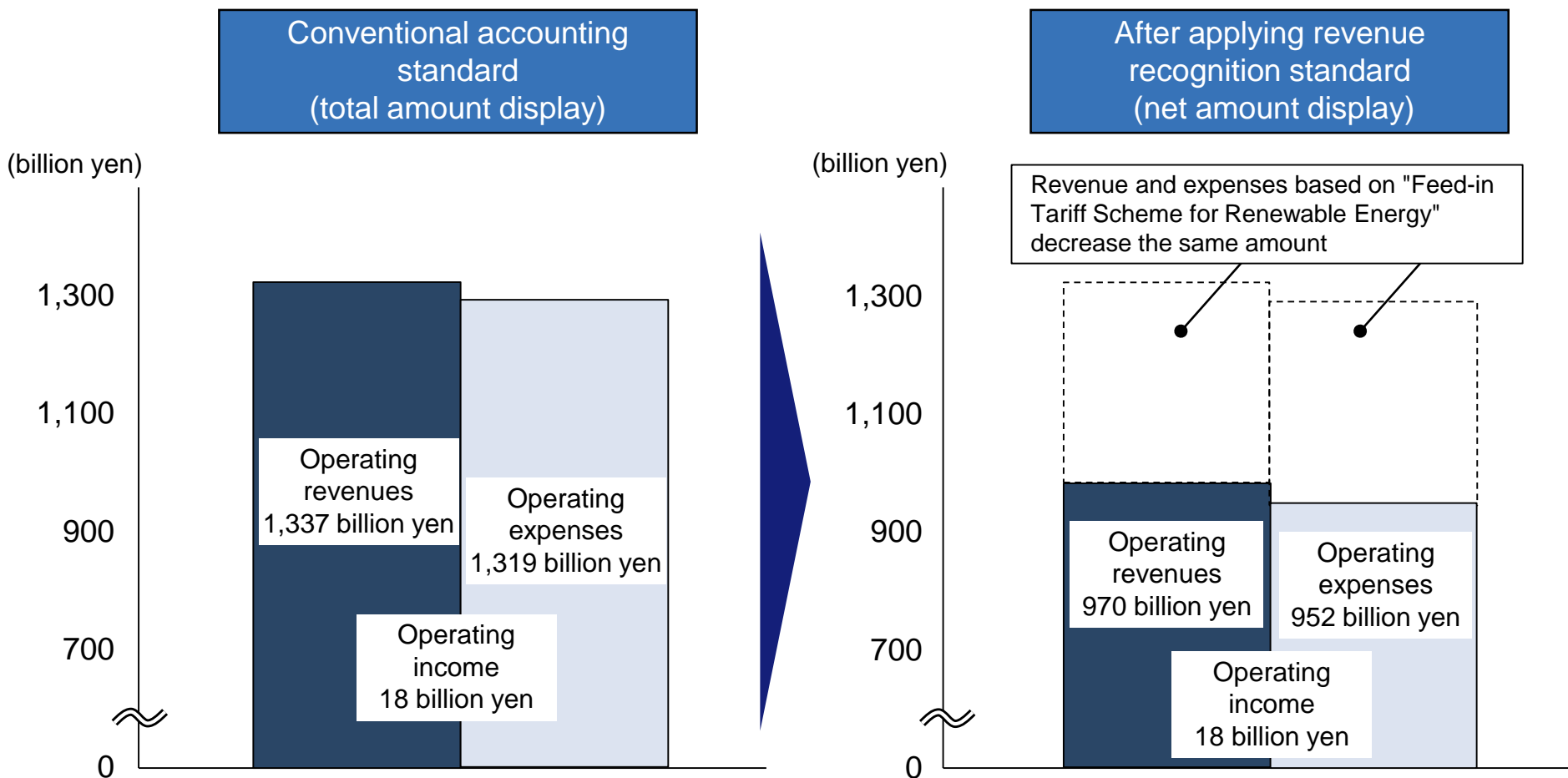
■ Financial impact (Sensitivity)

(billion yen)

		FY2022 (Forecasts)	【Reference】 FY2021
Exchange rate	(¥1 / \$)	1.9	1.5
Crude oil prices (All Japan CIF)	(\$1 / b)	1.4	1.6
Water flow rate	(1%)	0.2	0.2
Nuclear capacity factor	(1%)	0.5	0.5

(Reference) Effect Due to Applying Revenue Recognition Standard

- For our current forecasts, due to the application of the revenue recognition standard, we expect that revenue and expenses for transactions based on the "Feed-in Tariff Scheme for Renewable Energy" will change from total amount display to net amount display, thus decreasing the same amount.
- The application of this accounting standard will not affect income.



- Our basic approach is to pay stable dividends, and we have been implementing dividends of ¥50 per share in overall consideration of mid- and long-term viewpoint, not merely of the results for a single fiscal year.
- 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 FY2021 (annual dividends of ¥50 per share of FY2021).
- Regarding the forecasts of the dividends of FY2022, we are planning to pay out ¥25 as interim and the year-end.

< Dividends >

(yen per share)

	FY2022 (Forecasts)	FY2021
Interim	25	25
Year-end	25	25
Total	50	50

(Reference) Key points

Income Statement

(billion yen)

	FY2021		FY2020	
Summary of financial results	For the first time in 4 years		For the first time in 10 years	
	Decrease in revenues (-39.8)		Decrease in revenues (-29.6)	
	Decrease in income (-9.7)		Increase in income (+27.1)	
Operating revenues	1,307.4	(No.4)	1,347.3	(No.2)
Operating income	34.2	(No.23)	48.1	(No.20)
Ordinary income	30.0	(No.20)	39.8	(No.17)
Net income attributable to owners of the parent	14.5	(No.20)	90.0	(No.1)

Balance Sheet

(billion yen)

	FY2021		FY2020	
Total assets	3,385.1		3,265.3	
Net assets	660.3		646.6	
Shareholders' equity ratio	19.4%		19.7%	
Interest-bearing debt	2,291.8		2,193.9	

Note: "Increase / decrease in income" in the summary of financial results is based on ordinary income.
The ranking is a simple comparison with the past amount at the time of each settlement since FY1995.

		FY2021	FY2020
Exchange rate	(¥ / \$)	106	109
Crude oil prices (All Japan CIF)	(\$ / b)	* { 43.4	67.8
Foreign coal prices (All Japan CIF)	(\$ / t)	{ 79.1	101.3
Nuclear capacity factor	(%)	-	-

* Provisional figures

(Reference) Appendix

1. Summary of Cash Flows <Consolidated>

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(billion yen)

	FY2021 (A)	FY2020 (B)	Difference (A-B)
Cash Flow form Operating Activities	110.2	129.6	-19.4
Cash Flow from Investing Activities	-172.7	-172.1	-0.6
Free Cash Flow	-62.5	-42.4	-20.0
Cash Flow from Financing Activities	75.2	-1.4	76.6
Cash and Cash Equivalents (increase and decrease)	12.4	-44.0	

(Rounded down to the hundred million yen)

2. Major Operating Revenues and Expenses

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(billion yen)

	FY2021 (A)		FY2020 (B) (*2)
	Non-Consolidated	〔Chugoku Electric Power Transmission & Distribution Co., Inc. (*1)〕	
Operating revenues	1,147.7	〔423.1〕	1,243.7
electricity sales revenue	806.3	〔3.0〕	916.5
Personnel	44.6	〔52.6〕	94.9
Retirement allowances	3.8	〔3.7〕	5.9
Material	539.5	〔126.0〕	602.7
Fuel	150.5	〔1.6〕	188.7
Purchased power	389.0	〔124.4〕	413.9
Maintenance	36.4 (34.6)	〔53.7〕	92.4 (41.0)
Depreciation	29.2 (25.5)	〔40.7〕	67.8 (25.8)

(Rounded down to the hundred million yen)

Note: Figures in parentheses reiterate costs related to power sources.

*1: For comparisons with the previous year, figures for Chugoku Electric Power Transmission & Distribution Co., Inc. are provided as a reference.

*2: Actual figures for the former Chugoku Electric Power Company (non-consolidated) before the transmission and distribution business and the like were taken over by Chugoku Electric Power Transmission & Distribution Co., Inc.

3. Monthly Change in Total Electricity Sales

■ FY2021

(billion kWh)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
Total sales		4.27	3.80	3.83	4.20	4.71	4.82	4.18	4.17	4.60	5.55	4.81	4.63	53.56
Retail sales	Subtotal	3.79	3.34	3.31	3.67	4.12	4.19	3.55	3.52	3.88	4.85	4.21	3.96	46.39
	Lighting	1.46	1.24	1.02	1.14	1.39	1.42	1.05	1.17	1.43	2.27	1.74	1.50	16.82
	Power	2.33	2.10	2.29	2.54	2.73	2.76	2.50	2.35	2.45	2.58	2.47	2.46	29.57
Sales to other power companies		0.48	0.46	0.52	0.53	0.59	0.63	0.63	0.64	0.72	0.70	0.60	0.67	7.17

<Reference> Average monthly temperature (Hiroshima city)

(°C)

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
FY2021	13.2	20.3	24.2	25.2	29.9	25.0	18.7	14.2	7.2	5.2	8.2	12.1
Difference from average year	-1.5	1.0	1.2	-1.9	1.7	0.6	0.4	1.7	-0.3	0.0	2.2	3.0
Difference from previous year	-1.6	-0.2	1.0	-1.2	1.4	-1.3	-1.6	0.7	-1.4	-2.9	0.4	1.1

(1) Procurement volume

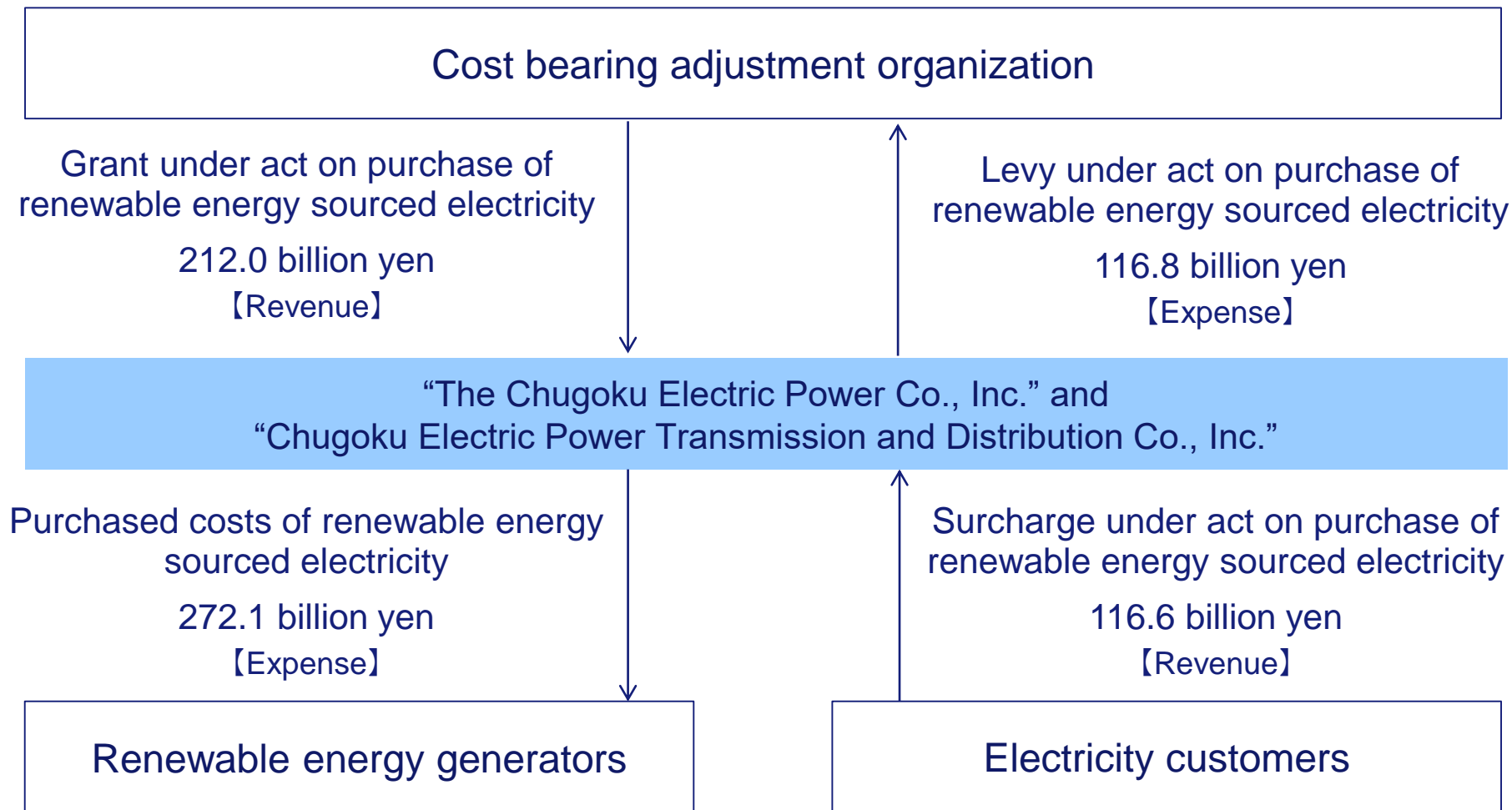
	Unit	FY2021 (A)	FY2020 (B)	Difference (A-B)
Fuel oil	million liters	320	270	50
Coal *	thousand tons	5,290	6,050	-760
LNG *	thousand tons	2,060	2,280	-220

* Sales included

(2) Consumption volume

	Unit	FY2021 (A)	FY2020 (B)	Difference (A-B)
Fuel oil	million liters	330	250	80
Coal	thousand tons	5,040	5,700	-660
LNG	thousand tons	1,660	1,810	-150

■ FY2021



Note: Difference between "Purchased costs of renewable energy sourced electricity" and "Grant under act on purchase of renewable energy sourced electricity" is subtracting avoidable costs.
 As "Levy under act on purchase of renewable energy sourced electricity" includes electric power for business use from FY2021, it doesn't match with "Surcharge under act on purchase of renewable energy sourced electricity."

(billion yen)

	FY2021		FY2020 (*2)
	Non-Consolidated	〔Chugoku Electric Power Transmission & Distribution Co., Inc. (*1)〕	
Capital Expenditure	116.9 (104.1)	〔64.4〕	168.3 (97.7)

(Rounded down to the hundred million yen)

Note: Figures in parentheses reiterate costs related to power sources.

*1: For comparisons with the previous year, figures for Chugoku Electric Power Transmission & Distribution Co., Inc. are provided as a reference.

*2: Actual figures for the former Chugoku Electric Power Company (non-consolidated) before the transmission and distribution business and the like were taken over by Chugoku Electric Power Transmission & Distribution Co., Inc.

7. Interest-bearing debt, etc.

(1) Breakdown of Interest-bearing debt <Consolidated> (billion yen)

	End of FY2021 (A)	End of FY2020 (B)	Difference (A-B)
Interest-bearing debt	2,291.8	2,193.9	97.9
Corporate bond	926.4	921.5	4.9
Long-term debt	1,188.8	1,187.8	1.0
Short-term debt	69.6	69.8	-0.1
Commercial paper	90.0	-	90.0
Lease obligations	16.9	14.7	2.1

(Rounded down to the hundred million yen)

(2) Interest rate <Non-Consolidated>

	FY2021	FY2020
Average	0.55 %	0.57 %

(3) Interest expense <Non-Consolidated> (billion yen)

	FY2021	FY2020 *
Interest expense	10.4	12.2

(Rounded down to the hundred million yen)

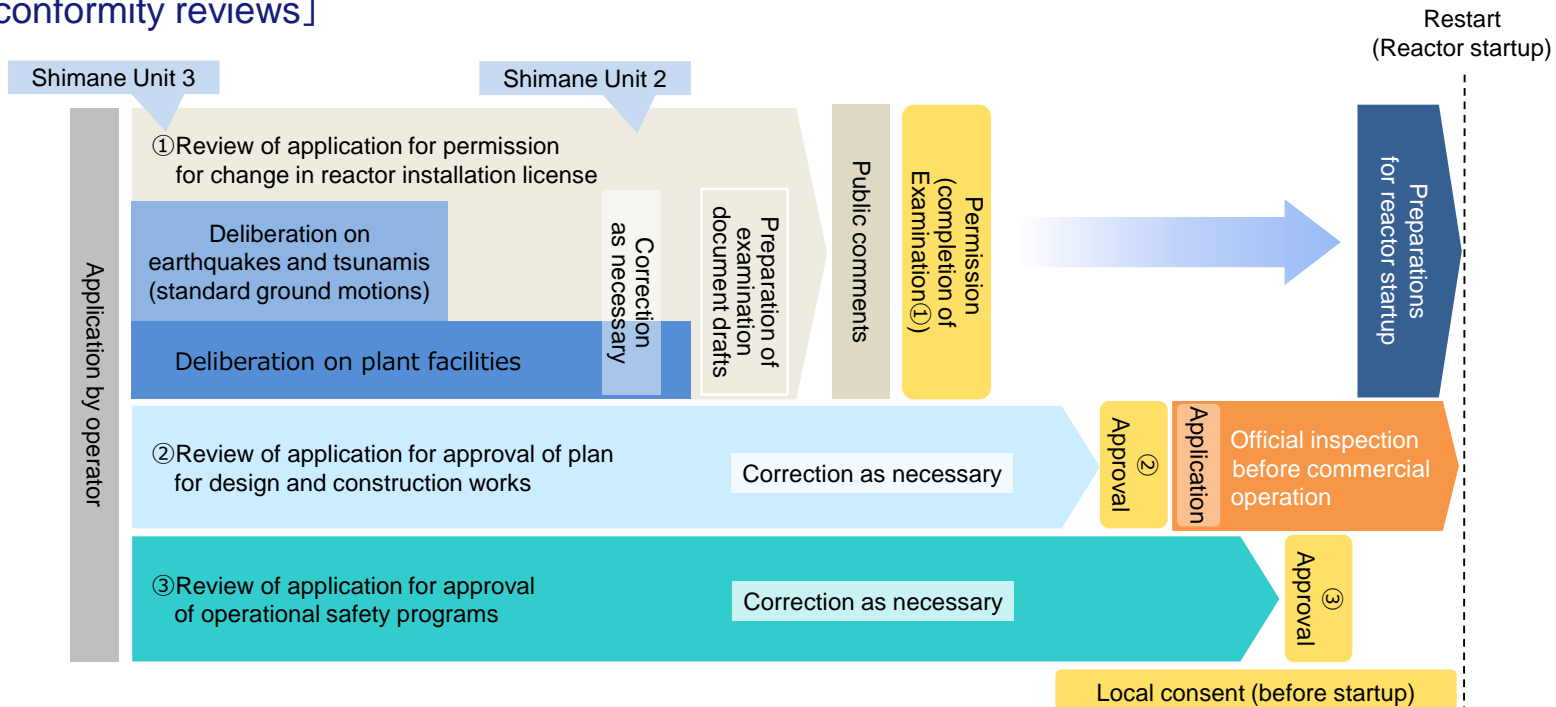
Note: *Actual figures for the former Chugoku Electric Power Company (non-consolidated) before the transmission and distribution business and the like were taken over by Chugoku Electric Power Transmission & Distribution Co., Inc.

III. Recent Topics

State of Shimane Nuclear Power Station

■ The review of application for permission for change in reactor installation license is coming to the end of the process, and we plan to submit an amendment in the near future based on the examination results so far.

[Process of conformity reviews]



[Implementation Status of Safety Measure Work]

Scheduled completion period	
Shimane unit 2	As soon as possible in FY2022
Shimane unit 3	The first half of FY2023



Improvement of storage batteries to ensure DC power supply

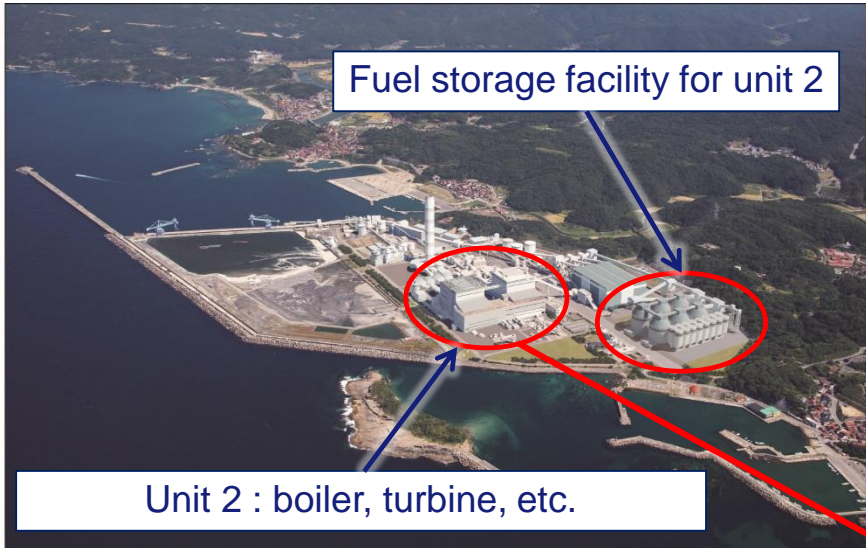


Installation of filtered venting system (Unit 3)

Construction of Misumi Power Station Unit 2

- We started construction in November 2018.
- We aim to start operation in November 2022. [Progress rate as of the end of March 2021 : 74.5%]

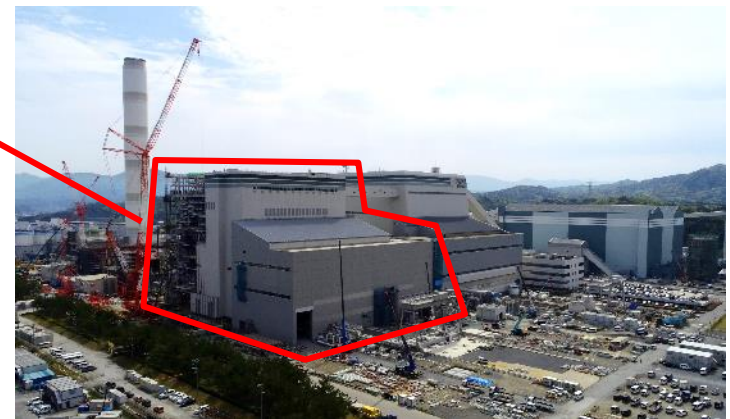
[Completed projection drawing]



[Project overview]

Location	Hamada-city, Shimane Pref.
Output	1GW
Generation system	Ultra Super Critical (USC)
Fuel	Coal
Start of operation	November 2022

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



Current construction status


Broader Introduction of Renewable Energy

- We will promote efforts for renewable energy aiming to achieve the "new introduction of 300 MW to 700 MW of renewable energy for FY 2031" described in our Corporate Vision, doing so not only to address global environmental issues, but also as one of our growth areas.
- Most recently, two biomass power stations began operation in April 2021.


[Main current initiatives]

Domestic	Biomass	<ul style="list-style-type: none"> ○ <u>Biomass power business with Hiroshima Gas Co., Ltd.</u> ○ <u>Biomass power business with Air Water Inc.</u> ○ Mixed fuel generation with woody biomass [Shin-Onoda Unit 1 and 2 : Expand mixed firing from August 2021] [Misumi Unit 2 : Scheduled for November 2022]
	Hydro	<ul style="list-style-type: none"> ○ Increased output of existing hydro power [repowering] [Takiyamagawa : April 2021, and 5 other power stations]
Overseas	Hydro	○ Taiwan hydroelectric power generation project [Start of commercial operations : Scheduled for 2024]
	Wind	○ Taiwan offshore wind power generation project [Start of commercial operations : Scheduled for 2022]
Amount of new introduction		Approx. 300 MW

◆ Kaita Power Station (Kaita-cho, Aki-gun, Hiroshima Pref.)

Company name	Kaita Biomass Power Co., Ltd.	
Generation system	Biomass co-firing generation (Biomass co-firing rate: 80%)	
Output	112 MW	
Our investment ratio	50%	
Start of operation	April 2021	

◆ Onahama Biomass Power Station (Iwaki City, Fukushima Pref.)

Company name	Air Water & Energia Power Onahama Corporation	
Generation system	Biomass only generation	
Output	75 MW	
Our investment ratio	49%	
Start of operation	April 2021	

Development of International Business

- We are engaged in international business aiming to grow businesses that contribute to the income of our Group.
- In March of this year, we participated in investment in the Taiwan hydroelectric power generation project. We participated in investment involved in the privatization of a vertically-integrated* electric power company in the Republic of Fiji.

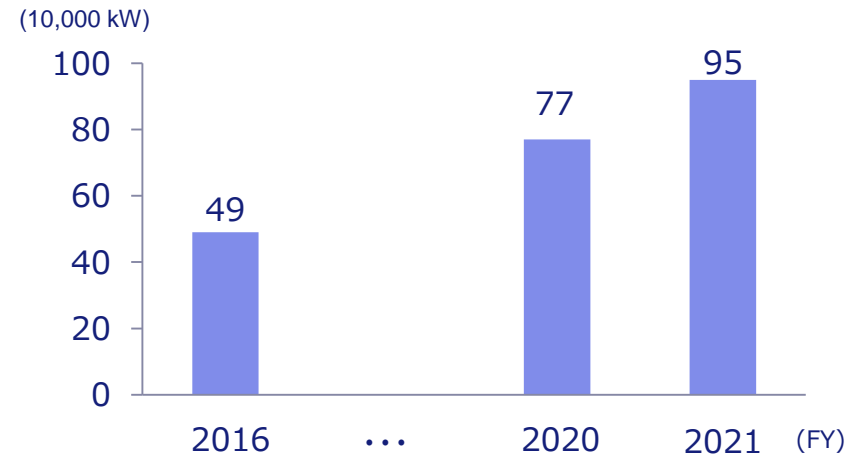
* Handles the process from generation to transmission, distribution, and retail sales.

[Taiwan hydroelectric power generation project]

Power station name	Feng Ping Xi hydropower plant (1 st and 2 nd)
Location	Hualien County, Taiwan
Start of operation	Scheduled for 2024
Our Group's* investment ratio	25%
Output	37.1 MW
Off-taker	Taiwan Power Company

* Investment through C&C Investment Corporation, established jointly by Chugoku Electric and Chudenko Corporation. Investment ratio 50:50.

Equity ownership in electricity output in overseas power generation projects



[Republic of Fiji electricity business*1]]

Company name	Energy Fiji Limited	Year of establishment	1966
Headquarters	Suva city, Fiji	Our Company's*2 investment ratio	44%
Output*3	Diesel : 181 MW, Hydro : 138 MW, Wind : 10 MW		
Power line*3	11,103 km	Annual generation*3	980 GWh

*1 : Expected to provide stable revenue based on the fully distributed cost method.

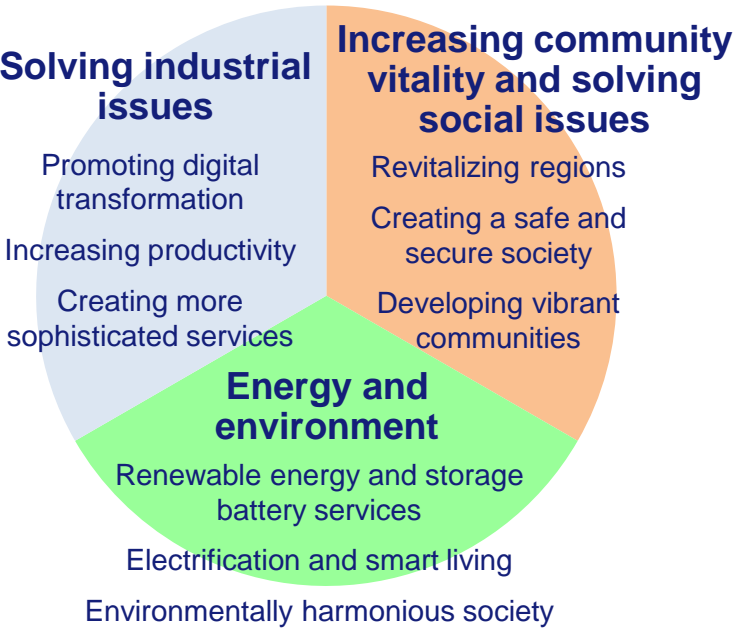
*2 : Equity invested via an intermediate holding company established in Singapore. (The equity rate between our company and our partner, the Japan Bank for International Cooperation (JBIC), is 60:40.)

*3 : As of 31st December 2020.

Efforts at the Energia Creative Lab

- Established in April 2019 with the concepts of "creating the future of the region" and "creating the future of electricity," the Energia Creative Lab is engaged in investment in and cooperation with venture corporations with original technologies and services.
- After the initial investment in April 2020, we have invested in a total of six venture corporations thus far.

[Investment areas]



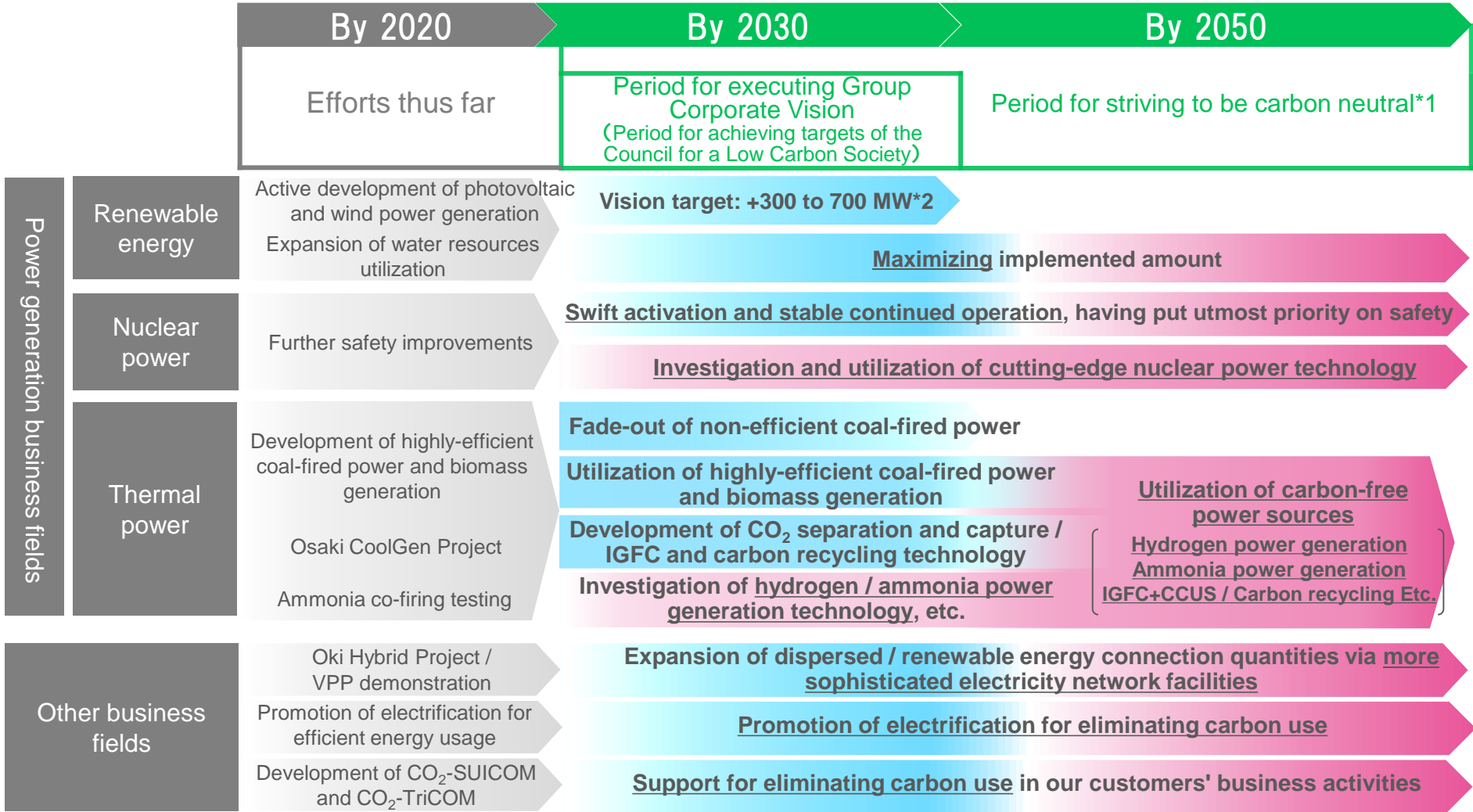
[Investment results thus far (Current as of the end of April, 2021)]

Audiostock Inc.	Developing a music distribution service for amateur music creators. Venture company from the Chugoku region.
CoCooking Co., Ltd.	Developing a service for reducing food loss via sharing unsold food products or food planned for disposal.
XTIA Ltd.	Successfully commercialized the Nobel Prize-winning technology "Optocomb" for the first time in the world to achieve automated, more sophisticated inspection processes.
Unirobot Corporation	Developing automation services for audio communication using the communication robot "unibo" and AI.
CO-NEXT Co., Ltd.	Developing an order placement and order reception system that is easy to implement and use for businesses.
LiveSmart KK	Developing a service platform for smart remote controls and smart homes.

Striving to Be Carbon Neutral by 2050

■ In February of this year, our Group announced we will strive to be "carbon neutral by 2050."

~ Road map to being carbon neutral by 2050 ~



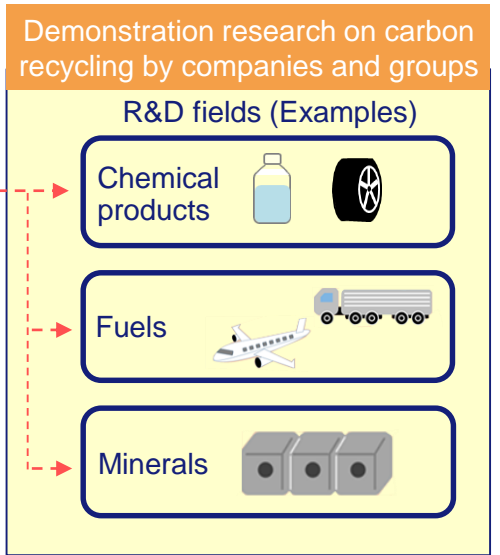
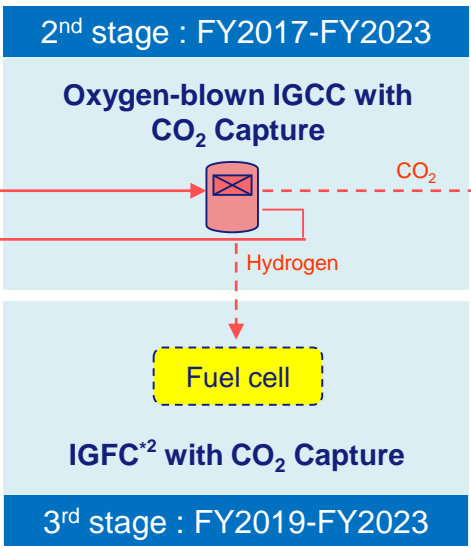
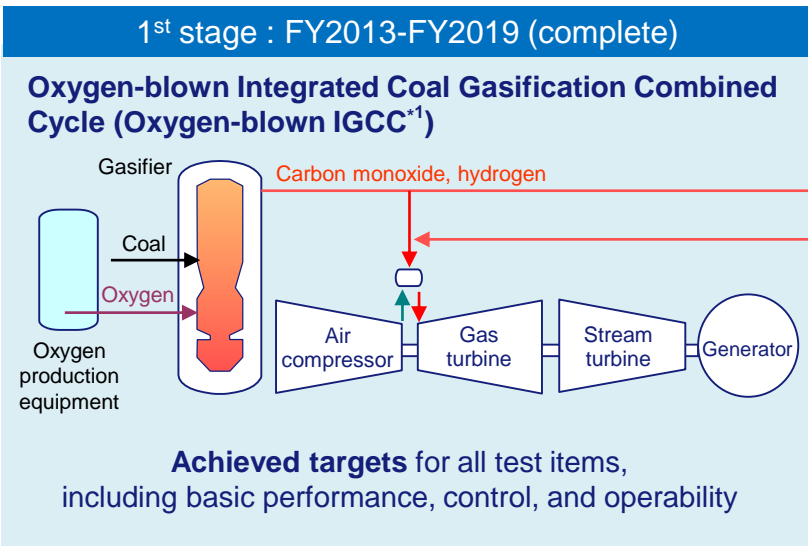
*1: We will sequentially utilize those items deemed to be commercially feasible based on cost reductions and the progress of technology development and the like.

We will utilize carbon offset technology and the like for the CO₂ emitted from power stations as of 2050.

*2: Aiming to achieve this through efforts throughout the Group both in Japan and overseas.

Promotion of the Osaki CoolGen Project

- Through Osaki CoolGen Corporation, established jointly with Electric Power Development Co., Ltd., we are conducting demonstration tests to realize innovative low-carbon coal-fired thermal power combining an integrated coal gasification fuel cell combined cycle (IGFC) with CO₂ separation and capture.
- We are also planning to provide the CO₂ separated and captured by the OSAKI CoolGen Corporation to corporations and organizations researching carbon recycling, and are also engaged in developing carbon recycling technology having been selected for NEDO public projects.



Demonstration test plant

*1 Technology whereby oxygen is used to gasify coal, yielding a product gas with H₂ and CO as its main constituents, which is used to drive gas turbines alongside steam turbines in combined cycle generation.

*2 Technology that combines fuel cells (FC) with IGCC to further improve generating efficiency.

Chugoku Electric Power has two projects selected as NEDO public projects.

- Development of a gas-to-lipids bio-process
- Research and development of concrete for the effective use of CO₂

Support for Customers Eliminating Carbon Use

■ As an effort for realizing a carbon-free society, we are also developing electric rate plans and services to reduce our customers' burden on the environment through the utilization of renewable energy.

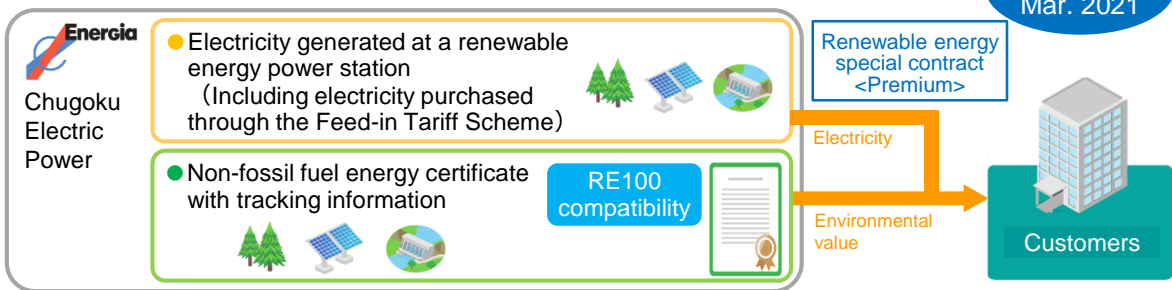
Electric rate plans for 100% renewable energy

Plans that utilize electricity generated at hydro electric power stations, photovoltaic power stations, and the like owned by our company to eliminate the CO2 emissions for electricity used by our customers.

[For low-voltage customers]



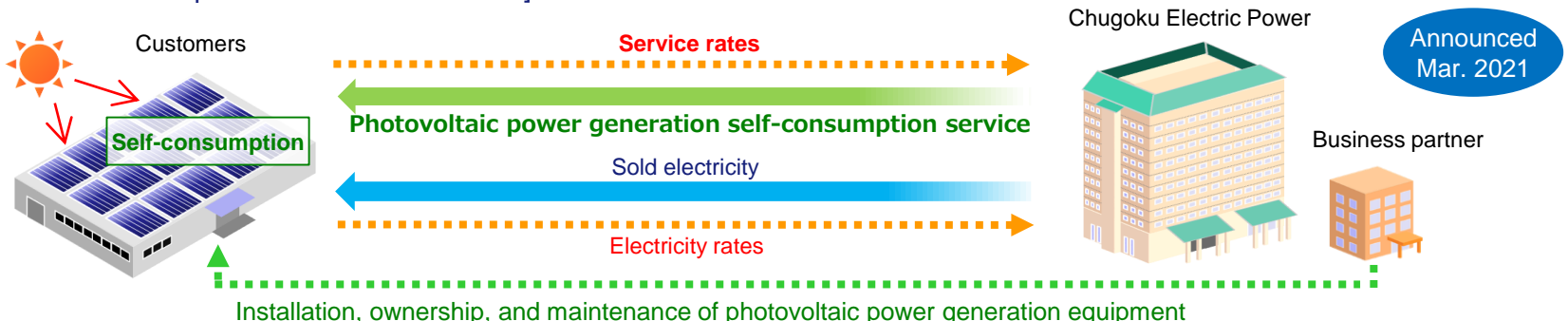
[For high-voltage customers]



Photovoltaic power generation PPA service

Service that enables customers to use electricity from photovoltaic power generation and storage batteries by paying a monthly service rate, with no initial investment.

[Illustration of the on-site photovoltaic PPA service]



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- Persons considering investment in the Company should without fail read in advance the stock and bond reports and other financial literature issued by the Company, and make decisions on their own judgment. Though great care is exercised in the preparation of such literature, Chugoku Electric and the other information providers shall not be liable in any manner for any loss whatever incurred as a result of erroneous information contained therein or in this document.
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