



Decision on Debt Guarantee for The Chugoku Electric Power Company, Incorporated

March 31, 2026

GX Acceleration Agency has decided to provide financial support to The Chugoku Electric Power Company, Incorporated. The company aims to achieve carbon neutrality by 2050, and this project is expected to enhance industrial competitiveness through decarbonization in the Chugoku region.

GX Acceleration Agency (GXA) has decided to provide a debt guarantee for loans provided to The Chugoku Electric Power Company, Incorporated (Chugoku Electric Power) by Mizuho Bank, Development Bank of Japan, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, and MUFG Bank.

This guarantee supports the financing of investments in decarbonized power sources, including nuclear and hydroelectric power generation, with the aim of Chugoku Electric Power to achieve carbon neutrality. It will contribute to a stable supply of decarbonized electricity in the Chugoku region, as well as to the progress of GX/DX-related projects across various regions.

This project is also based on the Sustainable Finance Framework of the Chugoku Electric Power and falls under Category 3 of the GXA's Debt Guarantee Program: Debt guarantee for corporates raising funds through Transition Finance'.

1. Outline of the company
 - 1) **Company Name:** The Chugoku Electric Power Co., Inc.
 - 2) **Headquarters:** Komachi, Naka-ku, Hiroshima-shi, Hiroshima
 - 3) **Representative:** President and CEO, Kengo Nakagawa
 - 4) **Established Year:** May 1, 1951
 - 5) **Main Business:** Generation, transmission and distribution of electricity power

2. Policy Significance in Alignment with GX Policy
 - 1) CO₂ emission reduction
 - Around 40% of Japan's total CO₂ emissions come from the energy transformation sector (power generation and heat supply), which are then allocated to various downstream industries. Consequently, reducing emissions from power generation significantly helps the overall reduction of CO₂ across domestic industries.
 - In its 'Chugoku Electric Power Group Corporate Vision 2040' announced on September 30, 2025, the Group has set a target to reduce GHG emissions across its entire supply chain (Scopes 1, 2 and 3) by 50% by FY2030 compared to FY2013 levels.
 - By promoting the decarbonization of thermal power sources through this support, substantial CO₂ reductions are anticipated for both Chugoku Electric Power and businesses within the region.
 - Furthermore, by supporting the steady execution of planned



decarbonization investments, this measure is expected to facilitate further future initiatives and contribute significantly to achieving carbon neutrality by 2050.

2) Industrial Competitiveness and Economic Growth

- The power sources are expected to meet rising electricity demand in the Chugoku region, driven by increased electrification at the Setouchi industrial complexes and the growth of large-scale consumers such as newly constructed or planned data centers.
- It is anticipated that a stable supply of decarbonized electricity to these consumers will enhance industrial competitiveness and promote DX, in coordination with GX and DX-related policies.
- In the 7th Strategic Energy Plan, the Government of Japan outlined its vision for the FY2040 energy mix, projecting that renewable energy will account for approximately 40-50% of total power generation, with nuclear power accounting for around 20%.
- This measure is expected to contribute to energy self-sufficiency and strengthen Japan's energy security by decarbonizing power plants.

3. Overview of Debt guarantee

1) **Guarantee Amount:** Approx. 50.4 billion yen

2) **Participating Banks:**

Mizuho Bank, Development Bank of Japan, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, MUFG Bank

3) **Guarantee Type:** Type 3 (Debt guarantee for corporates raising funds through Transition Finance)

GXA will continue to actively support companies that accelerate GX projects, aiming to catalyze over 150 trillion yen in investment through strategic public-private partnerships.

For inquiries regarding this press release, please contact:

Finance Acceleration Department, GX Acceleration Agency

Email: gx_acceleration_agency★gxa.go.jp

Please replace the “★” with “@” when sending an email