Becoming a Force that Lights Up the Region
Value Creation through Business Activities

Electric Power Business

P.37 Power Generation Business

P.42 Transmission and Distribution Business

P.43 Retail Sales Business

Businesses Other than Electricity

P.44 Energy Business

P.46 IT/Communication Business

P.47 Construction and Engineering Business, etc.

Electric Power Business

Power Generation Business

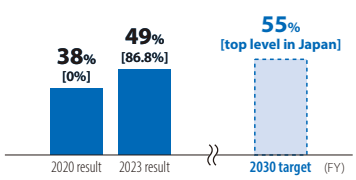
Business Operation Policy

We will continue our efforts to balance stable power supply with the low-carbonization and decarbonization of power sources.

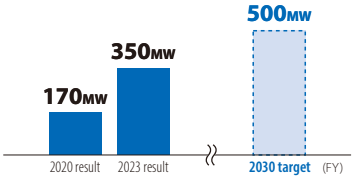
- **Continued safe and stable operation of nuclear power plants**
- **New development of renewable energy and maximum utilization of hydroelectric power plants**
- **Promotion of stable operations, low-carbonization and decarbonization at thermal power plants**
- **Pursuit of the most economical supply-demand management, economical and stable fuel procurement, and maximization of profit from wholesale revenue**

Targets and Achievements

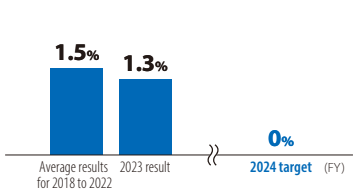
Power generation utilization ratio



New development of renewable energy



Unplanned shutdown rate of thermal power plants*



* Figure in brackets [ ] is for Ikata Unit No. 3

* Percentage of unplanned shutdowns, excluding periodic inspections, etc.

Approach to the Power Generation Mix

In Japan, which imports most of its energy, it is important that our energy policy achieves a good S (Safety) + 3E (Energy Security, Economic Efficiency, Environment) balance.

Given we are responsible for power supply in the Shikoku region, we are committed to maintaining the safe and stable operation of Ikata Unit 3 (nuclear power) as a key power source, while both maximizing the use of existing hydropower plants and expanding the introduction of renewable energy. Furthermore, since thermal power plants are indispensable as adjustment and supply power sources that complement renewable energy sources, we aim to achieve low-carbonization and decarbonization while monitoring progress in decarbonization technologies and degrees of economic feasibility.

On the other hand, in recent years there has been a renewed emphasis on balancing stable power supply with securing decarbonized power sources, given recent concerns including strengthening energy security in response to geopolitical risks, domestic supply shortages due to the elimination of aging thermal power plants, and the anticipated medium- to long-term increase in power demand due to the construction of semiconductor plants and data centers. Additionally, the government is expected to submit its 2035 NDC (national greenhouse gas reduction targets) in February 2025, and considering these circumstances, the government is considering the 7th Strategic Energy Plan and GX 2040 Vision with a view to finalizing these by the end of fiscal 2025.

Based on the national policies to be outlined in the future, we will review the medium- to long-term power source mix targeting stable power supply and achieving GX in the Shikoku region.

Utilization Policy for Each Power Source

	Nuclear	Renewable energy	Gas	Coal	Oil
Usage policies	• Continue effective utilization as a key power source supporting high-quality and stable power supply, with safety assurance as a fundamental premise.	• In addition to actively pursuing new developments in Japan and overseas, expand capacity by promoting the enhancement of existing hydropower output.	• Continue to use LNG for its supply and adjustment capacity, centered on Sakaide Power Station Units No. 1 and No. 2, which have LNG combined cycle systems.	• Use to a certain extent for its supply and adjustment capacity, while reducing environmental impacts.	• Utilize for supply capacity during periods of high demand or when power supply problems occur.

Electric Power Business Power Generation Business

Safe and stable operation of nuclear power plants

Proper implementation of operation management, maintenance, and education/training

At the Ikata Nuclear Power Plant, equipment operation monitoring and patrols are conducted 24 hours a day during operation, and periodic inspections are carried out by stopping the plant for periods not exceeding 13 months in accordance with laws and regulations, ensuring planned operation management and maintenance.

In addition, through training at a nuclear safety training center (Ehime Prefecture, Matsuyama City) which features equipment equivalent to that at the Ikata Power Plant, we are continuously improving the skills and knowledge of operators and maintenance staff so that they can take optimal actions in the event of trouble.

Response to aging technology assessment and voluntary initiatives

Ikata Unit 3 is scheduled to reach 30 years of operation in December 2024, and in accordance with laws and regulations, we have formulated a long-term facility management policy outlining maintenance tasks to be performed over the next 10 years in view of the aging technology evaluation related to deterioration of the plant's equipment and structures, and we are submitting this to the Nuclear Regulation Authority for approval.

As a voluntary initiative that exceeds legal requirements, we are promoting the use of risk management using advanced evaluation methods to further enhance safety and performance.

Dry storage facility for spent fuel

To temporarily store spent fuel more safely before being transported to a reprocessing plant, we are constructing a dry storage facility capable of storing approximately 1,200 spent fuel assemblies with the aim of becoming operational in July 2025.

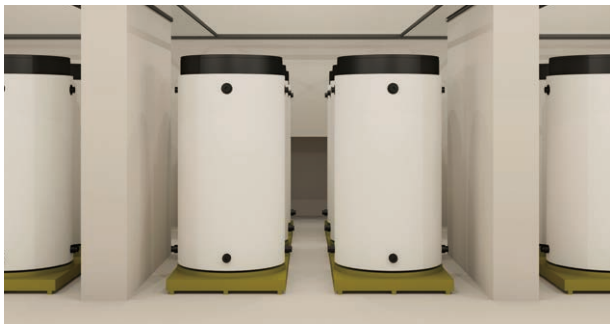


Image of interior of the dry storage facility (casks)

The facility will store in dry casks spent fuel that has been cooled for over 15 years in the fuel pool at the Ikata Power Plant, and this will use natural air convection for cooling. This method does not use water or electricity for cooling and stores the fuel in metal containers—casks—that can be directly transported out of the power plant as is, ensuring high safety.

Safe decommissioning of Ikata Units 1 and 2

The decommissioning of nuclear power plants is divided into four work phases, and it is expected that it will take 40 years to fully decommission Ikata Units 1 and 2.

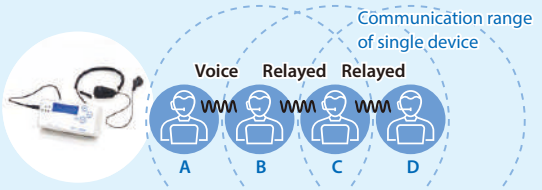
Decommissioning work on Ikata Unit 1 started in 2017, and is currently in the first phase (preparation for dismantling). All spent fuel has been transported to the spent fuel pit at Unit 3, and we are dismantling and removing equipment outside the radiation control area. Further, amounts of dismantled waste and the state of contamination are being investigated in the radiation control area. Based on the results, a dismantling plan is being considered in preparation for implementation of the second phase of decommissioning work (dismantling and removal of reactor area surrounding equipment) scheduled to start in fiscal 2027.

We are decommissioning Unit No. 2 approximately three years later than Unit No. 1. Where possible, in order to improve efficiency, dismantling and removal of equipment outside the control area is being carried out at the same time as for Unit No. 1 equipment.

Research and Development into Decommissioning Technology

Communication device for use with full-face masks

To address decommissioning challenges, we are conducting research and development with the participation of the government, Ehime Prefecture, Ehime University, and local companies. In 2023, with the cooperation of local companies, we developed and launched a communication device with a throat microphone that allows conversations while wearing protective suits or full-face masks.



The use of throat microphones makes the system less susceptible to noise, and each communication device acting as a relay, also enabling long-distance communication.

Communication device and image of communication method

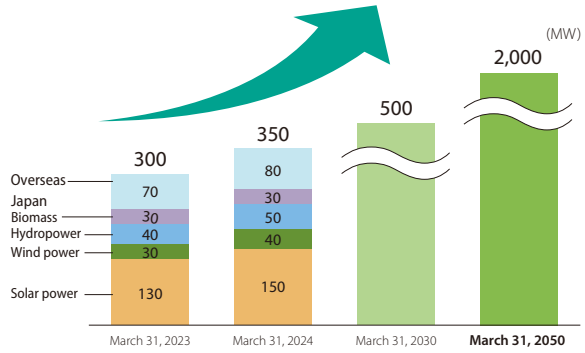
New development of renewable energy

New renewable energy development targets and progress

Our Group is aiming to develop 500 MW of new renewable energy in Japan and overseas by fiscal 2030 and 2,000 MW of renewable energy by fiscal 2050. In new developments, we evaluate the profitability of each project considering internal carbon pricing and the economic potential of CO_2 reductions, and invest in projects that can secure a certain level of return. Recently, securing the desired profitability has become challenging even with FIT and FIP, and so to increase profitability, we are implementing measures such as installing solar power on reservoirs in Kagawa Prefecture and offering it to individual customers through PPA contracts, taking into consideration geographical characteristics and customer needs.

New development capacity reached 350 MW by the end of fiscal 2023, an increase of 50 MW over the previous year. As a result, the Group's renewable energy capacity has increased to 1,480 MW.

Targets and progress in new development of renewable energy



*1 All projects are recorded when the investment decision is made.
*2 Hydropower includes power increases that have taken place since fiscal 2000.

Examples of Initiatives

Hydropower generation

In Kumakogen Town, Ehime Prefecture, we are building a new hydroelectric power plant, Kurofujigawa Power Plant (output 1.9 MW), with operations scheduled to start in December 2024.

Kurofujigawa Power Plant (Kumakogen Town, Ehime Prefecture)

Solar power generation

With suitable sites for land-based development being limited, we are moving forward with the new development of floating solar power at multiple sites using reservoir ponds where there is still room for development.

Hazama Kami-ike and Naka-ike Floating Solar Power (Takamatsu City, Kagawa Prefecture)

Renewable Energy Development Roadmap

Power source type	2022	2025	-2030
Existing hydropower	Improvement of output and maximum use of existing hydropower stations		
Development of new power sources: Hydropower		▼Commencement of operation of the Kurofujigawa power station (hydropower) (scheduled for 2024)	
	Discovery, planning and construction of new development sites		
Development of new power sources: Solar power	▼Commencement of operation for the Nagatani-ike Floating Solar Power Project (2022)	▼Commencement of operation for the Hazama Kami-ike and Naka-ike Floating Solar Power Project (2024)	
	Development involving the leveraging of reservoirs, degraded farmland, and so on		
	▼Acquisition of Bizen Kumonoue and Yumesaki Yumefurusato solar projects (2023) ▼Acquisition of Phu Yen Solar Photovoltaic Power Generation Project, Vietnam (2023)		
	Purchase of existing power stations (inquiries for this can also be made via our website)		
Development of new power sources: Wind power		▼Commencement of operations at Otoyo wind power facility (scheduled for 2025)	
	Participation in onshore wind power projects and discovery of new development sites, replacement of existing onshore wind farms, participation in offshore wind power projects		
Development of new power sources: Biomass		▼Commencement of operations for Ozu Biomass power project (2024)	
	▼Commencement of operations for Hirata Biomass power No. 1: 2022, No. 2: 2023	▼Commencement of operations for Sakaide Biomass power project (scheduled for 2025) ▼Commencement of sewage sludge fuel conversion project (scheduled for 2025)	
	Participation in the biomass power generation project, discovery of new development sites		

Electric Power Business Power Generation Business

Promotion of stable operations, low-carbonization at thermal power plants

Efforts for stable operation

Thermal power plants significantly contribute to the stable supply of electricity by providing supply and adjustment capacity to complement the output fluctuations of renewable energy sources. Further, maintaining the health of aging thermal power plants is essential to curb the volatility of income and expenditures caused by fluctuations in fuel and market prices. For this reason, we strive to ensure stable operation at each power plant by operating and maintaining facilities, while paying close attention to operational monitoring, including careful daily inspections and patrols.

We are moving forward with the establishment of advanced security management systems such as predictive maintenance and smart maintenance using the latest technology, and from the perspective of early detection of equipment abnormalities, are introducing systems that analyze accumulated operation data and thermal images from infrared cameras using AI to detect anomalies. As a result of these initiatives, if any signs of equipment anomalies are detected, early repairs are made during low power demand periods such as holidays in order to minimize downtime and avoid unexpected outages resulting from problems.

Maintain and improve our technical capabilities in the field

So that we can ensure the maintenance of on-site technical skills in spite of decreased construction opportunities and streamlining of workforces, we are ensuring opportunities for on-site experiences by providing training for regular inspections and infrequent construction, and expanding support for maintenance personnel across power plants.

In addition, young and mid-career employees at thermal power plants are provided opportunities for short-term experience in the headquarters thermal division through intra-departmental internships, allowing them to view the thermal power business from the perspectives of both headquarters and the plant, thereby facilitating the early development of personnel.

Promotion of low-carbonization

We have designated the period up to 2030 as the phase for low-carbonization of power sources, and have set a target to reduce our greenhouse gas emissions (direct emissions from the use of fuel for owned power generation capacity) by 30% by fiscal 2030 compared to the fiscal 2013 levels.

In the low-carbonization of thermal power generation, the Saijo Power Plant Unit No. 1, replaced with the latest high-efficiency unit in 2023, has started operation and is also co-firing wood biomass. Additionally, from 2025, this is scheduled to co-fire solid fuel comprised of sewage sludge (biomass) starting in 2025.

In the low-carbonization of existing thermal power, we intend to proceed with a view to the development status and economic feasibility of decarbonization technology, and aim to fully introduce ammonia around 2030, utilizing government support programs. To this end, we are using feasibility studies into equipment modifications and storage facilities, and in collaboration with other companies are considering the establishment of a supply chain using the Namikata Terminal in Imabari City, Ehime Prefecture, which is favorable as a receiving location.

Furthermore, we are also broadly exploring the potential for hydrogen co-firing in LNG power plants, and CO_2 separation and recovery using CCUS.

Namikata Terminal

Roadmap for low-carbonization

Item	Power source low-carbonization phase (up to 2030)		
	2022	2025	-2030
Utilization of high-efficiency, coal-fired thermal power	▼Decommissioning of former Saijo Unit No.1	▼Commencement of the operation of the new Saijo Unit No. 1	▼Commencement of co-combustion of solid fuel comprised of sewage sludge at the new Saijo Unit No. 1
	Replacement work	Utilization of high-efficiency, coal-fired thermal power	
Ammonia co-combustion	Feasibility study and review phase	Execution phase	
	Consideration of fuel-receiving storage facilities, etc. / Study into stable and economical fuel procurement	Detailed study	Design, production and construction → Commencement of co-combustion
	Consideration of collaborations with other companies		
Hydrogen co-combustion	Consideration of introduction of co-combustion technology and consideration of supply chains		
CCUS and other research and implementation	Research on and consideration of the introduction of CO_2 separation and collection, and carbon recycling technologies		

Initiatives in supply and demand management, fuel procurement and wholesale sales

Optimization of supply and demand management, and economic and stable fuel procurement

For supply and demand management, we utilize an AI-based system that creates multiple scenarios based on weather conditions, electricity demand, renewable energy generation, and wholesale electricity market prices to optimize the startup and shutdown of generators, thus achieving the most economical operations.

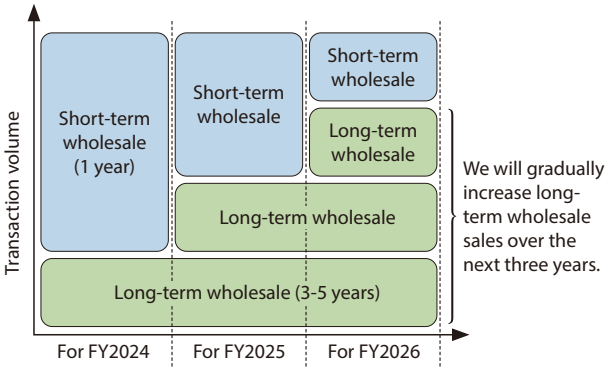
In addition, having newly obtained certification for the "Certified Advanced Safety Facility Operator System", we have more flexibility in adjusting our regular inspections, enabling more economical supply and demand management over the medium term.

Regarding fuel procurement, we are diversifying procurement sources and methods for coal, considering the stagnation of upstream investments related to decarbonization and the impact of international conflicts. We are also controlling the risks of price fluctuations by diversifying the timing of price negotiations and the price indices used. Furthermore, we are expanding the list of available procurement sources through trials of competitive new coal brands, aiming to balance economics and stability. For LNG, we secure the majority of our required volume through long-term contracts, thereby ensuring stability.

Maximizing revenue from wholesale sales

For wholesale sales, while factoring in certain risks such as power source outages, we aim to optimize profits by optimizing a combination of short-term and long-term one-on-one trades with equal treatment of subsidiary retailers and third-party retailers and trade in the spot market while also utilizing the supply-demand adjustment market.

Gradual expansion of long-term wholesale



In addition, we will gradually increase the proportion of long-term wholesale sales in our relative transactions to stabilize the recovery of generation costs over an extended period, to increase the stability of the power generation business.

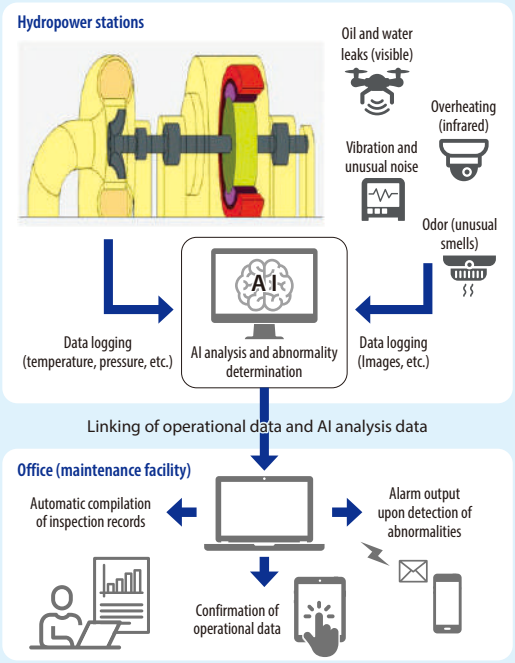
Upgrading operations through DX

Use of drones and AI in hydropower plants

In hydropower plants, we are utilizing drones to improve efficiency and reduce the time required for maintenance and inspection work. As of fiscal 2024, we will start piloting a water drone for dam sedimentation surveys and an underwater drone for inspecting long-distance waterways.

With the aim of improving inspections of turbines and generators, and enhancing power plant operations, we plan to develop and gradually install the system that enables real-time, remote identification of abnormalities, by collecting data including images, temperature, vibration, sound, and smell on a server and analyzing this with AI by multi-sensory equipment on major equipment. Additionally, we are constructing a system that uses AI to predict changes in the amount of inflow into the dam several hours ahead, to both reduce unnecessary discharge from the dam, and to improve response capabilities in the event of localized heavy rainfall, which has been increasing in recent years.

Moreover, at our thermal power plants as well as at substations of Shikoku Electric Power Transmission & Distribution Co., Inc., we are installing systems that allow remote monitoring and control of equipment by attaching various sensors to major facilities and analyzing the collected data using AI.



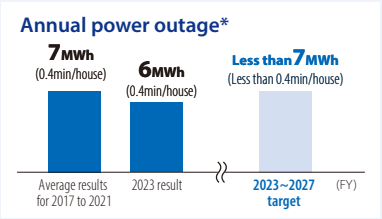
Electric Power Business Transmission and Distribution Business

Business Operation Policy

We will maintain the reliability of power supply for transmission and distribution facilities, and continue our efforts toward establishing renewable energy as a main power source.

- **Maintaining supply reliability and improving cost efficiency, and preparing for natural disasters**
- **Curbing output control of solar power generation, etc.**

Targets and Achievements



* Annual power outages excluding natural disasters and work outages

Maintain supply reliability and prepare for natural disasters

Maintaining supply reliability and improving cost efficiency

Shikoku Electric Power Transmission & Distribution Co., Inc. is expected to see an increase in the renewal of facilities built during the period of high economic growth, and will therefore evaluate the probabilities and impacts of equipment failure, prioritize accordingly, and maintain the supply reliability of our power transmission and distribution facilities by implementing renewal plans that consider workloads leveled by construction capabilities.

Additionally, we are making our inspection and patrol operations more efficient and smarter by utilizing IoT devices such as smart glasses, thereby securing stable supply while achieving cost efficiencies.

Preparing for natural disasters

We are implementing flood control measures for facilities in preparation for natural disasters such as Tonankai and Nankai earthquakes, and we conduct regular joint training with other general transmission and distribution operators, local governments, and the Self-Defense Forces to strengthen cooperation for early recovery in the event of disasters. Moreover, in view of the situation surrounding the Noto Peninsula earthquake that occurred in January 2024, we will examine measures to enhance resilience within the Shikoku region.

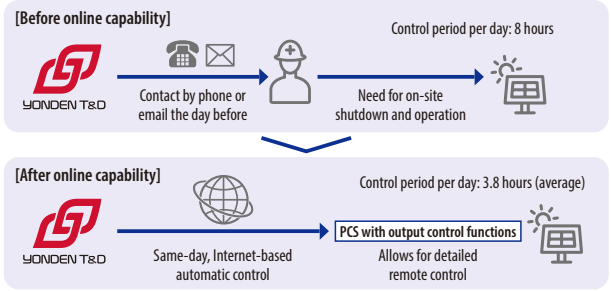
Support for recovery operations following the Noto Peninsula earthquake (Early dispatch of a total of 126 personnel with aerial work platforms, etc.)

Measures to curb output control of solar power generation, etc.

The introduction of solar and wind power generation in the Shikoku region has been expanding since the introduction of the FIT system, with connection capacity to the power grid at 3,700 MW as of the end of fiscal 2023, leading to periods of surplus electricity during low demand seasons in spring and autumn. To address this, based on the priority power supply rules of the Organization for Cross-regional Coordination of Transmission Operators, Japan, we strive to maximize use of solar power and other electricity while minimizing the output of thermal power to as low as possible. However, maintaining a balance between supply and demand balance may be difficult, and so it is becoming unavoidable to control output of solar power generation be controlled in order to maintain a stable electricity supply.

Shikoku Electric Power Transmission & Distribution Co., Inc. is recommending that solar power generation companies bring online power generation facilities capable of fine-tuning generation volumes based on the national Output Curtailment Measures package in order to curb the amount of output control for solar power generation. We are also expanding the transmission of surplus power through interregional interconnections, and promoting demand shifting to low-load periods and times by using peak-shift discounts. In addition, we work on leasing some land for substations to storage battery storage operators looking toward the introduction of grid-scale batteries.

Illustration of the effects of online capacity



Electric Power Business Retail Sales Business

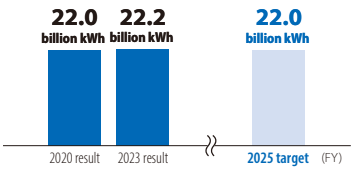
Business Operation Policy

Leveraging our strong brand power within Shikoku, we will deepen our relationships with customers and promote the expansion of all-electric housing.

- **Deepen account sales in the corporate sector**
- **Expand services for households and promote the spread of all-electrified housing**

Targets and Achievements

Retail electricity sales volume



Building stable relationships with customers

Strengthening proposal sales for corporate customers

While strengthening our relationships with our customers by assigning dedicated staff to corporate customers of a certain size or larger and having them conduct personal visits and consultations, we propose customized pricing plans and energy consulting (P. 45). When we cannot assign dedicated staff to respond to a customer, we offer proposal-based sales through our partner companies with strong sales bases in the Shikoku region, in addition to using direct mail.

For sales outside Shikoku, we are moving forward with new acquisitions by utilizing partner companies and participating in bidding projects while taking into account power source procurement conditions.

Promoting spread of all-electric houses

In collaboration with house manufacturers and builders, we are promoting to customers the comfort, convenience, economy, and environmental benefits of electric homes, as well as conducting campaigns for customers who switch to EcoCute and IH cooking heaters, thereby promoting the electrification of their homes. As a result, the ratio of all-electric housing in new detached houses in Shikoku is about 70%, and the percentage of all-electric housing among all houses was approx. 26% at the end of fiscal 2023.

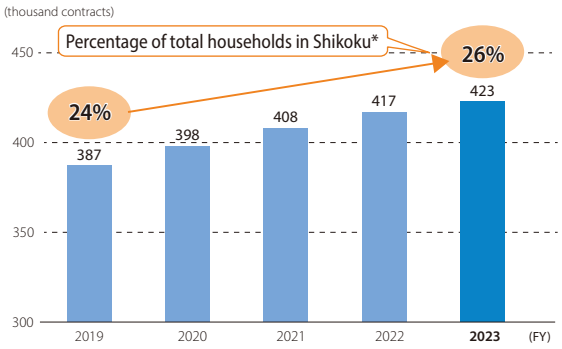
Expanding services for households

Through member-based web services and partner companies, we maintain contact with customers, provide billing menus and services as well as various campaigns with specific targets and time periods tailored to customer needs, and these have received positive feedback.

Moreover, in view of the recent situation in which electricity is surplus during the daytime in spring and autumn due to increased solar power generation, we are offering a demand response (DR) service aimed at increasing demand that awards points for shifting electricity usage to time periods designated in advance by the Company, along with pricing menus that encourage daytime shifts for hot water needs, thus promoting effective utilization of solar power.

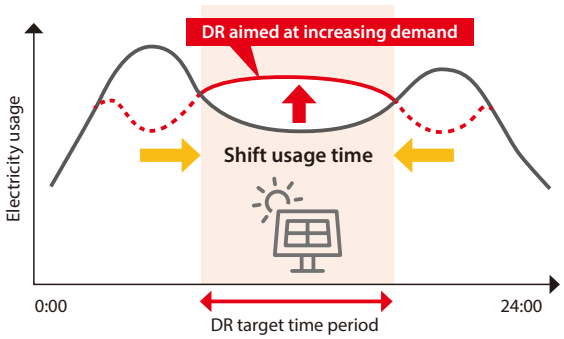
In addition, we are providing energy-savings information via the Web, and have received the highest rating of "Five Stars" in the Energy Conservation Communication Ranking System of the Agency for Natural Resources and Energy for two years running, thereby enhancing our relationship with customers in various ways.

Trends in numbers of all-electric house contracts



* About 1.6 million households (as of October 1, 2018, based on our estimate from a housing and land survey of Japan conducted by the Ministry of Internal Affairs and Communications)

How the heightened demand response service aimed at increasing demand works



Businesses Other than Electricity Energy Business

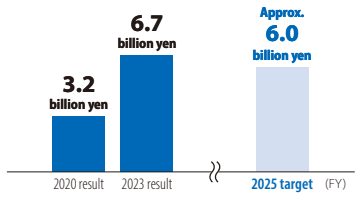
Business Operation Policy

We will expand our business in Japan and overseas using energy resources, principally electricity.

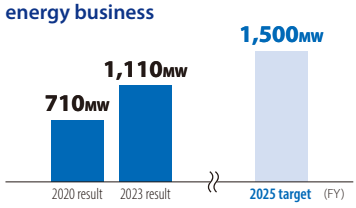
- **International energy business: Actively acquiring and developing new projects while ensuring thorough risk management**
- **Domestic energy business: Expanding our distributed energy business such as solar PPA, and promoting LNG sales**

Targets and Achievements

Ordinary profit



Owned capacity of international energy business



* Reference values organized by financial segment with targets in the Medium-Term Management Plan 2025

International energy business

State of business participation

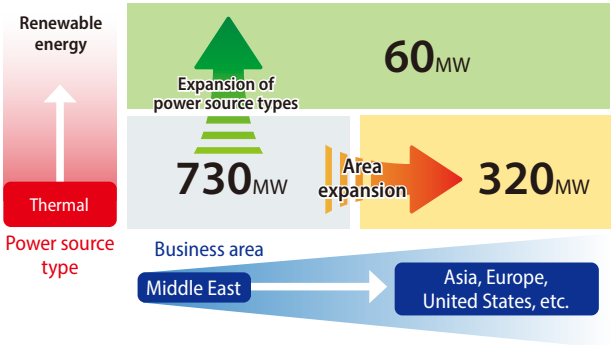
We have positioned our international energy business as one of our growth fields, and we aim to further expand the business by steadily promoting the acquisition of new projects and the operation of existing projects, while thoroughly managing risks.

Existing projects have recently expanded beyond thermal power generation in the Middle East to include Asia, North America, and South America, with our owned capacity reaching 1,110 MW (up 220 MW from the previous fiscal year) by the end of fiscal 2023.

Strengthening organizations and human resources for business expansion

Looking towards medium- to long-term business expansion, we are systematically strengthening our organization and human resources by accumulating practical experience through assignments and postings at overseas investment destinations, expanding support from the internal thermal and renewable energy divisions, and advancing new graduate and career professional recruitment in the international business division. Our goal is to achieve owned capacity of 1,500 MW by fiscal 2025 and 2,000 MW by fiscal 2030.

Expansion of business areas and power source types



Participation in IPP businesses

Riyadh PP11 Gas Thermal Power Generation (Participated in August 2023)

This is a combined cycle natural gas power plant using high-efficiency gas turbines, and is our first participation project in Saudi Arabia. This supplies electricity to a state-owned company in Saudi Arabia based on a sales contract until 2034, and is expected to generate stable revenue.

Power generation output 1,730 MW (owned capacity 220 MW)

Domestic Energy Business

Distributed Energy Business

Our Group is promoting the expanded use of electrical energy toward the decarbonization of society and industry, and in March 2024, we established the Energy Solution Business Office, which integrates related departments to work on solar PPA, EV-related projects, VPP, DR, and other businesses.

In the solar PPA business, we are building a cooperative system with developers and contractors nationwide, centered around a joint venture with Sumitomo Corporation called Sun Trinity, and are strengthening our business foundation by installing battery storage and aiming for business expansion.

In the EV-related business, we support our customers' adoption of EVs by packaging EV leasing along with installation and maintenance of chargers using CO_2-free electricity.

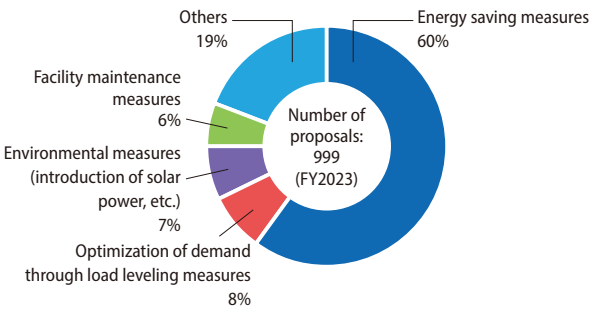
In the VPP and DR business, we aggregate customer facilities such as private generation, and utilize these mainly in the capacity market. Additionally, in the economic DR program, which pays compensation to customers for participation, we are implementing DR aimed at increasing demand starting in April 2024, in addition to DR aimed at decreasing demand.

Furthermore, we are collaborating with other operators to construct a grid-scale battery (output 12 MW) within the Matsuyama Solar Power Plant, which is planned to be used in the supply-demand adjustment market once completed.

Energy consultations

We provide energy consulting to customers of a certain size or larger by assigning dedicated staff, focusing on customers interested in cost and CO_2 reductions. By utilizing the technology and construction capabilities of our Group companies along with national subsidies, we make proposals regarding energy-saving and CO_2 reduction measures for converting heat sources to electricity, as well as on optimizing demand through load leveling, thereby strengthening relationships with customers and expanding orders to the Group.

Results of energy consulting proposals



Additionally, we continuously conduct kitchen electrification experience sessions and encourage and support sub-users, such as design companies that have influence over decisions regarding heat sources.

Gas sales business

We sell approximately 100,000 tons of liquefied natural gas annually through pipelines and trucks from the Sakaide LNG base, located near the Sakaide Power Station.

In response to fuel conversion needs for heat demand in the Shikoku region, we collaborate with other companies in selling gas through pipelines to industrial customers in the vicinity, utilizing the Niihama LNG Terminal in Ehime Prefecture and facilities in Shikoku Chuo City as bases.

Examples of distributed energy initiatives

Introduction of solar carports to commercial facilities

In December 2023, Sun Trinity LLC concluded a contract with AEON MALL Co., Ltd. to install solar carport facilities with a total capacity of 15 MW in outdoor parking lots at 12 commercial facilities within Japan.

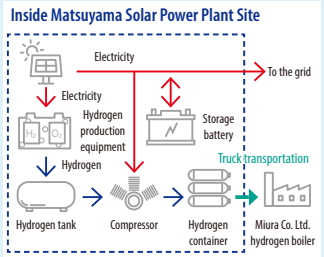
With this as a start, they aim to introduce solar carports at more than 50 AEON MALL commercial facilities by fiscal 2025, with plans for further expansion of installation locations from fiscal 2026 onward.

Representation of solar carport

Demonstration testing of green hydrogen production using solar power generation

We plan to conduct a demonstration test for producing green hydrogen in collaboration with Ehime Prefecture and Miura Industries Co., Ltd. on the premises of the Matsuyama Solar Power Plant starting in fiscal 2025, with construction of facilities underway.

The demonstration test is expected to produce enough hydrogen for a fuel cell vehicle to drive 500 km per day, with the produced hydrogen being used in Miura Co.,Ltd.'s hydrogen boilers. Through this project, we aim to accumulate knowledge on hydrogen production, transportation, and utilization, targeting the future full-scale use of hydrogen energy.



Green hydrogen production flow

Businesses Other than Electricity

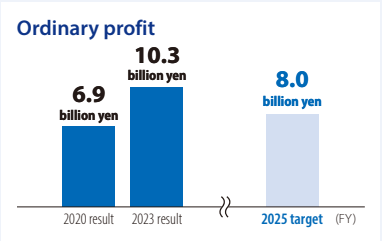
IT/Communication Business

Business Operation Policy

On the strength of our technologies and human resources that cover a wide range of information and communication areas, we will provide ICT services that support daily life and business.

- **Expansion of optical communication business through a variety of services**
- **Expanding data center and cloud computing businesses by acquiring customers within and outside Shikoku**

Targets and Achievements



Optical communications business

Our "Pikara" optical communications service is efficiently deployed primarily in densely populated urban areas of Shikoku, and the number of subscribers is growing steadily.

In the individual sector, we were the first provider in Shikoku to offer a high-capacity 10 Gbps high-speed communication plan, and with the growing demand for high-speed communication due to high-quality video content and remote work, we have seen an increase in transitions from the 1 Gbps plan, along with new subscriptions.

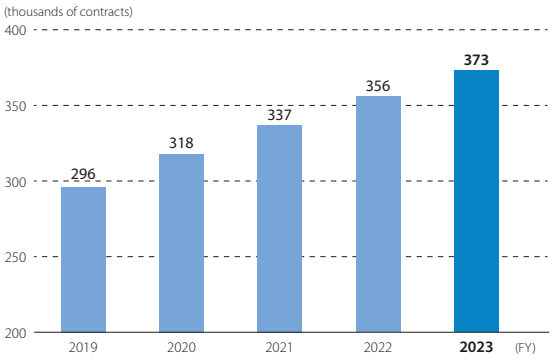
In the corporate sector, we utilize our owned fiber optic infrastructure to provide dedicated networks that connect multiple customer sites with high quality and security. In addition to these communications services, STNet Co., Ltd. leverages its strength in providing a one-stop solution for system development and infrastructure construction for cloud services, and through solution proposal sales to customers currently using our communications services, this leads to new contracts and expands orders in line with customers' DX needs.

Data center and cloud business

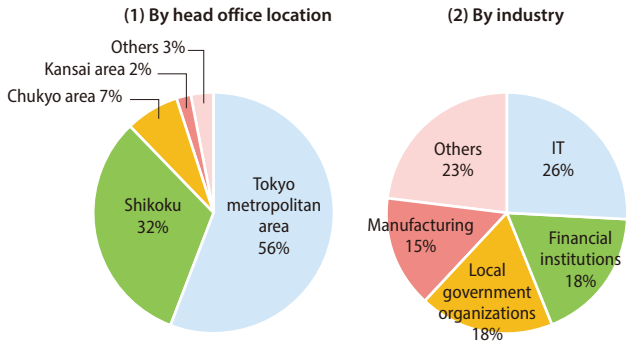
The data center "Powerico," located in Takamatsu City, Kagawa Prefecture, benefits from its advantageous location with minimal natural disasters and offers high reliability, meeting the highest Tier 4 standards set by JDCC. As the value of data as an information asset grows with the advancement of DX, it has been contracted primarily by customers such as financial institutions and municipalities, who require high security.

In preparation for large-scale disasters, many customers prioritize risk diversification by storing critical data across both metropolitan and regional data centers. Therefore, we offer services such as connecting Powerico with data centers concentrated in Osaka through a secure, dedicated network. Additionally, for customers who prioritize reducing CO_2 emissions in their supply chains, we provide options for utilizing renewable energy to power their servers. By offering such a diverse range of services, we enhance the added value of our data center and drive sales growth.

Trend in the number of Pikara Hikari Network subscribers



Customer attributes in the data center business (end of fiscal 2023)



*Attributes of end-user customers for both (1) and (2)

Businesses Other than Electricity

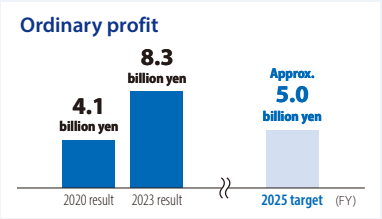
Construction and Engineering Business, etc.

Business Operation Policy

We will continue to increase orders and create new products and services by using the technical expertise and know-how cultivated in power-related businesses.

- **Expand external profits in the construction and engineering business, by leveraging technical capabilities**
- **Creating new products and services leveraging know-how gained in the electric power business**

Targets and Achievements



* Reference values organized by financial segment with targets in the Medium-Term Management Plan 2025

Construction and engineering business

Leveraging the technical expertise and know-how gained in the electric power-related construction business, we are securing contracts for construction and electrical works for both public and private sectors, both in Shikoku and elsewhere.

Yonden Engineering Co., Inc. is expanding orders for EPC (Engineering, Procurement, and Construction) and O&M (Operation and Maintenance) for renewable energy sources, battery storage, and other equipment across the country, and has recently taken on construction work including of a grid-connected battery storage facility (10 MW) in Ishikari City, Hokkaido, and a wind power plant (2 MW) in Yusuhara Town, Kochi Prefecture.

YONDENKO CORPORATION is further consolidating its sales and construction capabilities in the Tokyo metropolitan area and the Kansai region through M&A. It is proactively working to acquire more orders and striving to expand upon its business domains.

In addition, with its strengths as a comprehensive consulting company, Yonden Consultants Company, Incorporated, is designing roads and river structures, etc. for government agencies, and is working on developing new areas such as offering support in the formulation of decarbonization plans for municipalities and companies.

Example construction from Yonden Engineering Co., Inc. (Kawaminami Wind Farm, Hokkaido)

Utilizing know-how gained from the electric power business

Sales of renewable energy output control systems

Shikoku Measurement Co., Ltd. has leveraged its know-how and advanced technology in the design, production, and maintenance of grid control and supply operation systems for transmission and distribution companies in developing a system with which general transmission and distribution operators can properly control renewable energy output and issue output control instructions to power generation operators.

As the need for renewable energy output control rises nationwide, this system is being utilized by multiple general transmission and distribution operators.

Sales of hydrogen visualization technology

Hydrogen gas, which is expected to be used in the move toward carbon neutrality, is colorless and odorless, making it difficult to detect. To address this, Shikoku Research Institute Co., Ltd. has developed technology to detect and visualize hydrogen gas leaks and hydrogen flames, and products based on this technology are being employed in safety monitoring at hydrogen stations and hydrogen transport facilities.

Hydrogen flame visualization system and flame display