

The information shown below is an English translation of the "Genshiryoku hatsuden kouji shoukyaku junbi hikiatekin no torikuzushi oyobi Gyosekiyoso no shusei ni kansuru oshirase", notice regarding reversal of provision for depreciation of nuclear power plants and revisions to forecasts of financial results for the year ending March 31, 2020.  
 \* The "Genshiryoku hatsuden kouji shoukyaku junbi hikiatekin no torikuzushi oyobi Gyosekiyoso no shusei ni kansuru oshirase" in Japanese is the official document. This English translation is prepared for convenience.

July 31, 2019

Name of Listed Company : THE CHUGOKU ELECTRIC POWER CO., INC.  
 Code : 9504  
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## Notice Regarding Reversal of a Provision for Depreciation of Nuclear Power Plants and Revisions to Forecasts of Financial Results

The Ministerial Ordinance concerning Provision for Depreciation of Nuclear Power Plants (Ministry of Economy, Trade and Industry Ordinance No.20 of 2007) was amended pursuant to proclamation of an Ordinance Partially Amending the Ministerial Ordinance on July 26, 2019, which become effective on August 2, 2019. Consequently, we will reverse the balance of provision for depreciation of nuclear power plants as of June 30, 2019.

Accordingly, we have revised our forecasts of financial results for the year ending March 31, 2020, previously announced on April 26, 2019.

### 1. Reversal of a provision for depreciation of nuclear power plants

#### (1) Reasons

The Ministerial Ordinance concerning Provision for Depreciation of Nuclear Power Plants (Ministry of Economy, Trade and Industry Ordinance No.20 of 2007, "the Ministerial Ordinance") was amended pursuant to proclamation of an Ordinance Partially Amending the Ministerial Ordinance on July 26, 2019, which become effective on August 2, 2019 ("the Amended Ministerial Ordinance").

According to the Amended Ministerial Ordinance, electricity generation utilities subject to the Ministerial Ordinance shall be utilities that apply the declining balance method to tangible fixed assets.

Therefore, since the effective date, we are no longer an electricity generation utility subject to the Ministerial Ordinance as the Company changed the depreciation method for tangible fixed assets from the declining balance method to the straight-line method from April 1, 2019.

As a result, we will reverse the balance of provision for depreciation of nuclear power plants as of June 30, 2019.

#### (2) Reversal Amount

86,650 million yen

### 2. Revisions to forecasts of financial results for the year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

#### (1) Consolidated

|                                   | Operating revenues | Operating income | Ordinary income | Net income attributable to owners of the parent | Earnings per share |
|-----------------------------------|--------------------|------------------|-----------------|---|--------------------|
|                                   | million yen        | million yen      | million yen     | million yen                                     | yen                |
| Previously announced forecasts(A) | 1,371,000          | 42,000           | 36,000          | 25,000  | 72.62              |
| Revised forecasts (B)             | 1,360,000          | 42,000           | 36,000          | 89,000  | 258.54             |
| Difference (B-A)                  | -11,000            | -                | -               | 64,000  |                    |
| Rate of change(%)                 | -0.8 %             | -                | -               | 256.0 %   |                    |
| (Reference)                       |                    |                  |                 |   |                    |
| Year ended March 31, 2019         | 1,376,979          | 19,530           | 12,685          | 11,446  | 33.25              |

#### (2) Non-consolidated

|                                   | Operating revenues | Operating income | Ordinary income | Net income  | Earnings per share |
|-----------------------------------|--------------------|------------------|-----------------|-------------|--------------------|
|                                   | million yen        | million yen      | million yen     | million yen | yen                |
| Previously announced forecasts(A) | 1,270,000          | 36,000           | 30,000          | 21,000      | 60.96              |
| Revised forecasts (B)             | 1,259,000          | 36,000           | 30,000          | 85,000      | 246.73             |
| Difference (B-A)                  | -11,000            | -                | -               | 64,000      |                    |
| Rate of change(%)                 | -0.9 %             | -                | -               | 304.8 %     |                    |
| (Reference)                       |                    |                  |                 |             |                    |
| Year ended March 31, 2019         | 1,280,501          | 11,284           | 6,908           | 8,510       | 24.70              |

#### (3) Reason for revisions

We have revised the previously announced forecast of operating revenues for the reasons such as the decrease in fuel cost adjustment charges due to decrease in fuel prices.

The income forecasts have no change for the reasons such as the decrease in material expenses due to the decrease in fuel prices, despite the decrease in water flow.

Net income attributable to owners of the parent and Net income (non-consolidated) have been revised due to the reversal of a provision for depreciation of nuclear power plants.

\* Major factors have been revised for the current forecasts as follow [For the year ending March 31, 2020](non-consolidated)

|   | Revised forecasts | Previously announced forecasts |
|---|-------------------|--------------------------------|
| Total electricity sales                 | 50.7 billion kWh  | 50.7 billion kWh               |
| Exchange rate                           | 110 ¥/\$          | 110 ¥/\$                       |
| Crude oil price (All Japan CIF)         | 67 \$/b           | 70 \$/b                        |
| Nuclear capacity utilization factor (%) | -                 | -                              |

\* Descriptions above regarding the future such as forecasts of financial results have been formulated on the basis of information available at the time of the release of this document.

Actual results may vary from the forecasts above due to various factors.