

The information shown below is an English translation of the "Riekijyunbikin no Gaku no Gensyo oyobi Jyoyokin no Syobun ni tsuite", notice regarding reduction of legal retained earnings and appropriation of surplus released on April 28, 2023.

※The "Riekijyunbikin no Gaku no Gensyo oyobi Jyoyokin no Syobun ni tsuite" in Japanese is the official document.

This English translation is prepared for convenience.

April 28, 2023

Name of Listed Company : THE CHUGOKU ELECTRIC POWER CO., INC.
Code : 9504 (Prime of Tokyo Stock Exchange)
Representative : Takimoto Natsuhiko, Representative Director President & Chief Executive Officer
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Notice Regarding Reduction of Legal Retained Earnings and Appropriation of Surplus

Chugoku Electric Power Company announces that its Board of Directors resolved at a meeting held today, April 28th, 2023, to submit a proposal on reduction of legal retained earnings and appropriation of surplus to the 99th Annual General Meeting of Stockholders to be held on June 28, 2023. Details are as follows;

1. Purpose of Reduction of Legal Retained Earnings and Appropriation of Surplus

In order to cover the loss in retained earnings brought forward resulting from the deterioration of business performance in FY2023* and ensure mobile of capital policy in response to future changes in the business environment, reduction of legal retained earnings and appropriation of surplus will be implemented.

*In this report, the term Fiscal Year 2023 refers to the period between April 1, 2022 and March 31, 2023.

2. Outline of Reduction of Legal Retained Earnings

The entire amount of legal retained earnings will be transferred to retained earnings brought forward, pursuant to Article 448, Paragraph 1 of the Companies Act.

(1) Details of Reduction of Legal Retained Earnings

① Amount of reduction

Legal retained earnings 46,381,907,375 Yen

② Item and amount of surplus to be increased

Retained earnings brought forward 46,381,907,375 Yen

(2) Schedule of Reduction of Legal Retained Earnings

Date of resolution at the meeting of the Board of Directors: April 28th, 2023
Date of resolution at the General Shareholders' Meeting: June 28th, 2023(scheduled)
Date of public notice for objections by creditors: June 29th, 2023(scheduled)
Final date for creditors' objections: July 29th, 2023(scheduled)
Effective date: July 30th, 2023(scheduled)

3. Outline of Appropriation of Surplus

The entire amount of general reserve will be transferred to retained earnings brought forward, pursuant to Article 452 of the Companies Act.

(1) Details of Appropriation of Surplus

① Item and amount of surplus to be reduced

General reserve 144,000,000,000 Yen

② Item and amount of surplus to be increased

Retained earnings brought forward 144,000,000,000 Yen

(2) Schedule of Reduction of General Reserve

Date of resolution at the meeting of the Board of Directors: April 28th, 2023
Date of resolution at the General Shareholders' Meeting: June 28th, 2023(scheduled)
Effective date: July 30th, 2023(scheduled)

4. Impact on FY2024 Results

Since this action is an accounting transfer within the Net Assets section, it will not change the amount of the company's net assets, and will not affect the business performance.