

The information shown below is an English translation of the "Teiatsu Bumon no Kisei Ryokin tou no Minaoshi ni Kansuru Oshirase", notice regarding revision of regulated electricity rates for low voltage sector released on November 25, 2022.

* The "Teiatsu Bumon no Kisei Ryokin tou no Minaoshi ni Kansuru Oshirase" in Japanese is the official document. This English translation is prepared for convenience.

November 25, 2022

Name of Listed Company : THE CHUGOKU ELECTRIC POWER CO., INC.
Code : 9504 (Prime of Tokyo Stock Exchange)
Representative : Natsuhiko Takimoto, Representative Director President & Chief Executive Officer
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Notice Regarding Revision of Regulated Electricity Rates for Low Voltage Sector

At today's Board of Directors Meeting, we decided to apply for a revision of our regulated rates starting on April 1, 2023. Today, we also requested approval from the Minister of Economy, Trade and Industry to change the Specific Retail Electricity Supply Provisions. In addition, this notice is to inform you that, we decided to revise our liberalized rate unit prices for low voltage sector starting on April 1, 2023.

1. Background of Revision

In the midst of long-term shutdown of the Shimane Nuclear Power Station and intensified competition accompanying the full liberalization of the retail sale of electricity, we have made thorough improvements in efficiency and, since the 2008 rate revisions, have maintained current rate levels without making full-scale upward price changes.

However, recent rapid increases in fuel and electricity market prices have greatly impacted our profitability and finances; consequently, both our consolidated and individual financial statements for FY 2023* are expected to show record deficits. Also, fuel cost adjustment caps in regulated rates continue to be exceeded, which is contributing to worsening profitability.

In light of this, we decided to reexamine our regulated electricity rates at this time.

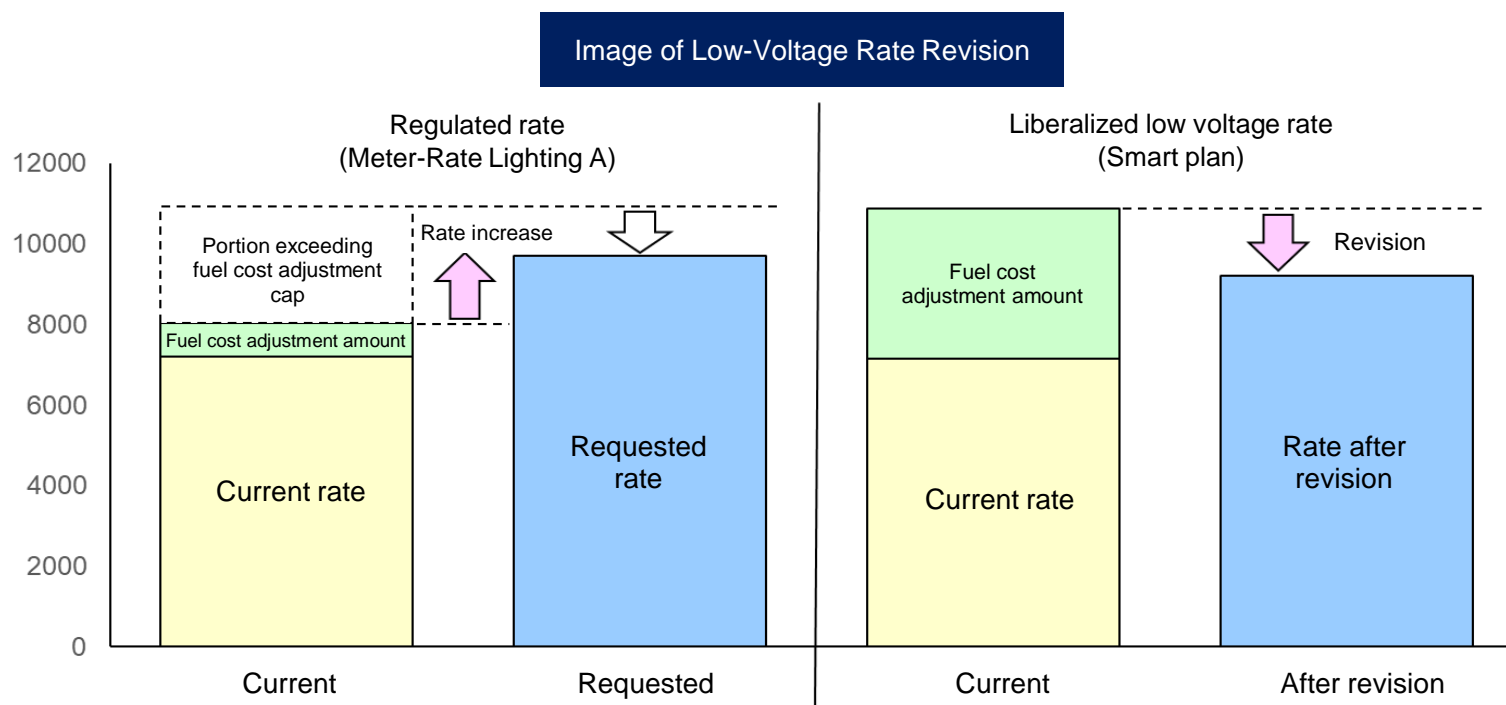
*: The term Fiscal Year 2023 refers to the period between April 1, 2022 and March 31, 2023.

2. Main Content of Application for Regulated Rate Revision

With this application, rates will increase by an average of 31.33% over current rates. On the other hand, in order to ease the burden on customers when the rates are revised, we have incorporated maximum possible cost reduction effects through improved management efficiency. For example, the requested rate for "Meter-Rate Lighting A" (when using 260 kWh per month) will be cheaper than the current rate if we assume there is no fuel cost adjustment cap.

The content of today's regulated electricity rate request will be examined by the national government. We plan to respond to the examination carefully and appropriately, and will work to further improve our management efficiency. We sincerely ask for the understanding of our customers.

Reference: Financial impact on customers due to rate revision (model estimation)



If using 260 kWh per month

Contract type	Current rate	Requested rate/ Rate after revision	Financial impact of revision	Reference: Current rate if there is no fuel cost adjustment cap
Meter-Rate Lighting A	8,029 yen	10,428 yen	+2,399 yen (+29.88%)	10,934 yen
Smart plan	10,886 yen	10,348 yen	-538 yen (-4.94%)	-

- Includes the consumption tax equivalent amount and the renewable energy power generation promotion surcharge (3.45 yen/kWh).
- Based on Trade Statistics prices for July to September, 2022, current rate includes fuel cost adjustment amount, while requested rate and rate after revision include Remote Island Universal Service adjustment unit price.
- Current rate for Meter-Rate Lighting A includes account transfer discount.