

The information shown below is an English translation of the “Koteishisan no Joto ni tsuite”, a notice regarding sales of fixed asset released on December 20, 2023.

* The “Koteishisan no Joto ni tsuite” in Japanese is the official document. This English translation is prepared for convenience.

December 20, 2023

Name of Listed Company: THE CHUGOKU ELECTRIC POWER CO., INC.
Code: 9504 (Prime of Tokyo Stock Exchange)
Representative: Nakagawa Kengo, Representative Director President & Chief Executive Officer
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Notice Regarding Sales of Fixed Asset

The Chugoku Electric Power Co., Inc. (Chugoku Electric) has determined today to transfer a part of its uranium inventory stored for nuclear fuel fabrication for its power plants, expecting to record a capital gain on this transfer in its financial statements for the fiscal year ending March 31, 2025, as described below.

1. Reason for the Transfer

In order to recover its financial base, which has been damaged against the backdrop of the worsening of its earnings due to soaring fossil fuel prices and electricity market prices in recent years, Chugoku Electric has determined to transfer a portion of its uranium for nuclear fuel, after reviewing its asset portfolio in an effort to effectively utilize corporate resources and enhance asset efficiency.

Meanwhile, since sufficient uranium for nuclear fuel is already stored, Chugoku Electric expects no adverse impact caused by this sale on its nuclear power generation in the foreseeable future.

2. Outline of the Asset to be Transferred

Location	Object of Transfer	Capital Gain on Sale
Outside Japan	Part of uranium for nuclear fuel fabrication (natural uranium hexafluoride)	Approx. 9.4 billion yen

* The quantity, location details, transfer price and book value of the transferred assets are not disclosed due to contractual confidentiality obligations with the transferee.

* The capital gain on sale is an estimated amount converted based on the foreign exchange rate at the end of November 2023.

3. Overview of the Transferee

The transferee is a foreign corporation authorized by the international organizations such as IAEA to handle nuclear fuel materials. However, the details are not disclosed due to contractual confidentiality obligations.

Relationship between Chugoku Electric and the Transferee

Capital Relationship	Chugoku Electric has no capital relationship with the transferee that should be stated.
Personnel Relationship	Chugoku Electric has no personnel relationship with the transferee that should be disclosed.
Transactional Relationship	Chugoku Electric has a transactional relationship with the transferee with respect to uranium raw materials.
Status as a Related Party	Not applicable.

4. Schedule

Date of Contract Execution: December 20, 2023

Date of Prospected Transfer: April 22, 2024 and July 1, 2024

5. Impact on Business Performance

The transfer of the relevant fixed assets will take place on April 22 and July 1, 2024, and the associated capital gain on the transfer will be recorded in the financial results for the fiscal year ending March 31, 2025 (consolidated and non-consolidated).

Therefore, there will be no impact on the full-year earnings forecasts (consolidated and non-consolidated) for the fiscal year ending March 31, 2024, which were announced on October 31, 2023.

(Note) The capital gain on the transfer may change in the future due to fluctuations in foreign exchange rates. In addition, the gain may be classified as extraordinary income.

Reference: Forecasts of financial results for the fiscal year ending March 31, 2024 (announced on October 31, 2023) and financial results for the fiscal year ended March 31, 2023 [Consolidated]

	Operating revenues	Operating income	Ordinary income	Profit attributable to owners of the parent.
FY2024 (Forecasts)	million yen 1,646,000	million yen 154,000	million yen 150,000	million yen 109,000
FY2023	million yen 1,694,602	million yen -68,892	million yen -106,780	million yen -155,378

* The term Fiscal Year 2024 refers to the period between April 1, 2023 and March 31, 2024.