

The Summary of Financial Results for FY2024-3Q

(April 1 through December 31, 2023)

The Chugoku Electric Power Co., Inc.

January 31, 2024

In this report, the term Fiscal Year 2024 refers to the period between April 1, 2023 and March 31, 2024.

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(Reference) Key Points of Financial Results

(Reference) Supplemental Data

I . FY2024 3rd Quarter Financial Results

- Operating revenues were 1,204.8 billion yen, an increase of 24.9 billion yen from the same period of the previous fiscal year, mainly because of the revision of electricity rates, etc.
- Operating income was 175.8 billion yen, an increase of 282.8 billion yen from the same period of the previous fiscal year, mainly because of an improvement of the time lag of the fuel cost adjustment system as a result of lower fuel prices.
- Ordinary income including non-operating income and expenses such as interest expense was 165.3 billion yen, an increase of 289.3 billion yen from the same period of the previous fiscal year.
- As a result of drawing on the drought reserve and deducting income taxes, the quarterly profit attributable to owners of the parent was 120.5 billion yen, an increase of 287.2 billion yen from the same period of the previous fiscal year.

1-2. Financial Results Summary <Consolidated>

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(billion yen)

	FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	1,204.8	1,179.8	24.9	2.1%
Operating income	175.8	-106.9	282.8	-
Ordinary income	165.3	-123.9	289.3	-
Profit attributable to owners of the parent	120.5	-166.7	287.2	-

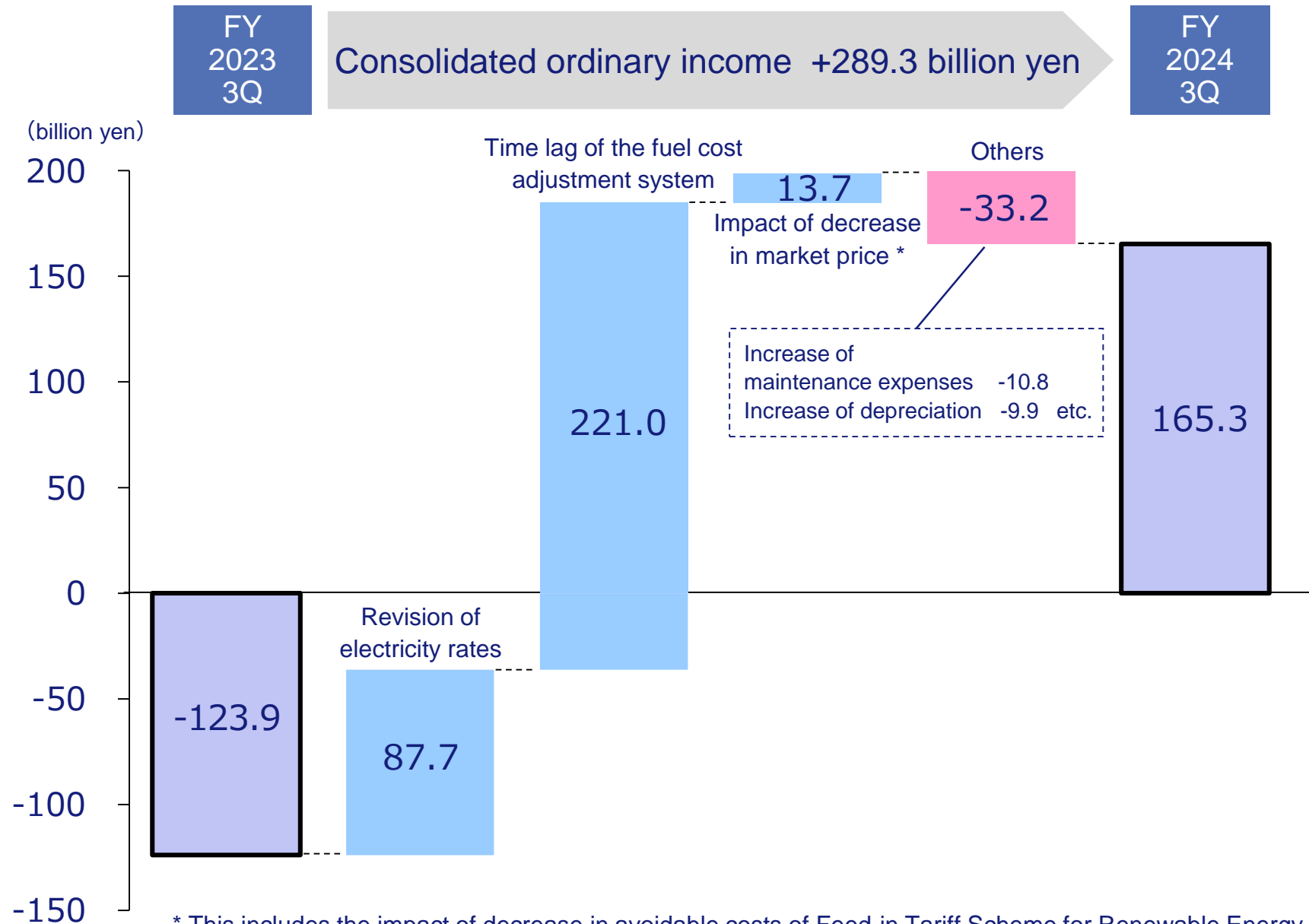
2. Income Statement <Consolidated>

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(billion yen)

	FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)
Ordinary revenues	1,220.3	1,193.8	26.5
Operating revenues	1,204.8	1,179.8	24.9
Other revenues	15.5	13.9	1.6
Ordinary expenses	1,055.0	1,317.7	-262.7
Operating expenses	1,028.9	1,286.8	-257.8
Other expenses	26.0	30.9	-4.9
Operating income	175.8	-106.9	282.8
Ordinary income	165.3	-123.9	289.3
Provision for drought	-0.1	-0.5	0.3
Extraordinary loss	-	79.3	-79.3
Income taxes, etc.	45.0	-36.0	81.1
Profit attributable to owners of the parent	120.5	-166.7	287.2

3. Factors for Change in Ordinary Income <Consolidated>



4. Total Electricity Sales

- Total electricity sales were 38.42 billion kWh, a decrease of 3.9% in comparison with the same period of the previous fiscal year.
- Retail electricity sales were 32.38 billion kWh, a decrease of 1.9% in comparison with the same period of the previous fiscal year.
- Electricity sales to other power companies were 6.04 billion kWh, a decrease of 13.6% in comparison with the same period of the previous fiscal year.

(billion kWh)

	FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)	Rate of change (A/B-1)	
Total sales	38.42	39.99	-1.56	-3.9%	
Retail sales	Lighting	10.07	10.43	-0.37	-3.5%
	Power	22.32	22.56	-0.25	-1.1%
	Subtotal	32.38	33.00	-0.61	-1.9%
Sales to other power companies	6.04	6.99	-0.95	-13.6%	

Note1: This is the total electricity sales of Chugoku Electric Power.

Note2: This does not include the amount of electricity sales for in-house and the amount of electricity sales to other companies for imbalance/adjusted power supply, etc.

5. Generated and Received Electricity

- Total of generated and received electricity was 41.93 billion kWh, a decrease of 3.3% in comparison with the same period of the previous fiscal year.
- Hydroelectric power of own facilities were 2.43 billion kWh, an increase of 7.2% in comparison with the same period of the previous fiscal year.
- Thermal power of own facilities and power purchased decreased due to a decrease in total electricity sales, etc.

(billion kWh)

		FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)	Rate of change (A/B-1)
Total		41.93	43.36	-1.44	-3.3%
Own facilities	Subtotal	23.01	23.85	-0.84	-3.5%
	(Water Flow Rate)	(88.4%)	(71.9%)	(16.5%)	
	Hydroelectric	2.43	2.26	0.16	7.2%
	Thermal	20.55	21.58	-1.03	-4.8%
	(Utilization Rate)	(-)	(-)	(-)	
	Nuclear	-	-	-	-
New energy sources		0.04	0.01	0.03	236.8%
Power purchased		19.85	20.69	-0.84	-4.1%
Pumping use		-0.93	-1.17	0.24	-20.8%

Note1: This is the total of generated and received electricity of Chugoku Electric Power.

Note2: Power purchased includes the amount of electricity related to imbalance/adjusted power supply.

6. Segment Information

- For the Comprehensive Energy Business, operating revenues increased because of the revision of electricity rates, etc. Operating income increased because of an improvement of the time lag of the fuel cost adjustment system as a result of lower fuel prices.
- In the Power Transmission and Distribution Business, operating income increased because of an increase in revenue of standard wheeling service and a decrease in expenses related to supply and demand adjustments.

(billion yen)

		FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)
Comprehensive Energy Business	Operating revenues	1,129.2	1,100.0	29.1
	Operating income	132.5	-104.6	237.2
Power Transmission and Distribution Business	Operating revenues	351.2	418.7	-67.4
	Operating income	38.0	-5.9	44.0
Information and Telecommunications Business	Operating revenues	33.0	32.1	0.8
	Operating income	3.7	3.4	0.2
Others	Operating revenues	77.9	67.7	10.2
	Operating income	3.1	1.4	1.6
Amount of Adjustment	Operating revenues	(-386.6)	(-438.7)	(52.1)
	Operating income	(-1.5)	(-1.1)	(-0.3)
Total	Operating revenues	1,204.8	1,179.8	24.9
	Operating income	175.8	-106.9	282.8

II . Forecasts of Financial Results for FY2024 Dividends

1. Forecasts of Financial Results for FY2024(Summary)

- Compared to the previously announced forecasts, we expect a decrease in net sales (operating revenues) due to a decrease in total electricity sales and a decrease in the amount of fuel cost adjustment as a result of lower fuel prices, etc.
- Despite the decrease in operating revenues, profit is expected to increase because of the profit from the time lag of the fuel cost adjustment system, etc.

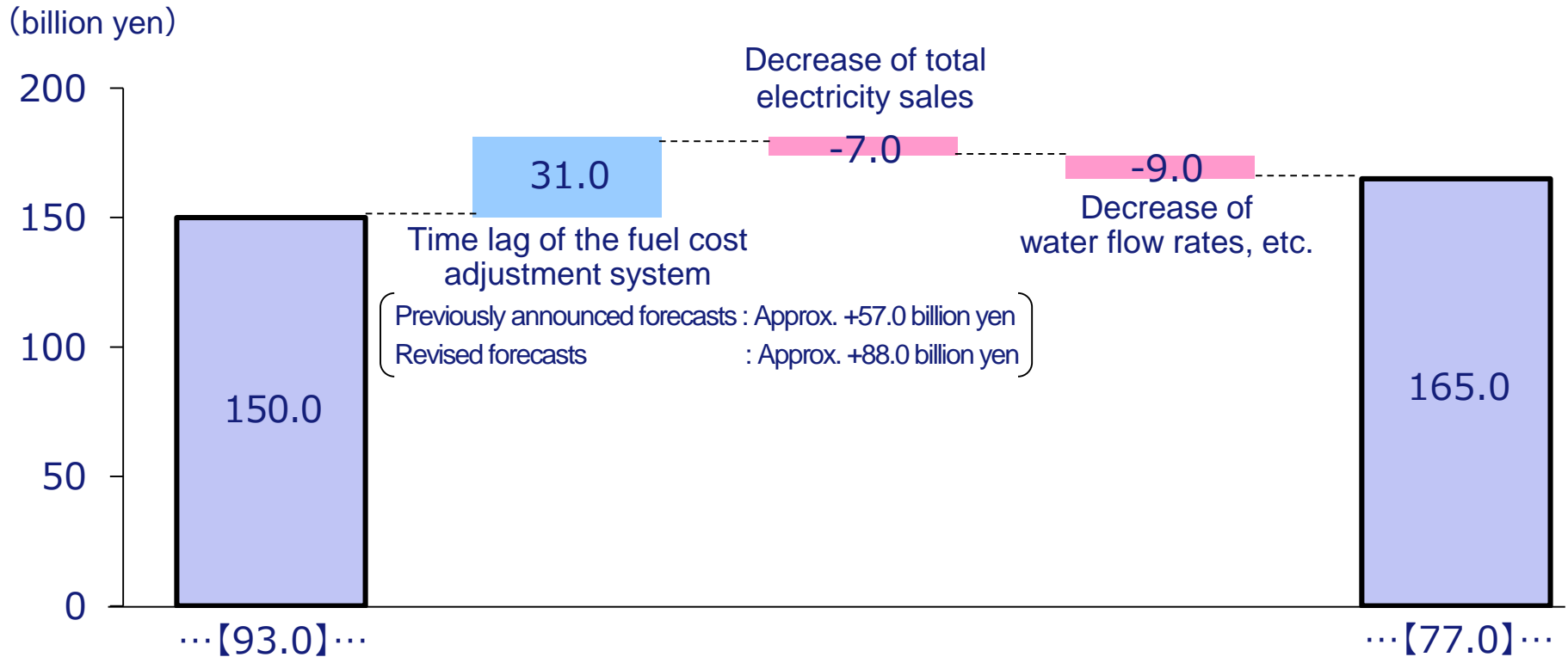
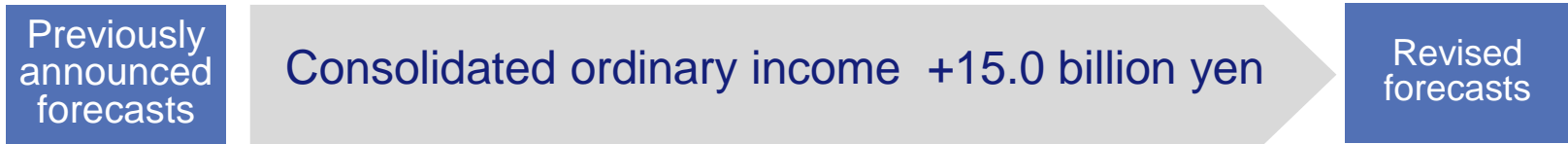
(billion yen)

	FY2024 (Revised forecasts) (A)	FY2024 (Previously announced forecasts/October 2023) (B)	Difference (A-B)	【Reference】 FY2023 (Actual results)
Operating revenues	1,610.0	1,646.0	-36.0	1,694.6
Operating income	173.0	154.0	19.0	-68.8
Ordinary income	165.0	150.0	15.0	-106.7
Profit attributable to owners of the parent	122.0	109.0	13.0	-155.3

Shareholders' equity ratio	Approx. 14% (Approx. 16%*)	Approx. 13% (Approx. 16%*)	/	11.1% (13.6%*)
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* Shareholders' equity ratio assuming 50 billion yen of hybrid corporate bond already raised (announced on December 3, 2021) and 50 billion yen of transition-linked hybrid loan already raised (announced on September 29, 2022) as equity capital.

2.Forecasts of Financial Results (Factors for Change in Ordinary Income)



Note: Figures in square brackets [] are income, excluding the impact of the time lag of the fuel cost adjustment system.

- Compared to the previously announced forecasts, we expect an increase in profit because of the profit from the time lag of the fuel cost adjustment system.
- However, we recognize that we still remain in a severe business environment, given the fact that a decrease in profit resulting from a decrease of total electricity sales, etc., the prospect of further competition and a difficulty in forecasting fuel price and electricity market price.
- We continue to work on earning stable profits and recovering our financial base by the followings; activating Shimane Nuclear Power Station having put utmost priority on ensuring safety, engaging in group-wide efforts for enhancing profitability and overall business efficiency and maximum efforts to manage market risk.

4. Major Factors

	FY2024 (Revised forecasts) (A)	FY2024 (Previously announced forecasts/October 2023) (B)	Difference (A-B)	【Reference】 FY2023 (Actual results)
Total electricity sales (billion kWh)	53.2	54.0	-0.8	54.60
Exchange rate (¥ / \$)	144	145	-1	135
Crude oil prices (All Japan CIF) (\$ / b)	87	89	-2	102.7
Nuclear capacity factor (%)	-	-	-	-

Note1: Total electricity sales is the amount of electricity sales at retail and the amount of electricity sales to other power companies of Chugoku Electric Power.

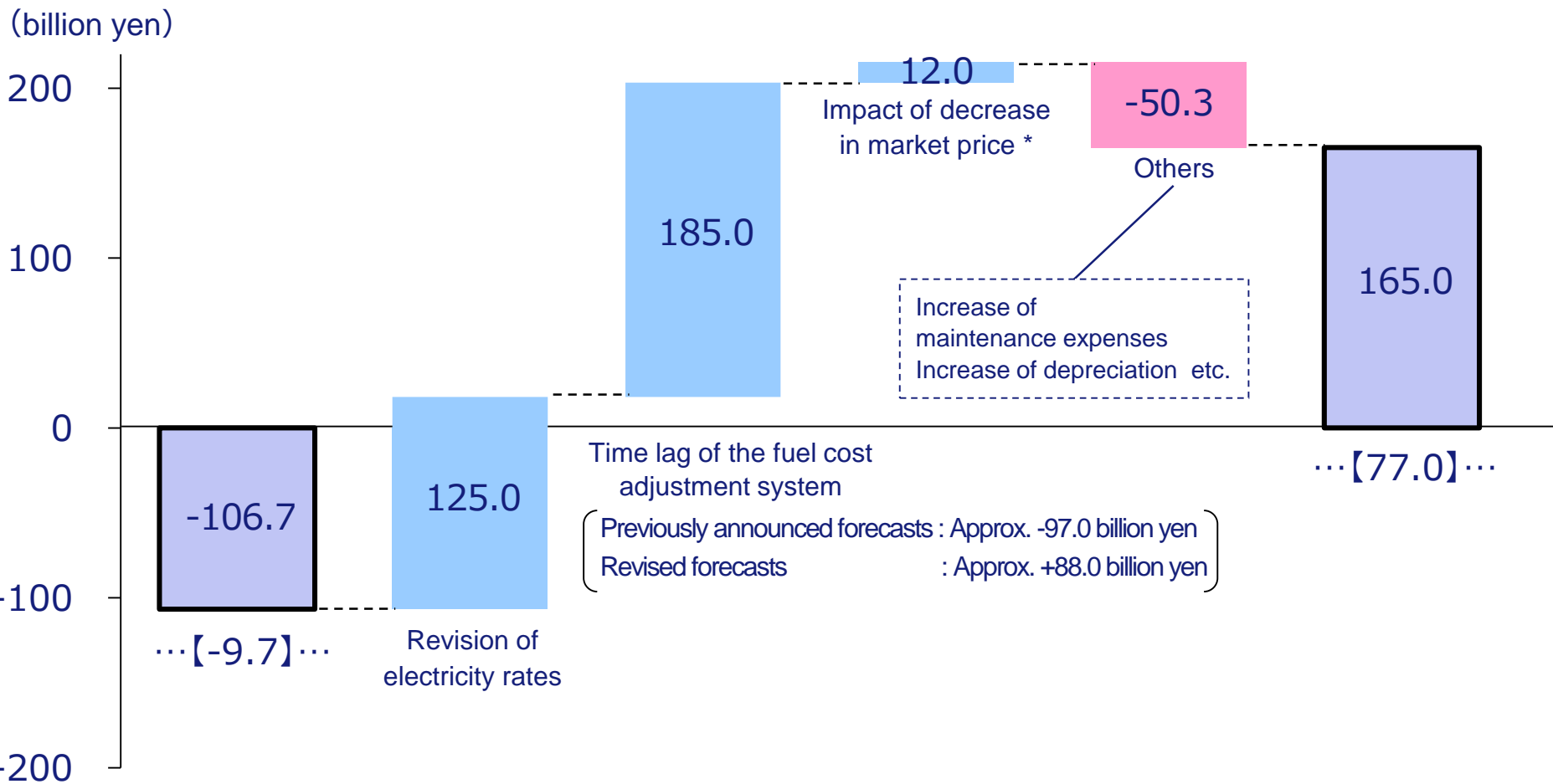
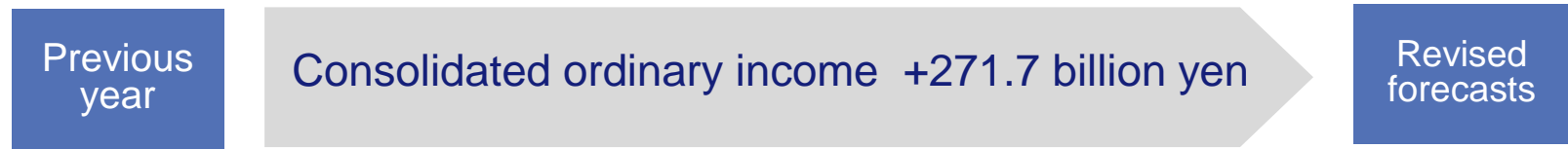
Note2: Total electricity sales does not include the amount of electricity sales for in-house and the amount of electricity sales to other companies for imbalance/adjusted power supply.

■ Financial Impact (Sensitivity)

(billion yen)

	FY2024 (Revised forecasts) (A)	FY2024 (Previously announced forecasts/October 2023) (B)	Difference (A-B)	【Reference】 FY2023 (Actual results)
Exchange rate (¥1 / \$)	2.9	3.2	-0.3	5.2
Crude oil prices (All Japan CIF) (\$1 / b)	2.0	1.9	0.1	1.9
Water flow rate (1%)	0.5	0.5	-	0.6
Nuclear capacity factor (1%)	1.0	1.0	-	1.2

(Reference) Forecasts of Financial Results (vs. previous year) 12



* This includes the impact of decrease in avoidable costs of Feed-in Tariff Scheme for Renewable Energy.

Note: Figures in square brackets 【 】 are income, excluding the impact of the time lag of the fuel cost adjustment system.

- In May 2023, we announced that we revised our basic policy of paying out stable dividends and set the dividend payout ratio of 10% until the consolidated equity ratio is recovered to 15% in performance putting recover and strengthen our financial base as our top priority.
- The dividend forecasts for FY 2024 have been set at an annual dividend of 30 yen (interim: 5 yen, year-end: 25 yen) , which have not been changed since the previous forecasts.

【Dividends】

(yen per share)

	FY2024	FY2023
Interim	5	0
Year-end	25 (Forecast)	0
Total	30 (Forecast)	0

(Reference) Key Points of Financial Results

Income Statement

(billion yen)

	FY2024-3Q	FY2023-3Q
Summary of financial results	For the first time in 9 years Increase in revenues (24.9) Increase in income (289.3)	For the first time in 4 years Increase in revenues (416.8) Decrease in income (-98.5)
Operating revenues	1,204.8 *1	1,179.8 *1
Operating income	175.8 (No.1)	-106.9 (No.20)
Ordinary income	165.3 (No.1)	-123.9 (No.20)
Profit attributable to owners of the parent	120.5 (No.1)	-166.7 (No.20)

Balance Sheet

(billion yen)

	FY2024-3Q	FY2023
Total assets	4,139.6	4,040.0
Net assets	596.9	455.4
Shareholders' equity ratio	14.2% (16.6%*2)	11.1% (13.6%*2)
Interest-bearing debt	3,085.1	3,022.0

*1: The ranking of operating revenues is not provided because the significance of comparison with past operating revenues has been lost due to the application of the Accounting Standard for Revenue Recognition from FY2022-1Q.

*2: Shareholders' equity ratio assuming 50 billion yen of hybrid corporate bond already raised (announced on December 3, 2021) and 50 billion yen of transition-linked hybrid loan already raised (announced on September 29, 2022) as equity capital.

Note1: Increase / decrease in income in the summary of financial results is based on ordinary income.

Note2: The ranking is a simple comparison with the past amount at the time of each settlement since FY2001.

2. Major Factors

		FY2024-3Q	FY2023-3Q
Exchange rate	(¥ / \$)	143	136
Crude oil prices (All Japan CIF)	(\$ / b)	* { 86.6	107.9
Foreign coal prices (All Japan CIF)	(\$ / t)	{ 205.8	360.7
Nuclear capacity factor	(%)	-	-

* Provisional figures

(Reference) Supplemental Data

1-1. Income Statement <Non-Consolidated>

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(billion yen)

	FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)
Ordinary revenues	1,118.2	1,082.3	35.9
Operating revenues	1,084.4	1,049.1	35.3
Electricity sales revenue	783.9	748.0	35.9
Others	300.5	301.0	-0.5
Non-operating revenues	33.7	33.1	0.6
Ordinary expenses	982.5	1,193.4	-210.8
Operating expenses	959.3	1,163.4	-204.1
Personnel	30.5	31.3	-0.7
Retirement allowances	0.8	0.5	0.3
Material	547.1	766.7	-219.5
Fuel	285.4	350.5	-65.1
Purchased power	261.7	416.1	-154.4
Maintenance	35.7	24.8	10.8
Depreciation	37.8	27.8	9.9
Transmission fees of connected supply	196.4	197.7	-1.2
Others	111.6	114.9	-3.3
Non-operating expenses	23.2	29.9	-6.7
Ordinary income (Operating income)	135.7 (125.1)	-111.1 (-114.3)	246.8 (239.4)
Provision for drought	-0.1	-0.5	0.3
Extraordinary loss	-	79.3	-79.3
Income taxes, etc.	31.4	-38.2	69.7
Net income	104.3	-151.7	256.1

(billion yen)

	FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)
Ordinary revenues	350.7	418.7	-67.9
Operating revenues	349.7	418.2	-68.4
Transmission revenue	246.5	246.8	-0.3
Others	103.2	171.3	-68.1
Non-operating revenues	1.0	0.5	0.4
Ordinary expenses	317.0	428.3	-111.3
Operating expenses	312.5	424.2	-111.6
Personnel	32.9	34.4	-1.5
Retirement allowances	0.9	0.8	0.1
Material	122.5	240.8	-118.2
Fuel	2.3	1.8	0.4
Purchased power, etc.	120.2	238.9	-118.6
Maintenance	43.9	38.7	5.1
Depreciation	30.0	28.9	1.0
Others	83.1	81.2	1.8
Non-operating expenses	4.4	4.1	0.3
Ordinary income (Operating income)	33.7 (37.1)	-9.6 (-6.0)	43.3 (43.1)
Income taxes, etc.	9.3	-2.6	11.9
Net income	24.4	-6.9	31.3

2.Monthly Change in Total Electricity Sales

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■ FY2024-3Q

(billion kWh)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total	Jan.	Feb.	Mar.
Total sales		4.01 (-7.6%)	3.88 (-3.7%)	3.95 (-4.2%)	4.53 (-5.4%)	4.89 (-3.8%)	4.76 (-2.6%)	4.16 (-1.7%)	3.88 (-3.9%)	4.36 (-2.3%)	38.42 (-3.9%)	-	-	-
Retail sales	Lighting	1.19 (-11.2%)	1.01 (-2.5%)	0.89 (-2.5%)	1.04 (-10.4%)	1.31 (-0.2%)	1.30 (0.5%)	1.00 (-1.3%)	1.01 (0.1%)	1.31 (-2.9%)	10.07 (-3.5%)	-	-	-
	Power	2.26 (-5.8%)	2.22 (-2.4%)	2.39 (-2.2%)	2.66 (-1.6%)	2.81 (-1.2%)	2.79 (1.6%)	2.56 (3.0%)	2.29 (0.6%)	2.35 (-2.2%)	22.32 (-1.1%)	-	-	-
	Subtotal	3.45 (-7.8%)	3.23 (-2.4%)	3.28 (-2.3%)	3.70 (-4.2%)	4.12 (-0.9%)	4.09 (1.2%)	3.56 (1.8%)	3.30 (0.5%)	3.66 (-2.4%)	32.38 (-1.9%)	-	-	-
Sales to other power companies		0.57 (-6.4%)	0.64 (-9.7%)	0.67 (-12.7%)	0.83 (-10.4%)	0.77 (-17.0%)	0.67 (-20.7%)	0.60 (-18.0%)	0.58 (-22.9%)	0.70 (-1.8%)	6.04 (-13.6%)	-	-	-

Note1: This is the total electricity sales of Chugoku Electric Power.

Note2: This does not include the amount of electricity sales for in-house and the amount of electricity sales to other companies for imbalance/adjusted power supply, etc.

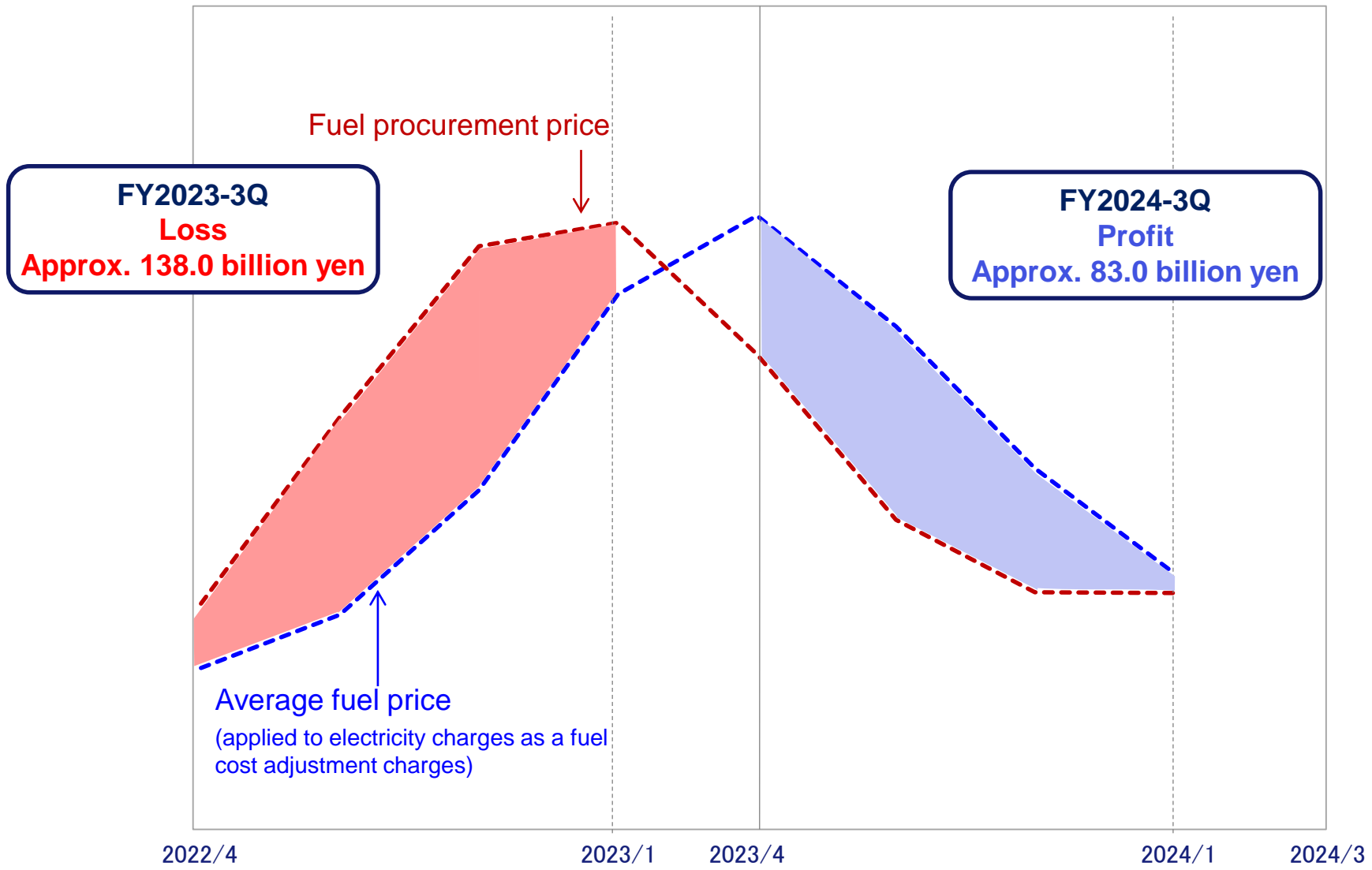
Note3: Figures in parentheses indicate the percentage change from the previous fiscal year.

<Reference> Average monthly temperature (Hiroshima city)

(°C)

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
FY2024	15.7	19.9	23.3	27.9	30.0	27.2	18.9	14.0	8.2	-	-	-
Difference from average year	0.9	0.3	0.1	0.7	1.5	2.5	0.1	1.1	0.7	-	-	-
Difference from previous year	-0.7	-0.1	-0.9	-0.2	0.8	1.2	0.0	-0.9	1.8	-	-	-

3. Time Lag of the Fuel Cost Adjustment System (Image Diagram)



Note: Fluctuation in fuel prices causes time lag between payment of fuel cost and reception of fuel cost adjustment charges, resulting in temporary increase or decrease in income. Time lag above is this temporary increase or decrease, assuming that time lag dose not take place.

(1) Procurement volume

	Unit	FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)
Fuel oil	million litters	300	360	-60
Coal *	thousand tons	3,990	5,420	-1,430
LNG *	thousand tons	1,300	1,240	60

* Sales included

(2) Consumption volume

	Unit	FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)
Fuel oil	million litters	300	280	20
Coal	thousand tons	4,030	4,530	-500
LNG	thousand tons	970	940	30

5. Capital Expenditure

(billion yen)

	Non-Consolidated			Chugoku Electric Power Transmission & Distribution Co., Inc.		
	FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)	FY2024-3Q (A)	FY2023-3Q (B)	Difference (A-B)
Capital expenditure	66.0 (60.6)	84.6 (79.3)	-18.6 (-18.7)	40.7	37.6	3.0

Note: Figures in parentheses reiterate costs related to power sources.

(1) Breakdown of interest-bearing debt <Consolidated>

(billion yen)

	End of FY2024-3Q (A)	End of FY2023 (B)	Difference (A-B)
Interest-bearing debt	3,085.1	3,022.0	63.0
Corporate bond	1,261.0	1,151.0	110.0
Long-term debt	1,696.7	1,449.8	246.9
Short-term debt	64.9	99.5	-34.6
Commercial paper	40.0	301.0	-261.0
Lease obligations	22.3	20.6	1.7

(2) Interest rate <Non-Consolidated>

	FY2024-3Q	FY2023
Average	0.58%	0.49 %

(3) Interest expense <Non-Consolidated>

(billion yen)

	FY2024-3Q	FY2023-3Q
Interest expense	9.2	7.8

- Regarding the series of inappropriate matters, we have announced the status of measures to prevent recurrence for regaining the trust of our stakeholders.
<https://www.energia.co.jp/corp/active/preventive/index.html> *
 - In January 2020, we formulated a new Group Corporate Vision targeting the year 2030 that shows our goals and the direction of efforts to achieve them.
 - We publish an Action Plan (outline of the management plan) every year as a plan for achieving the Group Corporate Vision.
 - In addition, based on the national government's "2050 Carbon Neutral Declaration," the Group has announced that we will strive to be carbon neutral by 2050.
 - Please refer to the following documents to learn more about our efforts to achieve our goals.
- ✓ Chugoku Electric Power Group Corporate Vision
https://www.energia.co.jp/e/ir/info/corporate_vision.html
 - ✓ Action Plan (Management Plan Outline) *
<https://www.energia.co.jp/ir/irkeiei/gaiyou.html>
 - ✓ Chugoku Electric Power Group's Initiatives for Carbon Neutral by 2050 *
https://www.energia.co.jp/tokusetu_site/carbon-neutral/index.html?topbnr=cn2050
 - ✓ Chugoku Electric Power Group Integrated Report
<https://www.energia.co.jp/e/ir/report/annual.html>

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