

The Summary of Financial Results for FY2024

(April 1 through March 31, 2024)

The Chugoku Electric Power Co., Inc.

April 30, 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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Dividends**

(Reference) Key Points of Financial Results

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I . FY2024 Financial Results

- Operating revenues were 1,628.7 billion yen, a decrease of 65.8 billion yen from the previous fiscal year, mainly 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 despite the revision of electricity rates.
- Operating income was 206.7 billion yen, an increase of 275.6 billion yen from 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 194.0 billion yen, an increase of 300.8 billion yen from the previous fiscal year.
- As a result of drawing on the drought reserve, recording an extraordinary income and an extraordinary loss, and deducting income taxes, the profit attributable to owners of the parent was 133.5 billion yen, an increase of 288.8 billion yen from the previous fiscal year.

1-2. Financial Results Summary <Consolidated>

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(billion yen)

	FY2024 (A)	FY2023 (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	1,628.7	1,694.6	-65.8	-3.9%
Operating income	206.7	-68.8	275.6	-
Ordinary income	194.0	-106.7	300.8	-
Profit attributable to owners of the parent	133.5	-155.3	288.8	-

2. Income Statement <Consolidated>

(billion yen)

	FY2024 (A)	FY2023 (B)	Difference (A-B)
Ordinary revenues	1,652.4	1,711.9	-59.5
Operating revenues	1,628.7	1,694.6	-65.8
Other revenues	23.6	17.3	6.3
Ordinary expenses	1,458.3	1,818.6	-360.3
Operating expenses	1,422.0	1,763.4	-341.4
Other expenses	36.3 ^{*1}	55.1	-18.8
Operating income	206.7	-68.8	275.6
Ordinary income	194.0	-106.7	300.8
Provision for drought	-0.1	-0.6	0.4
Extraordinary income	6.4 ^{*2}	6.2	0.2
Extraordinary loss	9.5 ^{*3}	81.6	-72.1
Income taxes, etc.	57.7	-26.1	83.9
Profit attributable to owners of the parent	133.5	-155.3	288.8

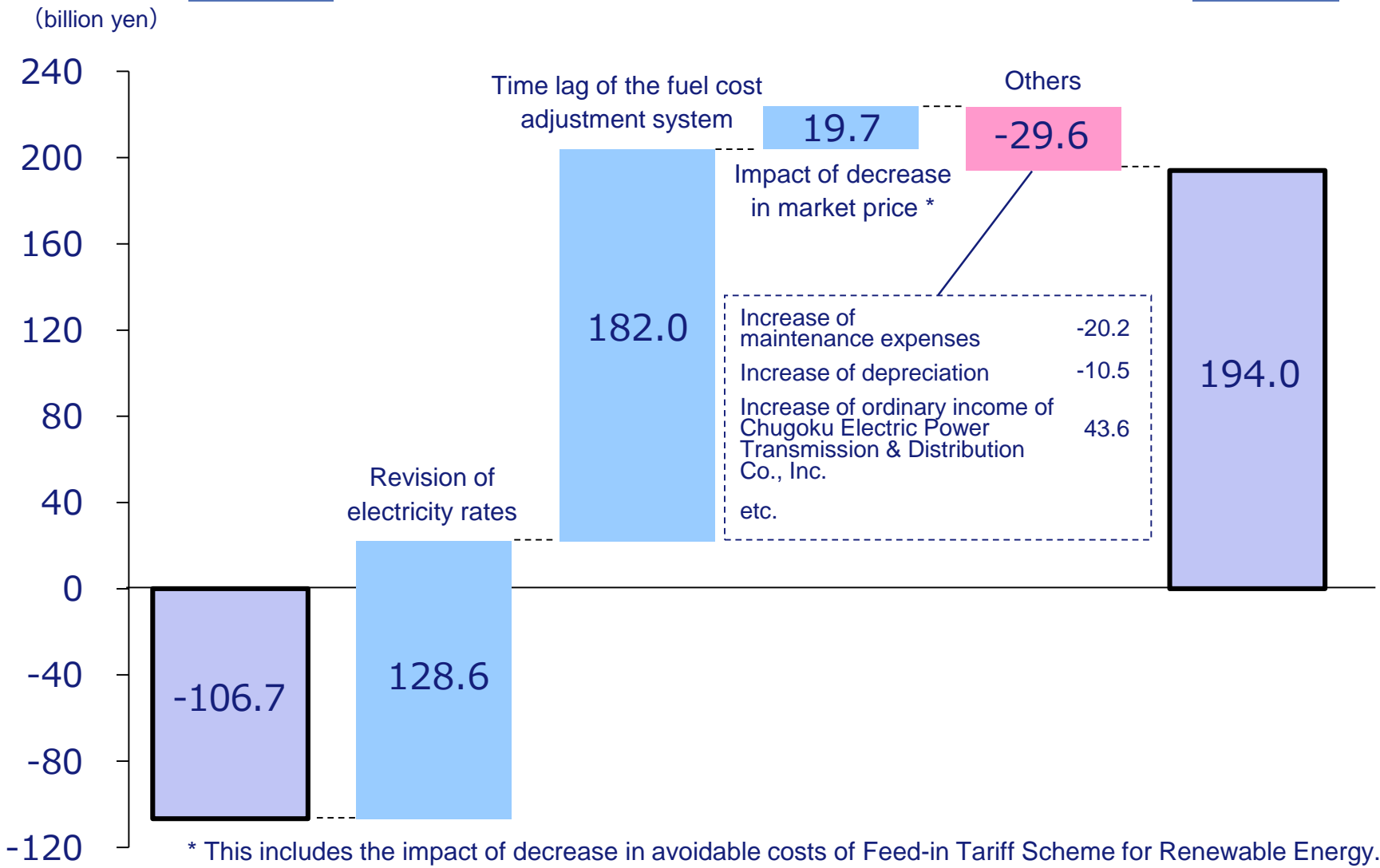
*1: Regarding surcharge in accordance with the Act against Unjustifiable Premiums and Misleading Representations, a reasonably calculated amount of 1.6 billion yen has been recorded as a provision for losses.

*2: A capital gain on sale of nuclear fuel of 6.4 billion yen has been recorded.

*3: Impairment losses in related to consolidated subsidiary ENERGIA POWER YAMAGUCHI CORPORATION of 6.5 billion yen and Chugoku Electric Power Australia Resources Pty. Ltd. of 2.9 billion yen have been recorded.

3. Factors for Change in Ordinary Income <Consolidated>

FY 2023 Consolidated ordinary income +300.8 billion yen FY 2024



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

4. Total Electricity Sales

- Total electricity sales were 52.62 billion kWh, a decrease of 3.6% in comparison with the previous fiscal year.
- Retail electricity sales were 44.60 billion kWh, a decrease of 1.6% in comparison with the previous fiscal year.
- Electricity sales to other power companies were 8.02 billion kWh, a decrease of 13.6% in comparison with the previous fiscal year.

(billion kWh)

	FY2024 (A)	FY2023 (B)	Difference (A-B)	Rate of change (A/B-1)	
Total sales	52.62	54.60	-1.98	-3.6%	
Retail sales	Lighting	15.05	15.51	-0.46	-3.0%
	Power	29.56	29.82	-0.26	-0.9%
	Subtotal	44.60	45.33	-0.72	-1.6%
Sales to other power companies	8.02	9.28	-1.26	-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 56.94 billion kWh, a decrease of 2.6% in comparison with the previous fiscal year.
- Hydroelectric power of own facilities were 3.38 billion kWh, an increase of 9.5% in comparison with the previous fiscal year.
- Thermal power of own facilities decreased due to a decrease in total electricity sales and an increase in hydroelectric power, etc.

(billion kWh)

		FY2024 (A)	FY2023 (B)	Difference (A-B)	Rate of change (A/B-1)
Total		56.94	58.48	-1.54	-2.6%
Own facilities	Subtotal	31.68	33.50	-1.83	-5.4%
	(Water Flow Rate)	(93.6%)	(76.1%)	(17.5%)	
	Hydroelectric	3.38	3.09	0.29	9.5%
	Thermal	28.25	30.40	-2.15	-7.1%
	(Utilization Rate)	(-)	(-)	(-)	
	Nuclear	-	-	-	-
New energy sources		0.05	0.02	0.03	202.7%
Power purchased		26.42	26.37	0.05	0.2%
Pumping use		-1.15	-1.39	0.24	-17.2%

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 decreased 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 revision of electricity rates. 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 (A)	FY2023 (B)	Difference (A-B)
Comprehensive Energy Business	Operating revenues	1,509.0	1,572.6	-63.6
	Operating income	146.9	-83.3	230.2
Power Transmission and Distribution Business	Operating revenues	480.4	560.2	-79.7
	Operating income	50.5	5.6	44.9
Information and Telecommunications Business	Operating revenues	47.4	45.7	1.7
	Operating income	5.2	4.9	0.2
Others	Operating revenues	119.3	108.6	10.6
	Operating income	6.6	5.9	0.6
Amount of Adjustment	Operating revenues	(-527.5)	(-592.7)	(65.1)
	Operating income	(-2.5)	(-2.1)	(-0.4)
Total	Operating revenues	1,628.7	1,694.6	-65.8
	Operating income	206.7	-68.8	275.6

II . Forecasts of Financial Results for FY2025 Dividends

1. Forecasts of Financial Results for FY2025(Summary)

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- Operating revenues are expected to decrease due to a decrease in the amount of fuel cost adjustment and a decrease in total electricity sales.
- Despite the improvement in income and expenses associated with the restart of Shimane Nuclear Power Station Unit 2, profit is expected to decrease due to a decrease of the profit from the time lag of the fuel cost adjustment system and a decrease of profit from power transmission and distribution business.

(billion yen)

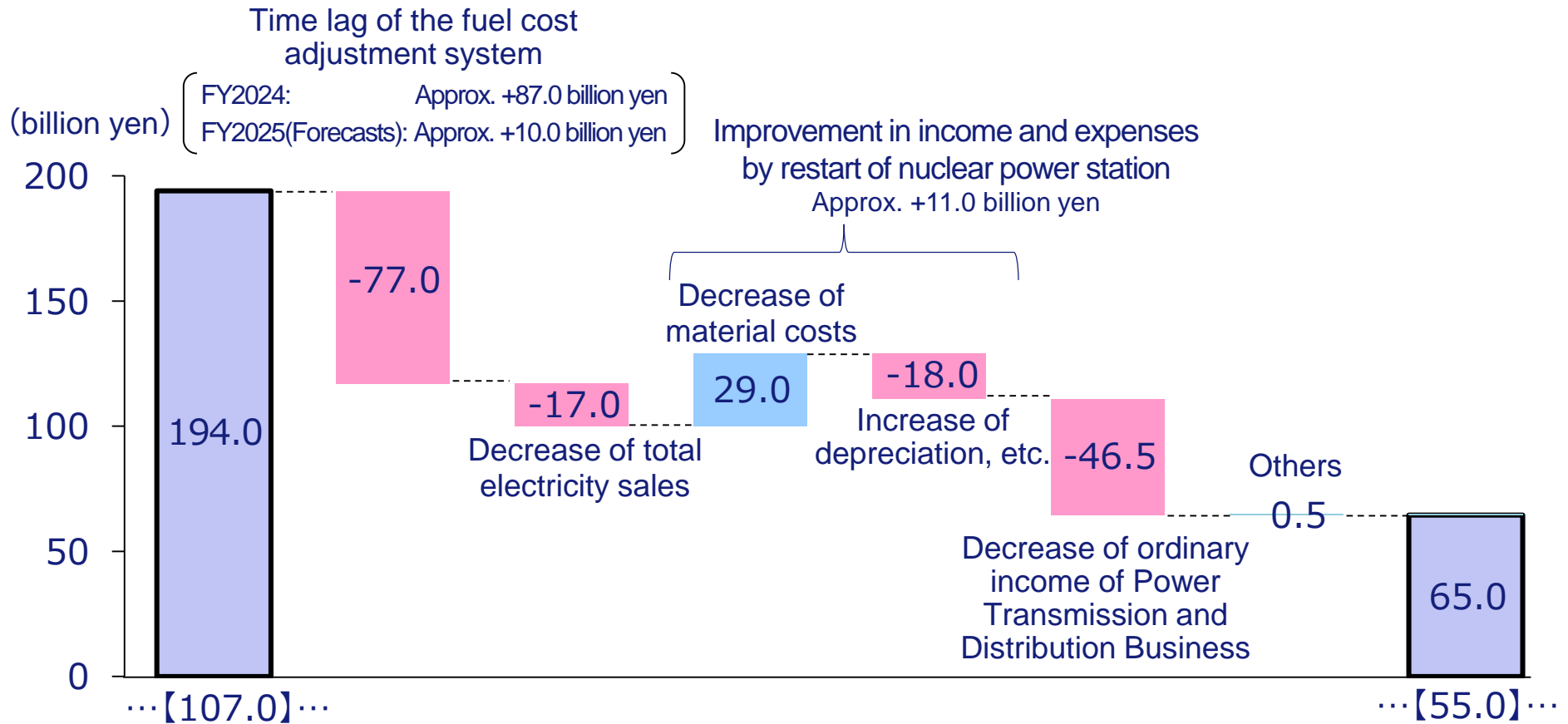
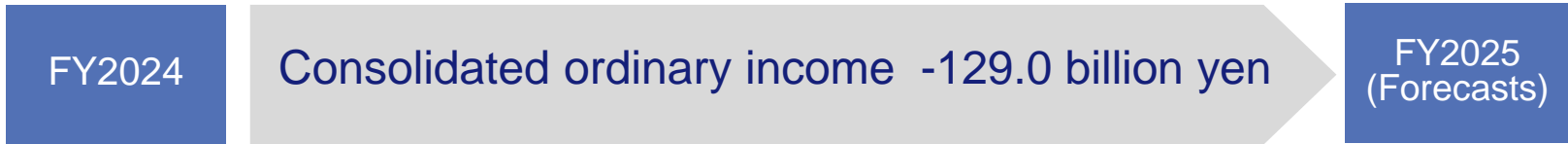
	FY2025 (Forecasts) (A)	FY2024 (B)	Difference (A-B)
Operating revenues	1,400.0	1,628.7	-228.7
Operating income	75.0	206.7	-131.7
Ordinary income	65.0	194.0	-129.0
Profit attributable to owners of the parent	50.0	133.5	-83.5

Shareholders' equity ratio	Approx. 14.7% (Approx. 17%*)	14.6% (17.1%*)	
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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.

Note: The impact of voluntary refunds regarding “Notice of Refunds to Customers for Improper Electricity Rate Displays(in Japanese)” announced on April 30, 2024, has been factored into forecasts for FY2025.

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.

3. Segment Information (Forecasts)

- For the Comprehensive Energy Business, operating revenues are expected to decrease due to a decrease in the amount of fuel cost adjustment, etc. Operating income is expected to decrease due to a decrease in the time lag of the fuel cost adjustment system, etc.
- In the Power Transmission and Distribution Business, operating income is expected to decrease due to an increase in expenses related to supply and demand adjustments.

(billion yen)

		FY2025 (Forecasts) (A)	FY2024 (B)	Difference (A-B)
Comprehensive Energy Business	Operating revenues	Approx. 1,300.0	1,509.0	-209.0
	Operating income	Approx. 68.0	146.9	-78.9
Power Transmission and Distribution Business	Operating revenues	Approx. 400.0	480.4	-80.4
	Operating income	Approx. 4.0	50.5	-46.5
Information and Telecommunications Business	Operating revenues	Approx. 47.0	47.4	-0.4
	Operating income	Approx. 4.0	5.2	-1.2
Others	Operating revenues	Approx. 120.0	119.3	0.6
	Operating income	Approx. 2.0	6.6	-4.6
Amount of Adjustment	Operating revenues	(Approx. -467.0)	(-527.5)	(60.5)
	Operating income	(Approx. -3.0)	(-2.5)	(-0.5)
Total	Operating revenues	Approx. 1,400.0	1,628.7	-228.7
	Operating income	Approx. 75.0	206.7	-131.7

- Although we expect a significant decrease of profit from the time lag of the fuel cost adjustment system, as well as a decrease in total electricity sales and a decrease in profit from power transmission and distribution business, we expect to secure a certain level of profit because of the improvement in income and expenses associated with the restart of Shimane Nuclear Power Station Unit 2.
- However, we recognize that we are in a severe business environment, given the fact that competition is intensifying in both retail and wholesale electricity and that it is difficult to forecast fuel price and electricity market price.
- We continue to work on maximizing profits and recovering our financial base by the followings; strengthening a profitability of both retail and wholesale electricity on a premise of equal treatment between own retail and third-party retailers, restarting Shimane Nuclear Power Station having put utmost priority on ensuring safety, strengthening electricity market risk management, and engaging in group-wide efforts for enhancing profitability and overall business efficiency.
- We ensure that our business operations are conducted with the highest priority on compliance, and also work to enhance the group's corporate value sustainably by contributing to the development of local communities and the resolution of social issues.

5. Major Factors

		FY2025 (Forecasts)	【Reference】 FY2024
Total electricity sales	(billion kWh)	50.7	52.6
Exchange rate	(¥ / \$)	150	145
Crude oil prices (All Japan CIF)	(\$ / b)	85	86
Nuclear capacity factor	(%)	24	-

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)

		FY2025 (Forecasts)	【Reference】 FY2024
Exchange rate	(¥1 / \$)	1.9	2.6
Crude oil prices (All Japan CIF)	(\$1 / b)	1.2	2.1
Water flow rate	(1%)	0.4	0.5
Nuclear capacity factor	(1%)	1.0	1.0

- In May 2023, we announced that we 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.
- Based on this policy and financial results for FY2024, we have decided to pay out 35 yen per share as the total annual dividends, of which the year-end dividend is 30 yen per share.
- We will set at an annual dividend forecasts of 10 yen (interim: 5 yen, year-end: 5 yen) for FY 2025 according to above policy.
- After the consolidated equity ratio exceeds 15%, we will consider raising the dividend payout ratio, taking into account forecasts of financial results, etc.

【Dividends】

(yen per share)

	FY2025	FY2024
Interim	5 (Forecast)	5
Year-end	5 (Forecast)	30
Total	10 (Forecast)	35

(Reference) Key Points of Financial Results

Income Statement

(billion yen)

	FY2024	FY2023
Summary of financial results	For the first time in 4 years Decrease in revenues (-65.8) Increase in income (300.8)	For the first time in 4 years Increase in revenues (557.9) Decrease in income (-44.9)
Operating revenues	1,628.7 *1	1,694.6 *1
Operating income	206.7 (No.1)	-68.8 (No.29)
Ordinary income	194.0 (No.1)	-106.7 (No.29)
Profit attributable to owners of the parent	133.5 (No.1)	-155.3 (No.29)

Balance Sheet

(billion yen)

	FY2024	FY2023
Total assets	4,133.2	4,040.0
Net assets	613.4	455.4
Shareholders' equity ratio	14.6% (17.1%*2)	11.1% (13.6%*2)
Interest-bearing debt	3,004.2	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 FY1995.

		FY2024	FY2023
Exchange rate	(¥ / \$)	145	135
Crude oil prices (All Japan CIF)	(\$ / b)	* { 86.0	102.7
Foreign coal prices (All Japan CIF)	(\$ / t)	{ 195.5	358.0
Nuclear capacity factor	(%)	-	-

* Provisional figures

(Reference) Supplemental Data

1. Summary of Cash Flows <Consolidated>

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(billion yen)

	FY2024 (A)	FY2023 (B)	Difference (A-B)
Cash flow from operating activities	271.3	-62.6	334.0
Cash flow from investing activities	-202.0	-225.0	23.0
Free cash flow	69.3	-287.7	357.0
Cash flow from financing activities	-17.1	464.9	-482.0
Cash and cash equivalents (increase and decrease)	52.8	179.0	

2-1. Income Statement <Non-Consolidated>

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(billion yen)

	FY2024 (A)	FY2023 (B)	Difference (A-B)
Ordinary revenues	1,487.7	1,539.0	-51.3
Operating revenues	1,448.1	1,502.4	-54.3
Electricity sales revenue	1,059.6	1,072.2	-12.5
Others	388.4	430.2	-41.7
Non-operating revenues	39.5	36.5	2.9
Ordinary expenses	1,342.0	1,637.4	-295.3
Operating expenses	1,312.3	1,599.3	-287.0
Personnel	41.2	41.3	-0.0
Retirement allowances	1.0	0.6	0.4
Material	731.0	1,039.5	-308.5
Fuel	384.1	506.5	-122.4
Purchased power	346.8	533.0	-186.1
Maintenance	57.8	37.5	20.2
Depreciation	50.6	40.0	10.5
Transmission fees of connected supply	274.1	268.3	5.7
Others	157.4	172.4	-14.9
Non-operating expenses	29.7	38.1	-8.3
Ordinary income (Operating income)	145.6 (135.8)	-98.4 (-96.8)	244.0 (232.6)
Provision for drought	-0.1	-0.6	0.4
Extraordinary income	6.4	3.4	3.0
Extraordinary loss	-	93.2	-93.2
Income taxes, etc.	40.2	-34.0	74.2
Net income	112.0	-153.5	265.5

(billion yen)

	FY2024 (A)	FY2023 (B)	Difference (A-B)
Ordinary revenues	479.7	561.3	-81.5
Operating revenues	478.2	559.4	-81.2
Transmission revenue	342.1	332.2	9.8
Others	136.0	227.2	-91.1
Non-operating revenues	1.5	1.8	-0.2
Ordinary expenses	434.3	559.4	-125.1
Operating expenses	428.3	554.0	-125.6
Personnel	45.4	45.2	0.2
Retirement allowances	1.2	1.0	0.2
Material	158.0	298.8	-140.8
Fuel	3.2	2.6	0.5
Purchased power, etc.	154.7	296.1	-141.3
Maintenance	64.6	57.6	7.0
Depreciation	40.2	38.6	1.5
Others	120.0	113.6	6.4
Non-operating expenses	5.9	5.4	0.5
Ordinary income (Operating income)	45.4 (49.8)	1.8 (5.4)	43.6 (44.3)
Income taxes, etc.	12.6	0.4	12.1
Net income	32.7	1.3	31.4

3.Monthly Change in Total Electricity Sales

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■ FY2024

(billion kWh)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
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%)	4.96 (-4.3%)	4.70 (-4.3%)	4.54 (0.5%)	52.62 (-3.6%)
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%)	1.79 (-7.1%)	1.67 (-3.9%)	1.52 (8.0%)	15.05 (-3.0%)
	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%)	2.42 (-2.8%)	2.42 (1.1%)	2.40 (1.1%)	29.56 (-0.9%)
	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%)	4.21 (-4.7%)	4.10 (-1.0%)	3.92 (3.7%)	44.60 (-1.6%)
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%)	0.76 (-2.0%)	0.60 (-22.1%)	0.62 (-16.1%)	8.02 (-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.

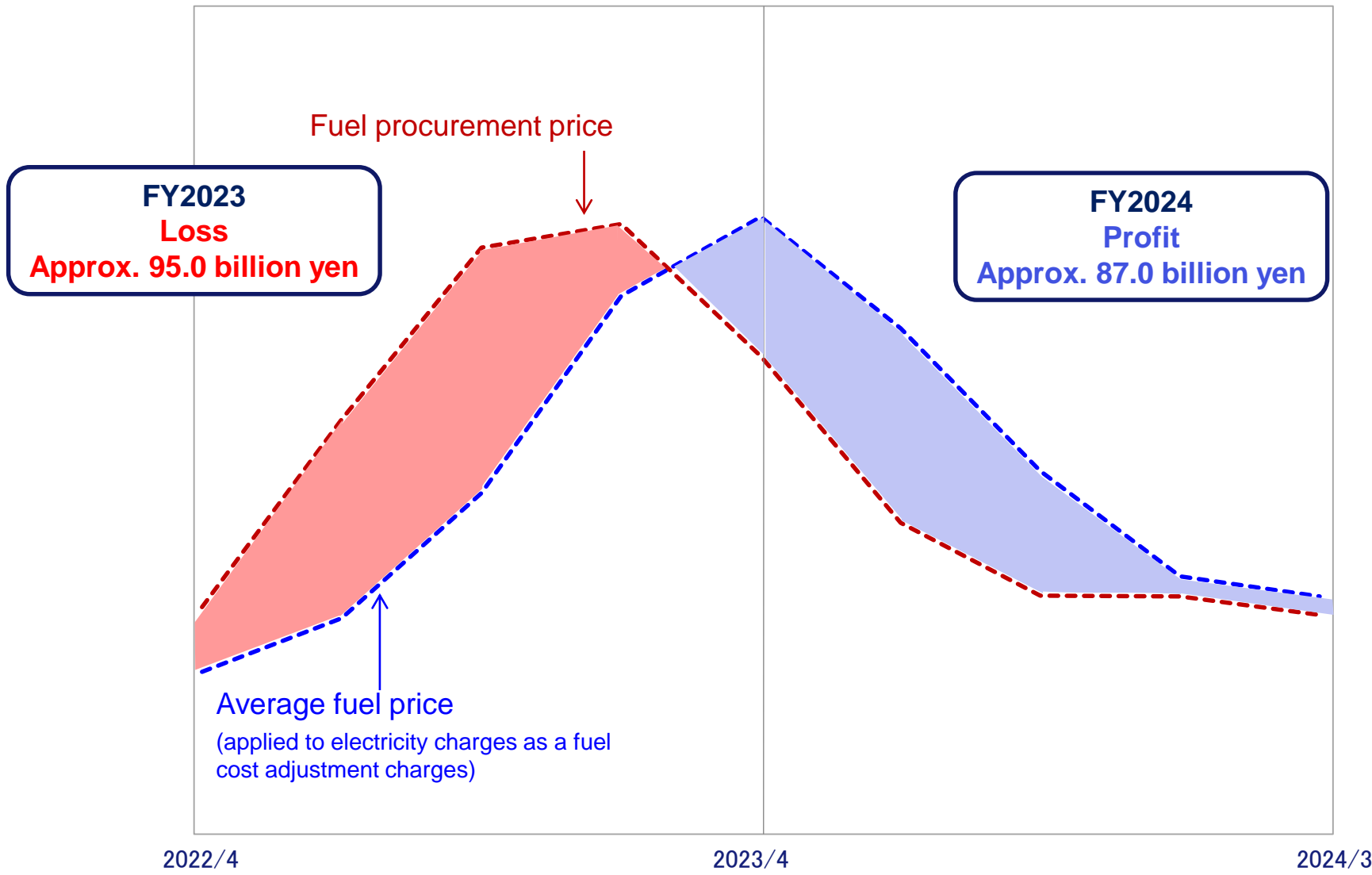
Note3: Figures in parentheses indicate the percentage change from the previous fiscal year.

<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	6.5	8.4	9.6
Difference from average year	0.9	0.3	0.1	0.7	1.5	2.5	0.1	1.1	0.7	1.1	2.2	0.1
Difference from previous year	-0.7	-0.1	-0.9	-0.2	0.8	1.2	0.0	-0.9	1.8	0.8	1.5	-3.0

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



FY2023
Loss
Approx. 95.0 billion yen

FY2024
Profit
Approx. 87.0 billion yen

Fuel procurement price

Average fuel price
(applied to electricity charges as a fuel cost adjustment charges)

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 (A)	FY2023 (B)	Difference (A-B)
Fuel oil	million litters	390	530	-140
Coal *	thousand tons	5,470	7,230	-1,760
LNG *	thousand tons	1,750	1,750	0

* Sales included

(2) Consumption volume

	Unit	FY2024 (A)	FY2023 (B)	Difference (A-B)
Fuel oil	million litters	420	450	-30
Coal	thousand tons	5,480	6,180	-700
LNG	thousand tons	1,340	1,350	-10

6. Capital Expenditure

(billion yen)

	Non-Consolidated			Chugoku Electric Power Transmission & Distribution Co., Inc.		
	FY2024 (A)	FY2023 (B)	Difference (A-B)	FY2024 (A)	FY2023 (B)	Difference (A-B)
Capital expenditure	147.8 (134.3)	133.5 (118.8)	14.3 (15.5)	66.5	61.5	4.9

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

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

(billion yen)

	End of FY2024 (A)	End of FY2023 (B)	Difference (A-B)
Interest-bearing debt	3,004.2	3,022.0	-17.8
Corporate bond	1,227.7	1,151.0	76.7
Long-term debt	1,680.9	1,449.8	231.1
Short-term debt	72.5	99.5	-27.0
Commercial paper	-	301.0	-301.0
Lease obligations	22.9	20.6	2.3

(2) Interest rate <Non-Consolidated>

	FY2024	FY2023
Average	0.59%	0.49 %

(3) Interest expense <Non-Consolidated>

(billion yen)

	FY2024	FY2023
Interest expense	12.3	10.4

- 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>
 - ✓ Chugoku Electric Power Group Promoting Sustainability Management
<https://www.energia.co.jp/corp/esg/index.html> *

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