

The Summary of Financial Results for FY2025-1Q

(April 1 through June 30, 2024)

The Chugoku Electric Power Co., Inc.

July 31, 2024

In this report, the term Fiscal Year 2025 refers to the period between April 1, 2024 and March 31, 2025.

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I . FY2025 1st Quarter Financial Results

- Operating revenues were 330.3 billion yen, a decrease of 70.7 billion yen from the same period of the previous fiscal year, mainly due to a decrease in the amount of fuel cost adjustment as a result of lower fuel prices.
- Operating income was 34.8 billion yen, a decrease of 53.3 billion yen from the same period of the previous fiscal year, mainly due to a decrease of the profit from the time lag of the fuel cost adjustment system, a decrease in total electricity sales, and a decrease of the profit from power transmission and distribution business.
- Ordinary income including non-operating income and expenses such as interest expense was 37.3 billion yen, a decrease of 45.2 billion yen from the same period of the previous fiscal year.
- As a result of applying the provision for drought, recording an extraordinary income and an extraordinary loss, and deducting income taxes, the profit attributable to owners of the parent was 23.3 billion yen, a decrease of 39.2 billion yen from the same period of the previous fiscal year.

1-2. Financial Results Summary <Consolidated>

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(billion yen)

	FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	330.3	401.0	-70.7	-17.6%
Operating income	34.8	88.2	-53.3	-60.5%
Ordinary income	37.3	82.6	-45.2	-54.8%
Profit attributable to owners of the parent	23.3	62.6	-39.2	-62.7%

2. Income Statement <Consolidated>

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(billion yen)

	FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)
Ordinary revenues	338.2	405.7	-67.4
Operating revenues	330.3	401.0	-70.7
Other revenues	7.9	4.6	3.2
Ordinary expenses	300.9	323.1	-22.1
Operating expenses	295.4	312.8	-17.3
Other expenses	5.4	10.2	-4.8
Operating income	34.8	88.2	-53.3
Ordinary income	37.3	82.6	-45.2
Provision for drought	0.0	0.2	-0.1
Extraordinary income	5.1 ^{*1}	-	5.1
Extraordinary loss	7.0 ^{*2}	-	7.0
Income taxes, etc.	12.0	19.7	-7.7
Profit attributable to owners of the parent	23.3	62.6	-39.2

*1: A capital gain on sale of nuclear fuel of 5.1 billion yen has been recorded.

*2: A loss on sale of fixed assets of 7.0 billion yen has been recorded in connection with the transfer of land, buildings and equipment of the former Shimonoseki Power Station.

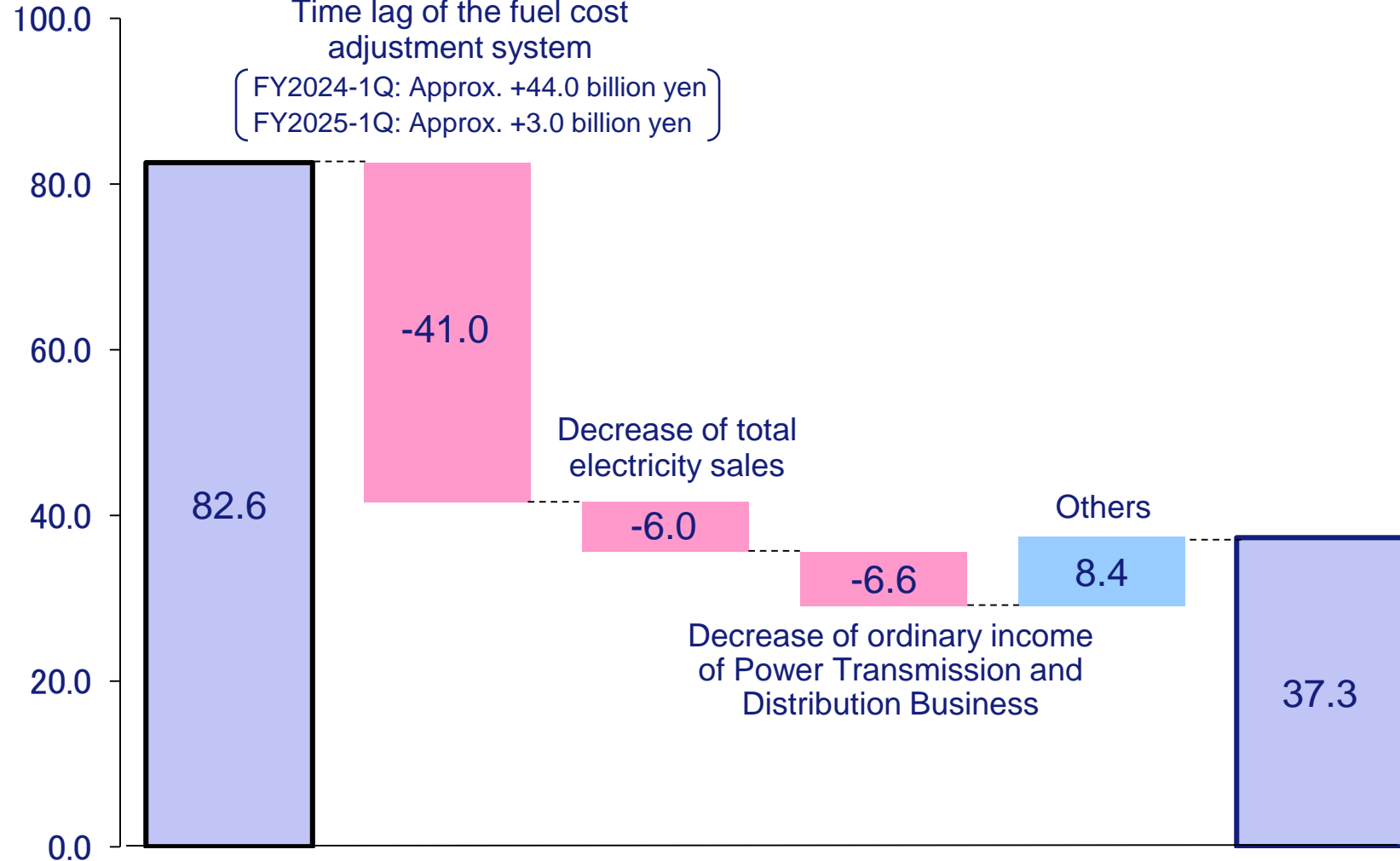
3. Factors for Change in Ordinary Income <Consolidated>

FY2024-1Q

Consolidated ordinary income -45.2 billion yen

FY2025-1Q

(billion yen)



4. Total Electricity Sales

- Total electricity sales were 11.18 billion kWh, a decrease of 5.5% in comparison with the same period of the previous fiscal year.
- Retail electricity sales were 9.27 billion kWh, a decrease of 6.9% in comparison with the same period of the previous fiscal year.
- Electricity sales to other power companies were 1.92 billion kWh, an increase of 2.0% in comparison with the same period of the previous fiscal year.

(billion kWh)

		FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)	Rate of change (A/B-1)
Total sales		11.18	11.84	-0.65	-5.5%
Retail sales	Lighting	3.12	3.10	0.02	0.8%
	Power	6.15	6.86	-0.72	-10.4%
	Subtotal	9.27	9.96	-0.69	-6.9%
Sales to other power companies		1.92	1.88	0.04	2.0%

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 11.74 billion kWh, a decrease of 7.1% in comparison with the same period of the previous fiscal year.
- Hydroelectric power of own facilities were 0.92 billion kWh, a decrease of 17.0% in comparison with the same period of the previous fiscal year.
- Thermal power of own facilities decreased due to a decrease in total electricity sales and an increase in power purchased, etc.

(billion kWh)

		FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)	Rate of change (A/B-1)
Total		11.74	12.63	-0.90	-7.1%
Own facilities	Subtotal	5.50	6.87	-1.37	-20.0%
	(Water Flow Rate)	(104.9%)	(116.0%)	(-11.1%)	
	Hydroelectric	0.92	1.11	-0.19	-17.0%
	Thermal	4.55	5.75	-1.19	-20.8%
	(Utilization Rate)	(-)	(-)	(-)	
	Nuclear	-	-	-	-
New energy sources		0.02	0.01	0.01	113.3%
Power purchased		6.46	6.07	0.38	6.3%
Pumping use		-0.22	-0.31	0.09	-29.9%

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 the amount of fuel cost adjustment as a result of lower fuel prices, etc. Operating income decreased due to a decrease in the time lag of the fuel cost adjustment system and a decrease in total electricity sales, etc.
- In the Power Transmission and Distribution Business, operating income decreased due to an increase in expenses related to supply and demand adjustments, etc.

(billion yen)

		FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)
Comprehensive Energy Business	Operating revenues	312.0	381.4	-69.4
	Operating income	34.0	80.6	-46.6
Power Transmission and Distribution Business	Operating revenues	107.2	105.1	2.1
	Operating income	0.0	6.8	-6.8
Information and Telecommunications Business	Operating revenues	10.2	10.6	-0.3
	Operating income	1.1	1.1	-0.0
Others	Operating revenues	22.6	22.1	0.4
	Operating income	0.1	-0.0	0.2
Amount of Adjustment	Operating revenues	(-121.8)	(-118.3)	(-3.4)
	Operating income	(-0.5)	(-0.3)	(-0.1)
Total	Operating revenues	330.3	401.0	-70.7
	Operating income	34.8	88.2	-53.3

7. Major Factors

		FY2025-1Q	FY2024-1Q
Exchange rate	(¥ / \$)	156	137
Crude oil prices (All Japan CIF)	(\$ / b)	* { 87.4	84.1
Foreign coal prices (All Japan CIF)	(\$ / t)	{ 156.8	254.7
Nuclear capacity factor	(%)	-	-

* Provisional figures

II . Forecasts of Financial Results for FY2025 Dividends

Forecasts of Financial Results and Dividends for FY2025

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- Forecasts of financial results and dividends have not changed of the announcement on April 30, 2024.

Announcement (April 30, 2024) : <https://www.energia.co.jp/e/ir/info/pdf/ir10-c2024b30.pdf>

«Financial Results» (billion yen)

	FY2025
Operating revenues	1,400.0
Operating income	75.0
Ordinary income	65.0
Profit attributable to owners of the parent	50.0

Shareholders' equity ratio	Approx. 14.7% (Approx. 17%*)
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«Dividends» (yen per share)

	FY2025
Interim	5 (Forecasts)
Year-end	5 (Forecasts)
Total	10 (Forecasts)

«Major Factors»

		FY2025
Total electricity sales	(billion kWh)	50.7
Exchange rate	(¥ / \$)	150
Crude oil prices (All Japan CIF)	(\$ / b)	85
Nuclear capacity factor	(%)	24

«Segment Information» (billion yen)

		FY2025
Comprehensive Energy Business	Operating revenues	Approx. 1,300.0
	Operating income	Approx. 68.0
Power Transmission and Distribution Business	Operating revenues	Approx. 400.0
	Operating income	Approx. 4.0
Information and Telecommunications Business	Operating revenues	Approx. 47.0
	Operating income	Approx. 4.0
Others	Operating revenues	Approx. 120.0
	Operating income	Approx. 2.0
Amount of Adjustment	Operating revenues	(Approx. -467.0)
	Operating income	(Approx. -3.0)
Total	Operating revenues	Approx. 1,400.0
	Operating income	Approx. 75.0

«Financial Impacts (Sensitivity) » (billion yen)

		FY2025
Exchange rate	(¥1 / \$)	1.9
Crude oil prices (All Japan CIF)	(\$1 / b)	1.2
Water flow rate	(1%)	0.4
Nuclear capacity factor	(1%)	1.0

* 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.

(Reference) Key points of Financial Results

Income Statement

(billion yen)

	FY2025-1Q	FY2024-1Q
Summary of financial results	For the first time in 3 years	For the first time in 4 years
	Decrease in revenues (-70.7) Decrease in income (-45.2)	Increase in revenues (86.3) Increase in income (113.9)
Operating revenues	330.3 *1	401.0 *1
Operating income	34.8 (No.2)	88.2 (No.1)
Ordinary income	37.3 (No.2)	82.6 (No.1)
Profit attributable to owners of the parent	23.3 (No.2)	62.6 (No.1)

Balance Sheet

(billion yen)

	FY2025-1Q	FY2024
Total assets	4,137.5	4,133.2
Net assets	634.9	613.4
Shareholders' equity ratio	15.2% (17.6%*2)	14.6% (17.1%*2)
Interest-bearing debt	3,049.6	3,004.2

*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 FY2004.

(Reference) Supplemental Data

1-1. Income Statement <Non-Consolidated>

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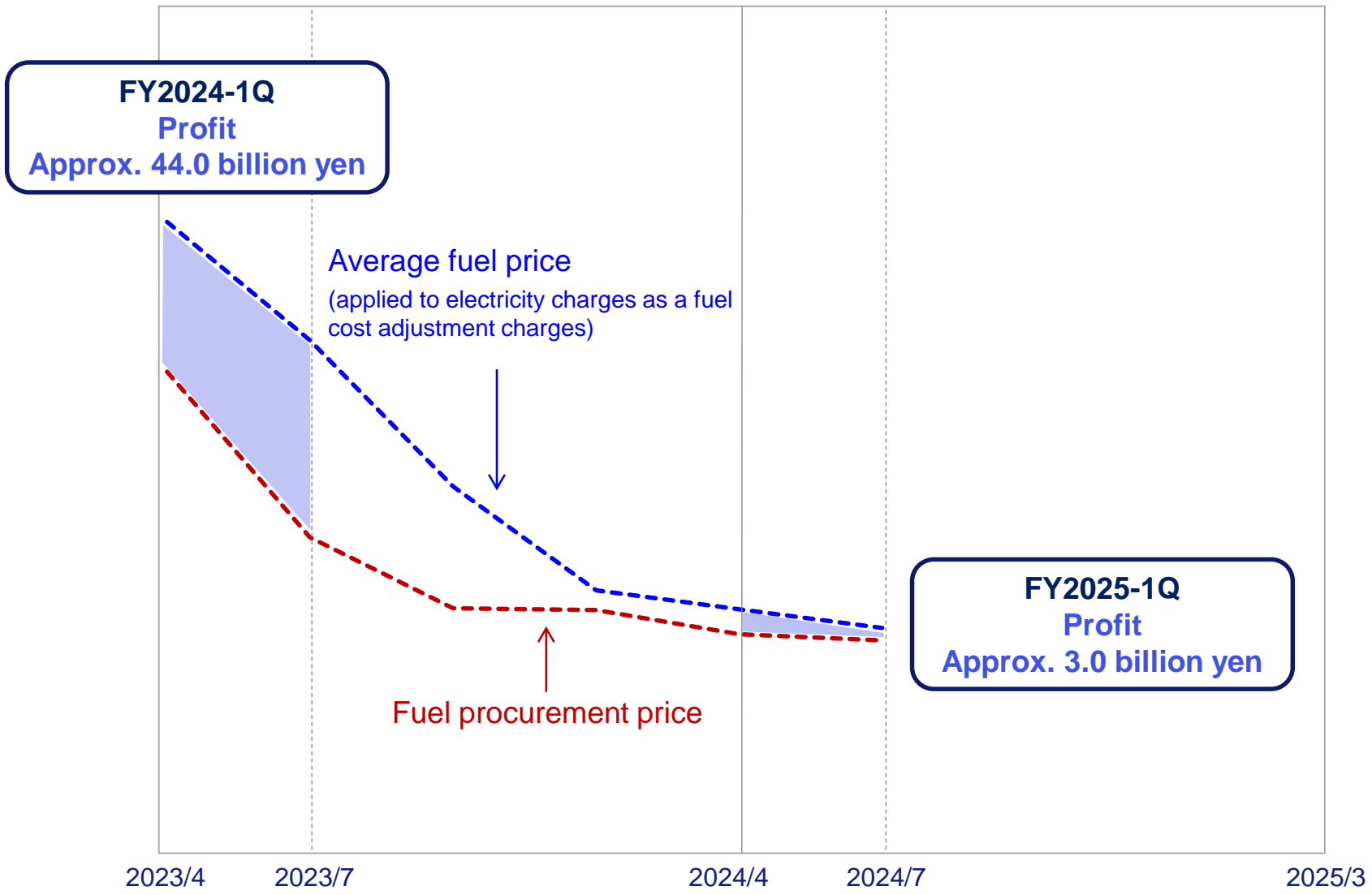
(billion yen)

	FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)
Ordinary revenues	320.0	389.7	-69.7
Operating revenues	297.1	366.0	-68.8
Electricity sales revenue	207.0	262.2	-55.2
Others	90.1	103.7	-13.6
Non-operating revenues	22.8	23.6	-0.8
Ordinary expenses	271.2	298.9	-27.7
Operating expenses	266.2	289.0	-22.8
Personnel	11.2	10.7	0.5
Retirement allowances	0.2	0.2	-0.0
Material	137.7	161.3	-23.6
Fuel	50.8	91.5	-40.7
Purchased power	86.9	69.7	17.1
Maintenance	8.4	7.3	1.1
Depreciation	12.9	12.4	0.4
Transmission fees of connected supply	61.0	61.0	-0.0
Others	34.7	36.0	-1.3
Non-operating expenses	4.9	9.9	-4.9
Ordinary income (Operating income)	48.8 (30.9)	90.7 (76.9)	-41.9 (-46.0)
Provision for drought	0.0	0.2	-0.1
Extraordinary income	5.1	-	5.1
Extraordinary loss	7.0	-	7.0
Income taxes, etc.	11.9	16.7	-4.8
Net income	34.8	73.7	-38.9

(billion yen)

	FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)
Ordinary revenues	107.5	105.2	2.2
Operating revenues	106.7	104.7	2.0
Transmission revenue	79.2	76.2	2.9
Others	27.5	28.4	-0.9
Non-operating revenues	0.7	0.5	0.2
Ordinary expenses	108.5	99.6	8.8
Operating expenses	106.9	98.2	8.7
Personnel	11.6	11.4	0.1
Retirement allowances	0.2	0.3	-0.0
Material	42.3	35.2	7.1
Fuel	0.7	0.6	0.1
Purchased power, etc.	41.6	34.5	7.0
Maintenance	13.4	13.1	0.3
Depreciation	10.3	9.9	0.4
Others	29.0	28.4	0.6
Non-operating expenses	1.6	1.4	0.1
Ordinary income (Operating income)	-1.0 (-0.1)	5.5 (6.5)	-6.6 (-6.6)
Income taxes, etc.	-0.4	1.5	-1.9
Net income	-0.5	4.0	-4.6

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.

4. Procurement and Consumption of Fuel <Non-Consolidated>

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(1) Procurement volume ^{*1}

	Unit	FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)
Fuel oil	million litters	20	80	-60
Coal ^{*2}	thousand tons	1,150	1,030	120
LNG ^{*2}	thousand tons	390	440	-50

(2) Consumption volume ^{*1}

	Unit	FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)
Fuel oil	million litters	0	90	-90
Coal	thousand tons	850	1,160	-310
LNG	thousand tons	250	260	-10

*1: Figures are rounded to the last digit.

*2: Sales included

5. Capital Expenditure

(billion yen)

	Non-Consolidated			Chugoku Electric Power Transmission & Distribution Co., Inc.		
	FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)	FY2025-1Q (A)	FY2024-1Q (B)	Difference (A-B)
Capital expenditure	47.7 (46.7)	18.8 (17.8)	28.8 (28.8)	14.9	10.7	4.1

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

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

(billion yen)

	End of FY2025-1Q (A)	End of FY2024 (B)	Difference (A-B)
Interest-bearing debt	3,049.6	3,004.2	45.4
Corporate bond	1,239.0	1,227.7	11.3
Long-term debt	1,714.4	1,680.9	33.5
Short-term debt	73.1	72.5	0.6
Commercial paper	-	-	-
Lease obligations	22.9	22.9	-0.0

(2) Interest rate <Non-Consolidated>

	FY2025-1Q	FY2024
Average	0.64%	0.59 %

(3) Interest expense <Non-Consolidated>

(billion yen)

	FY2025-1Q	FY2024-1Q
Interest expense	2.9	3.0

- 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> *

* In Japanese

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