

The Summary of Financial Results for FY2025-2Q

(April 1 through September 30, 2024)

The Chugoku Electric Power Co., Inc.

October 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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(Reference) Key Points of Financial Results

(Reference) Supplemental Data

I . FY2025 2nd Quarter Financial Results

- Operating revenues were 741.9 billion yen, a decrease of 99.6 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 69.8 billion yen, a decrease of 95.1 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 65.4 billion yen, a decrease of 96.5 billion yen from the same period of the previous fiscal year.
- As a result of recording an extraordinary income and an extraordinary loss, and deducting income taxes, the profit attributable to owners of the parent was 51.6 billion yen, a decrease of 71.3 billion yen from the same period of the previous fiscal year.

1-2. Financial Results Summary <Consolidated>

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(billion yen)

	FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	741.9	841.5	-99.6	-11.8%
Operating income	69.8	165.0	-95.1	-57.7%
Ordinary income	65.4	161.9	-96.5	-59.6%
Profit attributable to owners of the parent	51.6	123.0	-71.3	-58.0%

2. Income Statement <Consolidated>

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(billion yen)

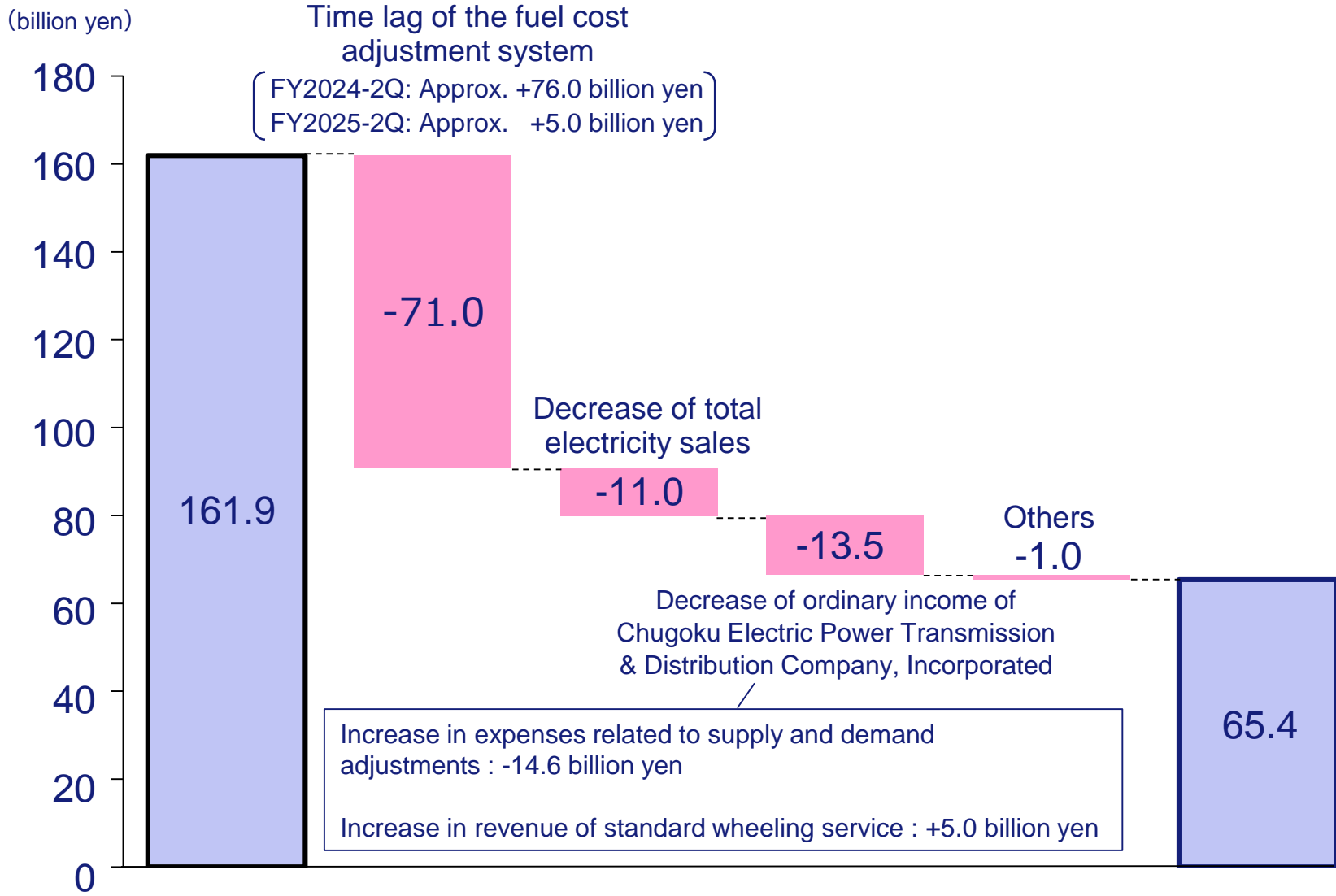
	FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)
Ordinary revenues	752.1	855.1	-102.9
Operating revenues	741.9	841.5	-99.6
Other revenues	10.2	13.5	-3.3
Ordinary expenses	686.7	693.1	-6.4
Operating expenses	672.0	676.4	-4.4
Other expenses	14.7	16.6	-1.9
Operating income	69.8	165.0	-95.1
Ordinary income	65.4	161.9	-96.5
Provision for drought	-	0.0	-0.0
Extraordinary income	12.1 ^{*1}	-	12.1
Extraordinary loss	7.0 ^{*2}	-	7.0
Income taxes, etc.	18.9	38.8	-19.9
Profit attributable to owners of the parent	51.6	123.0	-71.3

*1: A capital gain on sale of nuclear fuel of 12.1 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>

FY 2024 2Q Consolidated ordinary income -96.5 billion yen FY 2025 2Q



4. Total Electricity Sales

- Total electricity sales were 24.77 billion kWh, a decrease of 4.8% in comparison with the same period of the previous fiscal year.
- Retail electricity sales were 20.27 billion kWh, a decrease of 7.3% in comparison with the same period of the previous fiscal year.
- Electricity sales to other power companies were 4.50 billion kWh, an increase of 8.4% in comparison with the same period of the previous fiscal year.

(billion kWh)

		FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)	Rate of change (A/B-1)
Total sales		24.77	26.02	-1.25	-4.8%
Retail sales	Lighting	6.91	6.75	0.16	2.4%
	Power	13.36	15.12	-1.76	-11.7%
	Subtotal	20.27	21.87	-1.60	-7.3%
Sales to other power companies		4.50	4.15	0.35	8.4%

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 26.67 billion kWh, a decrease of 5.1% in comparison with the same period of the previous fiscal year.
- Hydroelectric power of own facilities were 1.86 billion kWh, a decrease of 6.0% 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)

		FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)	Rate of change (A/B-1)
Total		26.67	28.11	-1.44	-5.1%
Own facilities	Subtotal	13.51	15.52	-2.01	-12.9%
	(Water Flow Rate)	(94.8%)	(100.7%)	(-5.9%)	
	Hydroelectric	1.86	1.97	-0.12	-6.0%
	Thermal	11.61	13.53	-1.92	-14.2%
	(Capacity Factor)	(-)	(-)	(-)	
	Nuclear	-	-	-	-
	New energy sources	0.05	0.02	0.03	124.7%
Power purchased		13.76	13.19	0.57	4.3%
Pumping use		-0.60	-0.60	-0.00	0.3%

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. despite an increase in revenue of standard wheeling service.

(billion yen)

		FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)
Comprehensive Energy Business	Operating revenues	689.1	793.6	-104.4
	Operating income	52.4	133.6	-81.2
Power Transmission and Distribution Business	Operating revenues	253.0	235.9	17.0
	Operating income	14.6	28.5	-13.8
Information and Telecommunications Business	Operating revenues	21.9	21.8	0.1
	Operating income	2.4	2.3	0.0
Others	Operating revenues	48.8	48.4	0.4
	Operating income	2.0	1.3	0.6
Amount of Adjustment	Operating revenues	(-271.2)	(-258.2)	(-12.9)
	Operating income	(-1.7)	(-0.8)	(-0.8)
Total	Operating revenues	741.9	841.5	-99.6
	Operating income	69.8	165.0	-95.1

7. Major Factors

		FY2025-2Q	FY2024-2Q
Exchange rate	(¥ / \$)	153	141
Crude oil prices (All Japan CIF)	(\$ / b)	* { 86.7	83.6
Foreign coal prices (All Japan CIF)	(\$ / t)	{ 154.8	221.0
Nuclear capacity factor	(%)	-	-

* Provisional figures

II . Forecasts of Financial Results for FY2025 Dividends

1. Forecasts of Financial Results for FY2025(Summary)

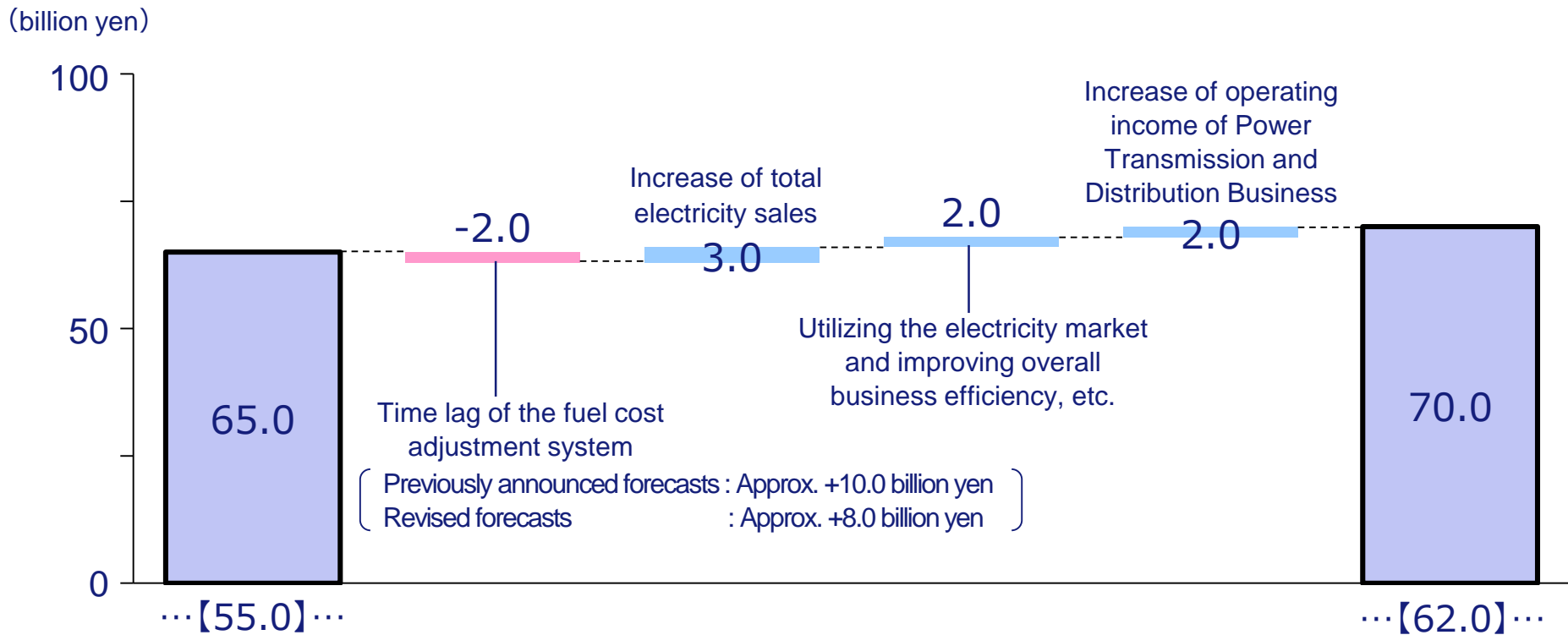
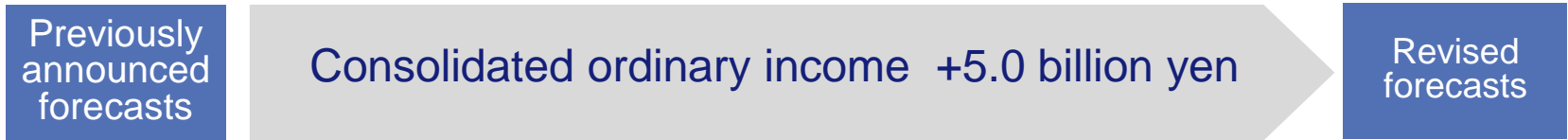
- Operating revenues are expected to increase mainly due to an increase in total electricity sales resulting from high temperatures in the summer, etc.
- Despite a decrease of the profit from the time lag of the fuel cost adjustment system, profit is expected to increase due to utilizing the wholesale electricity market and enhancing overall business efficiency, etc.

(billion yen)

	FY2025 (Revised forecasts) (A)	FY2025 (Previously announced forecasts/April 2024) (B)	Difference (A-B)	【Reference】 FY2024 (Actual results)
Operating revenues	1,490.0	1,400.0	90.0	1,628.7
Operating income	80.0	75.0	5.0	206.7
Ordinary income	70.0	65.0	5.0	194.0
Profit attributable to owners of the parent	54.0	50.0	4.0	133.5

Shareholders' equity ratio	Approx. 14.8% (Approx. 17%*)	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: 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 increase mainly due to an increase in total electricity sales resulting from high temperatures in the summer, etc. Operating income is expected to increase due to utilizing the wholesale electricity market and enhancing overall business efficiency, etc.
- In the Power Transmission and Distribution Business, operating income is expected to increase due to a decrease in expenses related to supply and demand adjustments.

(billion yen)

		FY2025 (Revised forecasts) (A)	FY2025 (Previously announced forecasts/April 2024) (B)	Difference (A-B)	【Reference】 FY2024 (Actual results)
Comprehensive Energy Business	Operating revenues	Approx. 1,380.0	Approx. 1,300.0	80.0	1,509.0
	Operating income	Approx. 72.0	Approx. 68.0	4.0	146.9
Power Transmission and Distribution Business	Operating revenues	Approx. 440.0	Approx. 400.0	40.0	480.4
	Operating income	Approx. 6.0	Approx. 4.0	2.0	50.5
Information and Telecommunications Business	Operating revenues	Approx. 47.0	Approx. 47.0	-	47.4
	Operating income	Approx. 4.0	Approx. 4.0	-	5.2
Others	Operating revenues	Approx. 120.0	Approx. 120.0	-	119.3
	Operating income	Approx. 2.0	Approx. 2.0	-	6.6
Amount of Adjustment	Operating revenues	(Approx. -497.0)	(Approx. -467.0)	(-30.0)	(-527.5)
	Operating income	(Approx. -4.0)	(Approx. -3.0)	(-1.0)	(-2.5)
Total	Operating revenues	Approx. 1,490.0	Approx. 1,400.0	90.0	1,628.7
	Operating income	Approx. 80.0	Approx. 75.0	5.0	206.7

- Compared to the previously announced forecasts, we expect an increase in profit because of the increase in total electricity sales resulting from high temperatures in the summer, utilizing the wholesale electricity market and enhancing overall business efficiency, etc.
- However, we recognize that we are in a severe business environment in terms of earning stable profits and recovering our financial base, given the fact that competition is intensifying in both retail and wholesale electricity and that it is difficult to forecast foreign exchange rate, fuel price and electricity market price.
- We continue to work on 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 maximizing efforts to manage market risk.

5. Major Factors

	FY2025 (Revised forecasts) (A)	FY2025 (Previously announced forecasts/April 2024) (B)	Difference (A-B)	【Reference】 FY2024 (Actual results)
Total electricity sales (billion kWh)	51.6	50.7	0.9	52.6
Exchange rate (¥ / \$)	150	150	-	145
Crude oil prices (All Japan CIF) (\$ / b)	85	85	-	86
Nuclear capacity factor (%)	24	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)

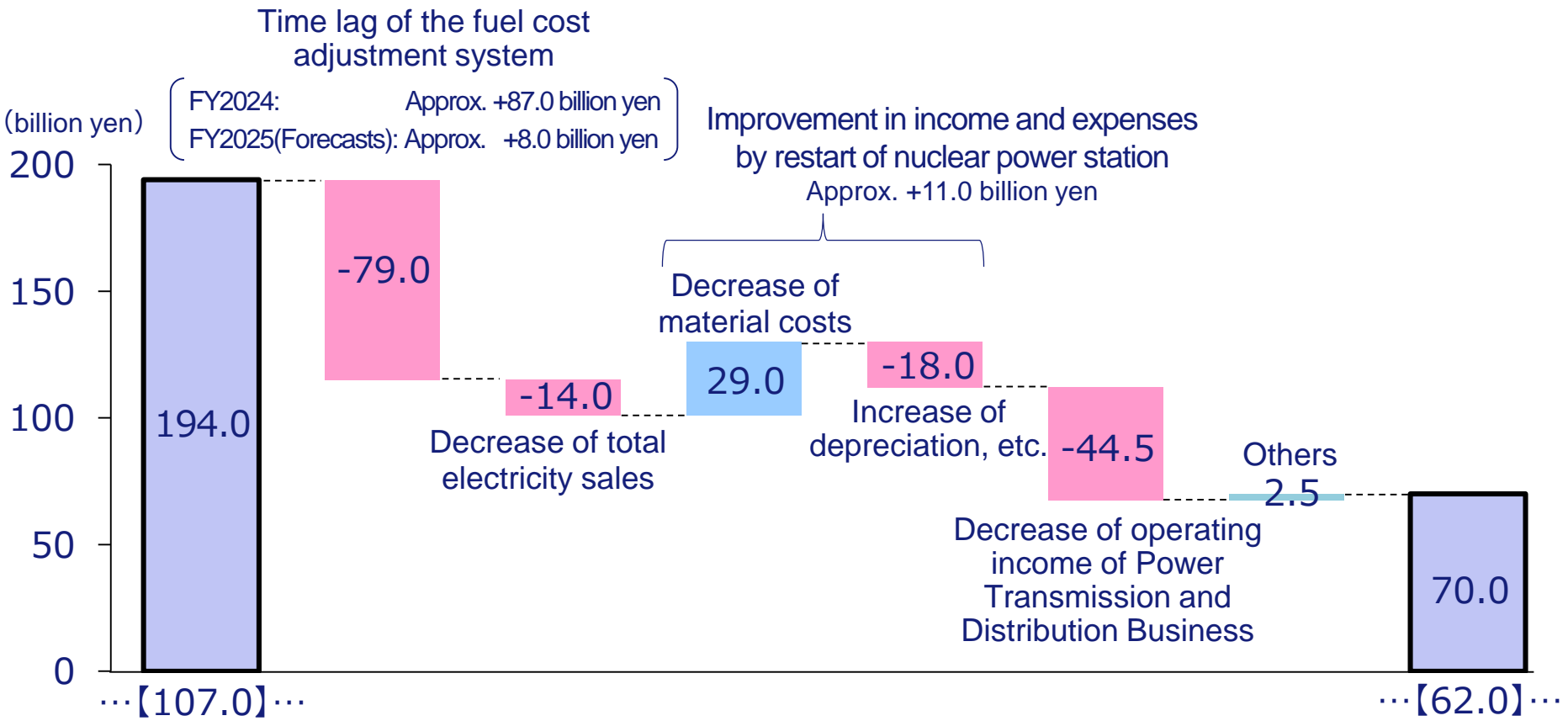
(billion yen)

	FY2025 (Revised forecasts) (A)	FY2025 (Previously announced forecasts/April 2024) (B)	Difference (A-B)	【Reference】 FY2024 (Actual results)
Exchange rate (¥1 / \$)	2.2	1.9	0.3	2.6
Crude oil prices (All Japan CIF) (\$1 / b)	1.4	1.2	0.2	2.1
Water flow rate (1%)	0.4	0.4	-	0.5
Nuclear capacity factor (1%)	1.0	1.0	-	1.0

FY 2024 (Actual)

Consolidated ordinary income -124.0 billion yen

FY 2025 (Forecasts)



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

- In terms of profit distribution to shareholders, 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, we set at an annual dividend forecasts of 10 yen for FY 2025.
- As the interim dividends of FY2025, we have decided to pay out 5 yen per share as announced in April 2024 at the Board of Directors Meeting held on October 31, 2024. The year-end dividends are 5 yen per share.

【Dividends】 (yen per share)

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

(Reference) Key Points of Financial Results

Income Statement

(billion yen)

	FY2025-2Q	FY2024-2Q
Summary of financial results	For the first time in 3 years	For the first time in 9 years
	Decrease in revenues (-99.6)	Increase in revenues (91.7)
	Decrease in income (-96.5)	Increase in income (230.4)
Operating revenues	741.9 *1	841.5 *1
Operating income	69.8 (No.5)	165.0 (No.1)
Ordinary income	65.4 (No.2)	161.9 (No.1)
Profit attributable to owners of the parent	51.6 (No.3)	123.0 (No.1)

Balance Sheet

(billion yen)

	FY2025-2Q	FY2024
Total assets	4,299.6	4,133.2
Net assets	667.7	613.4
Shareholders' equity ratio	15.4% (17.7%*2)	14.6% (17.1%*2)
Interest-bearing debt	3,132.5	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 FY1995.

(Reference) Supplemental Data

1. Summary of Cash Flows <Consolidated>

(billion yen)

	FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)
Cash flow form operating activities	48.1	194.2	-146.1
Cash flow from investing activities	-168.9	-104.3	-64.5
Free cash flow	-120.8	89.8	-210.7
Cash flow from financing activities	113.8	-0.0	113.9
Cash and cash equivalents (increase and decrease)	-6.2	90.7	

2-1. Income Statement <Non-Consolidated>

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(billion yen)

	FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)
Ordinary revenues	680.5	795.0	-114.4
Operating revenues	657.4	763.5	-106.0
Electricity sales revenue	461.6	544.0	-82.4
Others	195.8	219.4	-23.6
Non-operating revenues	23.1	31.5	-8.3
Ordinary expenses	624.8	650.5	-25.6
Operating expenses	610.9	636.1	-25.1
Personnel	21.7	20.7	1.0
Retirement allowances	0.4	0.5	-0.0
Material	331.5	365.0	-33.5
Fuel	124.2	194.8	-70.6
Purchased power	207.3	170.2	37.1
Maintenance	29.1	21.2	7.9
Depreciation	26.2	25.1	1.1
Transmission fees of connected supply	129.0	132.2	-3.2
Others	73.2	71.8	1.3
Non-operating expenses	13.8	14.3	-0.5
Ordinary income (Operating income)	55.7 (46.4)	144.4 (127.3)	-88.7 (-80.9)
Provision for drought	—	0.0	-0.0
Extraordinary income	12.1	—	12.1
Extraordinary loss	7.0	—	7.0
Income taxes, etc.	13.5	28.8	-15.2
Net income	47.3	115.5	-68.2

(billion yen)

	FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)
Ordinary revenues	253.0	235.7	17.3
Operating revenues	252.0	235.0	16.9
Transmission revenue	170.0	165.5	4.4
Others	81.9	69.4	12.4
Non-operating revenues	1.0	0.6	0.3
Ordinary expenses	240.7	209.8	30.8
Operating expenses	237.6	207.0	30.5
Personnel	22.3	22.3	-0.0
Retirement allowances	0.5	0.6	-0.0
Material	107.9	81.9	25.9
Fuel	1.6	1.5	0.1
Purchased power, etc.	106.3	80.4	25.8
Maintenance	28.4	27.2	1.1
Depreciation	20.7	19.9	0.8
Others	58.1	55.5	2.5
Non-operating expenses	3.1	2.8	0.3
Ordinary income (Operating income)	12.2 (14.3)	25.8 (27.9)	-13.5 (-13.5)
Income taxes, etc.	3.2	7.0	-3.7
Net income	8.9	18.7	-9.7

3.Monthly Change in Total Electricity Sales

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■ FY2025-2Q

(billion kWh)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	Total	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Total sales		3.97 (-1.1%)	3.59 (-7.4%)	3.63 (-8.2%)	4.20 (-7.5%)	4.82 (-1.4%)	4.57 (-4.0%)	24.77 (-4.8%)	-	-	-	-	-	-
Retail sales	Lighting	1.22 (2.4%)	1.00 (-1.8%)	0.91 (1.6%)	0.99 (-4.1%)	1.43 (9.1%)	1.36 (4.4%)	6.91 (2.4%)	-	-	-	-	-	-
	Power	2.13 (-5.7%)	1.97 (-11.2%)	2.05 (-14.2%)	2.33 (-12.6%)	2.45 (-12.8%)	2.44 (-12.6%)	13.36 (-11.7%)	-	-	-	-	-	-
	Subtotal	3.35 (-2.9%)	2.97 (-8.2%)	2.96 (-9.9%)	3.32 (-10.2%)	3.88 (-5.8%)	3.79 (-7.2%)	20.27 (-7.3%)	-	-	-	-	-	-
Sales to other power companies		0.62 (10.1%)	0.62 (-3.4%)	0.67 (0.4%)	0.87 (4.6%)	0.94 (21.9%)	0.77 (15.3%)	4.50 (8.4%)	-	-	-	-	-	-

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.

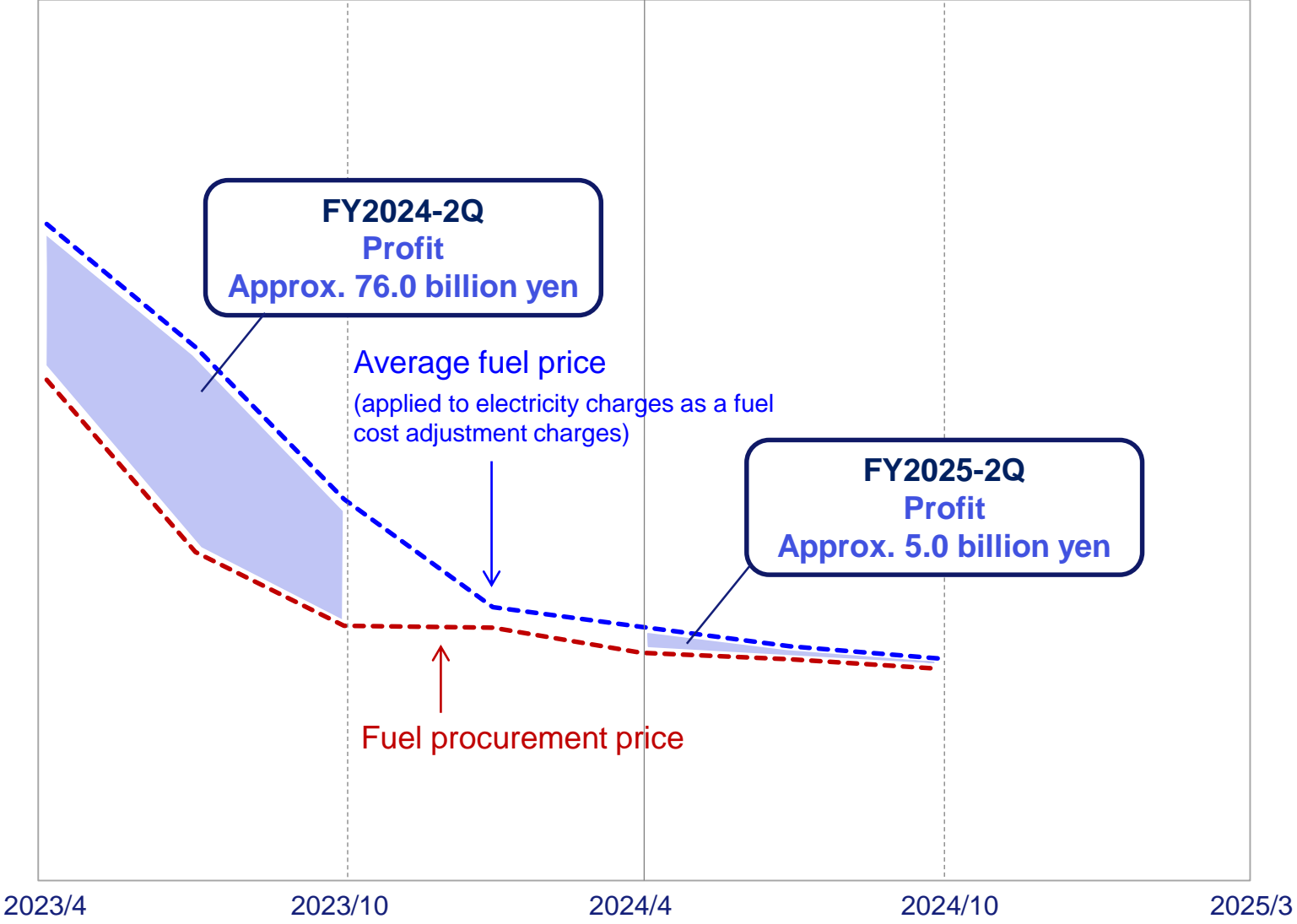
Note3: Figures in parentheses indicate the percentage change from the previous fiscal year.

<Reference> Average monthly temperature (Hiroshima city)

(°C)

	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
FY2025	17.5	19.6	23.5	28.9	30.7	28.8	-	-	-	-	-	-
Difference from average year	2.7	0.0	0.3	1.7	2.2	4.1	-	-	-	-	-	-
Difference from previous year	1.8	-0.3	0.2	1.0	0.7	1.6	-	-	-	-	-	-

4. 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.

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

(1) Procurement volume *1

	Unit	FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)
Fuel oil	million litters	40	200	-160
Coal *2	thousand tons	2,760	2,570	190
LNG *2	thousand tons	750	830	-80

*1 The impact of inventories included

*2 Sales included

(2) Consumption volume

	Unit	FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)
Fuel oil	million litters	40	180	-140
Coal	thousand tons	2,340	2,650	-310
LNG	thousand tons	560	640	-80

6. Capital Expenditure

(billion yen)

	Non-Consolidated			Chugoku Electric Power Transmission & Distribution Co., Inc.		
	FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)	FY2025-2Q (A)	FY2024-2Q (B)	Difference (A-B)
Capital expenditure	130.6 (126.5)	40.0 (37.1)	90.6 (89.3)	30.2	24.4	5.7

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

7. Interest-bearing Debt, etc.

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

(billion yen)

	End of FY2025-2Q (A)	End of FY2024 (B)	Difference (A-B)
Interest-bearing debt	3,132.5	3,004.2	128.2
Corporate bond	1,263.1	1,227.7	35.3
Long-term debt	1,772.9	1,680.9	91.9
Short-term debt	73.1	72.5	0.5
Commercial paper	-	-	-
Lease obligations	23.3	22.9	0.4

(2) Interest rate <Non-Consolidated>

	FY2025-2Q	FY2024-2Q	【Reference】 FY2024
Average	0.66 %	0.56 %	0.59 %

(3) Interest expense <Non-Consolidated>

(billion yen)

	FY2025-2Q	FY2024-2Q
Interest expense	6.0	6.4

- 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>
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* In Japanese

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