Energia

Supporting document of
FY 3/2027-1Q financial results

The Summary of Financial Results for FY 3/2027-1Q

(April 1 through June 30, 2026)

The Chugoku Electric Power Co., Inc.

July 31, 2026

In this report, the term Fiscal Year 3/2027 refers to the period between April 1, 2026 and March 31, 2027.

Contents

I. Financial Results for FY 3/2027-1Q

1. Summary of Consolidated Financial Results

- **Operating revenues rose** by ¥14.3 billion year on year to ¥343.9 billion due to the factors such as an increase in total electricity sales volume, despite a decline in fuel cost adjustment amounts.
- Operating profit decreased by ¥44.9 billion year on year to a loss of ¥5.3 billion. This was mainly due to the impact of the loss from the time lag of the fuel cost adjustment system, as well as increased material costs associated with the operational suspension of Shimane Nuclear Power Station Unit 2 for a periodic operator inspection, despite an increase in the total electricity sales volume.
- **Ordinary profit** including non-operating profit/loss such as interest paid **decreased** by ¥37.2 billion year on year to a loss of ¥3.2 billion.
- Profit attributable to owners of parent after deducting income taxes decreased by ¥30.5 billion year on year to a loss of ¥3.7 billion.

(Billions of yen)

	FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)	YoY growth (A-B)/B
Operating revenues	343.9	329.5	14.3	4.4%
Operating profit	-5.3	39.5	-44.9	–
Ordinary profit	-3.2	33.9	-37.2	–
Profit attributable to owners of parent	-3.7	26.8	-30.5	–

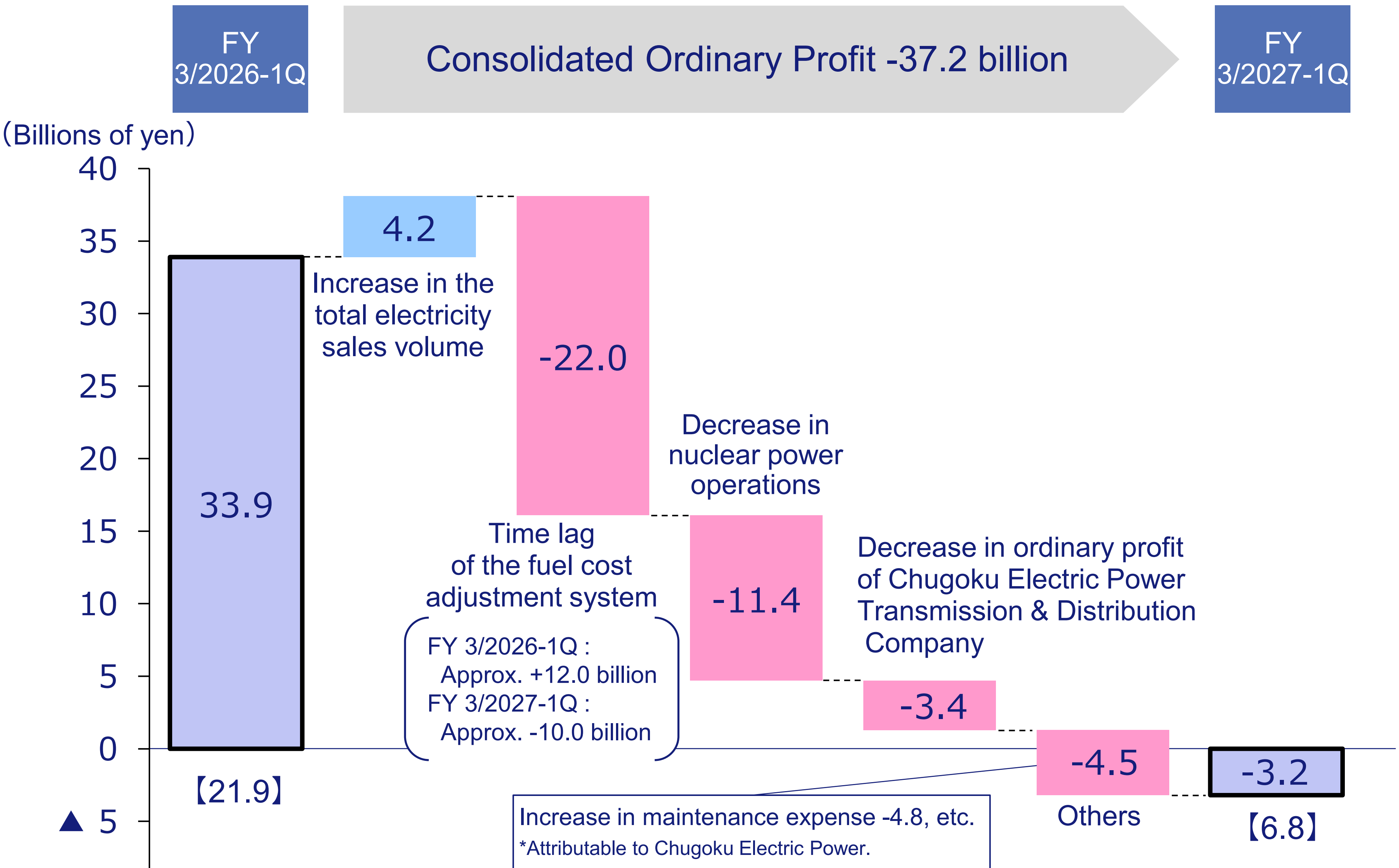
2. Consolidated Statements of Operations

(Billions of yen)

		FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)
Ordinary revenues		355.9	336.9	18.9
	Operating revenues	343.9	329.5	14.3
	Non-operating income	11.9	7.3	4.6
Ordinary expenses		359.2	302.9	56.2
	Operating expenses	349.3	289.9	59.3
	Non-operating expenses	9.8	13.0	-3.1
Operating profit		-5.3	39.5	-44.9
Ordinary profit		-3.2	33.9	-37.2
	Extraordinary income	–	4.3 (Note)	-4.3
	Income taxes	0.4	11.5	-11.0
Profit attributable to owners of parent		-3.7	26.8	-30.5

Note: The Company recorded gains on sales of nuclear fuel.

3. Factors Affecting Consolidated Ordinary Profit



Figures in square brackets 【】 represent the profit excluding the effects of any time lag of the fuel cost adjustment system.

4. Total Electricity Sales Volume

- Total electricity sales volume increased by 10.7% year on year to 13.94 billion kWh.
- Retail electricity sales volume increased by 4.4% year on year to 10.41 billion kWh.
- Electricity sales volume to other power companies increased by 34.9% year on year to 3.53 billion kWh.

(Billions of kWh)

		FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)	YoY growth (A-B)/B
Total electricity sales volume		13.94	12.58	1.35	10.7%
Retail electricity sales volume	Lighting	2.90	3.04	-0.14	-4.6%
	Power	7.50	6.92	0.58	8.3%
	Subtotal	10.41	9.97	0.44	4.4%
Electricity sales volume to other power companies		3.53	2.62	0.91	34.9%

Note 1: The amounts indicated are the total electricity sales volume by Chugoku Electric Power.
Note 2: Amounts do not include the amount of retail power used in-house or the amount of electricity sales volume to other power companies in relation to imbalances/adjusted power supply, etc.
Note 3: There may be discrepancies in totals due to rounding.

5. Power Generated and Received

- Generated and received electricity increased by 9.1% year on year to 14.66 billion kWh.
- Nuclear power generation decreased as a result of the operational suspension of Shimane Nuclear Power Station Unit 2 for a periodic operator inspection.
- Our own thermal power generation and power received from other companies increased due to factors such as an increase in the total electricity sales volume and a decrease in nuclear power generation.

(Billions of kWh)

			FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)	YoY growth (A-B)/B
Generated and received electricity			14.66	13.43	1.23	9.1%
	Generated by Chugoku Electric Power		6.96	8.27	-1.31	-15.9%
		(Water flow rate) Hydroelectric	(102.1%) 1.12	(93.7%) 1.00	(8.4%) 0.12	12.4%
		Thermal	5.78	5.39	0.39	7.2%
		(Capacity factor) Nuclear	(–) –	(102.7%) 1.84	(-102.7%) -1.84	–
		New energy sources	0.06	0.04	0.02	35.6%
	Received from other companies		8.21	5.68	2.52	44.4%
	Power used for water pumping		-0.51	-0.53	0.01	-2.6%

Note 1: The amounts indicated are the power generated and received by Chugoku Electric Power.
Note 2: Shimane Nuclear Power Station Unit 2 has been suspended from operation since February 9, 2026, due to a periodic operator inspection.
Note 3: Power received from other companies includes power pertaining to imbalances/adjusted power supply, etc. The power amounts indicated are those identified as of the end of the fiscal year.
Note 4: The difference between the total amount of power generated and received and the total electricity sales volume is the amount of power loss, etc.
Note 5: There may be discrepancies in totals due to rounding.

6. Summary of Segment Information

- In the Comprehensive energy, operating profit decreased mainly due to the impact of the loss from the time lag of the fuel cost adjustment system, as well as increased material costs associated with the operational suspension of Shimane Nuclear Power Station Unit 2 for a periodic operator inspection, despite an increase in the total electricity sales volume.
- In the power transmission and distribution business, operating profit decreased primarily due to a decline in standard connection and wheeling revenue and an increase in expenses related to supply and demand adjustments.

(Billions of yen)

		FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)
Comprehensive energy	Operating revenues	312.6	308.1	4.5
	Operating profit	-5.0	35.7	-40.7
Power transmission and distribution	Operating revenues	114.5	109.0	5.4
	Operating profit	-0.3	3.5	-3.9
Information and tele-communications	Operating revenues	11.1	11.0	0.1
	Operating profit	0.6	0.8	-0.2
Others	Operating revenues	6.6	6.5	0.1
	Operating profit	-0.3	-0.2	-0.0
Adjustment	Operating revenues	(-100.9)	(-105.1)	(4.1)
	Operating profit	(-0.2)	(-0.3)	(0.1)
Total	Operating revenues	343.9	329.5	14.3
	Operating profit	-5.3	39.5	-44.9

Note: Due to a change in the segment classification of certain consolidated subsidiaries effective for the period under review, the results for the same period of the previous year are presented based on the revised segment classification.

7. Key Factors

	FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)
Exchange rate (¥/$)	160	145	15
All Japan CIF crude oil price ($/b)	112.6	75.2	37.4
All Japan CIF imported coal price ($/t)	139.4	121.0	18.4
Nuclear capacity factor (%)	–	102.7	-102.7

Note: Crude oil and imported coal CIF prices are preliminary figures for FY 3/2027-1Q.

Reference
(Statements of Operations and Balance Sheets (Consolidated))

■ Consolidated Statements of Operations

(Billions of yen)

	FY 3/2027-1Q	FY 3/2026-1Q
Overview of financial results	Increase in revenue (14.3) Decrease in profit (-37.2) for the first time in 4 years	Decrease in revenue (-0.7) Decrease in profit (-3.4) for 2 consecutive years
Operating revenues	343.9	329.5
Operating profit	-5.3	39.5
Ordinary profit	-3.2	33.9
Profit attributable to owners of parent	-3.7	26.8

■ Consolidated Balance Sheets

(Billions of yen)

	FY 3/2027-1Q	FY 3/2026
Total assets	4,555.8	4,620.5
Net assets	772.9	775.2
Shareholders' equity ratio	17.0% (19.2%(Note 2))	16.8% (19.0%(Note 2))
Interest-bearing debts	3,361.0	3,332.5

Note 1: Increases/decreases in profit in the overview of financial results are based on ordinary profit.

Note 2: This indicates the shareholders' equity ratio if the ¥50.0 billion of the hybrid corporate bonds already raised (announced on December 3, 2021) and ¥50.0 billion of transition-linked hybrid loans already raised (announced on September 29, 2022) are both treated as equity capital.

II. Forecasts of Financial Results and Dividends for FY 3/2027

Forecasts of Financial Results and Dividends for FY 3/2027

■ Forecasts of financial results and dividends have not changed from those announced on April 28, 2026.

Announcement (April 28, 2026) : https://www.energia.co.jp/e/ir/info/pdf/ir10-c2026b14.pdf

≪Financial Results≫ (Billions of yen)

	FY 3/2027
Operating revenues	1,490.0
Operating profit	52.0
Ordinary profit	40.0
Profit attributable to owners of parent	31.0
Shareholders' equity ratio	Approx. 16.9% (Approx. 19.1%(Note))
Capital expenditure	Approx.430.0

≪Dividends per share≫

	FY 3/2027
Interim	¥15 (Forecasts)
Year-end	¥15 (Forecasts)
Total	¥30 (Forecasts)

≪Key Factors≫

		FY 3/2027
Total electricity sales volume	(Billions of kWh)	60.4
Exchange rate	(¥/$)	160
All Japan CIF crude oil price	($ / b)	100
Nuclear capacity factor	(%)	64

≪Segment Information≫ (Billions of yen)

		FY 3/2027
Comprehensive energy	Operating revenues	Approx. 1,414.0
	Operating profit	Approx. 44.0
Power transmission and distribution	Operating revenues	Approx. 417.0
	Operating profit	Approx. 9.0
Information and tele-communications	Operating revenues	Approx. 49.0
	Operating profit	Approx. 2.0
Others	Operating revenues	Approx. 40.0
	Operating profit	Approx. 2.0
Adjustment	Operating revenues	(Approx. -430.0)
	Operating profit	(Approx. -5.0)
Total	Operating revenues	Approx. 1,490.0
	Operating profit	Approx. 52.0

≪Financial Impacts (Sensitivity)≫ (Billions of yen)

		FY 3/2027
Exchange rate	(¥1/$)	2.1
All Japan CIF crude oil price	($1/b)	1.4
Water flow rate	(1%)	0.3
Nuclear capacity factor	(1%)	0.7

Note: This indicates the shareholders' equity ratio if the ¥50.0 billion of the hybrid corporate bonds already raised (announced on December 3, 2021) and ¥50.0 billion of transition-linked hybrid loans already raised (announced on September 29, 2022) are both treated as equity capital.

(Reference) Supplemental Data

1-1. Income Statement <Non-Consolidated>

(Billions of yen)

	FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)
Ordinary revenues	319.8	306.1	13.7
Operating revenues	302.0	291.7	10.3
Electricity sales revenue	210.9	219.4	-8.5
Others	91.1	72.2	18.8
Non-operating income	17.8	14.3	3.4
Ordinary expenses	316.8	267.2	49.6
Operating expenses	307.2	257.2	49.9
Personnel	11.9	11.1	0.7
Retirement allowances	0.4	0.0	0.4
Material	160.6	119.0	41.6
Fuel	53.4	49.1	4.2
Purchased power	107.2	69.8	37.4
Maintenance	14.2	9.3	4.8
Depreciation	20.6	19.9	0.6
Back-end of nuclear power	0.3	4.3	-4.0
Transmission fees of connected supply	60.1	60.7	-0.6
Others	39.3	32.7	6.5
Non-operating expenses	9.6	9.9	-0.3
Ordinary profit (Operating profit)	3.0 (-5.1)	38.9 (34.4)	-35.8 (-39.6)
Provision or reversal of reserve for water shortage	–	–	–
Extraordinary income	–	4.3	-4.3
Extraordinary losses	–	–	–
Income taxes, etc.	1.0	10.8	-9.8
Profit	1.9	32.4	-30.4

1-2. Income Statement <Chugoku Electric Power Transmission & Distribution Company, Incorporated.>

(Billions of yen)

	FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)
Ordinary revenues	114.0	107.5	6.4
Operating revenues	112.7	107.0	5.6
Transmission revenue	75.8	76.6	-0.7
Others	36.8	30.4	6.3
Non-operating income	1.3	0.4	0.8
Ordinary expenses	115.3	105.4	9.8
Operating expenses	113.0	103.5	9.5
Personnel	12.1	11.6	0.4
Retirement allowances	0.4	0.1	0.2
Material	45.7	38.3	7.4
Fuel	0.9	0.5	0.3
Purchased power, etc.	44.8	37.7	7.0
Maintenance	14.2	14.3	-0.0
Depreciation	11.0	10.7	0.2
Others	29.8	28.4	1.4
Non-operating expenses	2.2	1.8	0.3
Ordinary profit (Operating profit)	-1.2 (-0.3)	2.1 (3.5)	-3.4 (-3.8)
Income taxes, etc.	-0.6	0.5	-1.2
Profit	-0.6	1.5	-2.1

<Reference> Electricity demand in the Chugoku region

(Billions of kWh)

FY 3/2027-1Q	FY 3/2026-1Q	Difference
12.08	12.19	-0.11

2.Monthly Change in Total Electricity Sales Volume

■ FY 3/2027-1Q

(Billions of kWh)

			Apr.	May	Jun.	Total	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Total electricity sales volume			4.79 (14.0%)	4.43 (12.4%)	4.71 (6.2%)	13.94 (10.7%)	–	–	–	–	–	–	–	–	–
	Retail electricity sales volume	Lighting	1.16 (-2.5%)	0.92 (-3.1%)	0.82 (-8.9%)	2.90 (-4.6%)	–	–	–	–	–	–	–	–	–
		Power	2.50 (10.0%)	2.39 (6.7%)	2.61 (8.3%)	7.50 (8.3%)	–	–	–	–	–	–	–	–	–
		Subtotal	3.67 (5.7%)	3.31 (3.8%)	3.43 (3.6%)	10.41 (4.4%)	–	–	–	–	–	–	–	–	–
	Electricity sales volume to other power companies		1.13 (53.0%)	1.12 (49.1%)	1.28 (13.7%)	3.53 (34.9%)	–	–	–	–	–	–	–	–	–

Note 1: The amounts indicated are the total electricity sales volume by Chugoku Electric Power.
Note 2: Amounts do not include the amount of retail power used in-house or the amount of electricity sales volume to other power companies in relation to imbalances/adjusted power supply, etc.
Note 3: Figures in parentheses indicate the percentage change from the previous fiscal year.
Note 4: There may be discrepancies in totals due to rounding.

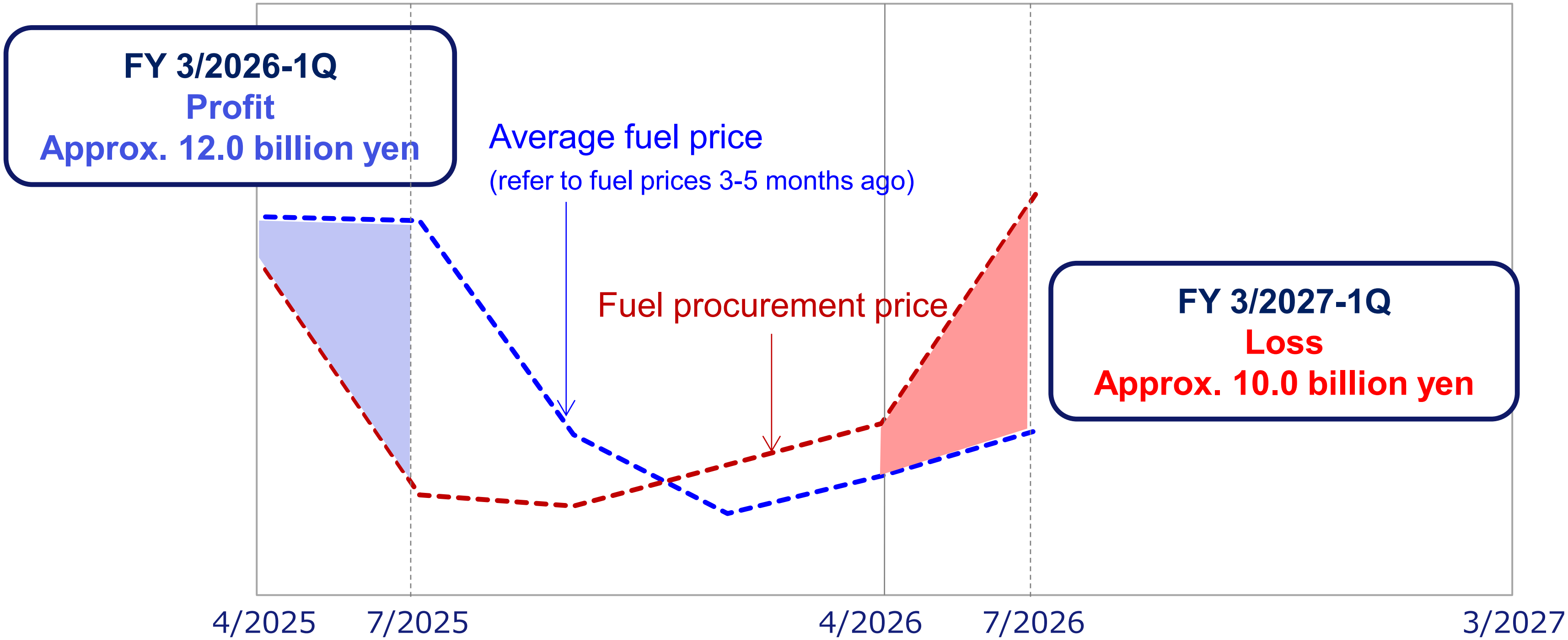
<Reference> Average monthly temperature (Hiroshima city)

(℃)

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
FY 3/2027	16.4	21.1	23.1	–	–	–	–	–	–	–	–	–
Difference from average year	1.6	1.5	-0.1	–	–	–	–	–	–	–	–	–
Difference from previous year	0.9	1.5	-1.6	–	–	–	–	–	–	–	–	–

3. Time Lag of the Fuel Cost Adjustment System and Consumption of Fuel

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



Note: Time lag of the fuel cost adjustment system is caused by the time lag of reflecting fuel prices in electricity rates (average fuel price).

(2) Consumption of Fuel <Non-Consolidated>

	Unit	FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)
Fuel oil	million liters	10	10	-10
Coal	thousand tons	1,320	1,170	150
LNG	thousand tons	220	220	-10

4. Capital Expenditure

(Billions of yen)

	Non-Consolidated			Chugoku Electric Power Transmission & Distribution Co., Inc.		
	FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)	FY 3/2027-1Q (A)	FY 3/2026-1Q (B)	Difference (A-B)
Capital expenditure	36.1 (32.7)	26.9 (23.5)	9.1 (9.1)	16.0	15.9	0.1

Note: Figures in ( ) reiterate costs related to power sources.

5. Interest-bearing Debts, etc.

(1) Breakdown of Interest-bearing debts <Consolidated>

(Billions of yen)

		End of FY 3/2027-1Q (A)	End of FY 3/2026 (B)	Difference (A-B)
Interest-bearing debts		3,361.0	3,332.5	28.4
	Bonds	1,286.6	1,281.6	5.0
	Long-term borrowings	1,965.6	2,016.5	-50.9
	Short-term borrowings	85.0	10.3	74.7
	Commercial paper	―	―	―
	Lease obligations	23.6	24.0	-0.4

(2) Interest rate <Non-Consolidated>

	FY 3/2027-1Q	FY 3/2026
Average	1.08%	0.94%

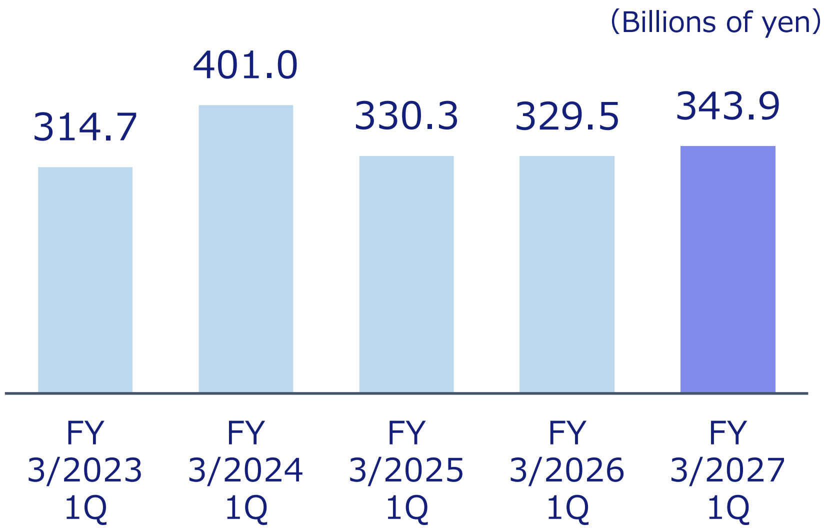
(3) Interest expense <Non-Consolidated>

(Billions of yen)

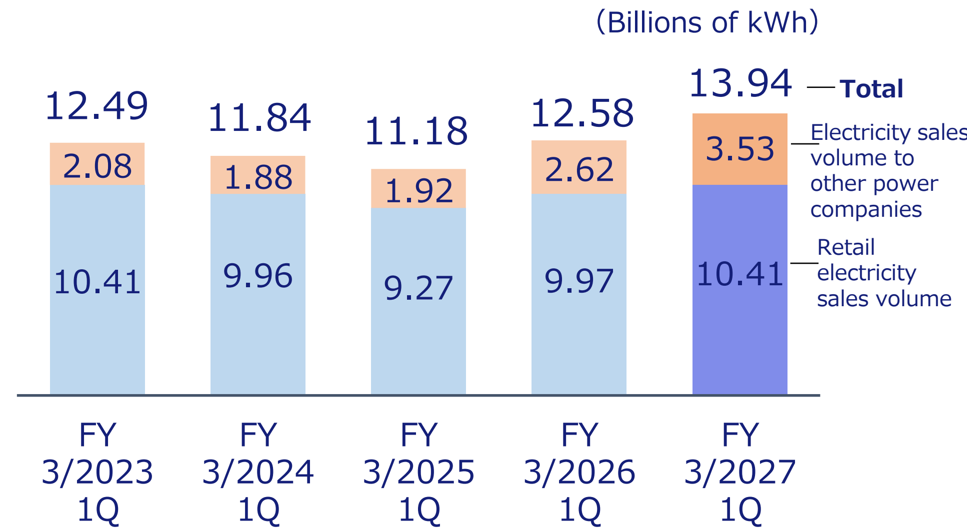
	FY 3/2027-1Q	FY 3/2026-1Q
Interest expense	7.9	6.3

6. Operating Revenues and Profit Trends

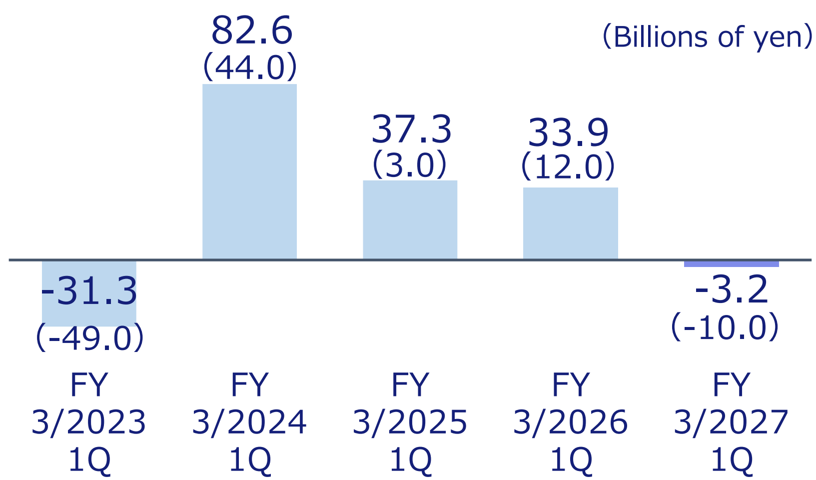
Operating revenues (Consolidated)



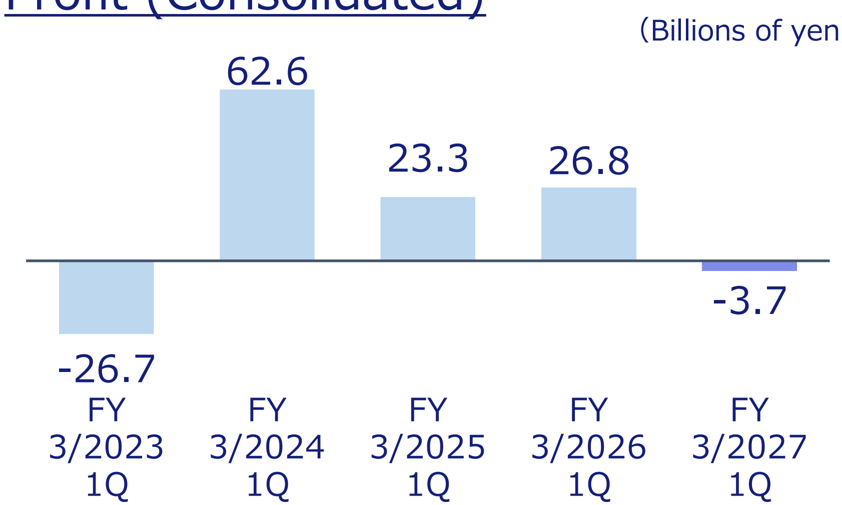
Electricity sales volume



Ordinary profit (Consolidated)



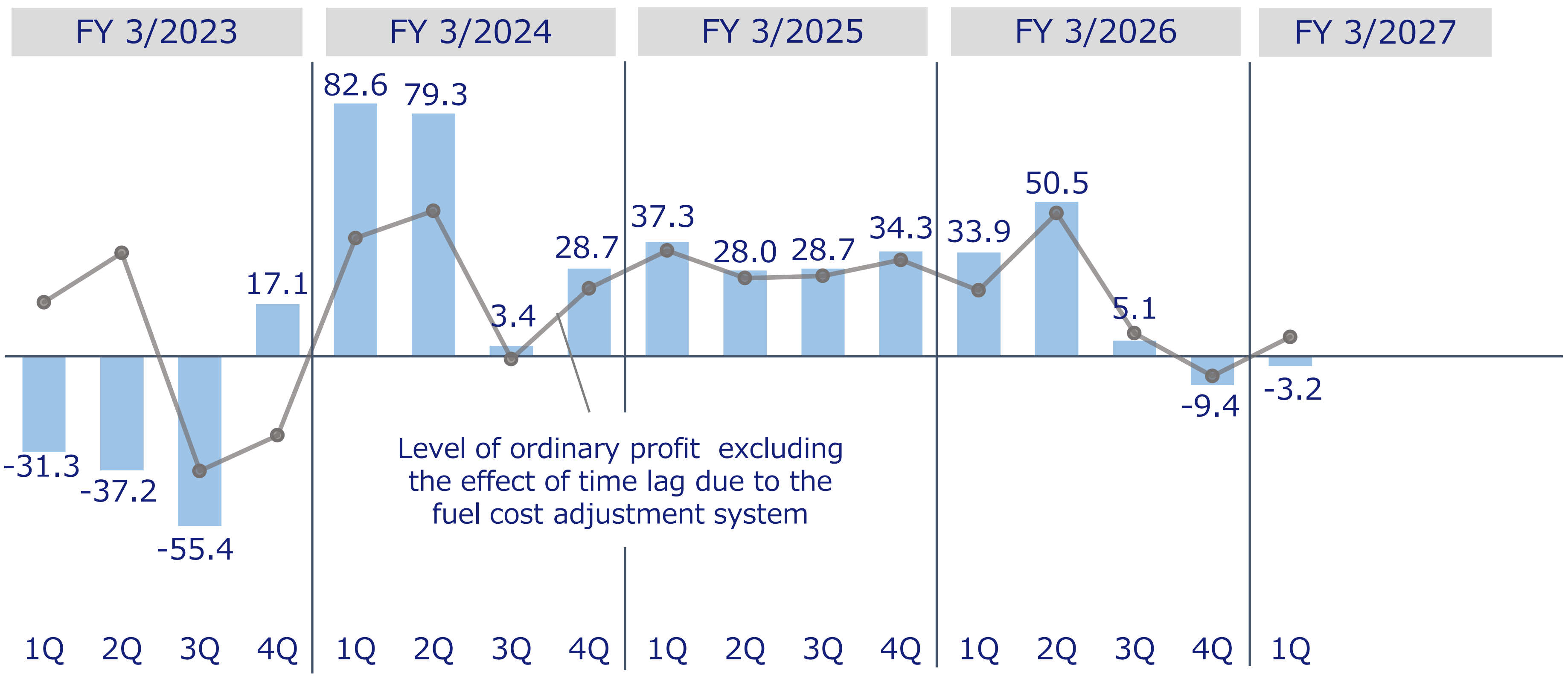
Profit (Consolidated)



*Values in parentheses (　) denote the impact of the time lag due to the fuel cost adjustment amounts.

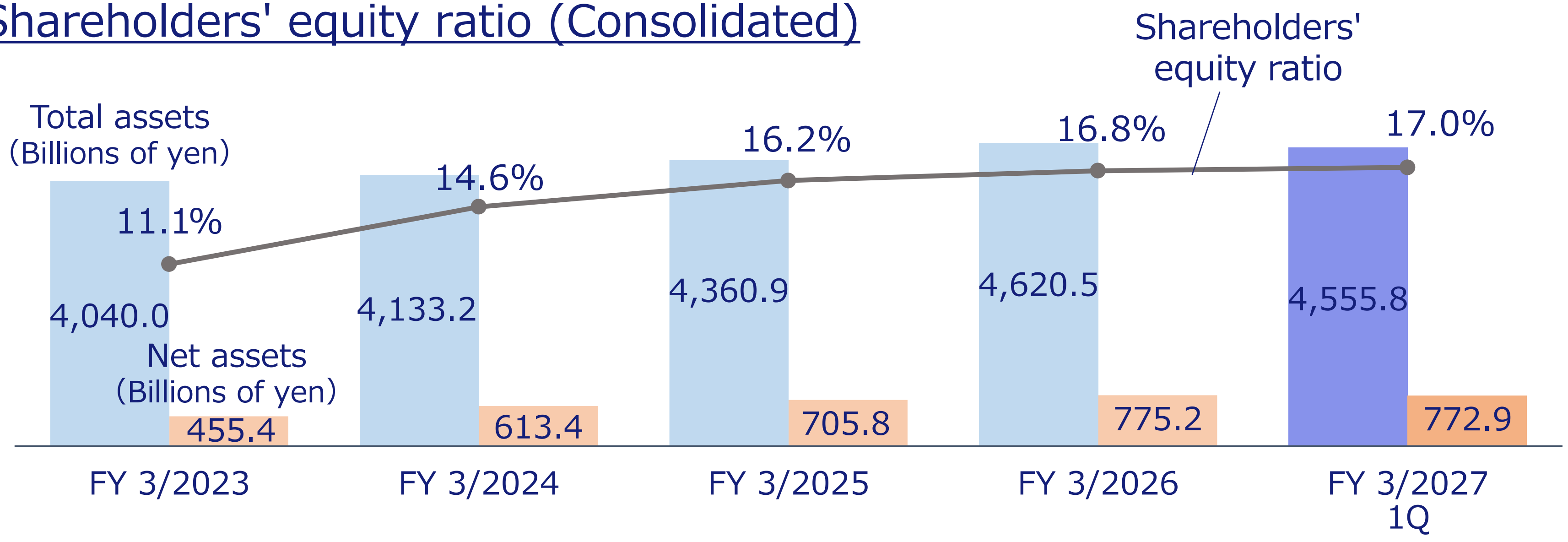
7. Trends in Ordinary Profit by Quarter<Consolidated>

(Billions of yen)

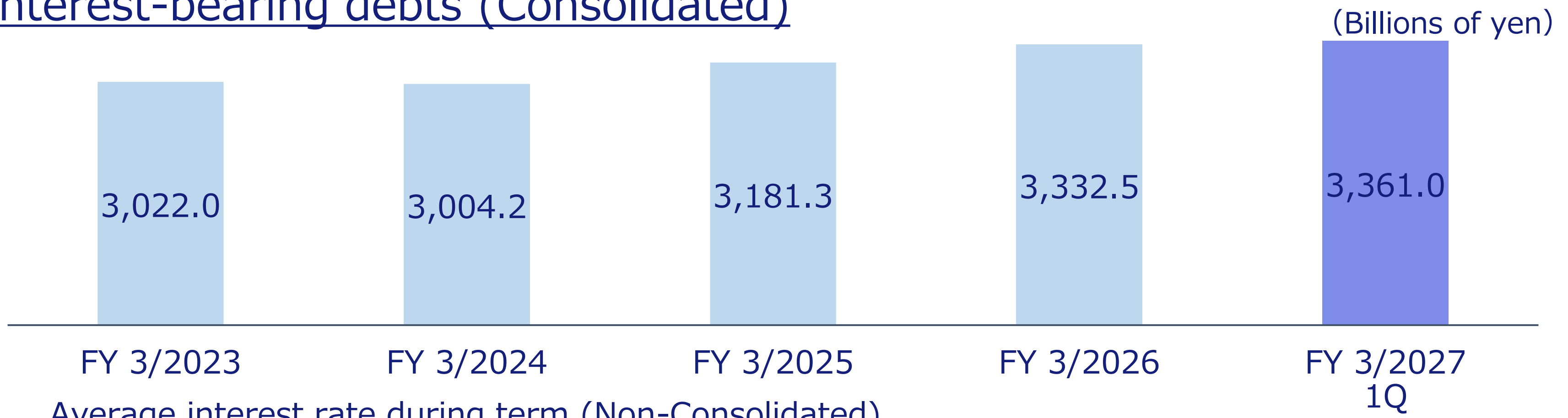


8-1. Financial Indicator Trends (1)

Shareholders' equity ratio (Consolidated)



Interest-bearing debts (Consolidated)

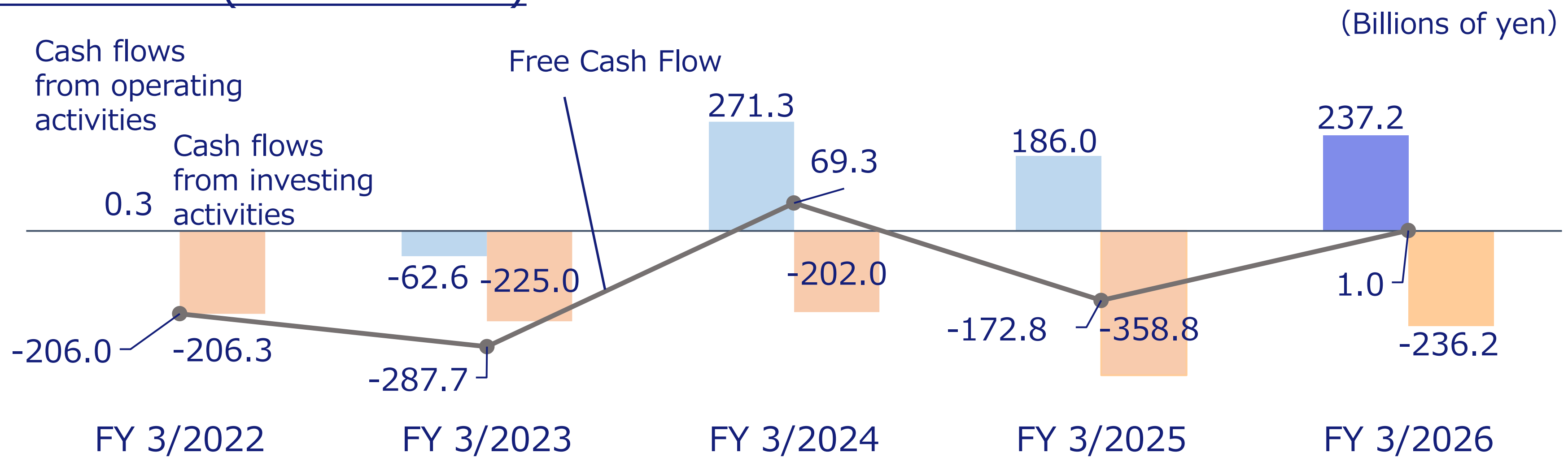


Average interest rate during term (Non-Consolidated)

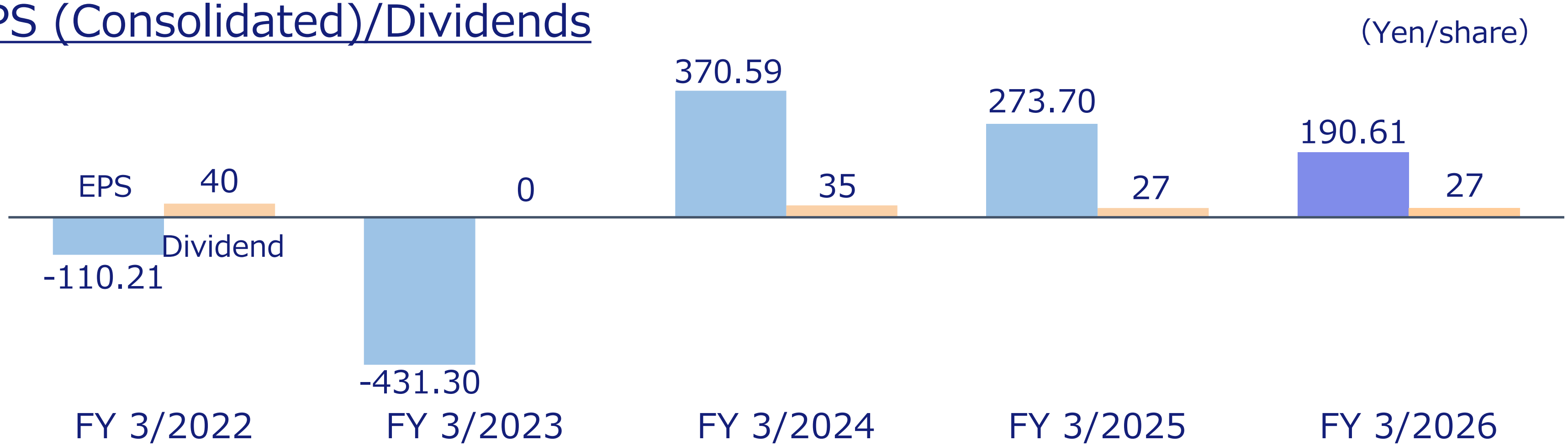
0.49%	0.59%	0.72%	0.94%	1.08%

8-2. Financial Indicator Trends (2)

Cash flows (Consolidated)

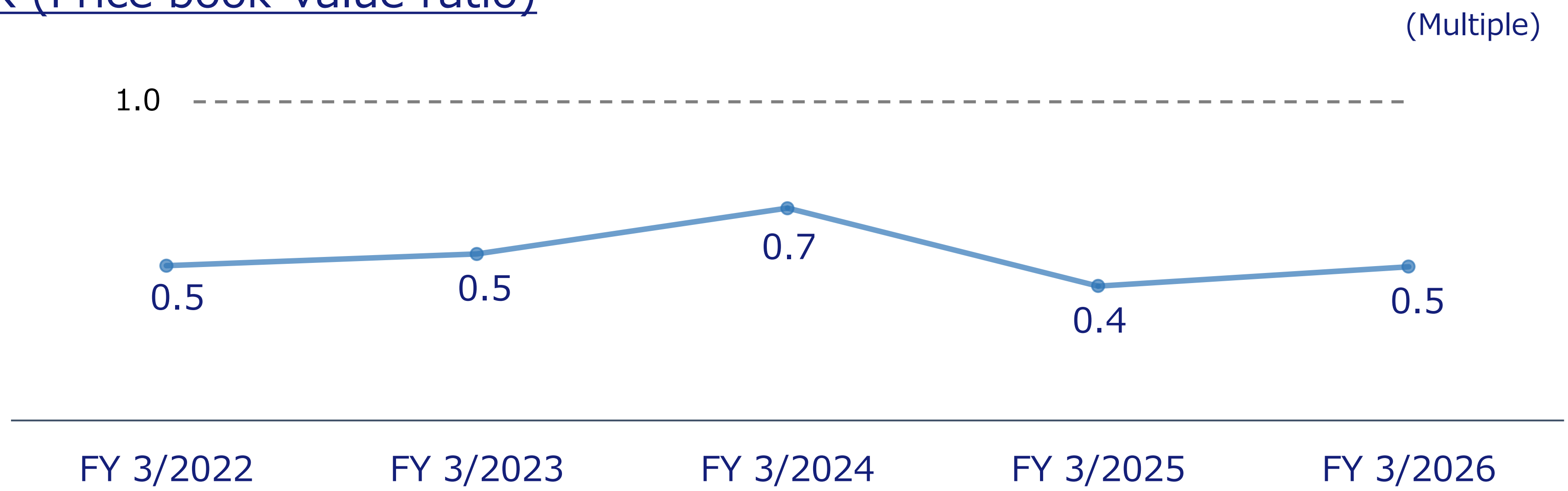


EPS (Consolidated)/Dividends



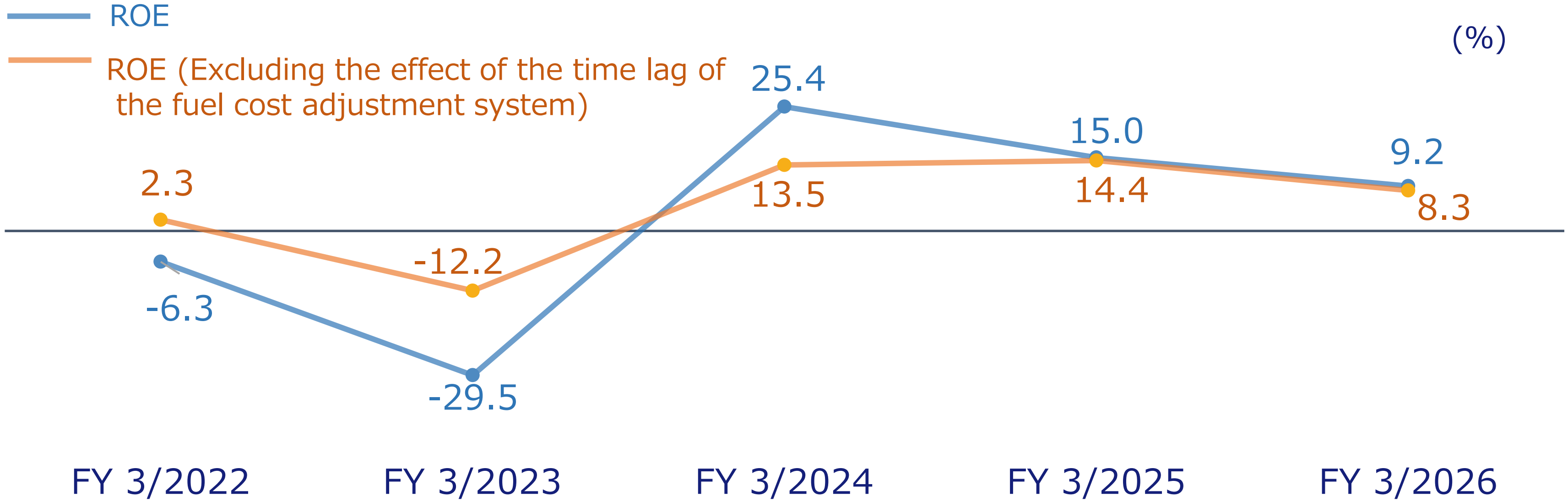
8-3. Financial Indicator Trends (3)

PBR (Price book-value ratio)

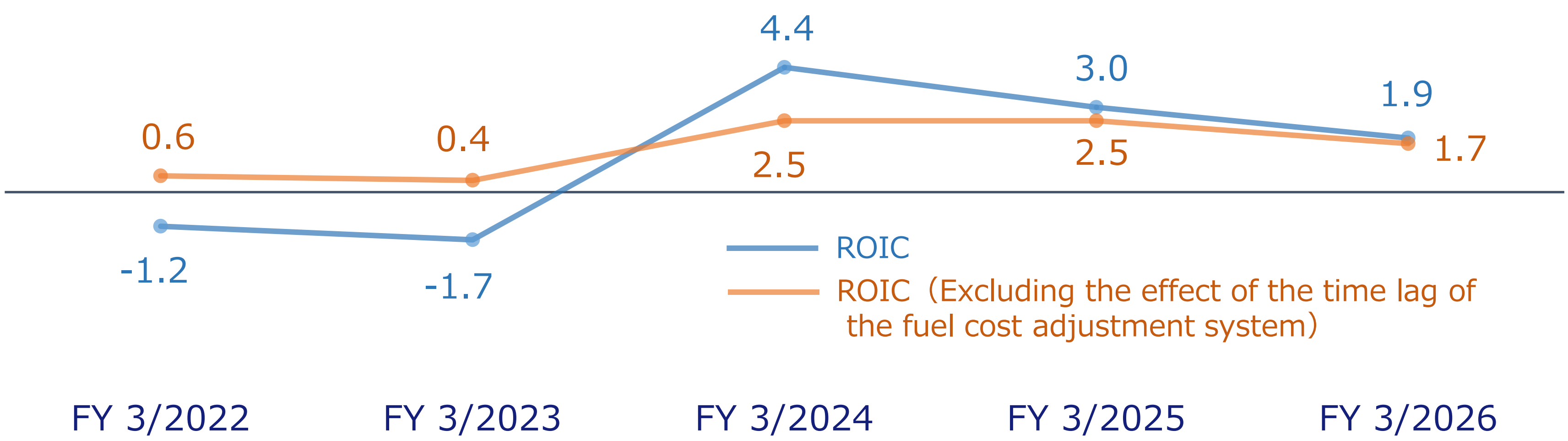


Note: Figures are as of the end of the fiscal year (as of the end of March).

ROE (Return on equity)



ROIC (Return on invested capital)



- We announced the Chugoku Electric Power Group Corporate Vision 2040 on September 30, 2025.
- In light of the Japanese government's declaration to achieve carbon neutrality by 2050, the Group has announced its initiatives for carbon neutrality by 2050.
  - ✓ Chugoku Electric Power Group Corporate Vision 2040
    https://www.energia.co.jp/e/ir/info/corporate_vision.html
  - ✓ Action Plan (summary of the management plan)
    https://www.energia.co.jp/e/ir/info/action_plan.html
  - ✓ Chugoku Electric Power Group's initiatives for carbon neutrality by 2050
    https://www.energia.co.jp/tokusetu_site/carbon-neutral/index.html?topbnr=cn2050 (Japanese only)
  - ✓ Chugoku Electric Power Group Integrated Report
    https://www.energia.co.jp/e/ir/report/annual.html
  - ✓ Chugoku Electric Power Group promotion of sustainability management
    https://www.energia.co.jp/corp/esg/index.html (Japanese only)
- We have announced the status of efforts to regain trust lost due to certain incidents.
  - ✓ Status of incident reoccurrence measures
    https://www.energia.co.jp/corp/active/preventive/index.html (Japanese only)

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