

The Summary of Financial Results for FY 3/2025 (April 1, 2024 through March 31, 2025)

The Chugoku Electric Power Co., Inc.

May 12, 2025

In this report, the term Fiscal Year 3/2025 refers to the period between April 1, 2024 and March 31, 2025.

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I. Financial Results for FY 3/2025



1. Summary of Consolidated Financial Results

- **Operating revenues fell** by ¥99.5 billion year on year to ¥1,529.2 billion due to factors such as a decline in fuel cost adjustment amounts in conjunction with falling fuel prices.
- Operating profit fell by ¥77.6 billion year on year to ¥129.1 billion. This was mainly due to a decline in operating profit from the power transmission and distribution business, in addition to a reduction in the profit from the time lag of the fuel cost adjustment system and a decline in the total electricity sales volume, despite a profit improvement due to the restart of Shimane Nuclear Power Station Unit 2.
- **Ordinary profit** including non-operating profit/loss such as interest paid **fell** by ¥65.5 billion year on year to ¥128.5 billion.
- Profit attributable to owners of parent after recording extraordinary income/loss and deducting income taxes fell by ¥35.0 billion year on year to ¥98.4 billion.

(Billions of yen)

	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)	YoY growth (A-B)/B
Operating revenues	1,529.2	1,628.7	-99.5	-6.1%
Operating profit	129.1	206.7	-77.6	-37.5%
Ordinary profit	128.5	194.0	-65.5	-33.8%
Profit attributable to owners of parent	98.4	133.5	-35.0	-26.2%

2. Consolidated Statements of Operations

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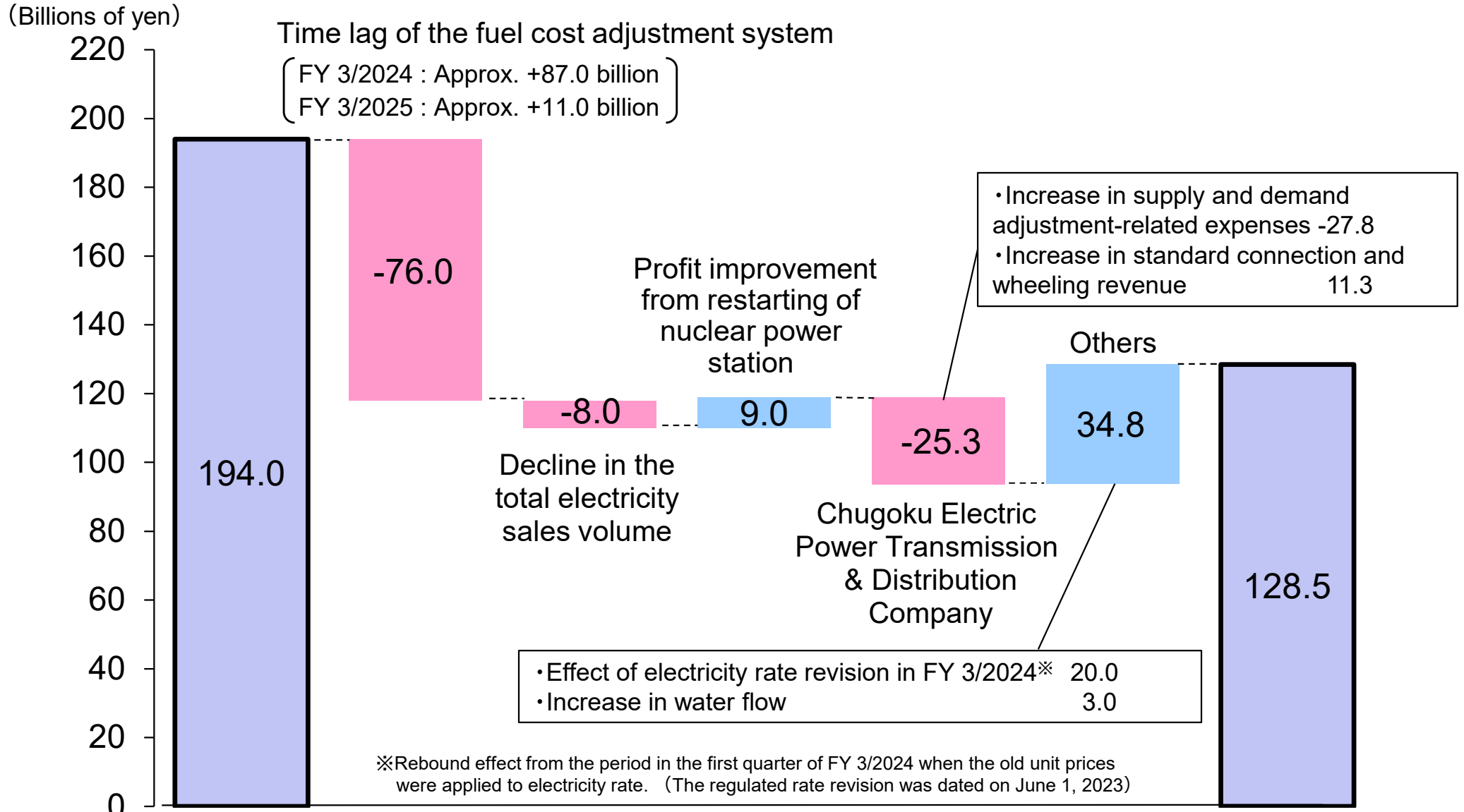
(Billions of yen)

	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)
Ordinary revenues	1,558.8	1,652.4	-93.5
Operating revenues	1,529.2	1,628.7	-99.5
Non-operating income	29.6	23.6	6.0
Ordinary expenses	1,430.3	1,458.3	-27.9
Operating expenses	1,400.0	1,422.0	-21.9
Non-operating expenses	30.2	36.3	-6.0
Operating profit	129.1	206.7	-77.6
Ordinary profit	128.5	194.0	-65.5
Provision of reserve for water shortage	—	-0.1	0.1
Extraordinary income	12.1 ^(Note 1)	6.4	5.6
Extraordinary losses	13.9 ^(Note 2)	9.5	4.4
Income taxes	28.2	57.7	-29.4
Profit attributable to owners of parent	98.4	133.5	-35.0

Note 1: The Company recorded gains of ¥12.1 billion on sales of nuclear fuel.

Note 2: The Company recorded a loss on sales of property of ¥7.0 billion due to the transfer of the land, buildings, and equipment of the former Shimonoseki Power Station, and an impairment loss of ¥6.9 billion related to Chugoku Electric Power Australia Resources.

3. Factors Affecting Consolidated Ordinary Profit



【107.0】

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

【117.5】

4. Total Electricity Sales Volume

- Total electricity sales volume fell by 1.7% year on year to 51.75 billion kWh.
- Retail electricity sales volume fell by 6.5% year on year to 41.72 billion kWh.
- Electricity sales volume to other power companies increased by 25.0% year on year to 10.02 billion kWh.

(Billions of kWh)

		FY 3/2025 (A)	FY 3/2024 (B)	Difference (A - B)	YoY growth (A - B)/B
Total electricity sales volume		51.75	52.62	-0.88	-1.7%
Retail electricity sales volume	Lighting	15.53	15.05	0.48	3.2%
	Power	26.19	29.56	-3.37	-11.4%
	Subtotal	41.72	44.60	-2.88	-6.5%
Electricity sales volume to other power companies		10.02	8.02	2.01	25.0%

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 fell by 2.3% year on year to 55.73 billion kWh.
- Our own hydroelectric power generation increased by 6.3% year on year to 3.59 billion kWh.
- Our own thermal power generation decreased due to a decline in the total electricity sales volume and an increase in nuclear power generation.
- Nuclear power generation increased due to the grid connection (restart) of Shimane Nuclear Power Station Unit 2.

(Billions of kWh)

	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A - B)	YoY growth (A - B)/B
Generated and received electricity	55.73	57.02	-1.29	-2.3%
Generated by Chugoku Electric Power	30.63	31.68	-1.05	-3.3%
(Water flow rate)	(101.1%)	(93.6%)	(7.5%)	
Hydroelectric	3.59	3.38	0.21	6.3%
Thermal	24.95	28.25	-3.30	-11.7%
(Capacity factor)	(27.6%)	(-)	(27.6%)	
Nuclear	1.98	-	1.98	-
New energy sources	0.11	0.05	0.06	121.6%
Received from other companies	26.49	26.49	-0.01	-0.0%
Power used for water pumping	-1.38	-1.15	-0.23	20.1%

Note 1: The amounts indicated are the power generated and received by Chugoku Electric Power.

Note 2: Shimane Nuclear Power Station Unit 2 has restarted power generation, connected to the grid since December 23, 2024.

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 business, revenues decreased due to fuel cost adjustment amounts declining in conjunction with falling fuel prices. Furthermore, the profit from the time lag of the fuel cost adjustment system shrank significantly and the total electricity sales volume declined, causing the segment profit to fall.
- In the power transmission and distribution business, although there was an increase in standard connection and wheeling revenue, supply and demand adjustment-related expenses also rose, and the profit fell.

(Billions of yen)

		FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)
Comprehensive energy	Operating revenues	1,408.0	1,509.0	-101.0
	Operating profit	95.1	146.9	-51.7
Power transmission and distribution	Operating revenues	511.5	480.4	31.1
	Operating profit	25.2	50.5	-25.3
Information and tele-communications	Operating revenues	49.4	47.4	1.9
	Operating profit	4.7	5.2	-0.4
Others	Operating revenues	110.5	119.3	-8.8
	Operating profit	7.5	6.6	0.8
Adjustment	Operating revenues	(-550.3)	(-527.5)	(-22.7)
	Operating profit	(-3.4)	(-2.5)	(-0.8)
Total	Operating revenues	1,529.2	1,628.7	-99.5
	Operating profit	129.1	206.7	-77.6

		FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)
Exchange rate	(¥/\$)	153	145	8
All Japan CIF crude oil price	(\$/b)	82.4	86.0	-3.6
All Japan CIF imported coal price	(\$/t)	151.1	195.9	-44.8
Nuclear capacity factor	(%)	27.6	—	27.6

Note: Crude oil and imported coal CIF prices are preliminary figures for FY 3/2025.

II. Financial Results Forecast for FY 3/2026 and Dividend Policy



1. Summary of Consolidated Financial Results Forecast

- Operating revenues are expected to decrease mainly due to a decrease in fuel cost adjustment amounts in conjunction with falling fuel prices, despite an increase in the total electricity sales volume.
- Although there are positive factors such as an increase in nuclear power operations and an increase in the total electricity sales volume, profit is expected to decrease due to the factors such as the effect of increased competition in wholesale and retail businesses caused by a decline in market prices, and a decline in profit from the power transmission and distribution business due to the rebound effect from the previous fiscal year's summer and winter temperatures.

(Billions of yen)

	FY 3/2026 Forecast (A)	FY 3/2025 (B)	Difference (A-B)
Operating revenues	1,400.0	1,529.2	-129.2
Operating profit	95.0	129.1	-34.1
Ordinary profit	85.0	128.5	-43.5
Profit attributable to owners of parent	65.0	98.4	-33.4
Shareholders' equity ratio	Approx. 16.5% (Approx. 18.8% ^(Note))	16.2% (18.5% ^(Note))	

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.

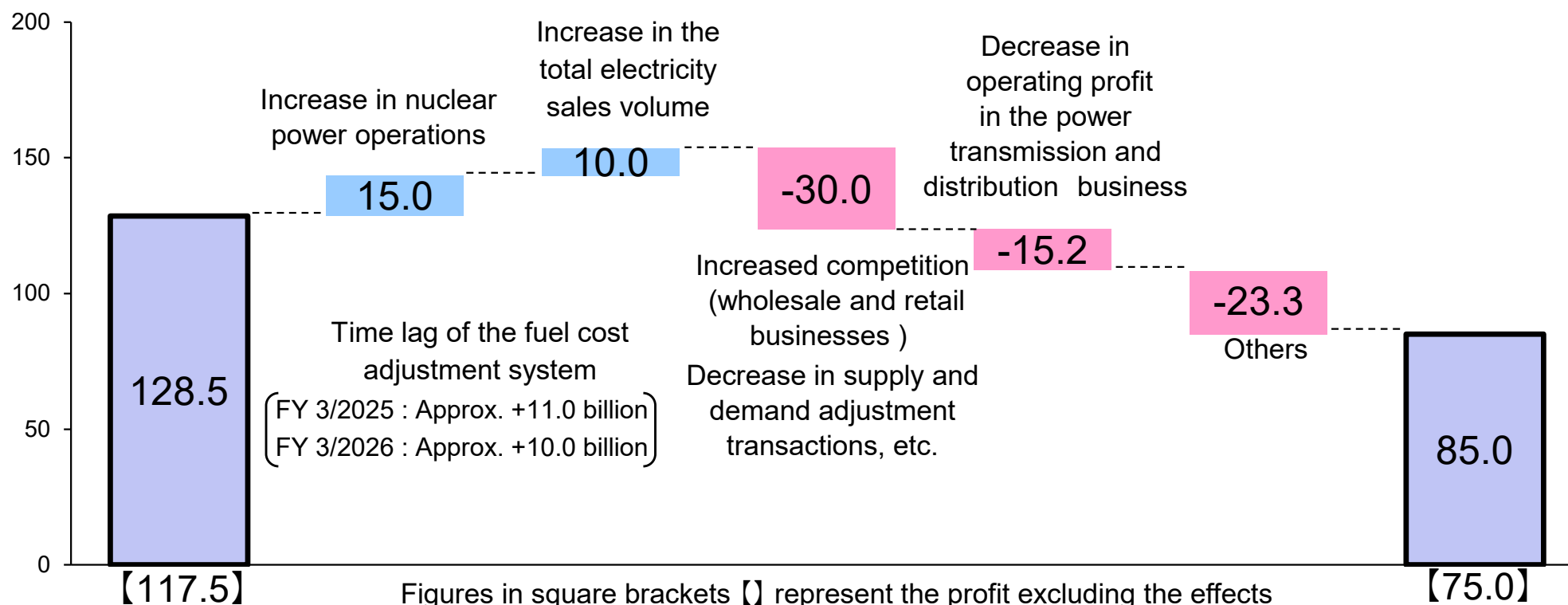
2. Factors Affecting Consolidated Ordinary Profit (Compared to FY 3/2025) 9

FY 3/2025

Consolidated Ordinary Profit -43.5 billion

FY 3/2026
Forecast

(Billions of yen)



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

3. Financial Results Forecast by Segment (Compared to FY 3/2025) 10

- For the comprehensive energy business, operating revenues are expected to decrease due to a decrease in fuel cost adjustment amounts caused by a decline in fuel prices. Although there are positive factors such as an increase in nuclear power operations and an increase in the total electricity sales volume, operating profit is expected to decrease due to the factors such as the effect of increased competition in wholesale and retail businesses caused by a decline in market prices.
- For the power transmission and distribution business, because of a decline in standard connection and wheeling revenue due to the rebound effect from the previous fiscal year's summer and winter temperatures, profit is expected to fall.

(Billions of yen)

		FY 3/2026 Forecast (A)	FY 3/2025 (B)	Difference (A-B)
Comprehensive energy	Operating revenues	Approx. 1,320.0	1,408.0	-88.0
	Operating profit	Approx. 80.0	95.1	-15.1
Power transmission and distribution	Operating revenues	Approx. 410.0	511.5	-101.5
	Operating profit	Approx. 10.0	25.2	-15.2
Information and tele-communications	Operating revenues	Approx. 47.0	49.4	-2.4
	Operating profit	Approx. 4.0	4.7	-0.7
Others	Operating revenues	Approx. 105.0	110.5	-5.5
	Operating profit	Approx. 3.0	7.5	-4.5
Adjustment	Operating revenues	(Approx. -482.0)	(-550.3)	(68.3)
	Operating profit	(Approx. -2.0)	(-3.4)	(1.4)
Total	Operating revenues	Approx. 1,400.0	1,529.2	-129.2
	Operating profit	Approx. 95.0	129.1	-34.1

- For FY 3/2026, although we expect a decline in profit due to the effect of increased competition in wholesale and retail businesses caused by a decline in market prices, as well as a decline in profit from the power transmission and distribution business, we expect to secure a certain level of profit due to an increase in nuclear power operations.
- However, in addition to the current situation, such as further increased competition in the electricity wholesale and retail businesses and an increase in procurement costs of materials and equipment due to rising prices, there are also concerns about the impact of the U.S. tariff measures on economic activities, and we are aware that uncertainty about the future is increasing.
- We will continue to aim to secure stable profit and restore our financial base by ensuring stable Shimane Nuclear Power Station operations based on the fundamental premise of ensuring safety, strengthening the earnings power of our wholesale and retail power businesses, improving the efficiency of our overall management, and enhancing our risk management, including market risk.

		FY 3/2026 Forecast	FY 3/2025
Total electricity sales volume	(Billions of kWh)	57.4	51.75
Exchange rate	(¥/\$)	145	153
All Japan CIF crude oil price	(\$/b)	75	82.4
Nuclear capacity factor	(%)	86	27.6

Note 1: The total electricity sales volume is the sum of the retail electricity sales volume and the electricity sales volume to other power companies by Chugoku Electric Power.

Note 2: The total electricity sales volume does 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.

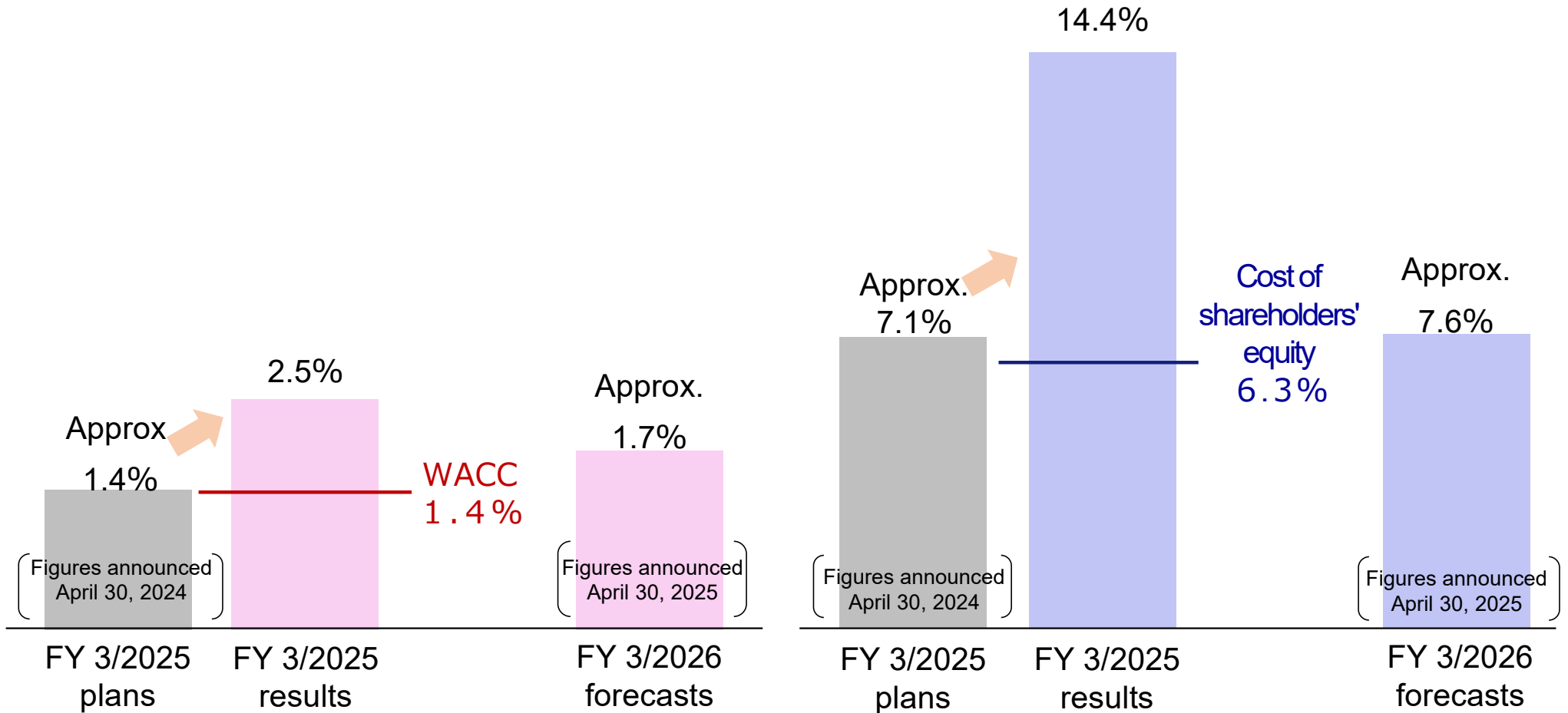
■ Impact of fluctuations in factors on cost of raw materials

(Billions of yen)

		FY 3/2026 Forecast	FY 3/2025
Exchange rate	(¥1/\$)	2.0	2.1
All Japan CIF crude oil price	(\$1/b)	1.3	1.5
Water flow rate	(1%)	0.3	0.4
Nuclear capacity factor	(1%)	0.7	0.9

[ROIC (excluding time lag due to fuel cost adjustment system)]

[ROE (excluding time lag due to fuel cost adjustment system)]



Note 1: Invested capital for ROIC and shareholders' equity for ROE are both calculated using the average values at the beginning and end of the term

Note 2: Profit used for calculating ROIC using business income (after tax), which included dividends received and other adjustments to operating income

Note 3: The WACC and cost of shareholders' equity is calculated based on the CAPM.

Note 4: The β value is set at 0.81(Company value for FY 3/2025), with a market risk premium of 6.5%.

6-2. Capital Profitability (ROIC by Segment)

	FY 3/2025 results		FY 3/2026 forecasts (Figures announced April 30, 2025)	
	Operating profit	ROIC	Operating profit	ROIC
Comprehensive energy	95.1 billion yen [Approx. 68.0 billion yen]	2.6% [Approx. 1.9%]	Approx. 80.0 billion yen	Approx. 2.1%
Power transmission and distribution	25.2 billion yen [Approx. 4.0 billion yen]	1.8% [Approx. 0.3%]	Approx. 10.0 billion yen	Approx. 0.7%
Information and tele-communications	4.7 billion yen [Approx. 4.0 billion yen]	5.7% [Approx. 4.7%]	Approx. 4.0 billion yen	Approx. 4.9%

Note1:ROIC of comprehensive energy business is calculated excluding the impact of the time lag of the fuel cost adjustment system.

Note2:Figures in square brackets [] are figures announced April 30.

Note3:ROIC invested capital is calculated based on the term beginning/ending average.

Note4:Profit used in ROIC calculations is business profit (after tax) with the inclusion of dividends received in operating profit and so forth.

- With respect to our allocation of dividend to shareholders, our highest priority will be restoring and strengthening our financial base until we reach the consolidated shareholders' equity ratio of 15%. Until then, our dividend ratio will be 10%.
Once the consolidated shareholders' equity ratio is over 15%, we will gradually raise our dividend ratio.
- We had previously announced that if the consolidated shareholders' equity ratio for FY 3/2025 exceeds 15%, then we plan to revise our dividend policy from FY 3/2026, and that for FY 3/2025, we will pay dividends in accordance with our policy of a 10% dividend ratio as we strive to restore and strengthen our financial base.
- Based on this, the Board of Directors has resolved at a meeting held today to pay an annual dividend of ¥27 per share for FY 3/2025, with the year-end dividend set at ¥22 per share. This approach will be proposed at the annual general meeting of stockholders to be held in June.

《Dividends》

(Dividends per share)

	FY 3/2025	FY 3/2024
Interim	¥5	¥5
Year-end	¥22	¥30
Total	¥27	¥35

- As of FY 3/2025, the consolidated shareholders' equity ratio has exceeded 15%. The dividend policy will therefore be revised from FY 3/2026.
- A large amount of investment will be required for Shimane Nuclear Power Station Unit 3 and the replacement of Yanai Power Plant Unit 2, both of which are essential for the stable supply of electricity, decarbonization, and management stability in the future. In light of the fact that we will continue to prioritize the recovery and strengthening of our financial base, we have decided to pay dividends as follows.

<Dividend policy for FY 3/2026 and beyond>

- Taking into consideration our current financial situation and the risk of future fluctuations in business performance, we will continue to pay dividends based on performance in accordance with our dividend ratio.
- Regarding the level of our dividend ratio, we are still in the process of restoring our financial base and will therefore aim for a basic dividend ratio of 12%.
- Going forward, we will strive to pay an annual dividend of at least ¥10 per share, assuming we keep increasing management stability.
- Based on the above policies, we will pay dividends following the standard of dividend according to profit attributable to owners of parent.
- However, in the event that profit attributable to owners of parent fluctuates significantly due to extraordinary gains or losses or other special factors, dividend will be set in light of the impact of such fluctuations without relying on the standard of dividend.
- We will consider revising this dividend policy when the consolidated shareholders' equity ratio is expected to return to 20%.

〔Standard of dividend〕

Profit attributable to owners of parent (Billions of yen)	Annual dividend per share (Yen)
to less than 33.0	10
From 33.0 to less than 36.0	11
〔As follows, the annual dividend per share will increase by ¥1 for every ¥3.0 billion increase in profit attributable to owners of parent〕	
From 36.0 to less than 39.0	12
From 45.0 to less than 48.0	15
From 60.0 to less than 63.0	20
From 75.0 to less than 78.0	25
From 90.0 to less than 93.0	30
From 105.0 to less than 108.0	35
From 120.0 to less than 123.0	40
From 135.0 to less than 138.0	45

(Note) Dividend will be determined based on the above standard even when profit attributable to owners of parent is equal to or exceeds ¥138.0 billion.

- Based on the financial results forecast and our new dividend policy, the annual dividend for FY 3/2026 is forecasted at ¥21 per share (interim dividend of ¥10 and year-end dividend of ¥11).

《Dividends》

(Dividends per share)

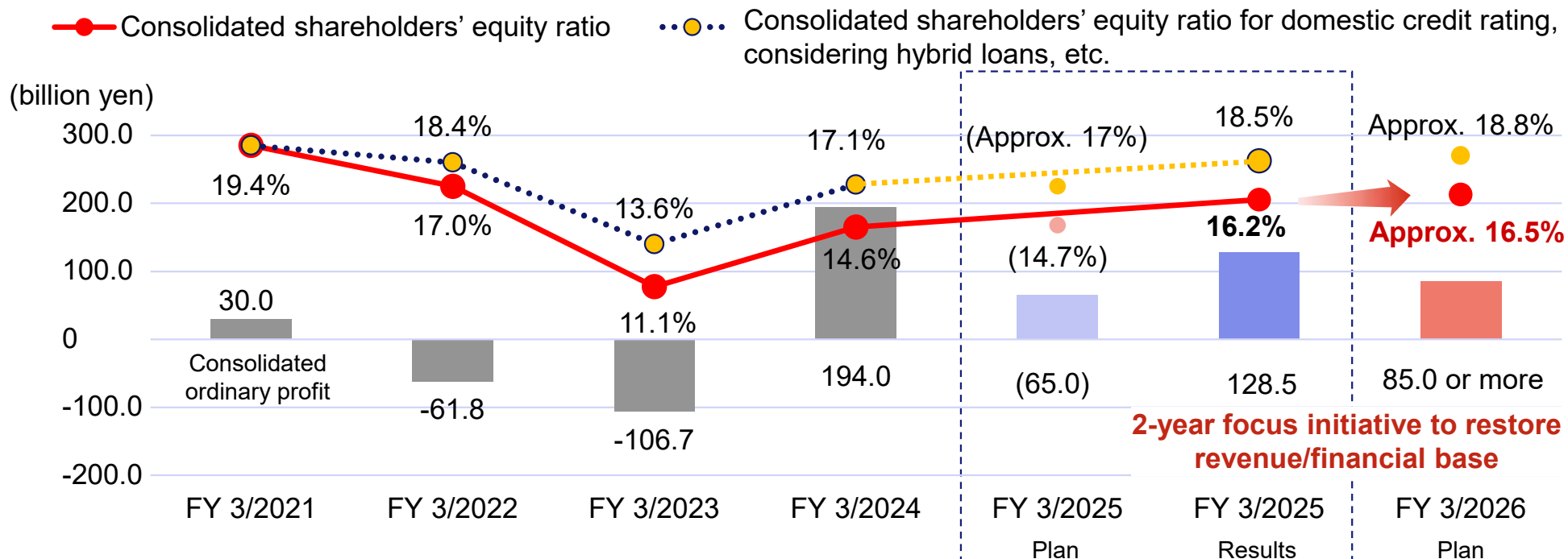
	FY 3/2026
Interim	¥10 (Forecast)
Year-end	¥11 (Forecast)
Total	¥21 (Forecast)

III. Progress Toward the Group Medium-term Management Plan



- In FY 3/2025, Shimane Nuclear Power Station Unit 2 resumed commercial operation in January 2025, and there was also an increase in total electricity sales volume and an increased profit in the power transmission and distribution business compared to the initial plan due to effects from the temperature. We also saw results from our efforts for enhancing overall management efficiency. Due to such factors, our consolidated ordinary profit reached 128.5 billion yen and we restored the consolidated shareholders' equity ratio to 15%, which was our goal for the end of FY 3/2026, a year ahead of schedule.
- In FY 3/2026, while we forecast more intense competition in wholesale and retail businesses and a decrease in profit in the power transmission and distribution business from the previous fiscal year, we expect that we will be able to maintain the ordinary profit initially planned through an increase in the operation of the nuclear power stations and expansion of the total electricity sales volume.
- While the management environment remains harsh, we will work to further restore our management base.

Consolidated shareholders' equity ratio and consolidated ordinary profit plan



Consolidated capital expenditure	190.6	184.2	208.1	229.2	Approx. 370.0	340.5	Approx. 300.0
Consolidated interest-bearing debts	2,291.8	2,527.7	3,022.0	3,004.2	Approx. 3,200.0	3,181.3	Approx. 3,300.0

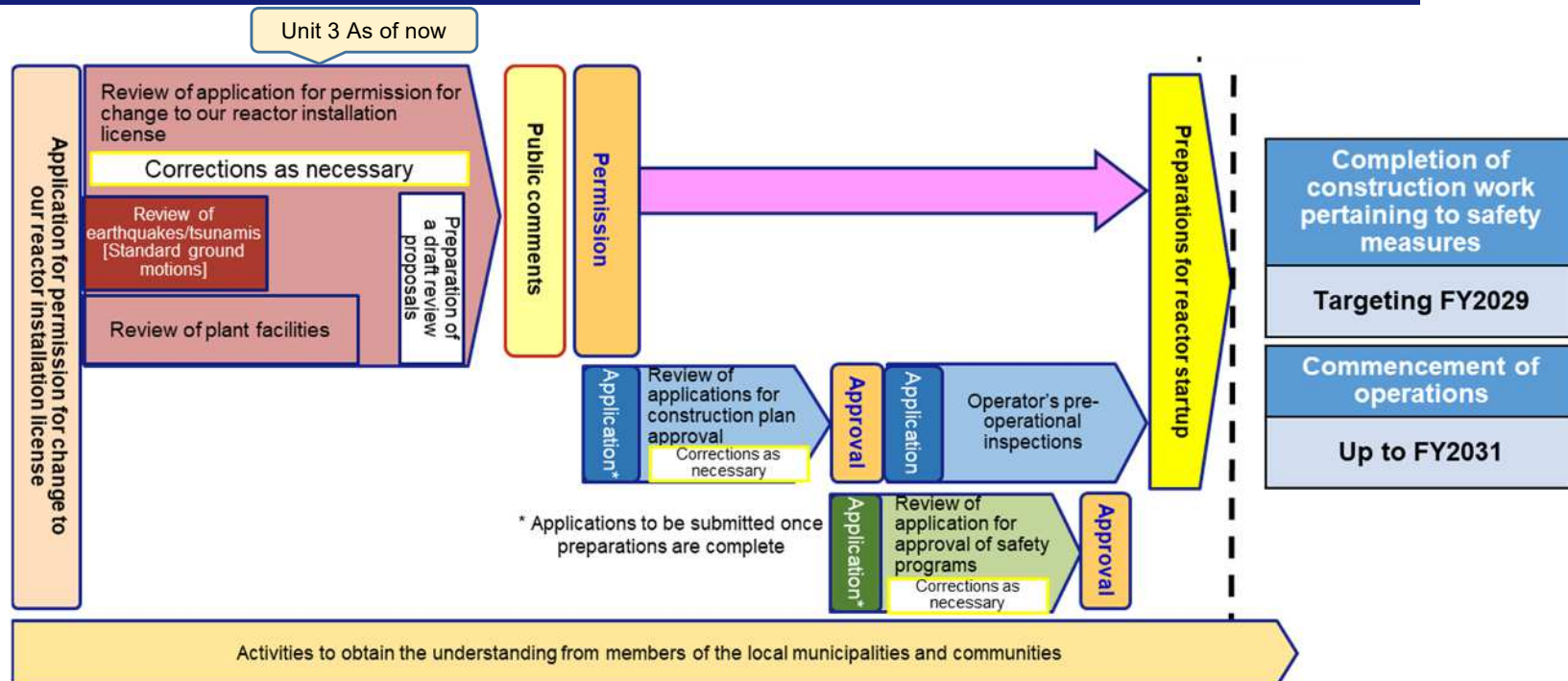
- At Shimane Nuclear Power Station Unit 2, we started up the reactor on December 7, 2024, and we paralleled the generator (resumed power generation) on December 23 of the same year. Then, as we were issued a pre-operational confirmation certificate related to the operator's pre-operational inspections from the Nuclear Regulation Authority on January 10, 2025, we resumed commercial operation. We will keep striving to continue stable operation with the utmost importance on safety and steadily promote initiatives for improving safety.
- Regarding the facilities to deal with specific large-scale incidents at Shimane Nuclear Power Station Unit 2, we have compiled detailed plans for buildings and civil engineering structures, and we submitted an application to the Nuclear Regulation Authority for approval of designs and construction plans on January 31, 2025. We have conducted one review meeting related to the approval of designs and construction plans to date.
- As we received prior consent from Shimane Prefecture on March 24, 2025, we have received prior consent or the like from all involved municipalities regarding the installation of facilities to deal with specific large-scale incidents at Shimane Nuclear Power Station Unit 2.

Main Safety Measures at Shimane Nuclear Power Station Unit 2

<p>Earthquake countermeasures</p> <p>Support structures were installed and other earthquake strengthening measures were taken to increase the seismic margin of key equipment, piping, and other facilities.</p> <p><Support structures (Approx. 10,000 locations)> <Three-axis viscous dampers* (53 in total)></p>  <p>*A device filled with a highly viscous liquid used to dampen earthquake shaking</p>	<p>Tsunami countermeasures</p> <p>A seawall was installed to prevent water from tsunamis seeping into the site of the power station. Additionally, in the unlikely event that water from a tsunami gets over the seawall, watertight doors have been installed to prevent critical equipment from being exposed to the incoming water.</p> <p><Seawall (15 meters above sea level, spanning 1.5 km)> <Watertight doors (59 in total)></p> 	<p>Measures in response to large-scale incidents</p> <p>We have implemented a range of suitable measures in response to the unlikely scenario of a large-scale incident involving core damage and damage to other critical infrastructure. These include the installation of a seismic-resistant emergency response facility, a hydrogen processing system for reducing the buildup of hydrogen within the building, and a venting system used to significantly curtail the release of radioactive materials, even in circumstances where the release of gases from the reactor containment vessel cannot be avoided.</p> <p><Filter venting system></p> <p><Seismic-resistant emergency response facility></p> <p><Hydrogen processing systems (18 units)></p> 
<p>Measures for securing power source</p> <p>A large generator was installed, accompanied by a number of generator vehicles dispersedly located throughout the site, providing multiple ways of providing the power sources required for pumps cooling the reactor and other equipment.</p> <p><Gas turbine generators (2 units)> <High-pressure generator vehicles (20 units)></p> 	<p>Measures for securing the cooling function</p> <p>To provide multiple options for supplying water and cooling the reactor and spent fuel pool, an alternative water injection pump was installed, and water supply vehicles have been dispersedly located throughout the facility.</p> <p><High-pressure reactor alternate water injection pump> <Large-capacity water supply vehicle, etc. (34 vehicles)></p> 	

- Regarding Shimane Nuclear Power Station Unit 3, we submitted an application for permission to change our reactor installation license to the Nuclear Regulation Authority on August 10, 2018, and have conducted a total of 11 review meetings to date.
- During the review meeting held on February 6, 2025, we explained that we plan to finish all explanations regarding the review (explanation) schedule for the application for permission to change our reactor installation license during FY 3/2026, as well as the fact that, at present, we expect there will be no significant issues as the reviews for Shimane Unit 3 follow precedents including Shimane Unit 2.
- Moving forward, we will undergo reviews for Shimane Nuclear Power Station Unit 3 in parallel to reviews for the facilities to deal with specific large-scale incidents at Shimane Nuclear Power Station Unit 2 and the in-station power source (third grid).
- Regarding the Kaminoseki site, we will continue to engage in nuclear power station construction planning and are studying the installation of an interim spent fuel storage facility to contribute to the long-term, stable operation of the Shimane Nuclear Power Station. As part of our location feasibility survey, we finished on-site boring in November of last year and are currently carrying out various analyses using the collected samples.

Process of reviewing conformity with new regulatory standards at Shimane Unit 3 (Overview)



IV. Improving Our Corporate Value



1. Initiatives for Achieving Management That Is Conscious of Both the Cost of Capital and Stock Prices (1/2)

- To achieve management that is conscious of both the cost of capital and stock prices, we are working not only to improve profit margins and asset efficiency, but also to actively promote sustainability management.

Improve profit margin

Resume commercial operation at Shimane Nuclear Power Station Unit 2

Expand revenue by enhancing our trading function

- Expand wholesale electricity sales volume during the term using negotiated transactions and market transactions
- Reduce performance fluctuation risks and improve expected profits using fuel and electricity market prices that also utilize financial transactions

Increase amount of generated electricity by shortening the inspection period for thermal power and hydroelectric power generating facilities

- Shorten the construction period for the Matanogawa Pumped Storage Hydroelectric Power Station Etc.

Implement measures to expand revenue investigated by the Power Balancing Optimization Project

- Formulate an optimal wholesales strategy and optimize fuel procurement in light of market trends and other factors
- Set new wholesale rate plans in light of customer needs (such as plans linked to market prices)

Implement measures to expand revenue investigated by the Profitability Reinforcement Project

- Formulate a retail sales strategy and an optimal power source procurement strategy
- Develop and expand diverse rate plans in light of customer needs (such as rate plans linked to market prices)

Reduce the amount of adjustment capability required in light of structural changes to the supply/demand adjustment market

Review and streamline design and construction methods and expand area covered by the network center

Improve asset efficiency

Decommission three aged thermal power station units (Mizushima Unit 2 (coal), Shimonoseki Units 1 and 2 (coal, heavy oil))

Slim down our assets by selling cross shareholdings, uranium, and the former Shimonoseki Power Station and the like

Perform stricter cash management by carefully selecting investments and the like

1. Initiatives for Achieving Management That Is Conscious of Both the Cost of Capital and Stock Prices (2/2)

Promote sustainability management

E

Promote measures for energy decarbonization

- Replace Yanai Power Station Unit 2 series and investigate facilities aimed at future hydrogen co-firing
- Make efforts to introduce a grid storage system at the site of the former Kudamatsu Power Station
- Invest in a floating offshore wind power business (off Hibikinada) and commence commercial operation
- Investigate the use of hydrogen and ammonia, introduction of CCS, and the like in thermal power generation (subcontracting, etc., for the “design work for the advanced CCS business, etc.”) Etc.

Expand services and businesses that contribute to decarbonization for customers and the community

- Expand on-site and off-site PPA and expand menu options for “energy-saving and CO2 reduction consulting” (begin providing an IoT-type measurement diagnostics service)
- Participate as a co-proposer in the advanced decarbonization communities of Matsue City and the like Etc.

Solve regional social issues and support vitalization

- Support establishment of corporations in the Chugoku region
- Set targets and promote initiatives for collaboration and co-creation in the regional society Etc.

S

Further enhance work environments for diverse human resources

- Expand options for work styles such as the re-hiring system for former employees who left for personal reasons and the introduction of hourly paid leave
- Establish a measure to promote age diversity
- Set new targets and promote initiatives to support the success of women in the workplace and the like Etc.

G

Set a target for FY 3/2031 regarding ratio of external and female directors

Improve incentive function for performance-linked executive compensation

Expand sustainability disclosure such as through the Integrated Report

- Disclose amounts of decarbonization-related investment, disclose information based on the TNFD Recommendations, and expand disclosure items related to HR Etc.

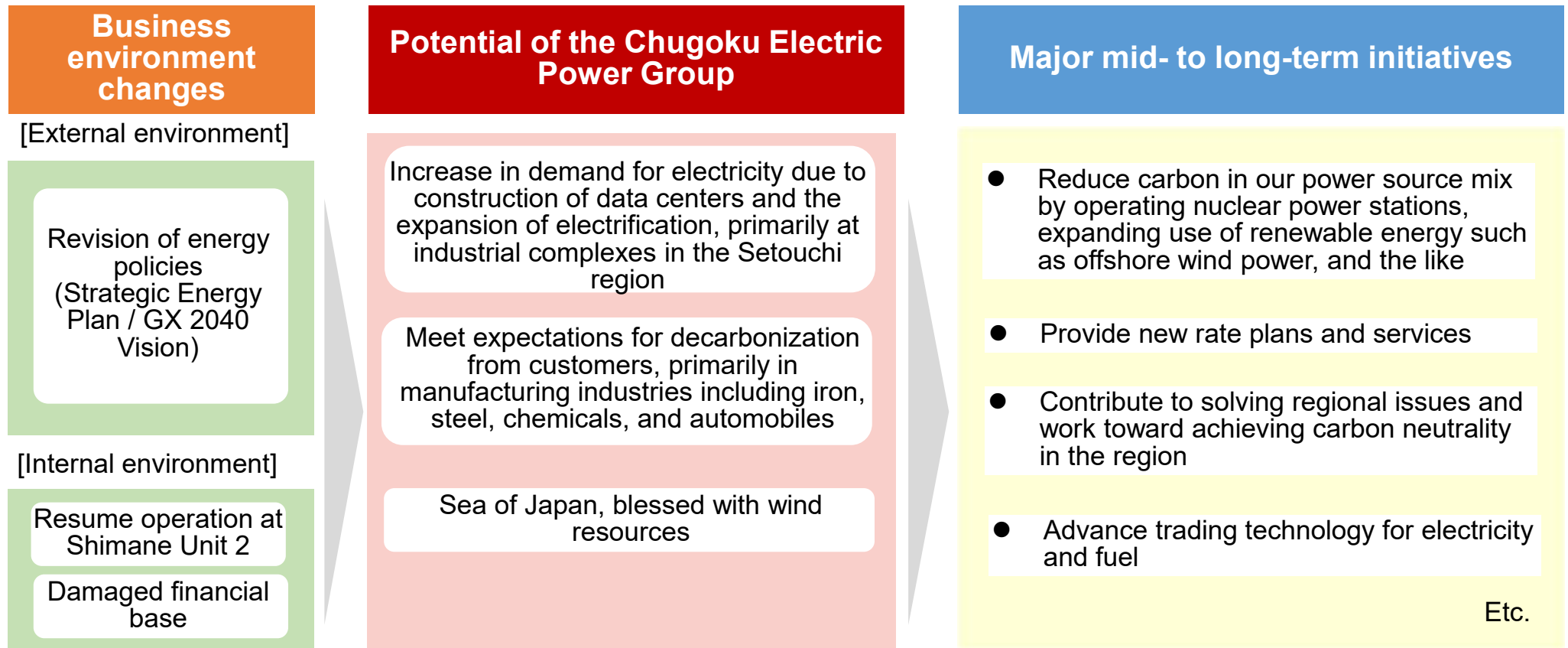
Disclose information and hold constructive dialogue with shareholders and investors

(Major dialogue opportunities in FY 3/2025)

- Financial briefings (2 times), individual meeting (117 times), small meetings (with President/with external directors, 1 time each) ESG briefing (1 time), facility tour (1 time)

2-1. Revision Direction for the Group Corporate Vision (Direction of Investigations)

- Japan's Strategic Energy Plan, which received Cabinet approval in February 2025, indicates a policy of maximizing the use of energy sources with a high decarbonization effect, and also includes a forecast that the demand for electricity in Japan will increase due to the expansion of digital transformation (DX) and green transformation (GX).
- The Chugoku Electric Power Group considers changes in the business environment, such as increasing need for decarbonization and increasing demand for electricity, to be opportunities for significant growth. By working to utilize nuclear power as well as reduce carbon in our power source mix, provide new rate plans and services, and more, we aim to achieve sustainable growth.
- To achieve such mid- to long-term initiatives, we are currently investigating a new Group Corporate Vision, and we are aiming to make an announcement during the first half of the fiscal year so that we can reflect said changes in our internal plans starting from FY 3/2027.



- As our financial targets, we are moving forward with investigations toward setting targets for around 2030 and targets for around 2040.
- As our non-financial targets, we are investigating setting sustainability targets.

[Approach to target setting]

<Financial targets>

Financial targets for around 2030

- Highest priority is placed on investment for the early commencement of Shimane Unit 3, etc., for the stable supply of electricity, decarbonization, more stable management, and enhanced competitiveness in the future.
- The steady creation of profit and procurement of funding are important issues. We will carry out strict cash management and aim to quickly achieve positive free cash flows and establish a financial base.

Long-term financial targets

- With a stable financial base, stable operation at nuclear power stations, and positive free cash flows as prerequisites, we will revise our approach to cash distributions to expand our returns to shareholders as well as make investments required for growth.
- With emphasis on improving capital profitability that exceeds the cost of capital, we will aim to consistently achieve a PBR of at least 1.0x.

- ✓ We are investigating financial targets that include indices like “ROE” and “ROIC” that indicate capital profitability.

<Sustainability targets>

- We will set targets from ESG perspectives for achieving sustainability.

- On June 26, 2025, we will reorganize our company as described below, in order to respond to various factors including changes in the business environment, such as the advancement of markets related to electricity.

Establishment of the “Energy Business Portfolio Optimization Project”

Factors such as the increasing wholesales with equal treatment of in-house and external sources, aimed at ensuring sustainable competition in the retail sale of electricity, have brought about significant changes in the competitive environment for the electricity business, and electricity businesses are required to develop businesses that start at the electricity-related markets.

- ➔ In order to carry out focused investigations towards arranging our organization and work mechanisms to optimize market transactions, we established the “Energy Business Portfolio Optimization Project” as a temporary project (until about June of 2026) that reports directly to the President.

Establishment of the “Corporate Management Division”

We forecast construction work for safety measures at Shimane Nuclear Power Station Unit 3 and elsewhere as well as investment related to decarbonization with an eye on the future.

- ➔ In order to steadily proceed with necessary investment while enhancing cash management and ensuring a balance of income and expenditures as well as a financial base, we will establish a “Corporate Management Division” that integrates the corporate management work performed by the Corporate Planning Division and the funding procurement work performed by the Corporate Finance and Procurement Division.

Establishment of the “Risk Management Division”

As the electricity market becomes more functionally advanced, the risks involved in the electricity business are becoming more complex and their impact on business is expanding.

- ➔ In order to enhance our functions for managing such risks, we will establish a “Risk Management Division” to gather these functions in one place.

Supplemental Data

Management status and major financial data for the past 10 years can be downloaded in Excel format on our website.

<At a Glance> <https://www.energia.co.jp/e/ir/info/glance.html>

<Major Financial Data> https://www.energia.co.jp/e/ir/info/financial_data.html



■ Consolidated Statements of Operations (Billions of yen)

	FY 3/2025	FY 3/2024
Overview of financial results	Decrease in revenue (-99.5) Decrease in profit (-65.5) for the first time in 3 years	Decrease in revenue (-65.8) Increase in profit (+300.8) for the first time in 4 years
Operating revenues	1,529.2	1,628.7
Operating income	129.1 (8th)	206.7 (1st)
Ordinary income	128.5 (2nd)	194.0 (1st)
Profit attributable to owners of parent	98.4 (2nd)	133.5 (1st)

■ Consolidated Balance Sheets (Billions of yen)

	FY 3/2025	FY 3/2024
Total assets	4,360.9	4,133.2
Net assets	705.8	613.4
Shareholders' equity ratio	16.2% (18.5% ^(Note 4))	14.6% (17.1% ^(Note 4))
Interest-bearing debts	3,181.3	3,004.2

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

Note 2: Rankings indicate ranking since FY 3/1995.

Note 3: Rankings are simple comparisons against past amounts as of the time of each settlement.

Note 4: 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.

(Billions of yen)

	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)
Cash flows from operating activities	186.0	271.3	-85.3
Cash flows from investing activities	-358.8	-202.0	-156.8
Free Cash Flow	-172.8	69.3	-242.1
Cash flows from financing activities	161.1	-17.1	178.3
Cash and cash equivalents (increase and decrease)	-11.7	52.8	

Income Statement <Non-Consolidated>

29

(Billions of yen)

	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)
Ordinary revenues	1,382.1	1,487.7	-105.6
Operating revenues	1,342.2	1,448.1	-105.8
Electricity sales revenue	950.0	1,059.6	-109.6
Others	392.2	388.4	3.7
Non-operating income	39.8	39.5	0.2
Ordinary expenses	1,286.8	1,342.0	-55.2
Operating expenses	1,258.3	1,312.3	-54.0
Personnel	42.6	41.2	1.4
Retirement allowances	1.0	1.0	-0.0
Material	670.1	731.0	-60.8
Fuel	261.5	384.1	-122.5
Purchased power	408.6	346.8	61.7
Maintenance	58.9	57.8	1.1
Depreciation	59.5	50.6	8.9
Transmission fees of connected supply	267.5	274.1	-6.5
Others	159.3	157.4	1.9
Non-operating expenses	28.5	29.7	-1.2
Ordinary profit (Operating profit)	95.2 (83.9)	145.6 (135.8)	-50.3 (-51.8)
Provision of reserve for water shortage	–	-0.1	0.1
Extraordinary income	12.1	6.4	5.6
Extraordinary losses	7.0	–	7.0
Income taxes, etc.	17.5	40.2	-22.7
Profit	82.9	112.0	-29.1

(Billions of yen)

	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)
Ordinary revenues	511.3	479.7	31.5
Operating revenues	509.7	478.2	31.5
Transmission revenue	349.8	342.1	7.7
Others	159.8	136.0	23.8
Non-operating income	1.5	1.5	-0.0
Ordinary expenses	491.2	434.3	56.8
Operating expenses	484.7	428.3	56.3
Personnel	43.7	45.4	-1.7
Retirement allowances	1.1	1.2	-0.1
Material	207.2	158.0	49.2
Fuel	3.3	3.2	0.1
Purchased power, etc.	203.8	154.7	49.0
Maintenance	67.8	64.6	3.1
Depreciation	41.8	40.2	1.6
Others	124.1	120.0	4.0
Non-operating expenses	6.5	5.9	0.5
Ordinary profit (Operating profit)	20.0 (25.0)	45.4 (49.8)	-25.3 (-24.8)
Income taxes, etc.	5.0	12.6	-7.5
Profit	14.9	32.7	-17.8

<Reference> Electricity demand in the Chugoku region

(Billions of kWh)

FY 3/2025	FY 3/2024	Difference
55.35	54.04	1.30

■ FY 3/2025

(Billions of kWh)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
Total electricity sales volume		3.97 (-1.1%)	3.59 (-7.4%)	3.63 (-8.2%)	4.20 (-7.5%)	4.82 (-1.4%)	4.56 (-4.3%)	4.05 (-2.7%)	3.66 (-5.8%)	4.17 (-4.4%)	5.33 (7.4%)	5.04 (7.3%)	4.75 (4.6%)	51.75 (-1.7%)
Retail electricity sales volume	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%)	1.05 (5.3%)	0.98 (-3.5%)	1.29 (-1.9%)	1.91 (6.6%)	1.84 (9.9%)	1.56 (3.0%)	15.53 (3.2%)
	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%)	2.25 (-12.1%)	2.00 (-12.3%)	2.04 (-13.2%)	2.20 (-8.9%)	2.18 (-9.9%)	2.16 (-10.2%)	26.19 (-11.4%)
	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%)	3.30 (-7.2%)	2.98 (-9.6%)	3.33 (-9.2%)	4.11 (-2.3%)	4.02 (-1.8%)	3.72 (-5.1%)	41.72 (-6.5%)
Electricity sales volume to other power companies		0.62 (10.1%)	0.62 (-3.4%)	0.67 (0.4%)	0.87 (4.7%)	0.94 (22.0%)	0.76 (13.6%)	0.75 (24.5%)	0.68 (16.1%)	0.85 (20.4%)	1.22 (61.0%)	1.02 (69.1%)	1.03 (65.4%)	10.02 (25.0%)

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.

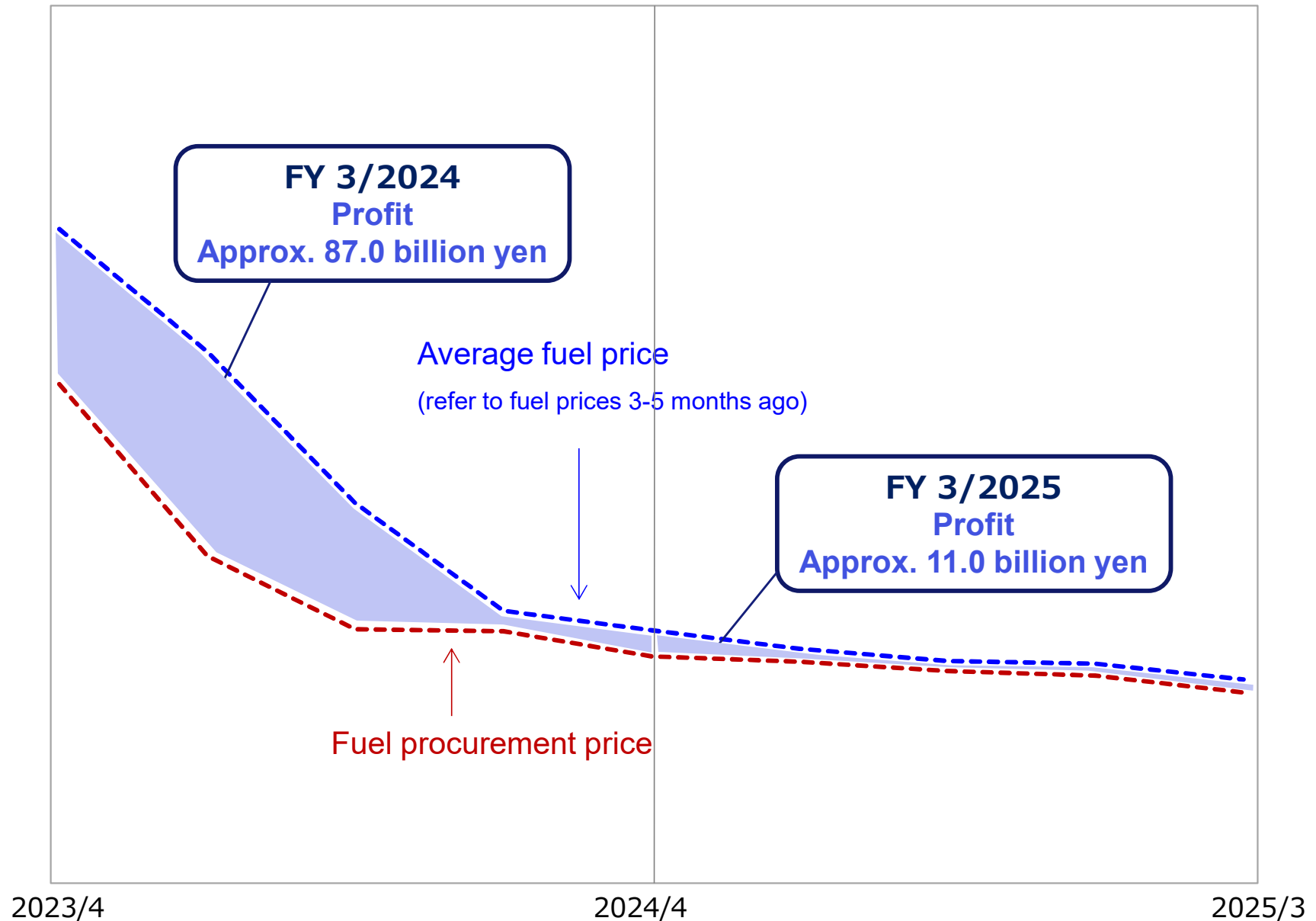
Note3: Figures in parentheses indicate the percentage change from the previous fiscal year.

Note4: There may be discrepancies in totals due to rounding.

<Reference> Average monthly temperature (Hiroshima city)

(°C)

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
FY 3/2025	17.5	19.6	23.5	28.9	30.7	28.8	21.3	14.3	7.4	5.7	4.1	10.6
Difference from average year	2.7	0.0	0.3	1.7	2.2	4.1	2.5	1.4	-0.1	0.3	-2.1	1.1
Difference from previous year	1.8	-0.3	0.2	1.0	0.7	1.6	2.4	0.3	-0.8	-0.8	-4.3	1.0



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).

(1) Procurement volume (Note 1)

	Unit	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)
Fuel oil	million liters	90	410	-320
Coal (Note 2)	thousand tons	5,960	5,390	570
LNG (Note 2)	thousand tons	1,570	1,750	-180

Note 1: The impact of inventories included

Note 2: Sales included

(2) Consumption volume

	Unit	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)
Fuel oil	million liters	100	430	-330
Coal	thousand tons	5,290	5,480	-190
LNG	thousand tons	1,080	1,340	-260

(Billions of yen)

	Non-Consolidated			Chugoku Electric Power Transmission & Distribution Co., Inc.		
	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)	FY 3/2025 (A)	FY 3/2024 (B)	Difference (A-B)
Capital expenditure	249.7 (220.9)	147.8 (134.3)	101.8 (86.5)	78.7	66.5	12.1

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

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

	End of FY 3/2025 (A)	End of FY 3/2024 (B)	Difference (A-B)
Interest-bearing debts	3,181.3	3,004.2	177.1
Bonds	1,326.2	1,227.7	98.5
Long-term borrowings	1,752.5	1,680.9	71.6
Short-term borrowings	78.8	72.5	6.3
Commercial paper	—	—	—
Lease obligations	23.6	22.9	0.6

(2) Interest rate <Non-Consolidated>

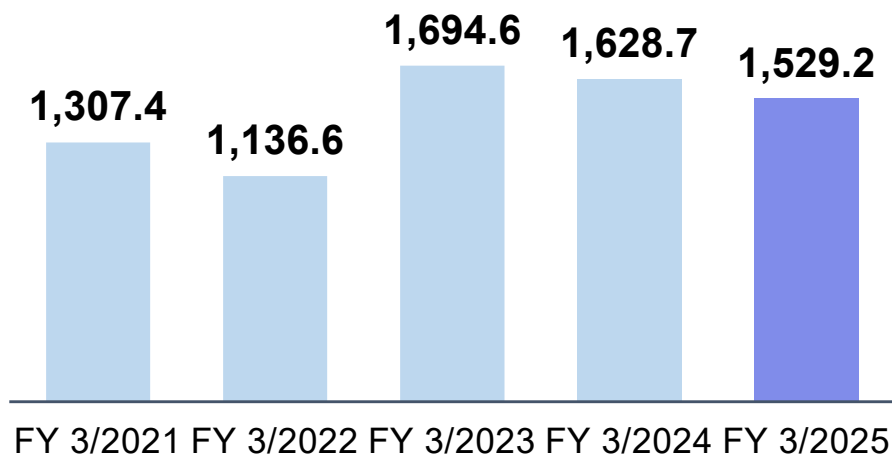
	FY 3/2025	FY 3/2024
Average	0.72%	0.59%

(3) Interest expense <Non-Consolidated> (Billions of yen)

	FY 3/2025	FY 3/2024
Interest expense	14.2	12.3

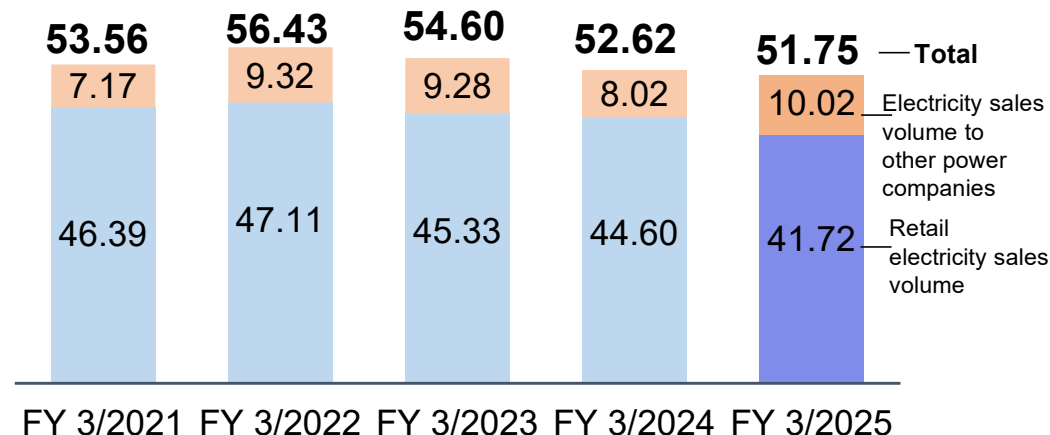
Operating revenues (consolidated)

(Billions of yen)



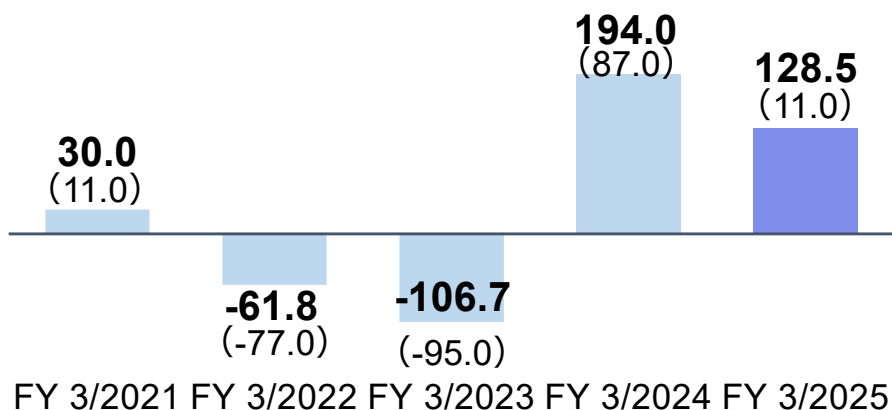
Electricity sales volume

(Billions of kWh)



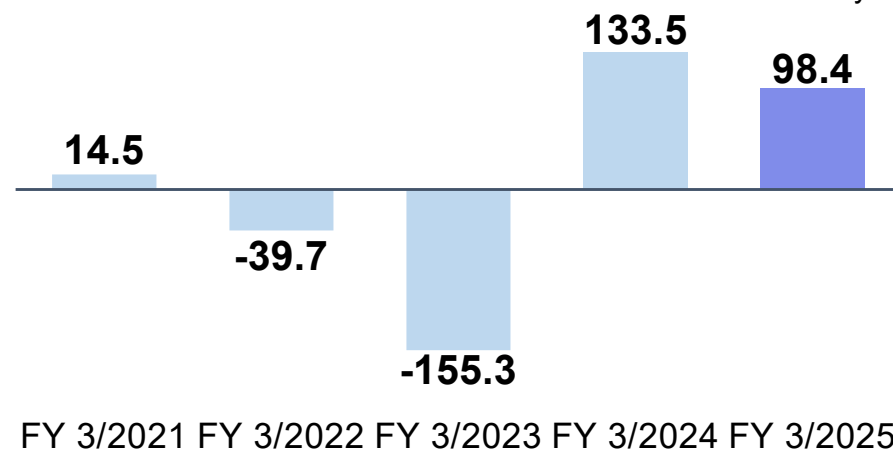
Ordinary profit (consolidated)

(Billions of yen)



Profit (consolidated)

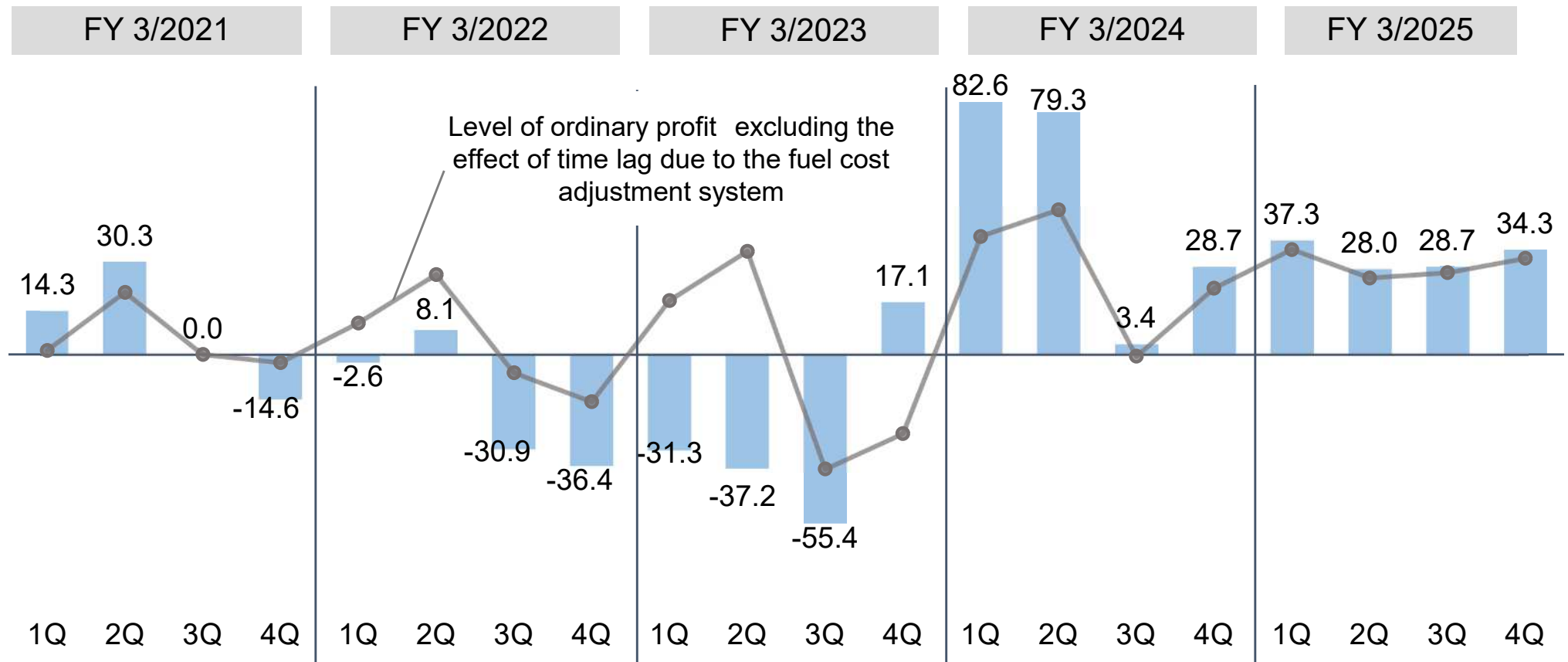
(Billions of yen)



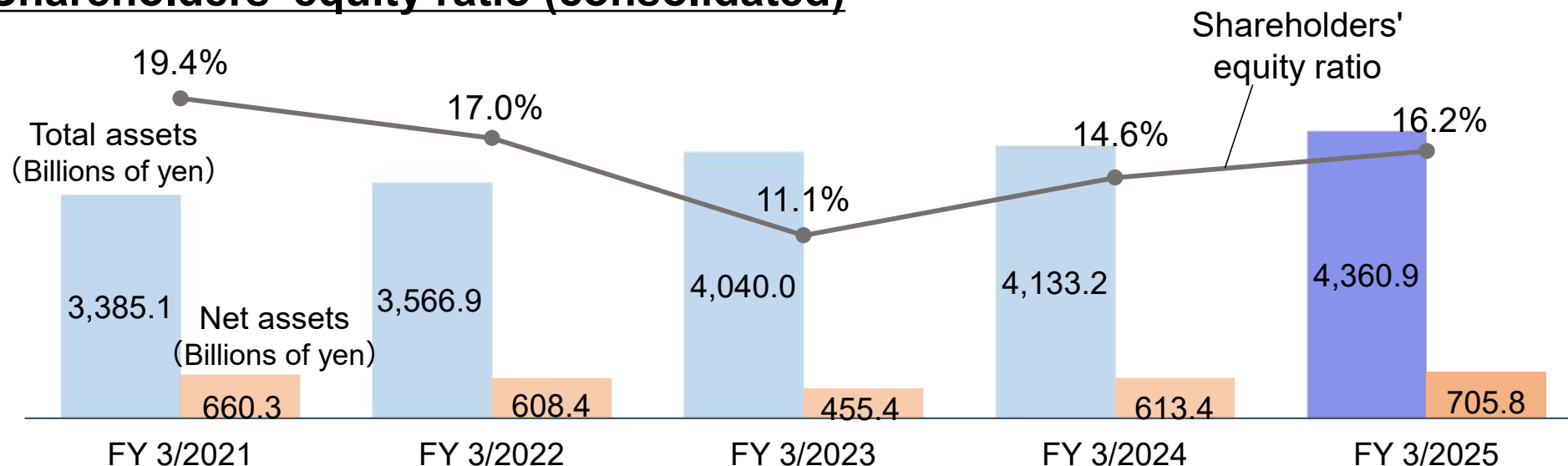
*Values in parentheses () denote the impact of the time lag due to the fuel cost adjustment amounts.

Trends in Ordinary Profit by Quarter<Consolidated>

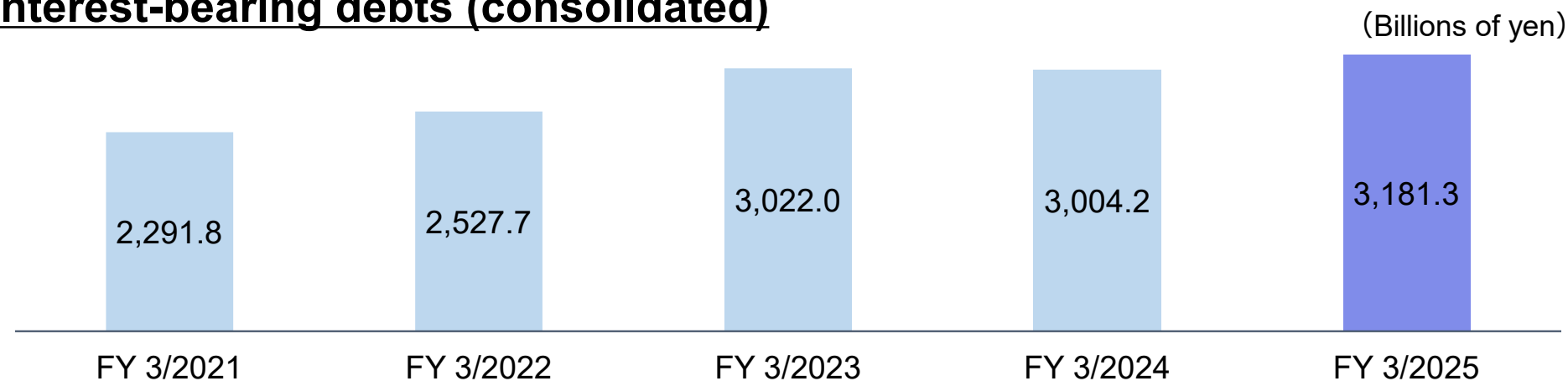
(Billions of yen)



Shareholders' equity ratio (consolidated)



Interest-bearing debts (consolidated)



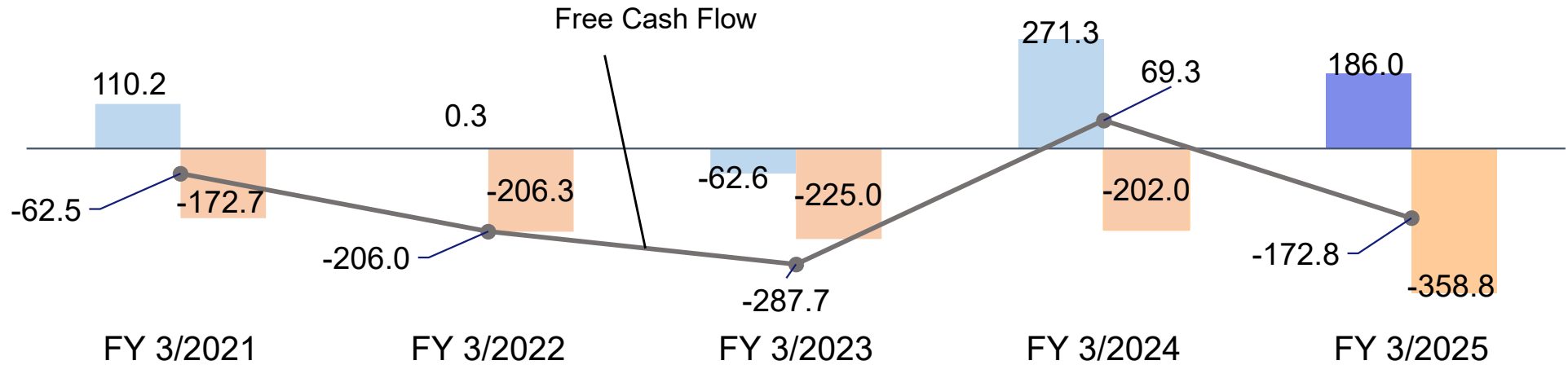
Average interest rate during term (Chugoku Electric Power)

0.55%	0.48%	0.49%	0.59%	0.72%
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Cash flows (consolidated)

■ Cash flows from operating activities
 ■ Cash flows from investing activities

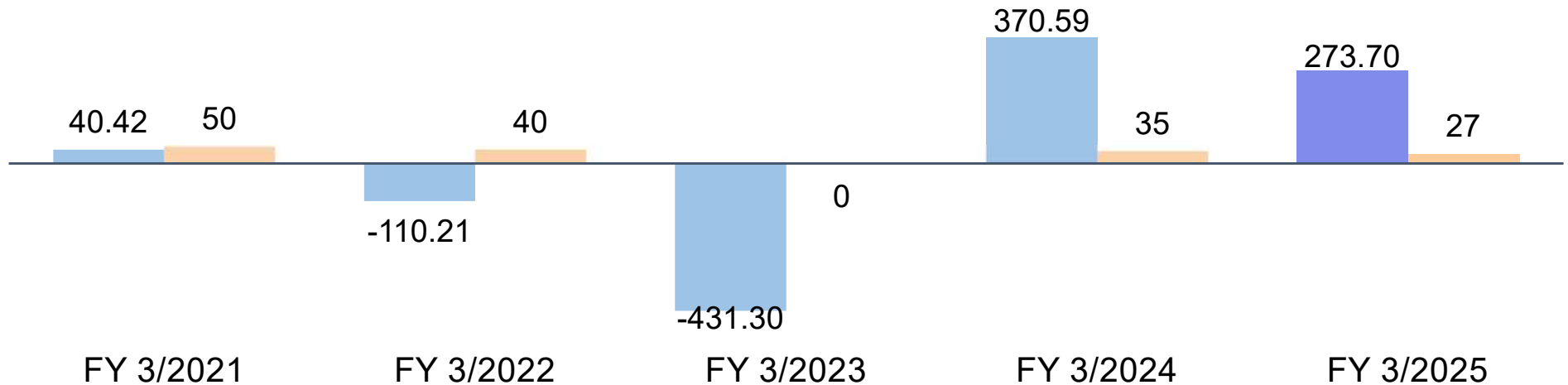
(Billions of yen)



EPS (consolidated)/Dividends

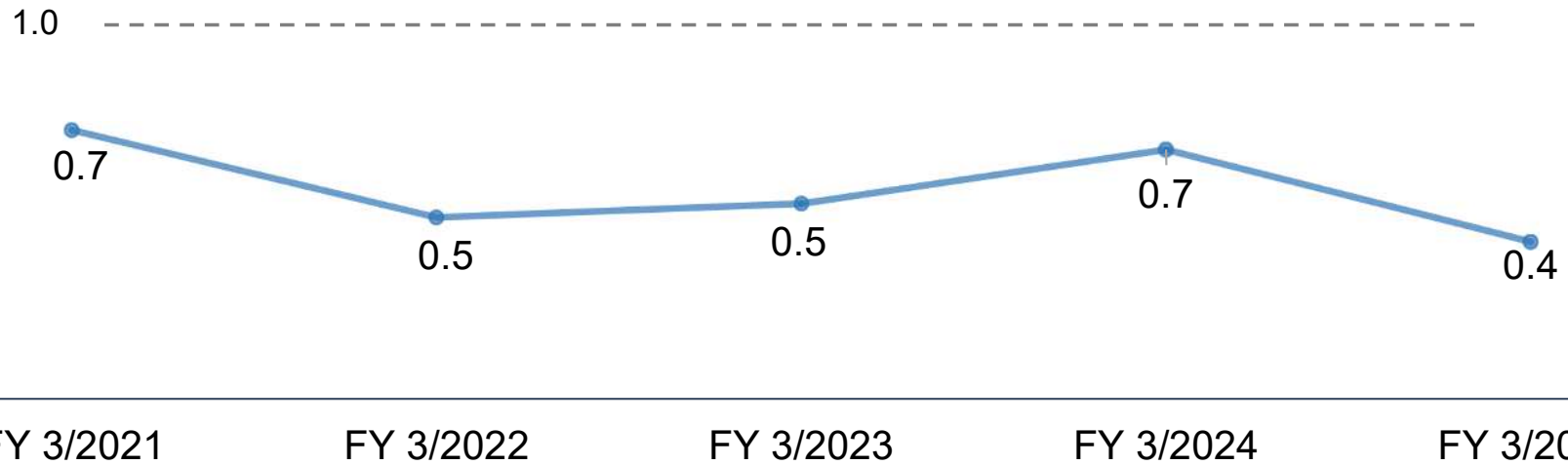
■ EPS
 ■ Dividend

(Yen/share)



PBR (price book-value ratio)

(Multiple)

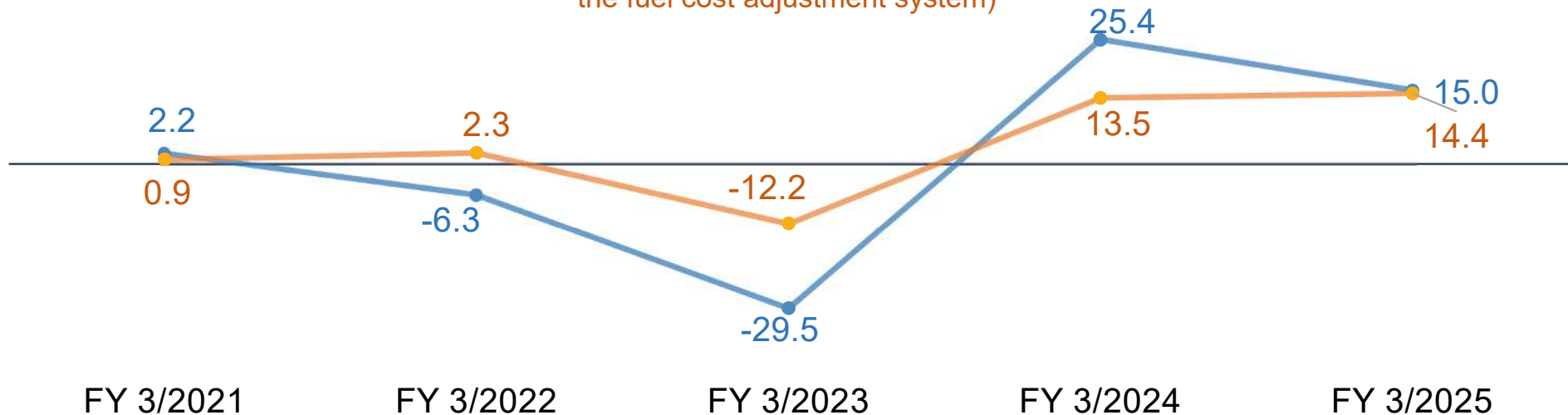


ROE (return on equity)

— ROE

— ROE (excluding the effect of the time lag due to the fuel cost adjustment system)

(%)



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