

The Summary of Financial Results for FY 3/2026-2Q (April 1 through September 30, 2025)

The Chugoku Electric Power Co., Inc.

November 14, 2025

In this report, the term Fiscal Year 3/2026 refers to the period between April 1, 2025 and March 31, 2026.

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(Supplemental Data)

I. Financial Results for FY 3/2026-2Q

1. Summary of Consolidated Financial Results

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- **Operating revenues fell** by ¥15.6 billion year on year to ¥726.2 billion due to the factors such as the revisions in the standard electricity rate plan for high voltage and extra-high voltage and a decline in fuel cost adjustment amounts in conjunction with falling fuel prices, despite an increase in retail electricity sales volume.
- Operating profit increased by ¥21.0 billion year on year to ¥90.9 billion. This was mainly due to the profit improvement from the operation of Shimane Nuclear Power Station Unit 2 and an increase in the profit from the time lag of the fuel cost adjustment system, despite the effect of increased competition in wholesale and retail businesses.
- **Ordinary profit** including non-operating profit/loss such as interest paid **increased** by ¥19.1 billion year on year to ¥84.5 billion.
- Profit attributable to owners of parent after recording extraordinary income and deducting income taxes increased by ¥13.0 billion year on year to ¥64.7 billion.

(Billions of yen)

	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)	YoY growth (A-B)/B
Operating revenues	726.2	741.9	-15.6	-2.1%
Operating profit	90.9	69.8	21.0	30.1%
Ordinary profit	84.5	65.4	19.1	29.2%
Profit attributable to owners of parent	64.7	51.6	13.0	25.3%

2. Consolidated Statements of Operations

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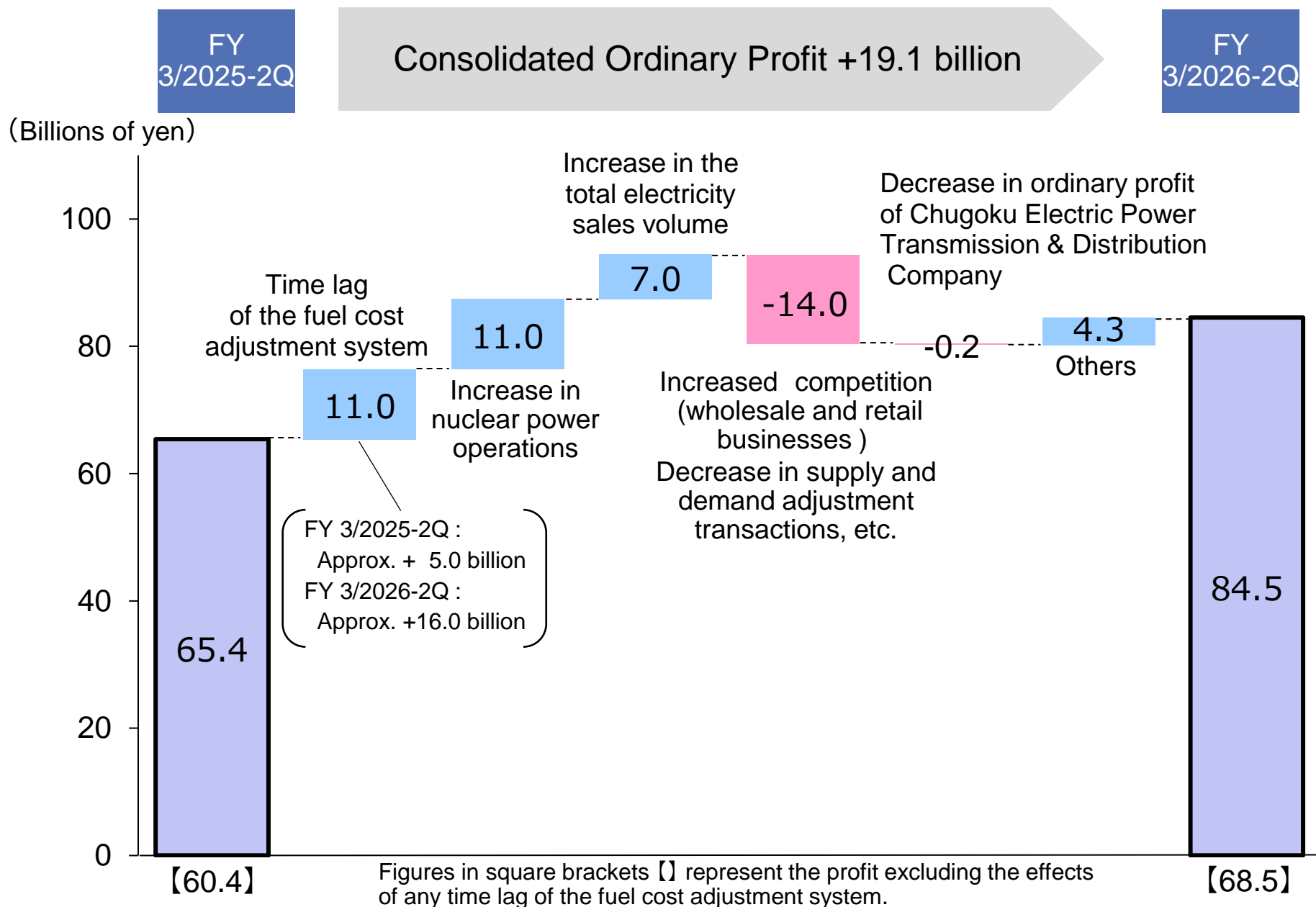
(Billions of yen)

	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)
Ordinary revenues	741.6	752.1	-10.4
Operating revenues	726.2	741.9	-15.6
Non-operating income	15.4	10.2	5.1
Ordinary expenses	657.1	686.7	-29.5
Operating expenses	635.3	672.0	-36.6
Non-operating expenses	21.8	14.7	7.1
Operating profit	90.9	69.8	21.0
Ordinary profit	84.5	65.4	19.1
Extraordinary income	4.3 ^(Note1)	12.1 ^(Note1)	-7.7
Extraordinary losses	—	7.0 ^(Note2)	-7.0
Income taxes	24.1	18.9	5.2
Profit attributable to owners of parent	64.7	51.6	13.0

Note1: The Company recorded gains on sales of nuclear fuel.

Note2: The Company recorded a loss on sales of property due to the transfer of the land, buildings, and equipment of the former Shimonoseki Power Station.

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



4. Total Electricity Sales Volume

- Total electricity sales volume increased by 15.3% year on year to 28.55 billion kWh.
- Retail electricity sales volume increased by 9.5% year on year to 22.19 billion kWh.
- Electricity sales volume to other power companies increased by 41.6% year on year to 6.36 billion kWh.

(Billions of kWh)

			FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A - B)	YoY growth (A - B)/B
Total electricity sales volume			28.55	24.76	3.79	15.3%
	Retail electricity sales volume	Lighting	6.81	6.91	-0.10	-1.4%
		Power	15.37	13.36	2.02	15.1%
		Subtotal	22.19	20.27	1.92	9.5%
	Electricity sales volume to other power companies		6.36	4.49	1.87	41.6%

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

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- Generated and received electricity increased by 15.3% year on year to 30.64 billion kWh.
- Our own thermal power generation increased due to factors such as the rise in total electricity sales volume.
- Nuclear power generation increased as a result of the operation of Shimane Nuclear Power Station Unit 2.

(Billions of kWh)

	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A - B)	YoY growth (A - B)/B
Generated and received electricity	30.64	26.57	4.07	15.3%
Generated by Chugoku Electric Power	18.09	13.51	4.57	33.8%
(Water flow rate)	(85.8%)	(94.8%)	(-9.0%)	
Hydroelectric	1.91	1.86	0.05	2.9%
Thermal	12.41	11.61	0.8	6.9%
(Capacity factor)	(102.0%)	(-)	(102.0%)	
Nuclear	3.67	—	3.67	—
New energy sources	0.10	0.05	0.04	80.3%
Received from other companies	13.55	13.66	-0.11	-0.8%
Power used for water pumping	-1.00	-0.60	-0.40	65.7%

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 the factors such as the revisions in the standard electricity rate plan for high voltage and extra-high voltage and a decline in fuel cost adjustment amounts in conjunction with falling fuel prices, despite an increase in retail electricity sales volume. Operating profit increased mainly due to the profit improvement from the operation of Shimane Nuclear Power Station Unit 2 and an increase in the profit from the time lag of the fuel cost adjustment system.
- In the power transmission and distribution business, operating profit increased primarily due to an increase in standard connection and wheeling revenue, as well as increased profit from settlements among general electricity transmission and distribution utilities, despite an increase in maintenance expenses.

(Billions of yen)

		FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)
Comprehensive energy	Operating revenues	667.7	689.1	-21.4
	Operating profit	74.8	52.4	22.3
Power transmission and distribution	Operating revenues	237.5	253.0	-15.5
	Operating profit	15.1	14.6	0.4
Information and tele-communications	Operating revenues	22.9	21.9	0.9
	Operating profit	1.9	2.4	-0.4
Others	Operating revenues	44.0	48.8	-4.7
	Operating profit	0.1	2.0	-1.8
Adjustment	Operating revenues	(-246.1)	(-271.2)	(25.1)
	Operating profit	(-1.2)	(-1.7)	(0.4)
Total	Operating revenues	726.2	741.9	-15.6
	Operating profit	90.9	69.8	21.0

■ Key factors

	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)
Exchange rate (¥/\$)	146	153	-7
All Japan CIF crude oil price (\$/b)	73.7	86.7	-13.0
All Japan CIF imported coal price (\$/t)	119.7	155.2	-35.5
Nuclear capacity factor (%)	102.0	—	102.0

Note: Crude oil and imported coal CIF prices are preliminary figures for FY 3/2026-2Q.

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

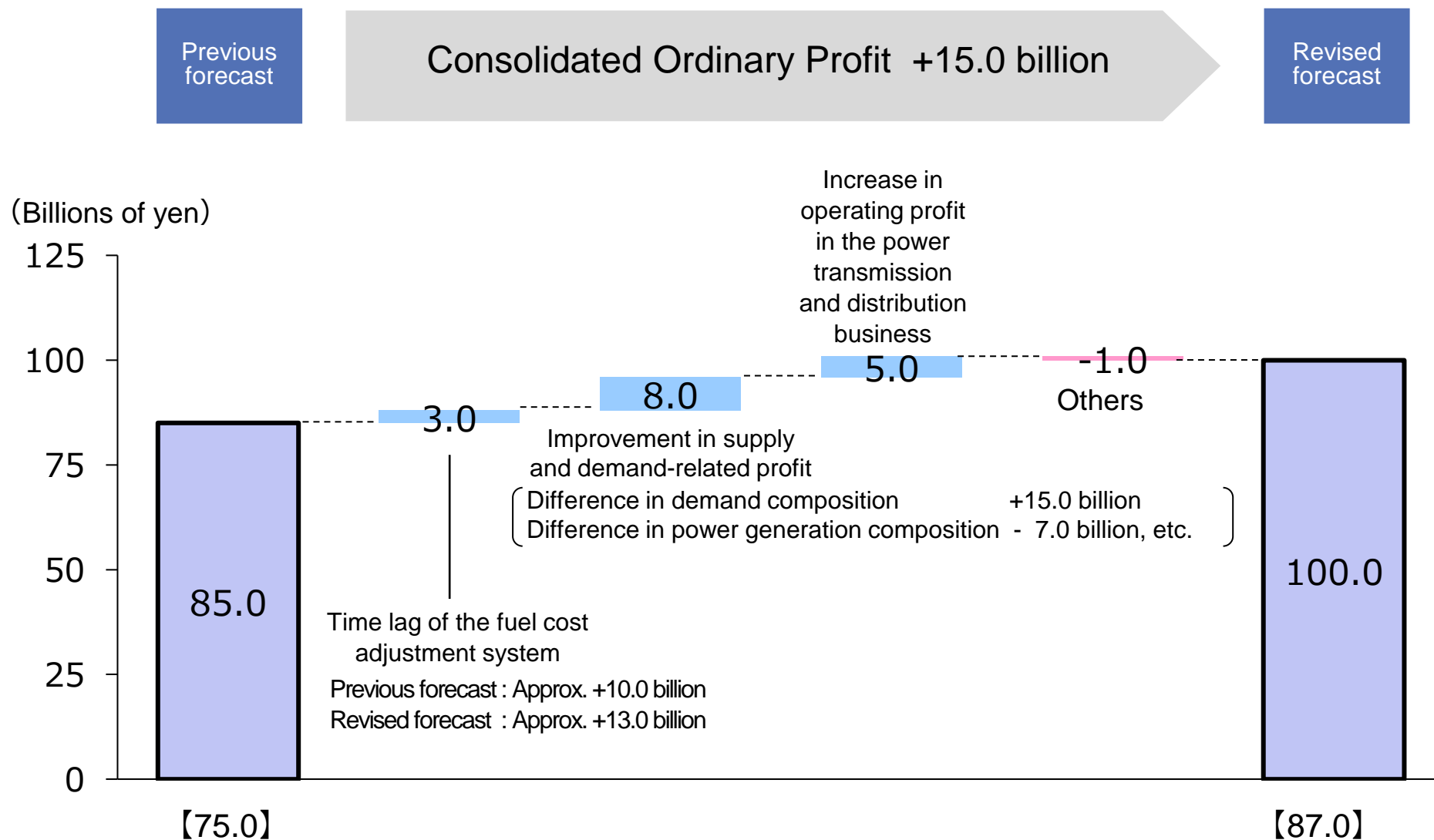
1. Summary of Consolidated Financial Results Forecast

- Profit is expected to increase compared with the previous forecast mainly due to improvement in supply and demand-related profit and an increase in the profit from the time lag of the fuel cost adjustment system.

	FY 3/2026 (Revised forecast) (A)	FY 3/2026 (Previous forecast / April 2025) (B)	Difference (A-B)	(Billions of yen) 【Reference】 FY 3/2025
Operating revenues	1,400.0	1,400.0	-	1,529.2
Operating profit	115.0	95.0	20.0	129.1
Ordinary profit	100.0	85.0	15.0	128.5
Profit attributable to owners of parent	81.0	65.0	16.0	98.4
Shareholders' equity ratio	Approx. 16.6% (Approx. 19% ^(Note))	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 previous forecast)



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 previous forecast) 10

- In the comprehensive energy business, profit is expected to increase compared with the previous forecast mainly due to improvement in supply and demand-related profit and an increase in the profit from the time lag of the fuel cost adjustment system.
- In the power transmission and distribution business, profit is expected to increase compared with the previous forecast mainly due to an increase in standard connection and wheeling revenue and a decrease in expenses related to supply and demand adjustments.

(Billions of yen)

		FY 3/2026 (Revised forecast) (A)	FY 3/2026 (Previous forecast / April 2025) (B)	Difference (A-B)	【Reference】 FY 3/2025
Comprehensive energy	Operating revenues	Approx. 1,300.0	Approx. 1,320.0	-20.0	1,408.0
	Operating profit	Approx. 95.0	Approx. 80.0	15.0	95.1
Power transmission and distribution	Operating revenues	Approx. 430.0	Approx. 410.0	20.0	511.5
	Operating profit	Approx. 15.0	Approx. 10.0	5.0	25.2
Information and tele-communications	Operating revenues	Approx. 47.0	Approx. 47.0	-	49.4
	Operating profit	Approx. 4.0	Approx. 4.0	-	4.7
Others	Operating revenues	Approx. 105.0	Approx. 105.0	-	110.5
	Operating profit	Approx. 3.0	Approx. 3.0	-	7.5
Adjustment	Operating revenues	(Approx. -482.0)	(Approx. -482.0)	-	(-550.3)
	Operating profit	(Approx. -2.0)	(Approx. -2.0)	-	(-3.4)
Total	Operating revenues	Approx. 1,400.0	Approx. 1,400.0	-	1,529.2
	Operating profit	Approx. 115.0	Approx. 95.0	20.0	129.1

Reference (Factors Affecting Consolidated Ordinary Profit (Compared to FY 3/2025))

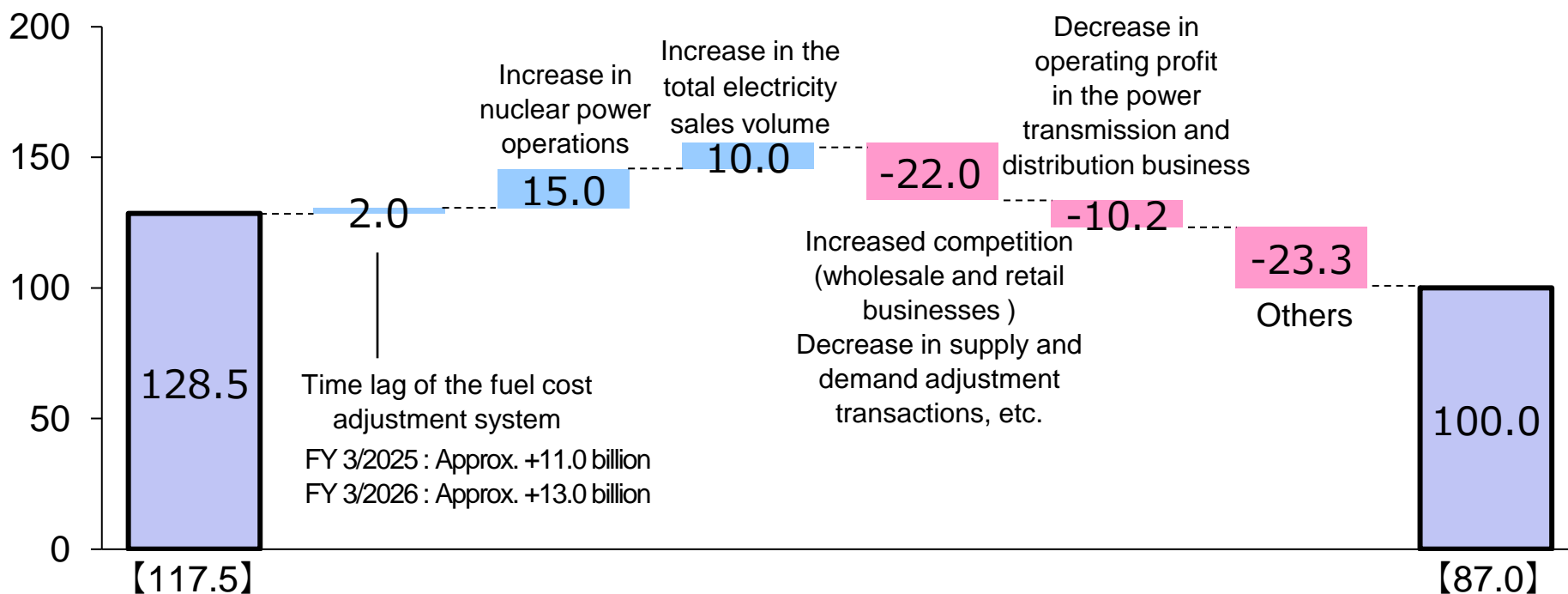
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FY
3/2025

Consolidated Ordinary Profit -28.5 billion

FY 3/2026
Forecast

(Billions of yen)

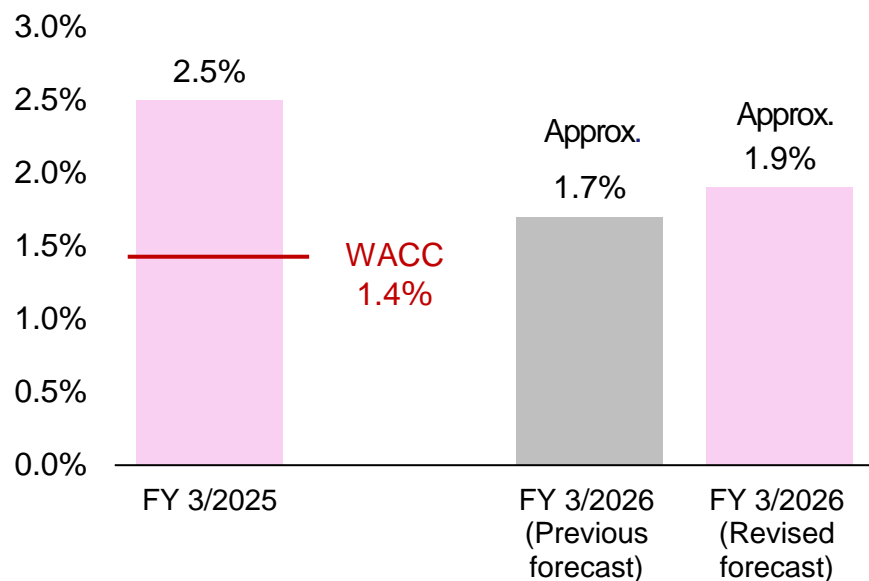


Figures in square brackets 【】 represent the profit excluding the effects of any time lag of the fuel cost adjustment system.

- Both ROIC and ROE are expected to increase, as profits are projected to rise compared to the previous forecast.

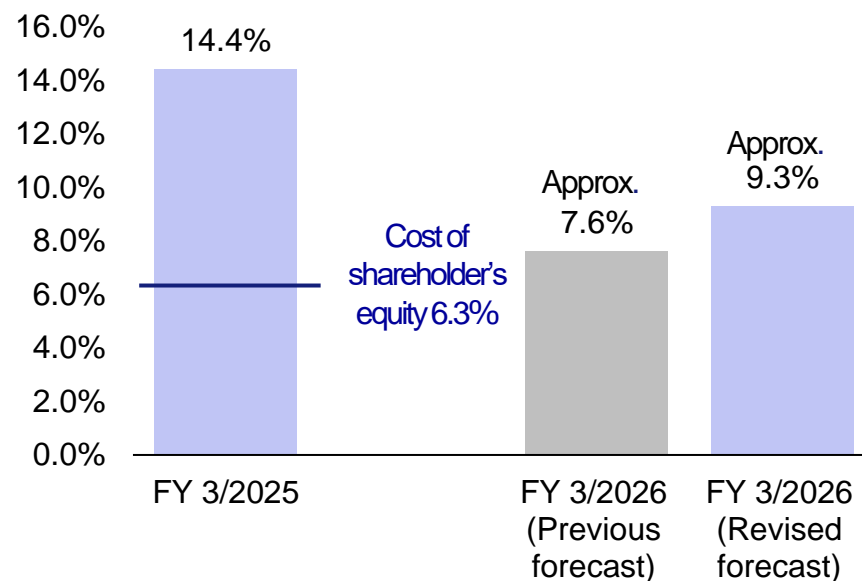
ROIC

(excluding impacts from time lag of the fuel cost adjustment system)



ROE

(excluding impacts from time lag of the fuel cost adjustment system)



Note 1 : Invested capital for ROIC and shareholder's equity for ROE are calculated based on averages at the beginning and end of the period.

Note 2 : The profit used for ROIC calculation is business profit (after tax), which is operating profit plus dividend income, etc.

Note 3 : WACC and cost of shareholder's equity have been calculated based on CAPM.

Note 4 : Beta value of 0.81 (for Chugoku Electric in FY 3/2025), market risk premium of 6.5%.

	FY 3/2026 (Revised forecast)		FY 3/2025	
	Operating profit (Billions of yen)	ROIC	Operating profit (Billions of yen)	ROIC
Comprehensive energy	Approx. 95.0 [Approx. 80.0]	Approx. 2.4% [Approx. 2.1%]	Approx. 95.1	2.6%
Power transmission and distribution	Approx. 15.0 [Approx. 10.0]	Approx. 1.0% [Approx. 0.7%]	Approx. 25.2	1.8%
Information and tele-communications	Approx. 4.0 [Approx. 4.0]	Approx. 4.9% [Approx. 4.9%]	Approx. 4.7	5.7%

Note 1 : ROIC of comprehensive energy is calculated excluding impacts from time lag of the fuel cost adjustment system.

Note 2 : Figures in [] are previous forecasts announced on April 30, 2025.

Note 3 : Invested capital for ROIC is calculated based on averages at the beginning and end of the period.

Note 4 : The profit used for ROIC calculation is business profit (after tax), which is operating profit plus dividend income, etc.

- Compared with the previous forecast, profit is expected to increase mainly due to improvement in supply and demand-related profit, an increase in the profit from the time lag of the fuel cost adjustment system, and improvement in the profit from the power transmission and distribution business.
- We will thoroughly manage risks associated with profit fluctuations such as increases in procurement costs of materials and equipment due to rising prices, as well as potential impacts on electricity demand from winter temperatures and U.S. tariff measures, in addition to fluctuations in exchange rates and fuel prices going forward. We will also work to achieve further profit growth by ensuring stable operation of the Shimane Nuclear Power Station, capturing earnings opportunities through market utilization, and improving efficiency across overall management.

6. Key Factors

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	FY 3/2026 (Revised forecast) (A)	FY 3/2026 (Previous forecast / April 2025) (B)	Difference (A-B)	【Reference】 FY 3/2025
Total electricity sales volume (Billions of kWh)	57.5	57.4	0.1	51.75
Exchange rate (¥/\$)	148	145	3	153
All Japan CIF crude oil price (\$/b)	70	75	-5	82.4
Nuclear capacity factor (%)	86	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 (Revised forecast) (A)	FY 3/2026 (Previous forecast / April 2025) (B)	Difference (A-B)	【Reference】 FY 3/2025
Exchange rate (¥1/\$)	1.9	2.0	-0.1	2.1
All Japan CIF crude oil price (\$1/b)	1.5	1.3	0.2	1.5
Water flow rate (1%)	0.3	0.3	-	0.4
Nuclear capacity factor (1%)	0.7	0.7	-	0.9

- Based on the dividend policy announced in April 2025, with the basic dividend ratio of 12% as a guide, the annual dividend for FY 3/2026 has been revised at ¥27 per share.
- The Board of Directors resolved at a meeting held in October 31, 2025 to pay an interim dividend of ¥10 per share, while the year-end dividend forecast has been revised ¥17 per share.

《Dividends》

(Dividends per share)

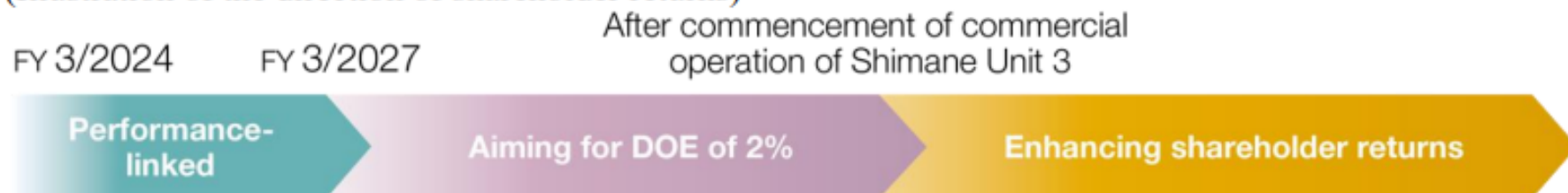
	FY 3/2026	FY 3/2025
Interim	¥10	¥5
Year-end	¥17 (Forecast)	¥22
Total	¥27 (Forecast)	¥27

- In formulating the Chugoku Electric Power Group Corporate Vision 2040, from the perspective of enhancing alignment with our financial strategy and improving the predictability of dividends, we will revise our dividend policy from FY 3/2027 and introduce the DOE (dividend on equity) approach.

(Direction of Shareholder Returns)

- In order to provide shareholders with stable dividends even during the process of rebuilding our financial base, we will introduce the concept of dividend on equity (DOE) in deciding dividends from FY 3/2027 onward, when we will begin to carry out the Chugoku Electric Power Group Corporate Vision 2040.
- Specific dividend levels will be determined based on a comprehensive consideration of factors such as the status of rebuilding our financial base, while aiming for a DOE of 2% until the start of commercial operation at Shimane Nuclear Power Station Unit 3.
- After the commencement of commercial operation of Shimane Nuclear Power Station Unit 3, we plan to further enhance shareholder returns in light of improved business performance and stable positive free cash flow expected.

(Illustration of the direction of shareholder returns)



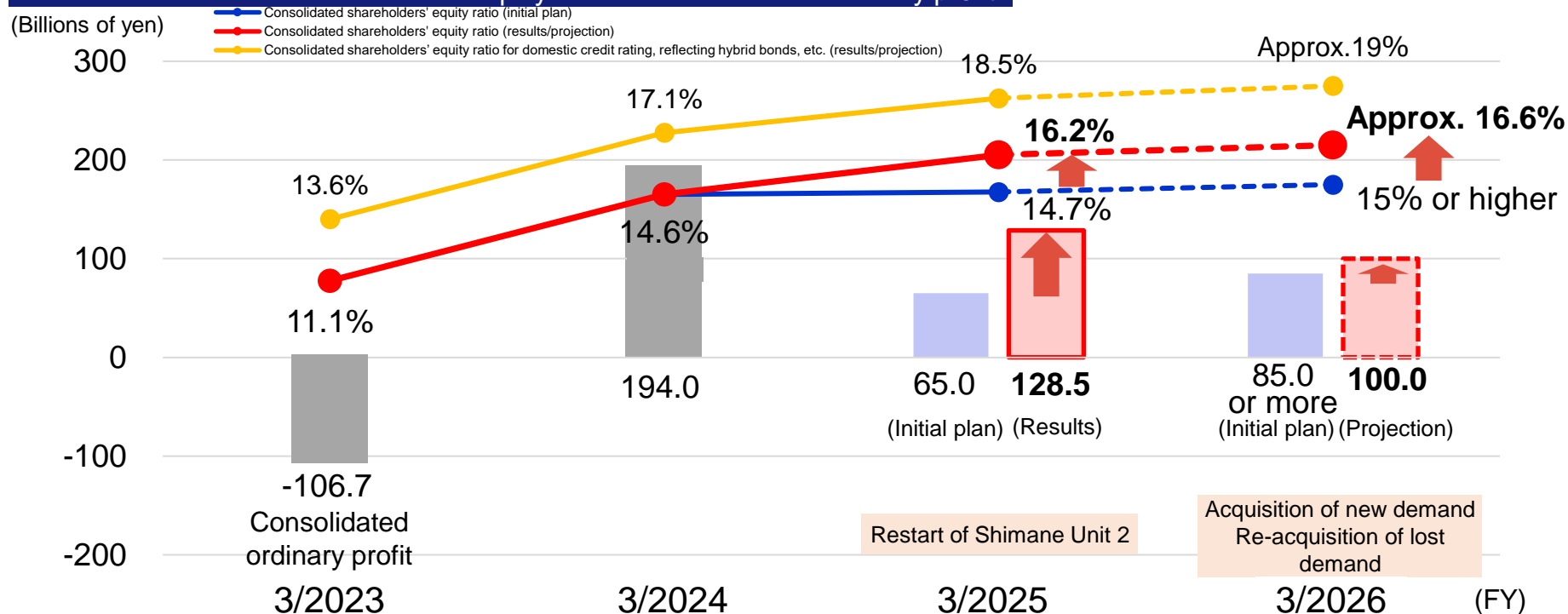
III. Progress of the Group Medium-term Management Plan and Future Actions

1. Status of Initiatives under the Group Medium-term Management Plan (2024-2025)

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- The “Group Medium-term Management Plan (2024–2025)” covers the two-year period of FY 3/2025 and FY 3/2026, during which we have been leveraging the collective strength of the Group to focus on restoring our revenue and financial base.
- In FY 3/2025, due to the realization of the Group-wide initiative to restart Shimane Nuclear Power Station Unit 2 last December, as planned, as well as improved efficiency across our overall management, consolidated ordinary profit reached 128.5 billion yen, exceeding the planned level, and the consolidated shareholders’ equity ratio was restored to the targeted 15% one year ahead of the originally scheduled FY 3/2026 year-end.
- For FY 3/2026, we have begun implementing the strategy for expanding revenue in the electricity business that was reviewed last year by a limited-term project team reporting directly to the president. With expectations for securing new demand since the previous fiscal year, consolidated ordinary profit is projected to improve by 15 billion yen from the initial plan, reaching 100 billion yen. In addition, we will continue working to further increase profits in order to achieve our targeted consolidated shareholders’ equity ratio of 20% or higher in FY 3/2031.

Trends in consolidated shareholders’ equity ratio and consolidated ordinary profit



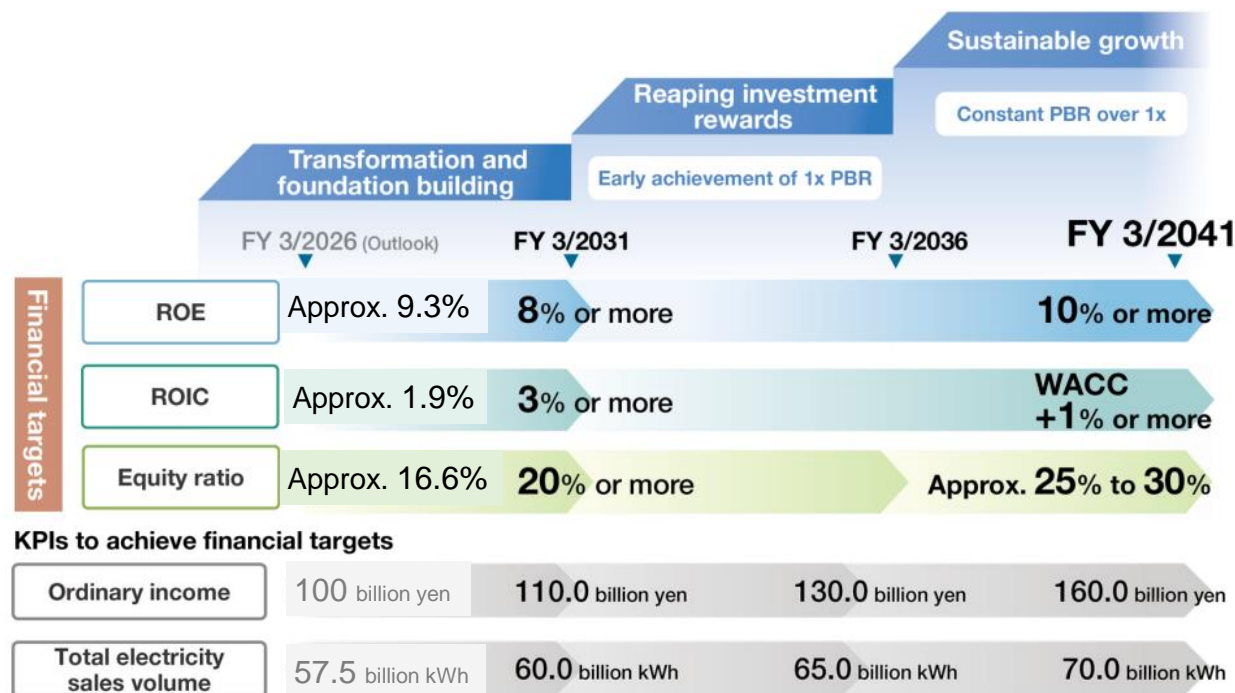
- In addition to the investments made up to the restart of Shimane Nuclear Power Station Unit 2, we will need to procure a substantial amount of capital for Shimane Nuclear Power Station Unit 3 and other decarbonization-related investments that are indispensable for our future growth. We have long been working to diversify both our procurement methods and sources, and we are currently receiving financial support from a wide range of sources.
- We will continue to pursue stable capital procurement by conveying our initiatives for improving our revenue and financial base, as well as our efforts toward carbon neutrality, through careful dialogue with financial institutions and investors. Furthermore, as we view capital procurement risks as a key issue in the process of optimizing our financial leverage levels, we will actively utilize transition finance to ensure stable capital procurement.

FY	Long-term funding amount	Diversification of capital procurement methods (main initiatives)	Reference: Consolidated capital investment amount
FY 3/2024	524.0 billion yen [Results]	<ul style="list-style-type: none"> • <u>Syndicated loan arranged by megabanks, etc.: 120 billion yen</u> Transition-linked Loan ("TLL") arranged by Mizuho Bank. Our first large-scale syndicated loan applying TLL 	229.2 billion yen [Results]
FY 3/2025	458.0 billion yen [Results]	<ul style="list-style-type: none"> • <u>Syndicated loan arranged by regional banks nationwide: 53.9 billion yen</u> TLL arranged by five local regional banks, with participation from 29 regional banks nationwide • <u>Foreign bond issuance: 78.9 billion yen</u> First foreign bond issued by the Company in five years. First 10-year foreign bond issued by an electric power company since the earthquake • <u>Syndicated loan arranged by megabanks, etc.: 103.0 billion yen (*)</u> TLL arranged by Mizuho Bank. Second such arrangement following the one in 2023 * A portion of the arranged amount was drawn down in FY 3/2026. 	340.5 billion yen [Results]
FY 3/2026	311.0 billion yen [Results for April–October]	<ul style="list-style-type: none"> • <u>Issuance of transition bond to fund Shimane Unit 3: 40.0 billion yen</u> First corporate bond issued by an electric power company to fund safety measure work, etc. for newly operating power source (Shimane Unit 3) • <u>Syndicated loan arranged by regional banks nationwide: 109.5 billion yen</u> TLL arranged by five local regional banks, with participation from 46 regional banks nationwide • <u>Borrowing based on Nippon Life Transition Finance Framework: 5.0 billion yen</u> Transition loan to fund capital investment in Shimane Unit 3 and the new Yanai Power Station Unit 2, the first project based on the Transition Finance Framework 	Approximately 300.0 billion yen [Plan]

3. Steps for Realizing Chugoku Electric Power Group Corporate Vision 2040

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- Under the "Chugoku Electric Power Group Corporate Vision 2040," we have set financial targets toward FY 3/2041 with the aim of achieving sustainable growth supported by high capital profitability and a stable financial base.
- Although the ROE forecast for FY 3/2026 exceeds the FY 3/2031 target of 8%, improvements in the equity ratio will place downward pressure on ROE going forward. By working to enhance ROIC, we aim to achieve improvement in both the equity ratio and ROE, thereby realizing stable growth.
- Until FY 3/2031, we will proceed with investments in projects essential for our future growth, such as Shimane Unit 3 and the new Yanai Unit 2, while advancing transformation and foundation building toward sustainable growth. Beyond FY 3/2031, we aim to reap the rewards of these investments, continue achieving sustainable growth supported by high capital profitability and a stable financial base, and establish a PBR consistently over 1x.



Note 1: All financial targets are consolidated figures.
 Note 2: WACC for FY 3/2031 is assumed to be just under 3%.
 Note 3: The forecast for FY 3/2026 is based on the figures published on October 31, 2025. ROE and ROIC exclude the time lag effect of the fuel cost adjustment system.

4. Direction of the Next Medium-term Management Plan Toward Realizing the New Group Corporate Vision

- The Group Medium-Term Management Plan beginning in FY 3/2027 will cover the five-year period through FY 3/2031, during which Shimane Unit 3 and the new Yanai Unit 2 are expected to commence operation. During this period, we will advance efforts to build the foundation for sustainable growth and transformation, aiming to achieve and subsequently maintain a PBR of 1x at an early stage in FY 3/2031 and beyond.
- Specifically, for each of the major issues corresponding to the materiality themes set forth in the “Chugoku Electric Power Group Corporate Vision 2040,” we will further detail the initiatives and proceed with their implementation.

Materiality	Major issue
 Continuous evolution of the energy business	<ul style="list-style-type: none">● Stable energy provision and decarbonization● Utilize nuclear power generation while making safety the top priority● Developing new rate plans and services● Evolving market trading and market risk management
 Expanding the value provided by the Group's collective capabilities to solve community and social issues	<ul style="list-style-type: none">● Leading community GX● Strengthening efforts for regional co-creation and attracting companies● Improving resilience through community partnerships● Business development for stronger local infrastructure and digital evolution● Expanding business domains and areas by leveraging technology and expertise
 Creating an environment where diverse human resources can demonstrate their abilities	<ul style="list-style-type: none">● Retaining and growing diverse personnel● Creating an open workplace that facilitates ambitious challenges● Preventing industrial accidents and maintaining/promoting health● Promoting DX and other methods to increase added value and productivity
 Strengthening the management foundation to achieve higher corporate value	<ul style="list-style-type: none">● Solidifying our financial base and improving capital profitability● Transfer technology (including with suppliers) and maintain the supply chain● Ensure compliance● Evolving governance and risk management for the Group's growth● Enhancing communication with stakeholders

- To achieve a PBR of 1x at an early stage by advancing initiatives to strengthen profitability while enhancing asset efficiency, we will reinforce business management that emphasizes ROIC and stock price under the Group Medium-term Management Plan beginning in FY 3/2027.
- The new Group Medium-term Management Plan, to be titled Action Plan 2026–2030, is scheduled to be announced around the end of April 2026.

*1: Excluding the time lag effect of the fuel cost adjustment system

*2: Target level for FY 3/2031

Return on equity (ROE)

FY 3/2025 result*1: 14.4%

Target*2: 8% or higher

Price book-value ratio (PBR)

FY 3/2025 result: 0.4x

Target: 1x or higher

Price earnings ratio (PER)

FY 3/2025 result: 3.1x

[Promotion of ROIC management]

◆ Enhancing total asset turnover ratio

[FY 3/2025 result: 0.36 times]

- Improving power availability through stable operation of Shimane Unit 2, etc.
- Commencing operation of Shimane Unit 3 and the new Yanai Unit 2
- Streamlining assets • Utilizing project finance • Strengthening materials and equipment procurement capabilities
- Prioritizing investment projects based on stricter cash management, capital costs, etc.

◆ Improving operating profit margin

[FY 3/2025 result*1: 7.7%]

- Developing high value-added rate plans and services, expanding energy solutions such as decarbonization
- Strengthening sales strategy to increase gross profit and enhancing power source procurement functions
- Capturing growing demand within the area driven by electrification in the manufacturing sector and new construction and expansion of data centers
- Enhancing the value of thermal power generation and advancing trading by utilizing electricity trading markets, etc.
- Shifting personnel to profit-generating areas

[Business management that is conscious of stock price]

◆ Enhancing shareholder returns

- Transitioning to DOE and enhancing it in stages

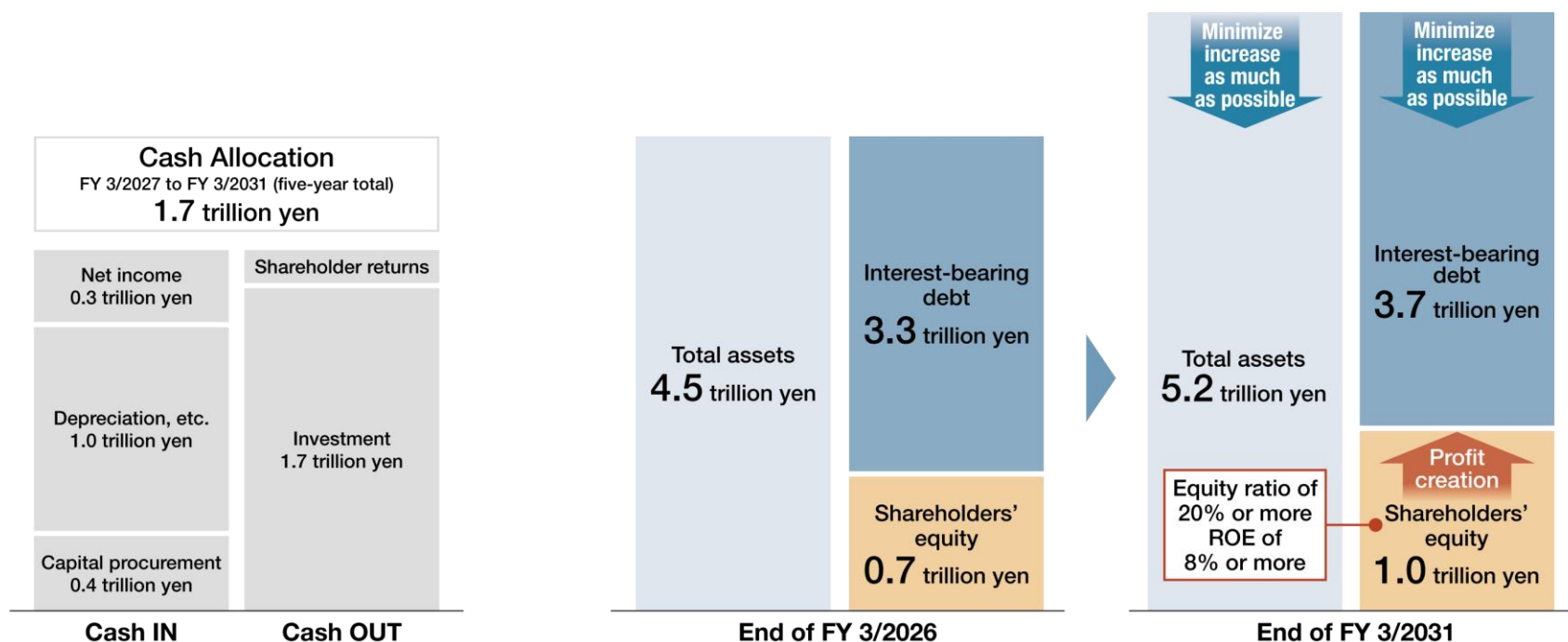
◆ Promoting sustainability management

- Developing a promotion structure • Enhancing KPIs
- Expanding initiatives across the Group

◆ Strengthening engagement activities

- Enhancing information disclosure and promoting constructive dialogue

- Through FY 3/2031, we will use debt financing to invest in the Shimane Unit 3 and New Yanai Power Station Unit 2, which are essential for the Group's future growth, including stabilized management and greater competitiveness, decarbonization, and more.
- In our efforts to curb an increase in liabilities, we will steadily increase profits by enhancing customer services, increasing the value of power sources, evolving trading, and more, while carefully selecting investments outside of Shimane Unit 3 and the new Yanai Unit 2 to the extent that they do not interfere with a stable supply of energy, among other efforts.
- In Action Plan2026-2030, we also intend to disclose details such as the breakdown of investments.



Note 1: Values in the chart are rounded to the nearest whole number. Information on liabilities other than interest-bearing liabilities has been omitted.

Note 2: Graph values are assumptions made at the time the Group Corporate Vision was formulated, and do not constitute a guarantee.

(Reference) Initiatives to Restore Financial Base and Achieve Stable Capital Procurement, etc.

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- Electricity rate revisions and the restart of Shimane Unit 2 have contributed to steadily restoring shareholders' equity, which had been significantly impaired. However, due to investments in safety measures for Shimane Unit 3—an asset indispensable for our future growth following Shimane Unit 2—free cash flow (FCF) is expected to remain negative for the time being, and interest-bearing debts are projected to increase by approximately 400 billion yen by FY 3/2031. Maintaining our credit rating is an important priority from the perspective of stable business operations and capital cost containment, and we will continue working to restore our financial base.
- To stabilize our funding, we are working to diversify our capital procurement methods and sources, streamline assets through the sale of cross shareholdings and nuclear fuel assets, and secure cash reserves through advance procurement.
- In addition, we are utilizing public mechanisms such as the long-term decarbonized power resource auction as a means to increase the likelihood of recovering our investments, and we will continue to call on the government for the financing measures necessary for stable business operations.

Outlook for interest-bearing debts

— Consolidated shareholders' equity ratio

FY 3/2027-FY 3/2031
Capital procurement
+400 billion yen

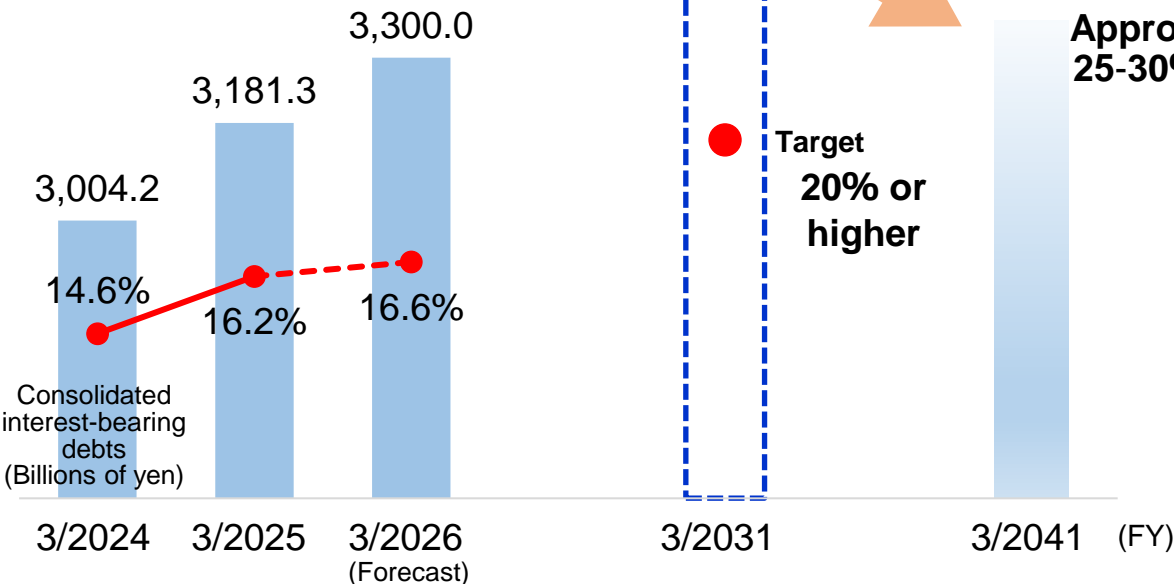
3,700.0
(Assumption)

Reduction of interest-bearing debts through debt repayment and diversification of financing

Target

Approx.
25-30%

Target
20% or
higher



Credit rating

R&I	A+	(Stable)
JCR	AA	(Stable)
S&P	BBB+	(Stable)

Past initiatives

• Diversifying capital procurement methods and sources

Syndicated loan arrangements
Utilization of transition finance

• Streamlining assets

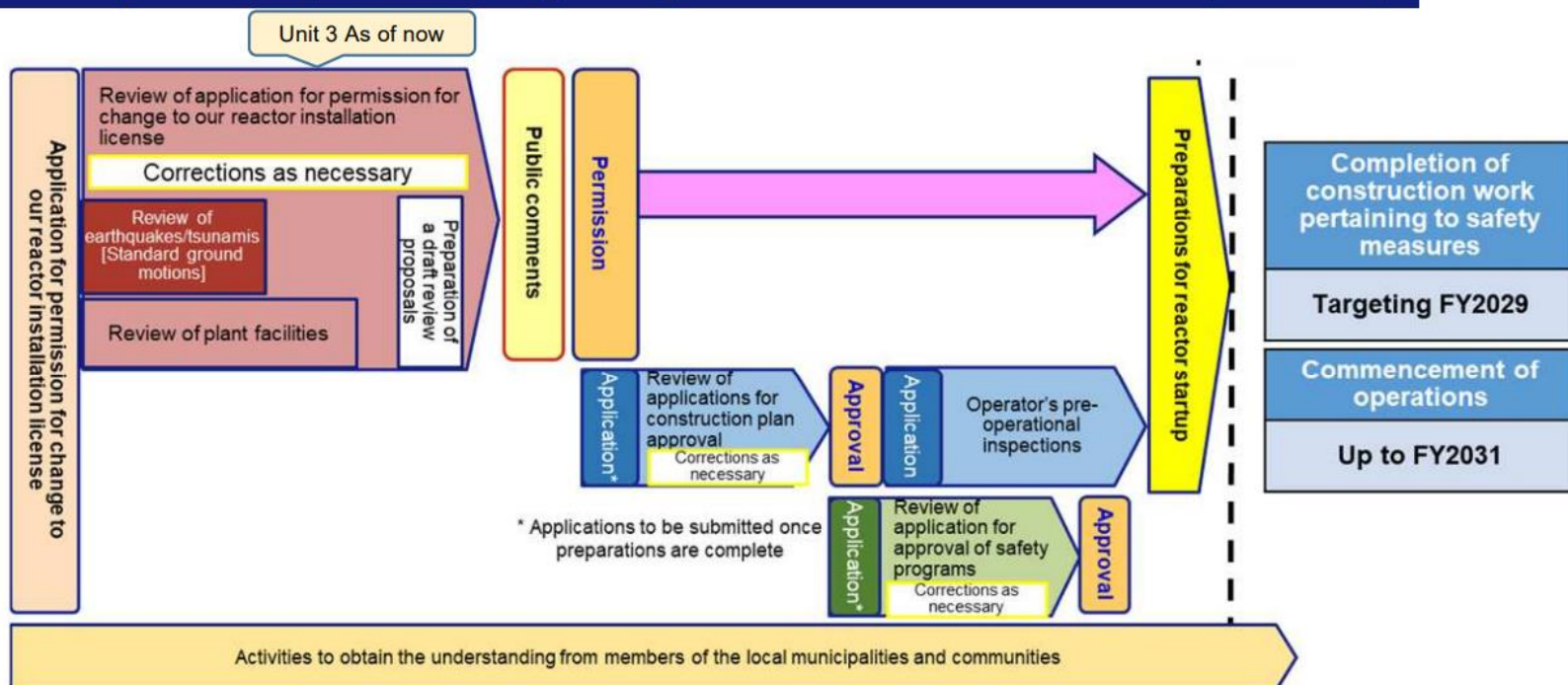
Sale of cross shareholdings,
nuclear fuel assets, etc.

• Securing adequate cash reserves

Advance procurement of funds

- To achieve the targets set forth in the “Chugoku Electric Power Group Corporate Vision 2040,” we believe that it is critically important to commence the operation of Shimane Nuclear Power Station Unit 3—an asset indispensable for our future growth—as planned.
- We are currently proceeding in line with our anticipated review schedule, with no significant issues, and are providing explanations as the review progresses. As of the end of October 2025, a total of 20 review meetings have been held. In these meetings, we have also explained that we aim to complete all explanations by the end of FY 3/2026.
- Once all explanations have been completed within FY 3/2026, we will reach a major milestone toward obtaining permission to change our reactor installation license. We will continue to respond carefully to ensure that the process progresses as planned.

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



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 3/2026-2Q	FY 3/2025-2Q
Overview of financial results	Decrease in revenue (-15.6) Increase in profit (+19.1) for the first time in 5 years	Decrease in revenue (-99.6) Decrease in profit (-96.5) for the first time in 3 years
Operating revenues	726.2	741.9
Operating profit	90.9	69.8
Ordinary profit	84.5	65.4
Profit attributable to owners of parent	64.7	51.6

■ Consolidated Balance Sheets

(Billions of yen)

	FY 3/2026-2Q	FY 3/2025
Total assets	4,578.5	4,360.9
Net assets	747.7	705.8
Shareholders' equity ratio	16.4% (18.6% ^(Note 2))	16.2% (18.5% ^(Note 2))
Interest-bearing debts	3,364.5	3,181.3

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.

Summary of Cash Flows <Consolidated>

27

(Billions of yen)

	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)
Cash flows from operating activities	133.2	48.1	85.1
Cash flows from investing activities	-103.5	-168.9	65.3
Free Cash Flow	29.6	-120.8	150.5
Cash flows from financing activities	172.0	113.8	58.2
Cash and cash equivalents (increase and decrease)	201.1	-6.2	

Income Statement <Non-Consolidated>

28

(Billions of yen)

	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)
Ordinary revenues	662.6	680.5	-17.8
Operating revenues	641.2	657.4	-16.1
Electricity sales revenue	471.8	461.6	10.2
Others	169.4	195.8	-26.3
Non-operating income	21.4	23.1	-1.7
Ordinary expenses	588.1	624.8	-36.6
Operating expenses	569.8	610.9	-41.1
Personnel	21.4	21.7	-0.2
Retirement allowances	0.1	0.4	-0.3
Material	279.3	331.5	-52.1
Fuel	114.0	124.2	-10.1
Purchased power	165.2	207.3	-42.0
Maintenance	23.4	29.1	-5.7
Depreciation	39.9	26.2	13.6
Back-end of nuclear power	8.7	0.7	8.0
Transmission fees of connected supply	130.7	129.0	1.6
Others	66.1	72.5	-6.3
Non-operating expenses	18.2	13.8	4.4
Ordinary profit (Operating profit)	74.5 (71.3)	55.7 (46.4)	18.7 (24.9)
Provision or reversal of reserve for water shortage	—	—	—
Extraordinary income	4.3	12.1	-7.7
Extraordinary losses	—	7.0	-7.0
Income taxes, etc.	19.7	13.5	6.1
Profit	59.2	47.3	11.9

Income Statement <Chugoku Electric Power Transmission & Distribution Company, Incorporated.> 29

(Billions of yen)

	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)
Ordinary revenues	237.3	253.0	-15.6
Operating revenues	236.6	252.0	-15.3
Transmission revenue	163.6	170.0	-6.3
Others	72.9	81.9	-9.0
Non-operating income	0.7	1.0	-0.3
Ordinary expenses	225.3	240.7	-15.3
Operating expenses	221.6	237.6	-15.9
Personnel	22.6	22.3	0.3
Retirement allowances	0.3	0.5	-0.2
Material	89.2	107.9	-18.7
Fuel	1.3	1.6	-0.2
Purchased power, etc.	87.8	106.3	-18.4
Maintenance	31.1	28.4	2.7
Depreciation	21.6	20.7	0.8
Others	57.0	58.1	-1.1
Non-operating expenses	3.7	3.1	0.5
Ordinary profit (Operating profit)	11.9 (15.0)	12.2 (14.3)	-0.2 (0.6)
Income taxes, etc.	2.9	3.2	-0.3
Profit	9.0	8.9	0.0

<Reference> Electricity demand in the Chugoku region

(Billions of kWh)

FY 3/2026-2Q	FY 3/2025-2Q	Difference
27.09	27.15	-0.06

Monthly Change in Total Electricity Sales Volume

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■ FY 3/2026-2Q

(Billions of kWh)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	Total	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Total electricity sales volume		4.21 (5.9%)	3.94 (9.8%)	4.44 (22.4%)	5.13 (22.4%)	5.50 (14.1%)	5.33 (16.9%)	28.55 (15.3%)	—	—	—	—	—	—
Retail electricity sales volume	Lighting	1.19 (-1.9%)	0.95 (-4.5%)	0.90 (-1.1%)	1.11 (11.3%)	1.38 (-3.6%)	1.28 (-6.1%)	6.81 (-1.4%)	—	—	—	—	—	—
	Power	2.28 (6.8%)	2.24 (13.5%)	2.41 (17.7%)	2.79 (19.9%)	2.83 (15.6%)	2.83 (16.4%)	15.37 (15.1%)	—	—	—	—	—	—
	Subtotal	3.47 (3.7%)	3.19 (7.5%)	3.31 (12.0%)	3.90 (17.3%)	4.21 (8.5%)	4.11 (8.3%)	22.19 (9.5%)	—	—	—	—	—	—
Electricity sales volume to other power companies		0.74 (18.1%)	0.75 (20.8%)	1.13 (68.5%)	1.24 (41.6%)	1.29 (37.0%)	1.22 (59.5%)	6.36 (41.6%)	—	—	—	—	—	—

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.

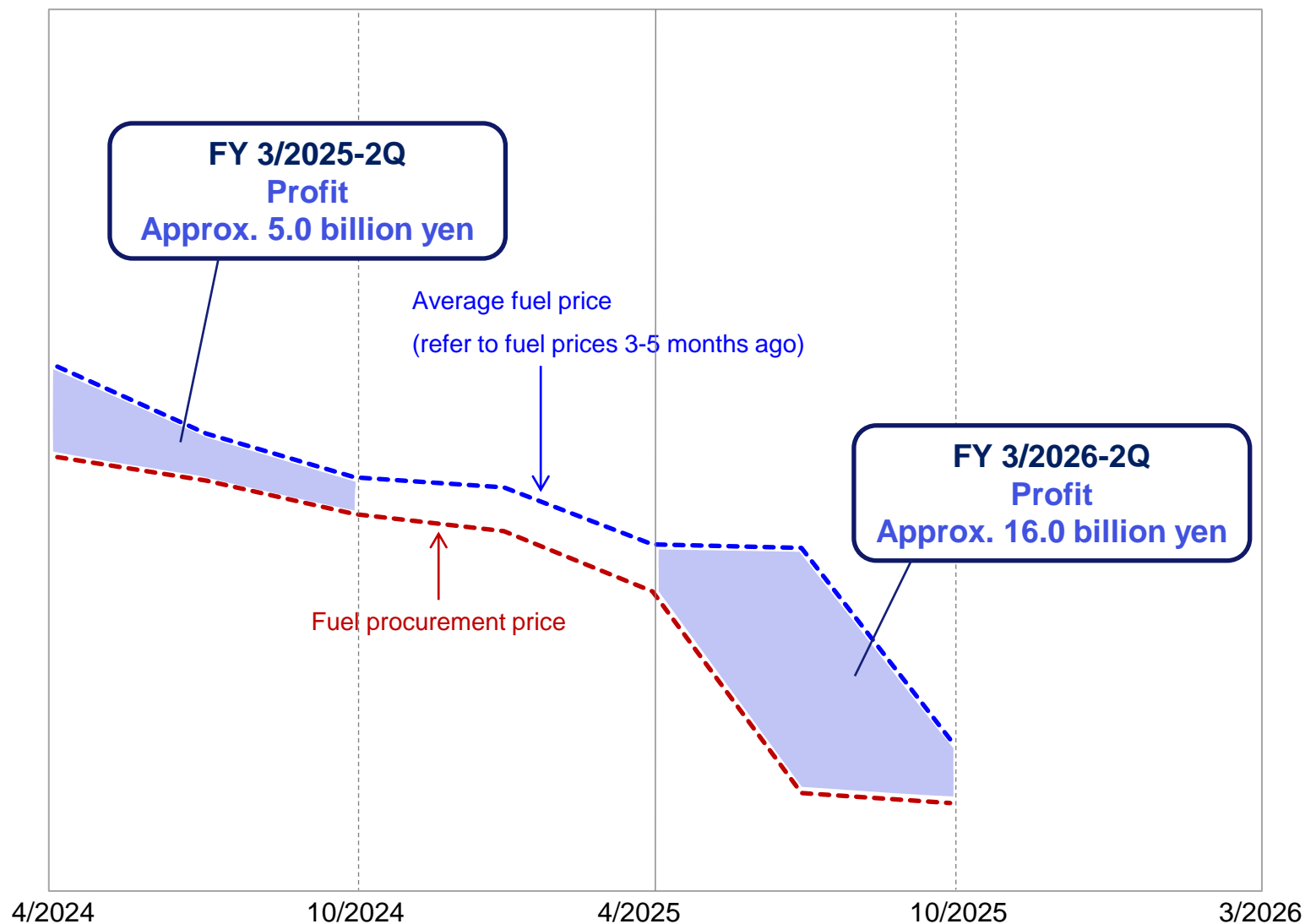
Note3: Figures in parentheses indicate the percentage change from the previous fiscal year.

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 3/2026	15.5	19.6	24.7	29.8	29.7	27.0	—	—	—	—	—	—
Difference from average year	0.7	0.0	1.5	2.6	1.2	2.3	—	—	—	—	—	—
Difference from previous year	-2.0	0.0	1.2	0.9	-1.0	-1.8	—	—	—	—	—	—



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 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)
Fuel oil	million litters	60	40	20
Coal (Note 2)	thousand tons	2,890	2,760	130
LNG (Note 2)	thousand tons	590	750	-160

Note 1: The impact of inventories included

Note 2 :Sales included

(2) Consumption volume

	Unit	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)
Fuel oil	million litters	50	40	10
Coal	thousand tons	2,720	2,340	370
LNG	thousand tons	500	560	-60

(Billions of yen)

	Non-Consolidated			Chugoku Electric Power Transmission & Distribution Co., Inc.		
	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)	FY 3/2026-2Q (A)	FY 3/2025-2Q (B)	Difference (A-B)
Capital expenditure	60.3 (54.0)	130.6 (126.5)	-70.2 (-72.5)	34.3	30.2	4.1

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

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

(Billions of yen)

	End of FY 3/2026-2Q (A)	End of FY 3/2025 (B)	Difference (A-B)
Interest-bearing debts	3,364.5	3,181.3	183.2
Bonds	1,301.6	1,326.2	-24.6
Long-term borrowings	1,973.5	1,752.5	220.9
Short-term borrowings	64.3	78.8	-14.4
Commercial paper	—	—	—
Lease obligations	24.9	23.6	1.2

(2) Interest rate <Non-Consolidated>

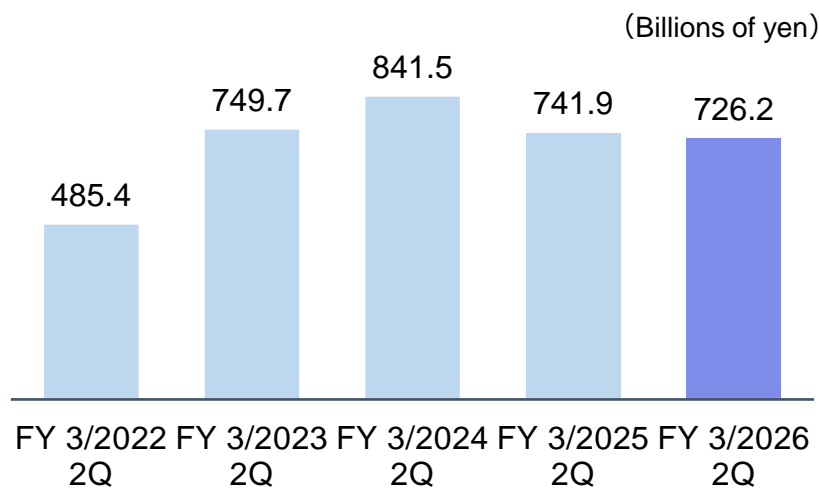
	FY 3/2026-2Q	FY 3/2025-2Q	【Reference】 FY 3/2025
Average	0.90%	0.66%	0.72%

(3) Interest expense <Non-Consolidated>

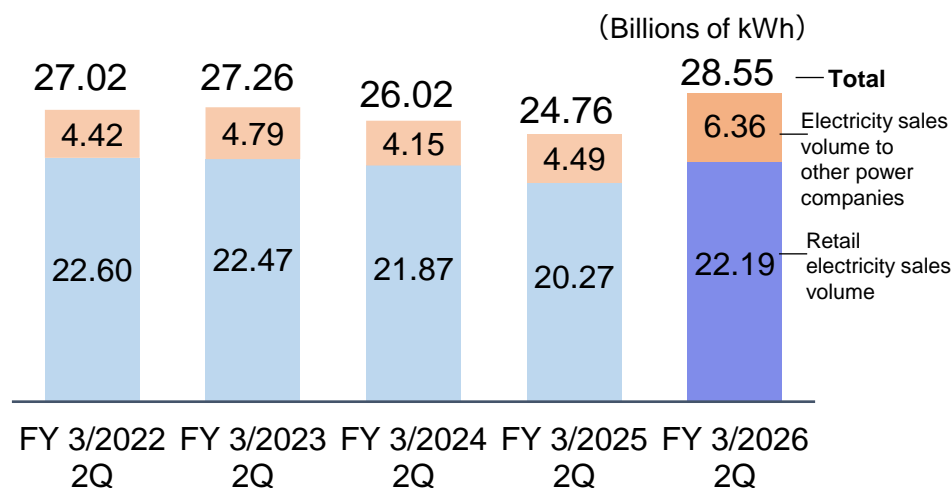
(Billions of yen)

	FY 3/2026-2Q	FY 3/2025-2Q
Interest expense	13.0	6.0

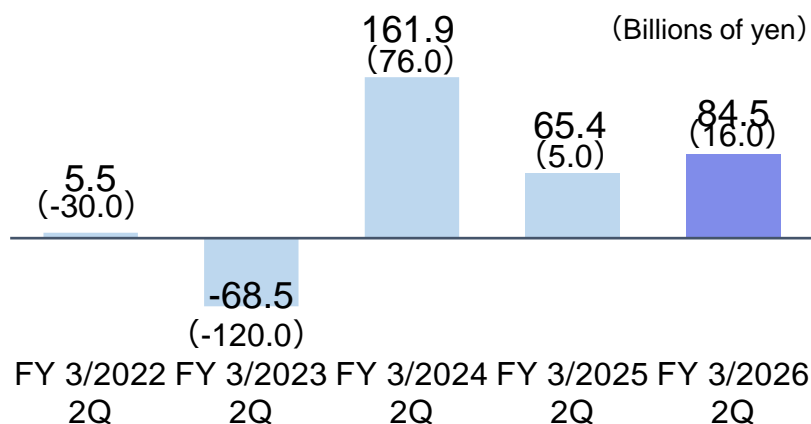
Operating revenues (Consolidated)



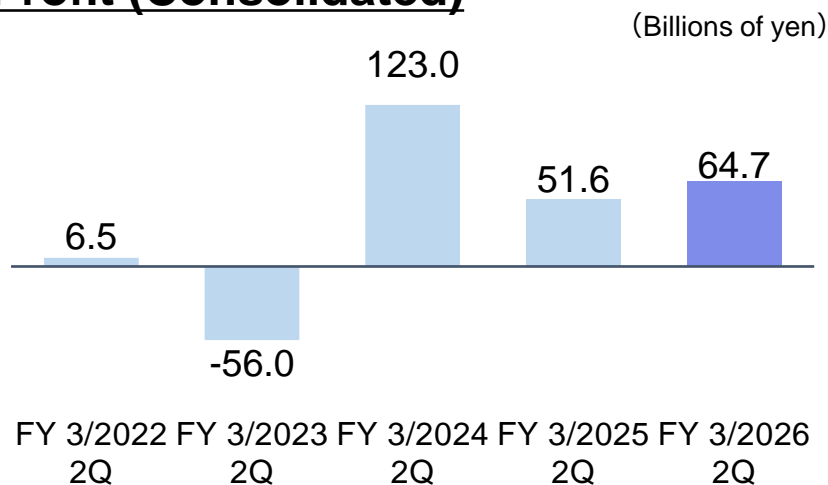
Electricity sales volume



Ordinary profit (Consolidated)



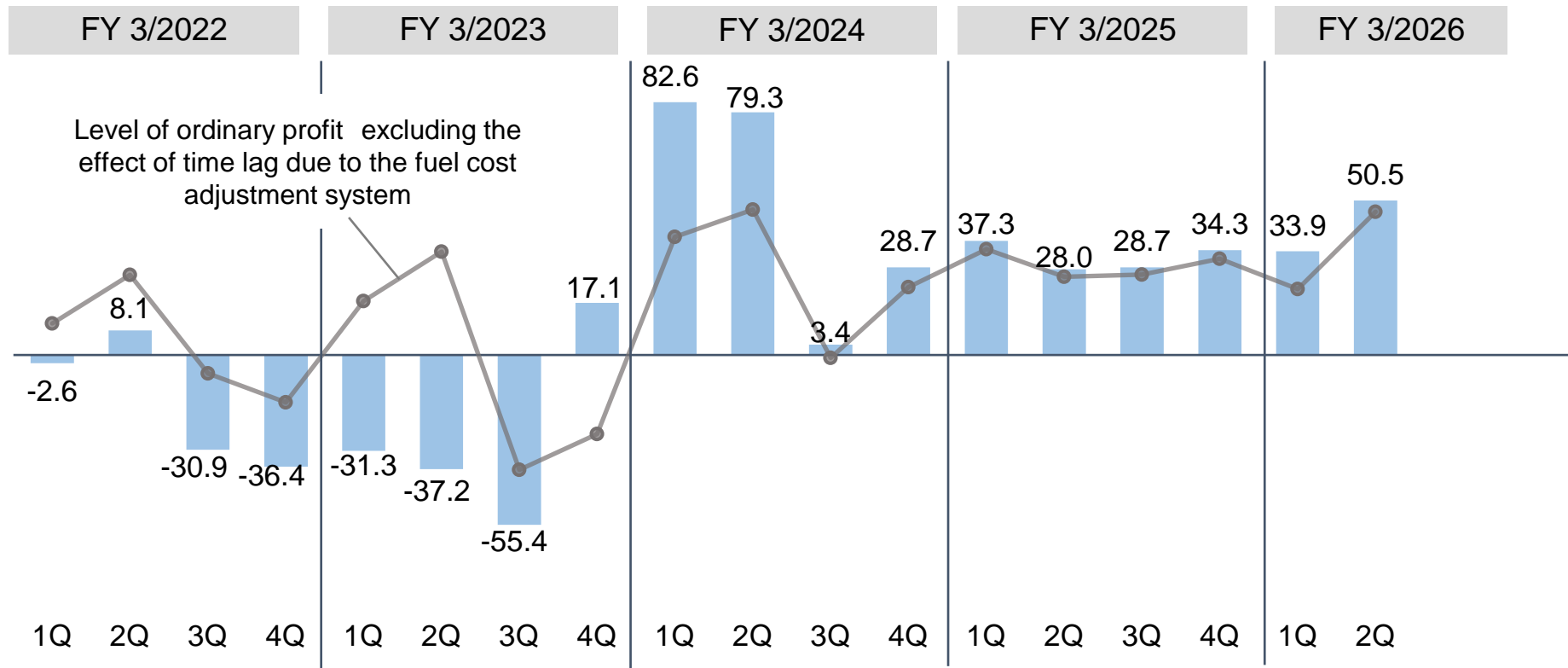
Profit (Consolidated)

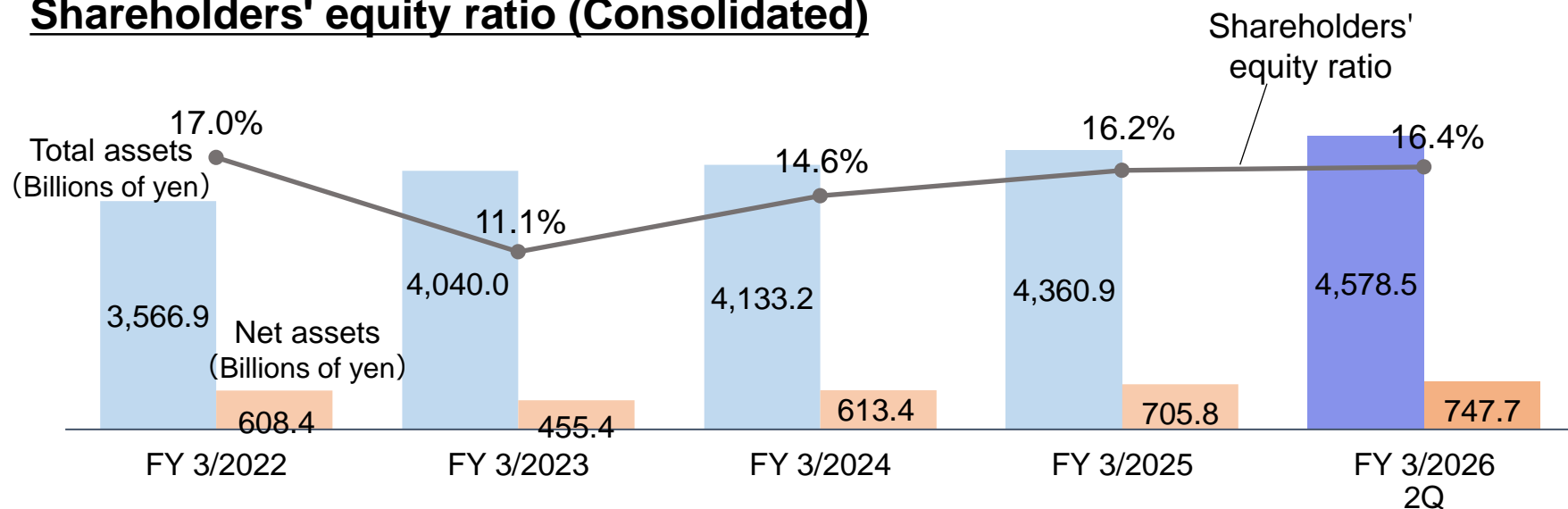


*Values in parentheses () denote the impact of the time lag due to the fuel cost adjustment amounts.

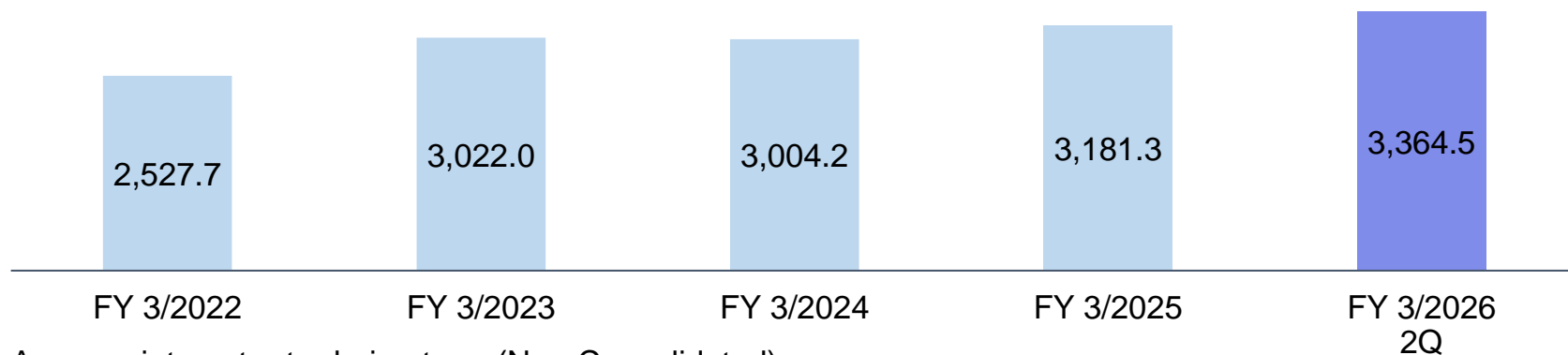
Trends in Ordinary Profit by Quarter<Consolidated>

(Billions of yen)



Shareholders' equity ratio (Consolidated)**Interest-bearing debts (Consolidated)**

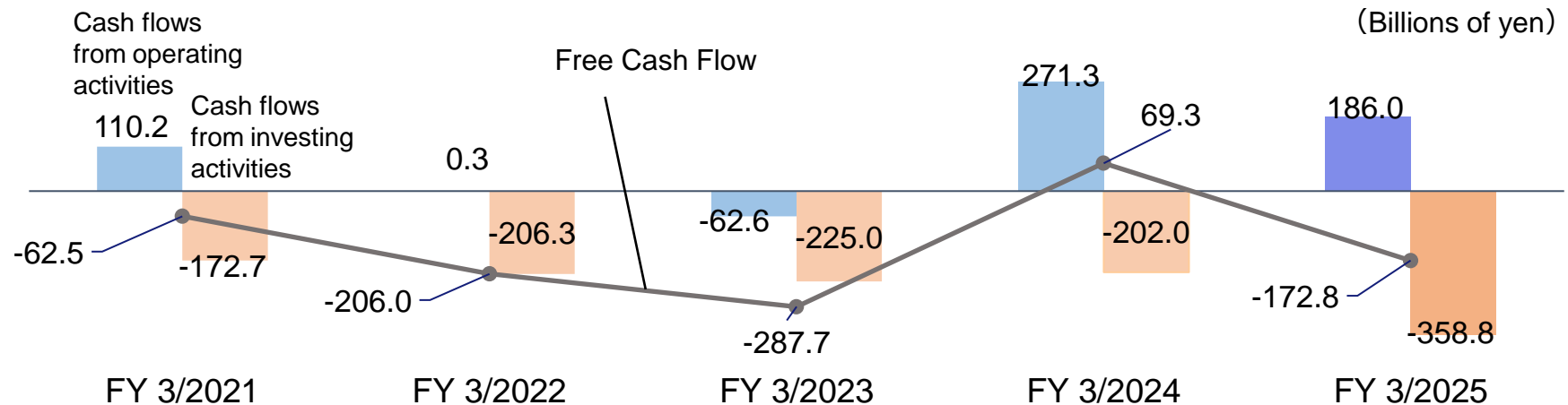
(Billions of yen)



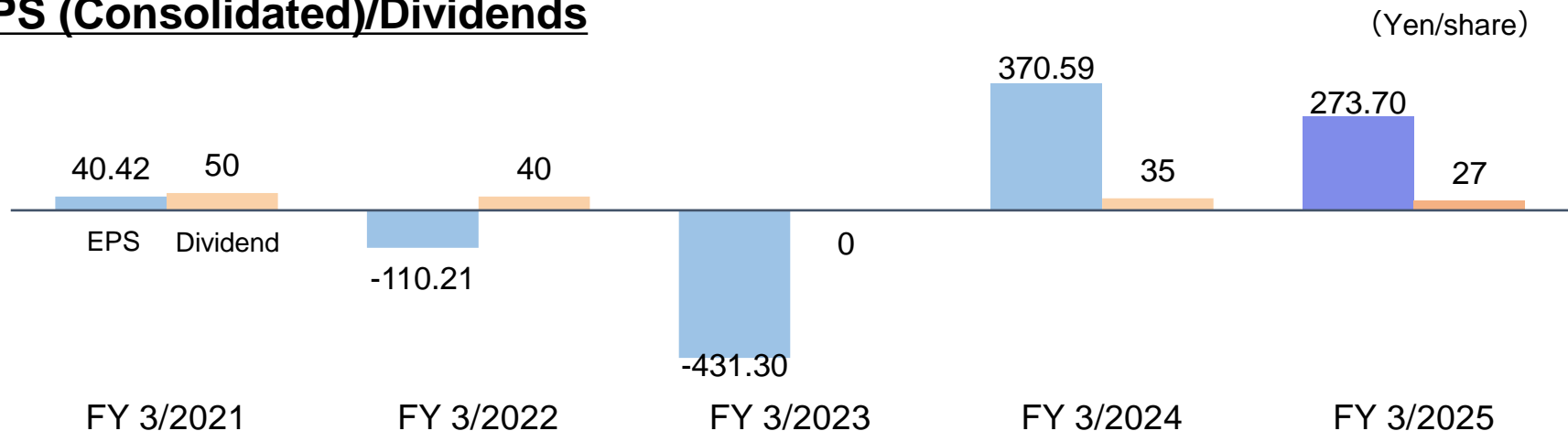
Average interest rate during term (Non-Consolidated)

0.48%	0.49%	0.59%	0.72%	0.90%
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Cash flows (Consolidated)

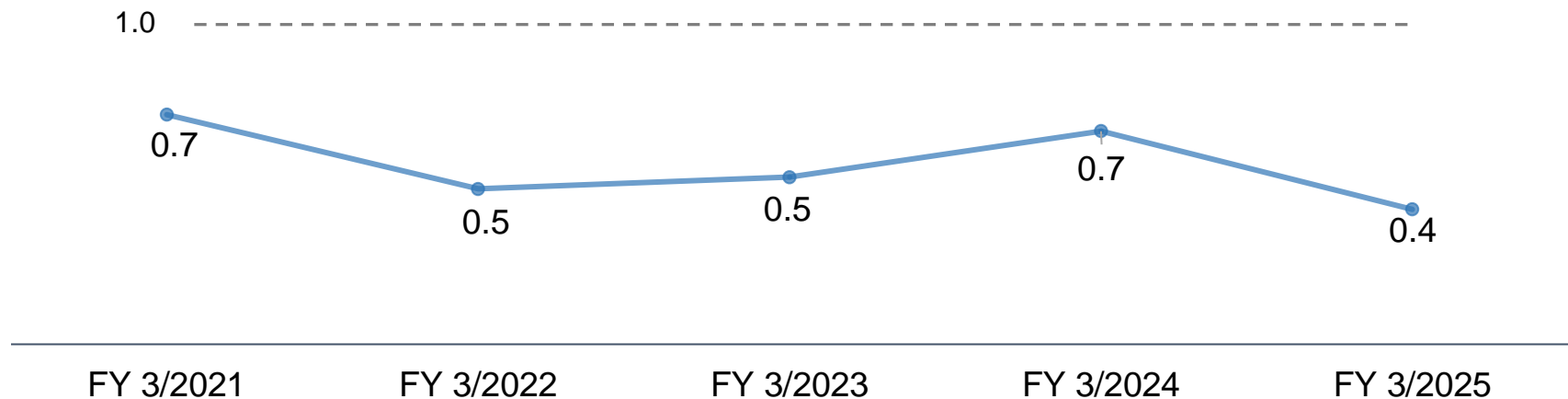


EPS (Consolidated)/Dividends



PBR (Price book-value ratio)

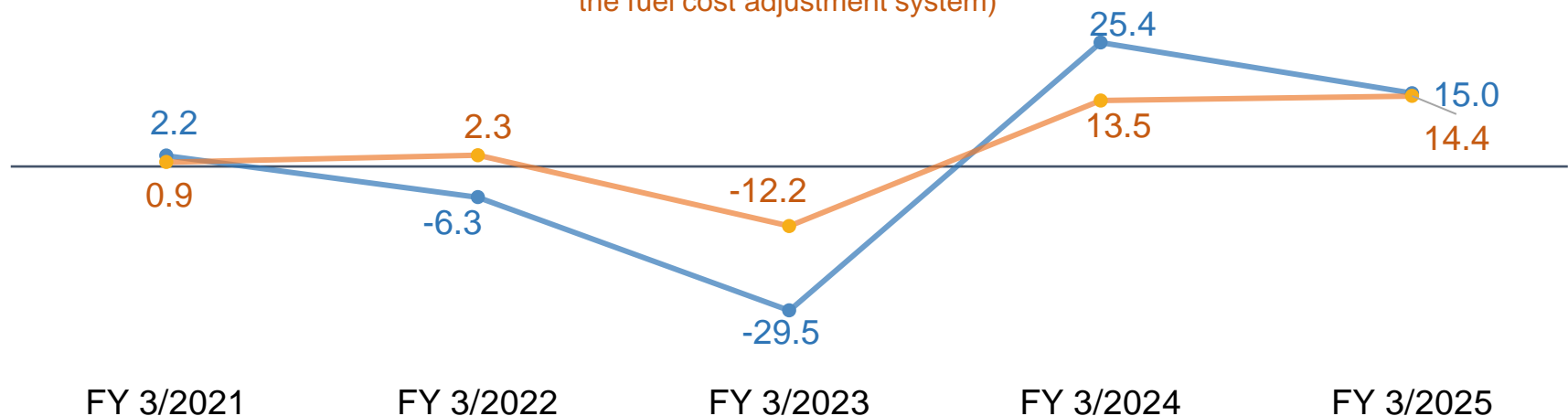
(Multiple)

**ROE (Return on equity)**

— ROE

— ROE (Excluding the effect of the time lag of the fuel cost adjustment system)

(%)



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