

The information shown below is an English translation of the "Dai-san-shihanki Kessan Tanshin", the Consolidated Financial Report of the nine months period ended December 31, 2019.

* The "Dai-san-shihanki Kessan Tanshin" in Japanese is the official document. This English translation is prepared for convenience.

Consolidated Quarterly Financial Report [Japanese Standard]
(Financial Report of the nine months period ended December 31, 2019)

January 30, 2020

Name of Listed Company : THE CHUGOKU ELECTRIC POWER CO., INC.

Stock Exchange Listed : Tokyo

Code : 9504 (URL : <http://www.energia.co.jp/>)

Representative : Mareshige Shimizu, Representative Director President & Chief Executive Officer

Contact : Junya Tokunaga, Manager, Accounting Section, Corporate Finance and Procurement Division

TEL : +81-82-241-0211

Scheduled submission date of quarterly financial report (Only in Japanese) : February 12, 2020

Date to start dividend payments (Scheduled) : -

Supporting document of FY2020 third-quarter financial results : Yes

Investors meeting for FY2020 third-quarter financial results : None

(Figures are rounded down to the million)

1. Consolidated financial results for the nine months period ended December 31, 2019 (April 1, 2019 – December 31, 2019)

(1) Consolidated operating results (% : the rate of change in comparison with the same period of the previous year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
3rd period ended December 31, 2019	999,311	-0.8	40,101	324.0	34,381	-	87,468	-
3rd period ended December 31, 2018	1,007,333	5.6	9,458	-61.8	1,827	-90.8	3,042	-75.0

(Note) Comprehensive income : 3rd period ended December 31, 2019 85,608 million yen (- %)

3rd period ended December 31, 2018 -10,443 million yen (- %)

	Earnings per share	EPS after adjusting residual securities
	yen	yen
3rd period ended December 31, 2019	254.09	197.75
3rd period ended December 31, 2018	8.84	6.70

*Since the rate of change in ordinary income and net income attributable to owners of the parent are over 1,000%, "-" are indicated.

(2) Consolidated financial standing

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
3rd period ended December 31, 2019	3,417,377	625,389	18.2
Year ended March 31, 2019	3,261,665	558,655	17.0

(Reference) Shareholders' equity : 3rd period ended December 31, 2019 622,110 million yen

Year ended March 31, 2019 555,507 million yen

2. Dividends

	Dividends per share				
	1st period	2nd period	3rd period	End of year	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2019	-	25.00	-	25.00	50.00
Year ending March 31, 2020	-	25.00	-	-	-
Year ending March 31, 2020 (Forecasts)	-	-	-	25.00	50.00

(Note) Revisions to forecasts of dividends at the end of this period : None

3. Forecasts of consolidated financial results for the fiscal year 2020 (April 1, 2019 – March 31, 2020)

(% : the rate of change in comparison with the same period of the previous year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Fiscal 2020	1,360,000	-1.2	42,000	115.1	36,000	183.8	89,000	677.5	255.56

(Note) Revisions to forecasts of financial results at the end of this period : Yes

* Others

(1) Changes in range of consolidated subsidiaries : None

(2) Adoption of simple ways in accounting procedure or specific ways of preparing the quarterly financial statements : Yes

Note : Calculation of Tax Expenses

Estimated rate is applied to net income for the quarterly period to calculate estimated tax expenses.

(3) Changes in accounting principles, changes in accounting estimates and restatements

① Changes associated with the revision of accounting standards : None

② Changes other than the above : Yes

③ Changes in accounting estimates : Yes

④ Restatements : None

Note : We changed depreciation method for tangible fixed assets from the declining balance method to the straight line method from FY2020.

As a result of this change, operation income increased by 15,984 million yen and ordinary income and profit before income taxes increased by 15,874 million yen in the 3rd quarter compared to the conventional method.

(4) Number of shares issued (Common shares)

① Number of shares issued (including treasury shares)

End of December, 2019	371,055,259	End of March, 2019	371,055,259
-----------------------	-------------	--------------------	-------------

② Number of treasury shares

End of December, 2019	26,821,467	End of March, 2019	26,813,562
-----------------------	------------	--------------------	------------

③ Average number of shares outstanding

End of December, 2019	344,237,652	End of December, 2018	344,250,374
-----------------------	-------------	-----------------------	-------------

* This financial report is not under coverage of the quarterly review.

* Explanation concerning appropriate use of forecasts, other special notes

All non-empirical information above is projected based on facts available to company management at the time of the release of this document.

A number of factors may cause actual performance to differ from projections.

Supporting document of FY2020 third-quarter financial results has been updated on our web site on the same day.

(http://www.energia.co.jp/e/ir/info/financial_rep.html)

(Reference) Forecasts of non-consolidated financial results for the fiscal year 2020 (April 1, 2019 – March 31, 2020)

(% : the rate of change in comparison with the same period of the previous year)

	Operating revenues		Operating income		Ordinary income		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Fiscal 2020	1,257,000	-1.8	38,000	236.7	33,000	377.7	87,000	922.2	249.62

(Note) Revisions to forecasts of financial results at the end of this period : Yes

* Additional information

Reversal of a provision for depreciation of nuclear power plants according to proclamation of partial amendment of the Ministerial Ordinance concerning Provision for Depreciation of Nuclear Power Plants

1. Content

The Ministerial Ordinance concerning Provision for Depreciation of Nuclear Power Plants (Ministry of Economy, Trade and Industry Ordinance No.20 of 2007, "the Ministerial Ordinance") was amended on August 2, 2019 ("the Amended Ministerial Ordinance").

According to the Amended Ministerial Ordinance, electricity generation utilities subject to the Ministerial Ordinance shall be utilities that apply the declining balance method to tangible fixed assets.

Therefore, we are no longer an electricity generation utility subject to the Ministerial Ordinance as the Company changed the depreciation method for tangible fixed assets from the declining balance method to the straight-line method from April 1, 2019.

As a result, we reversed the balance of provision for depreciation of nuclear power plants as of September 30, 2019.

2. Reversal amount

86,739 million yen

*Of this amount, ¥457 million was recorded in the six months (April 1, 2019 – September 30, 2019).

3. Amount of effect to the consolidated profit (loss)

Following this reversal, profit before income taxes for the six months ending September 30, 2019 increased by ¥86,739 million.

* Significant subsequent events

Exercise of Convertible Bonds due 2020

Convertible Bond due 2020, issued on December 7, 2017, were exercised from the end of the 3rd quarter FY2020 to the expiration date (January 10, 2020) as follows.

(1) Exercised number of stock acquisition rights : 2,299

(2) Type and number of shares issued : Common shares, 16,099,433

(3) Decrease in convertible bonds : 22,993 million yen

(4) Increase in capital : 11,496 million yen

(5) Increase in capital reserve : 11,496 million yen