



Support documentation of
FY2013-2Q financial results

The Summary of Financial Results for FY2013-2Q (April 1 through September 30, 2012)

The Chugoku Electric Power Co., Inc.

October 31, 2012

In this report, the term “Fiscal Year 2013” describes the period which ended March 31, 2013.

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I . FY2013 2nd Quarter Financial Results

1. FY2013 -2Q Financial Results Summary

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■ Consolidated

billion yen

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	602.1	564.2	37.9	6.7%
Operating income	1.5	29.1	▲27.5	▲94.6%
Ordinary income	▲9.9	16.1	▲26.0	—
Net income	▲6.9	5.4	▲12.3	—

(Rounded down to the hundred million yen)

■ Non-consolidated

billion yen

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	569.7	533.1	36.5	6.9%
Operating income	▲4.8	23.6	▲28.5	—
Ordinary income	▲14.6	12.9	▲27.6	—
Net income	▲9.1	4.8	▲13.9	—

(Rounded down to the hundred million yen)

(1) Electricity Sales

- Electricity sales were 29.20 billion kWh, down 2.6% in comparison with the same period in the previous year.
- Lighting use decreased in comparison with the same period in the previous year due to reasons such as the higher spring temperatures and the influence of energy saving, despite the increase in cooling demand caused by the higher summer temperatures. (See p4, Average monthly temperature)
- Large-scale electricity decreased in comparison with the same period in the previous year due to reasons such as the decrease in "chemical" and "iron and steel" demand.

(billion kWh)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Rate of change (A/B-1)
Total	29.20	29.97	▲0.77	▲2.6%
Other than eligible customers	9.92	10.21	▲0.29	▲2.8%
Lighting	8.68	8.91	▲0.23	▲2.5%
Low voltage	1.24	1.30	▲0.06	▲4.8%
Eligible customers ※	19.28	19.76	▲0.48	▲2.4%
Commercial	5.73	5.79	▲0.06	▲1.1%
Industrial	13.55	13.97	▲0.42	▲3.0%
Large-scale	11.35	11.72	▲0.37	▲3.2%

(※) Eligible customers: Demand for special high-tension or high-tension power reception with contracted power that is, in general, 50 kW or more.

(2) Supply Capacity

- Hydroelectric decreased due to the decreased water flow.
- Nuclear power decreased due to the stoppage of operations.
- Thermal and purchased power increased due to the stoppage of nuclear power operations and the increase in transmission of electricity to other electric power companies, despite the decrease in electricity sales volume.

(billion kWh)

		FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Rate of change (A/B-1)
Supply Capacity		31.59	32.22	▲0.63	▲2.0%
Own facilities	(Water Flow Rate) Hydroelectric	(86.3%) 1.78	(119.0%) 2.46	(▲32.7%) ▲0.68	▲27.9%
	Thermal	19.88	16.56	3.32	20.1%
	(Capacity Factor) Nuclear	(—) —	(64.0%) 3.60	(▲64.0%) ▲3.60	—
	New energy sources	0.00	—	0.00	—
	Purchased power	12.05	10.93	1.12	10.2%
Interchanged power*		▲1.59	▲0.57	▲1.02	177.0%
Pumping use		▲0.53	▲0.76	0.23	▲29.8%

(※) Positive number indicates electricity received from other companies, negative number indicates electricity transmitted to other companies.

(3) Exchange rate, CIF

	Unit	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)
Exchange rate	¥ / \$	79.4	79.8	▲0.4
Crude oil prices (All Japan CIF)	\$ / b	114.0	113.9	0.1
Foreign coal prices (All Japan CIF)	\$ / t	132.6	140.6	▲8.0

(※) Crude oil prices and foreign coal prices in FY2013-2Q are assumption value of our company.

< Financial impact (Sensitivity) > (billion yen)

	FY2013-2Q
Exchange rate (1¥ / \$)	2.8
Water flow rate (1%)	0.3
Nuclear capacity factor (1%)	0.8

<Reference> Average monthly temperature (Hiroshima city) (°C)

	2012						
	Mar.	Apr.	May	Jun.	Jul.	Aug.	Spt.
Average temperature	8.7	15.0	19.6	23.2	27.4	29.5	25.6
Difference from previous year	1.5	1.6	0.1	▲0.4	▲0.2	1.3	0.7
Difference from average year	▲0.4	0.3	0.3	0.2	0.3	1.3	1.2

3. Income Statement < Non-Consolidated >

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■ Revenue

(billion yen)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Breakdown
Ordinary revenues	577.6	539.9	37.6	
Operating revenues	569.7	533.1	36.5	
Electricity sales	495.9	478.1	17.8	<ul style="list-style-type: none"> ▪ Decrease in electricity sales ▲12.2 ▪ Increase in revenue units +30.0 (Revenue from fuel cost adjustment system +27.2)
Lighting	190.3	186.0	4.2	
Commercial & industrial	305.6	292.0	13.5	
Sales to other companies, etc.	73.8	55.0	18.7	<ul style="list-style-type: none"> ▪ Increase in sales to other companies +13.7 ▪ Increase in incidental businesses +2.3
Other revenues	7.8	6.7	1.1	

(Rounded down to the hundred million yen)

Expense

(billion yen)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Breakdown
Ordinary expense	592.2	526.9	65.3	
Operating expense	574.6	509.5	65.1	
Personnel	58.7	57.5	1.1	• Increase in retirement allowances +1.3
Material	300.7	244.2	56.4	• Decrease in capacity factor of nuclear power plant +51.2 • Decrease in water flow +9.8 • Higher CIF price Crude oil, etc. +17.1 • Lower CIF price Foreign coal ▲3.2 • Decrease in electricity sales ▲12.3
Fuel	188.1	138.7	49.3	
Purchased power	112.5	105.4	7.1	• Higher yen rate ▲1.1
Maintenance	59.3	47.7	11.6	• Increase in thermal power +7.8 • Increase in nuclear power +1.8
Depreciation	50.5	55.1	▲4.6	• Decrease caused by progress in the depreciation
Nuclear power back-end	3.1	6.6	▲3.5	• Decrease in nuclear power operating results
Others	102.1	98.1	4.0	• Increase in incidental businesses +1.9
Interests	12.6	13.0	▲0.4	
Other expenses	4.9	4.3	0.6	

(Rounded down to the hundred million yen)

Income, etc

(billion yen)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Breakdown
Operating income	▲4.8	23.6	▲28.5	
Ordinary income	▲14.6	12.9	▲27.6	
Provision for drought	▲2.0	1.7	▲3.7	•Decrease in water flow rate
Provision for depreciation of nuclear power plant	0.6	3.6	▲3.0	
Income taxes, etc.	▲4.1	2.6	▲6.7	
Net income	▲9.1	4.8	▲13.9	

(Rounded down to the hundred million yen)

4. Balance Sheet < Consolidated >

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(billion yen)

	End of FY2013-2Q (A)	End of FY2012 (B)	Difference (A-B)	Breakdown
Assets	2,839.9	2,887.1	▲47.2	See Appendix : P16,17 Balance Sheet <Non-consolidated>
Electric utility fixed assets	1,407.0	1,433.4	▲26.4	
Construction in progress	553.0	544.2	8.7	
Liabilities	2,212.8	2,242.3	▲29.4	
Interest-bearing debt	1,765.6	1,756.0	9.6	
Provision for depreciation of nuclear power plant	66.3	65.7	0.6	
Total net assets	627.1	644.8	▲17.7	
Shareholders' equity	622.7	640.4	▲17.7	

(Rounded down to the hundred million yen)

5.Application of Free Cash Flow <Consolidated>

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(billion yen)

	FY2013 2Q (A)	FY2012 2Q (B)	Difference (A-B)	Breakdown
Cash Flow form Operating Activities	14.5	56.4	▲41.9	<ul style="list-style-type: none"> ▪Decrease in net income ▪Increase in corporation tax
Cash Flow from Investing Activities	▲56.3	▲74.4	18.0	<ul style="list-style-type: none"> ▪Decrease in capital expenditure
Free Cash Flow	▲41.8	▲17.9	▲23.8	
Cash Flow from Financing Activities	▲0.0	27.9	▲28.0	<ul style="list-style-type: none"> ▪Increase in borrowing from corporate bonds ▪Decrease in borrowing from loans
Cash and Cash Equivalents (increase and decrease)	▲41.9	9.8	▲51.8	

(Rounded down to the hundred million yen)

6. Segment Information

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■ Comprehensive Energy Supply Business ※ (billion yen)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Breakdown
Operating revenues	25.3	22.9	2.3	・Increase in LNG sales
Operating income	0.6	0.5	0.0	

(Rounded down to the hundred million yen)

(※) Comprehensive Energy Supply Business is run by The Chugoku Electric Power Company, Energia Solution and Service Company, and Power Engineering and Training Service.

MIZUSHIMA LNG SALES COMPANY, MIZUSHIMA LNG COMPANY, Okayama Pipeline Corporation (equity method affiliate) excluded.

■ Information and Telecommunications Business (billion yen)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Breakdown
Operating revenues	18.6	17.6	1.0	・Increase in data processing business and corporate business.
Telecommunication business	14.6	14.1	0.4	
Operating income	3.1	2.5	0.6	
Telecommunication business	3.0	2.6	0.4	

(Rounded down to the hundred million yen)

Ⅱ . Performance Outlook for FY2013 Dividends

- We have not revised the forecasts of financial results for the year ending March 31, 2013 previously announced on July 31, 2012.

As we cannot formulate reasonable cost forecasts of electrical power supply/demand, the forecasts of consolidated and non-consolidated financial results cannot be announced at this time.

- We shall provide prompt notification as soon as it is possible to announce our earnings forecast.

- We have not revised the forecasts of dividends previously announced on July 31, 2012.
- We intend to continue with stable dividends of 50 yen per share for fiscal year 2012.

< Dividends >

		FY2013	FY2012
Dividends per share	Interim dividends	¥25	¥25
	Year-end dividends	¥25 (Estimate)	¥25
	Total	¥50 (Estimate)	¥50

III. Appendix

1. Operating revenues < Non-Consolidated >

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(1) Personnel

(billion yen)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Breakdown
Total	58.7	57.5	1.1	
Retirement allowances	7.6	6.3	1.3	•Increase in actuarial difference depreciation +1.8

(Rounded down to the hundred million yen)

Actuarial Difference

(billion yen)

	Recorded amount	FY2012 amount of amortization	FY2013 Estimate		
			Amount of amortization	Balance of non-amortization	Non-amortization years
FY2007	18.5	3.7	—	—	—
FY2008	▲21.0	▲4.2	▲4.2	—	—
FY2009	▲25.4	▲5.0	▲5.0	▲5.0	1
FY2010	22.1	4.4	4.4	8.8	2
FY2011	0.1	0.0	0.0	0.0	3
FY2012	▲0.1	—	▲0.0	▲0.0	4
Total	▲5.6	▲1.1	▲4.8	3.8	—

(※) Amortize for five years from the next recorded year

(Rounded down to the hundred million yen)

(2) Maintenance

(billion yen)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Breakdown
Total	59.3	47.7	11.6	
Power source	36.1	25.9	10.2	▪ Increase in thermal power +7.8 ▪ Increase in nuclear power +1.8
Electric power transport	22.0	20.7	1.3	
Others	1.1	1.0	0.1	

(Rounded down to the hundred million yen)

(3) Depreciation

(billion yen)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)	Breakdown
Total	50.5	55.1	▲4.6	▪ Decrease caused by progress in the depreciation
Power source	18.7	22.7	▲3.9	
Electric power transport	27.0	28.7	▲1.7	
Others	4.7	3.6	1.0	

(※) Electric business operating expense

(Rounded down to the hundred million yen)

2. Procurement and Consumption of Fuel

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■ Procurement volume

	Unit	FY2013-2Q	FY2012-2Q
Fuel oil ※1	million liters	640	670
Crude oil	million liters	620	340
Coal ※2	thousand tons	2,730	2,930
LNG ※2	thousand tons	1,370	1,250

※1 : Internal combustion power plant included

※2 : Sales included

(Rounded down to the ten million liters and the ten thousand tons)

■ Consumption volume

	Unit	FY2013-2Q	FY2012-2Q
Fuel oil ※3	million liters	640	650
Crude oil	million liters	580	300
Coal	thousand tons	2,540	2,300
LNG	thousand tons	1,090	870

※3 : Internal combustion power plant included

(Rounded down to the ten million liters and the ten thousand tons)

3. Balance Sheet < Non-Consolidated >

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Assets

(billion yen)

	End of FY2013-2Q (A)	End of FY2012 (B)	Difference (A-B)	Breakdown
Total	2,663.4	2,688.9	▲25.5	
Fixed assets	2,434.7	2,463.5	▲28.8	
Electric utility fixed assets	1,444.8	1,471.8	▲26.9	<ul style="list-style-type: none"> ▪ Asset capitalization +25.6 ▪ Depreciation ▲50.5 (Accumulated depreciation rate 75.8%) ▪ Retirement, etc. ▲2.0 <ul style="list-style-type: none"> ▪ Decrease in trust funds for reprocessing of irradiated nuclear fuel
Incidental business fixed assets	0.7	0.8	▲0.0	
Non-business fixed assets	4.8	5.6	▲0.7	
Construction in progress	557.6	549.2	8.4	
Nuclear fuel	165.8	166.1	▲0.3	
Others	260.6	269.9	▲9.2	
Current assets	228.7	225.4	3.3	

(Rounded down to the hundred million yen)

■ Liabilities and Net Assets

(billion yen)

	End of FY2013-2Q (A)	End of FY2012 (B)	Difference (A-B)	Breakdown			
Total	2,663.4	2,688.9	▲25.5	<Breakdown of interest-bearing debt>			
Liabilities	2,168.9	2,174.2	▲5.3		End of FY2013- 2Q	End of FY2012	Difference
Long-term liabilities	1,670.3	1,707.8	▲37.4	Corporate bond	889.9	889.9	0.0
Current liabilities	432.1	398.6	33.5	Long-term debt	771.6	735.0	36.5
Provision for drought	0.0	2.0	▲2.0	Short-term debt	82.1	68.5	13.5
Provision for depreciation of nuclear power plant	66.3	65.7	0.6	CP	5.0	18.0	▲13.0
Lease obligations				Lease obligations	-	-	-
Net Assets	494.4	514.6	▲20.1	Total	1,748.7	1,711.6	37.1
Common stock	185.5	185.5	—	<ul style="list-style-type: none"> • Net income of FY2013-2Q ▲9.1 • Dividend ▲9.0 			
Capital surplus	16.7	16.7	▲0.0				
Retained earnings	303.6	321.8	▲18.1				
Treasury stock	▲14.4	▲14.4	▲0.0				
Net unrealized holding gains on securities, etc.	2.9	4.9	▲1.9				

(Rounded down to the hundred million yen)

4. Capital Expenditure < Non-Consolidated >

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(billion yen)

	FY2013-2Q (A)	FY2012-2Q (B)	Difference (A-B)
Total	36.0	54.7	▲18.6
Power Source	17.4	34.3	▲16.9
Electric Power	14.9	12.8	2.0
Transport			
Transmission	4.2	3.5	0.7
Transformation	4.6	3.9	0.6
Distribution	6.0	5.3	0.6
Nuclear Fuel	1.7	2.7	▲1.0
Others	2.0	4.7	▲2.7

(※) Incidental Business Facilities Excluded

(Rounded down to the hundred million yen)

■ Financial Index

(billion yen)

		End of FY2013-2Q	End of FY2012
Consolidated	Interest-bearing debt	1,765.6	1,756.0
	Exclude lease obligations	1,754.9	1,744.7
	Shareholders' equity ratio	21.9%	22.2%
Non-consolidated	Interest-bearing debt	1,748.7	1,711.6
	Exclude lease obligations	1,748.7	1,711.6
	Shareholders' equity ratio	18.6%	19.1%

■ Interest Rate (Non-Consolidated)

	FY2013-2Q	FY2012
Average	1.49%	1.54%
End of period	1.48%	1.53%

■ Performance Outlook of Information and Telecommunications Business

(billion yen)

	FY2013 Estimate (A)	Previous Estimate (B)	Difference (A-B)
Operating revenues	38.4	38.3	0.1
Telecommunication business	29.4	29.5	▲0.1
Operating income	5.8	6.1	▲0.3
Telecommunication business	5.5	5.8	▲0.3

7. Diffusion Rate of Completely Electrical Housing and Electric Water Heater

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	Unit	FY2010 Results	FY2011 Results	FY2012 Results	FY2013-2Q Results
Completely electrical housing introduced		57	55	46	21
Newly-constructed	Number of housing (Thousand)	18	19	21	10
Remodeled ※1		40	35	26	12
The ratio of newly constructed electrical Housing	%	49.7	52.3	51.6	54.4
Single homes	%	82.9	82.4	80.4	※2 83.7
Housing complexes	%	11.6	13.0	18.5	21.5
Household diffusion rate of completely electric homes	%	13.5	15.1	16.4	17.0
Electric water heater sales		67.6	66.8	60.1	27.3
“Ecocute”	thousand	46.6	49.4	44.9	21.5
The diffusion rate of electric water heater	%	23.3	24.7	25.7	26.3
Electric Water Heater Contract Accounts (accumulated total)	Number of accounts (Thousand)	737.8	785.3	825.2	844.7

Note : Total amounts may not agree due to rounding off.

(※1) "Remodeled" includes homes which were converted to all-electric by the replacement only of hot-water supply equipment and kitchen equipment.

(※2) Figures are in end of August, 2012.

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