



Support documentation of
FY2015-1Q financial results

The Summary of Financial Results for FY2015-1Q (April 1 through June 30, 2014)

The Chugoku Electric Power Co., Inc.

July 31, 2014

In this report, the term “Fiscal Year 2015” describes the period which ended March 31, 2015.

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I . FY2015 1st Quarter Financial Results

1. FY2015 -1Q Financial Results Summary

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■ Consolidated

(billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenue	307.3	278.9	28.3	10.2%
Operating income	23.5	▲9.9	33.4	—
Ordinary income	19.7	▲13.7	33.4	—
Net income	12.6	▲9.6	22.2	—

(Rounded down to the hundred million yen)

■ Non-consolidated

(billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenue	289.3	262.3	26.9	10.3%
Operating income	21.6	▲11.7	33.4	—
Ordinary income	24.1	▲13.5	37.6	—
Net income	17.7	▲8.7	26.5	—

(Rounded down to the hundred million yen)

2. Electricity Sales

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- Electricity sales were 13.61 billion kWh, up by 0.2% 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 decrease in heating and cooling demand influenced by temperatures.
- Large-scale electricity increased in comparison with the same period in the previous year due to reasons such as the increase in “chemical” and “machine “ industries demand.

(billion kWh)				
	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Rate of change (A/B-1)
Total	13.61	13.59	0.02	0.2%
Other than eligible customers	4.51	4.67	▲0.16	▲3.5%
Lighting	4.03	4.17	▲0.14	▲3.2%
Low voltage	0.48	0.50	▲0.02	▲5.4%
Eligible customers ※	9.10	8.92	0.18	2.1%
Commercial	2.45	2.49	▲0.04	▲1.7%
Industrial	6.65	6.43	0.22	3.6%
Large-scale	5.64	5.42	0.22	4.0%

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

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

	2014			
	Mar.	Apr.	May.	Jun.
FY2015	10.0	14.3	19.6	23.2
Difference from previous year	▲0.7	0.8	▲0.1	▲0.8
Difference from average year	0.9	▲0.4	0.3	0.2

3. Supply Capacity

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- Hydroelectric of own facilities increased in comparison with the same period in the previous year due to the increased water flow.
- Thermal power of own facilities increased due to the decrease in purchased power and the increase in transmission of electricity to other electric power companies.

(billion kWh)

		FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Rate of change (A/B-1)
Supply Capacity		14.57	14.58	▲0.01	▲0.1%
Own facilities	(Water Flow Rate)	(78.3%)	(72.6%)	(5.7%)	
	Hydroelectric	0.75	0.67	0.08	10.5%
	Thermal	9.16	8.94	0.22	2.5%
	(Capacity Factor)	(—)	(—)	(—)	
	Nuclear	—	—	—	—
	New energy sources ※1	0.00	0.00	▲0.00	▲1.6%
Purchased power		4.92	5.09	▲0.17	▲3.4%
Interchanged power ※2		▲0.14	▲0.05	▲0.09	187.1%
Pumping use		▲0.12	▲0.07	▲0.05	46.3%

※1: As there are actual values less than 10 million, the rate of change is ▲1.6%.

※2: Positive number indicates electricity received from other companies, negative number indicates electricity transmitted to other companies.

4. Income Statement < Non-Consolidated >

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(1) Revenues

(billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Breakdown
Ordinary revenues	298.9	268.0	30.8	
Operating revenues	289.3	262.3	26.9	
Electricity sales	243.5	230.0	13.4	<ul style="list-style-type: none"> • Increase in revenue units +13.0 Revenue from fuel cost adjustment system +11.2 Renewable energy power promotion surcharge +3.4 • Increase in electricity sales +0.4
Lighting	89.8	88.6	1.2	
Commercial & industrial	153.6	141.4	12.1	
Sales to other companies, etc.	45.7	32.2	13.5	<ul style="list-style-type: none"> • Increase in grants on the act of renewable energy +8.1 • Increase in sales to other companies +4.3
Other revenues	9.6	5.7	3.8	

(Rounded down to the hundred million yen)

(2) Expenses

(billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Breakdown
Ordinary expenses	274.8	281.6	▲6.8	
Operating expenses	267.6	274.0	▲6.4	
Personnel	23.5	26.4	▲2.8	▪ Decrease in retirement allowances ▲1.9
Material	142.5	147.8	▲5.3	▪ Effects by capacity factor of coal & LNG power plants ▲16.5
Fuel	80.4	92.7	▲12.3	▪ Lower CIF price ▲3.4
Purchased power	62.1	55.1	7.0	▪ Increase in water flow ▲1.1 ▪ Lower yen rate +2.7 ▪ Increase in electricity sales +0.4 ▪ Increase in purchase of renewable energy, and other factors +12.6
Maintenance	17.5	19.9	▲2.3	▪ Decrease in distribution ▲1.9
Depreciation	23.6	23.5	0.1	
Nuclear power back- end	1.4	1.4	0.0	
Others	58.7	54.7	4.0	▪ Increase in payments of the levy on the act of renewable energy +3.4
Interests	6.1	6.1	▲0.0	
Other expenses	1.1	1.4	▲0.2	

(Rounded down to the hundred million yen)

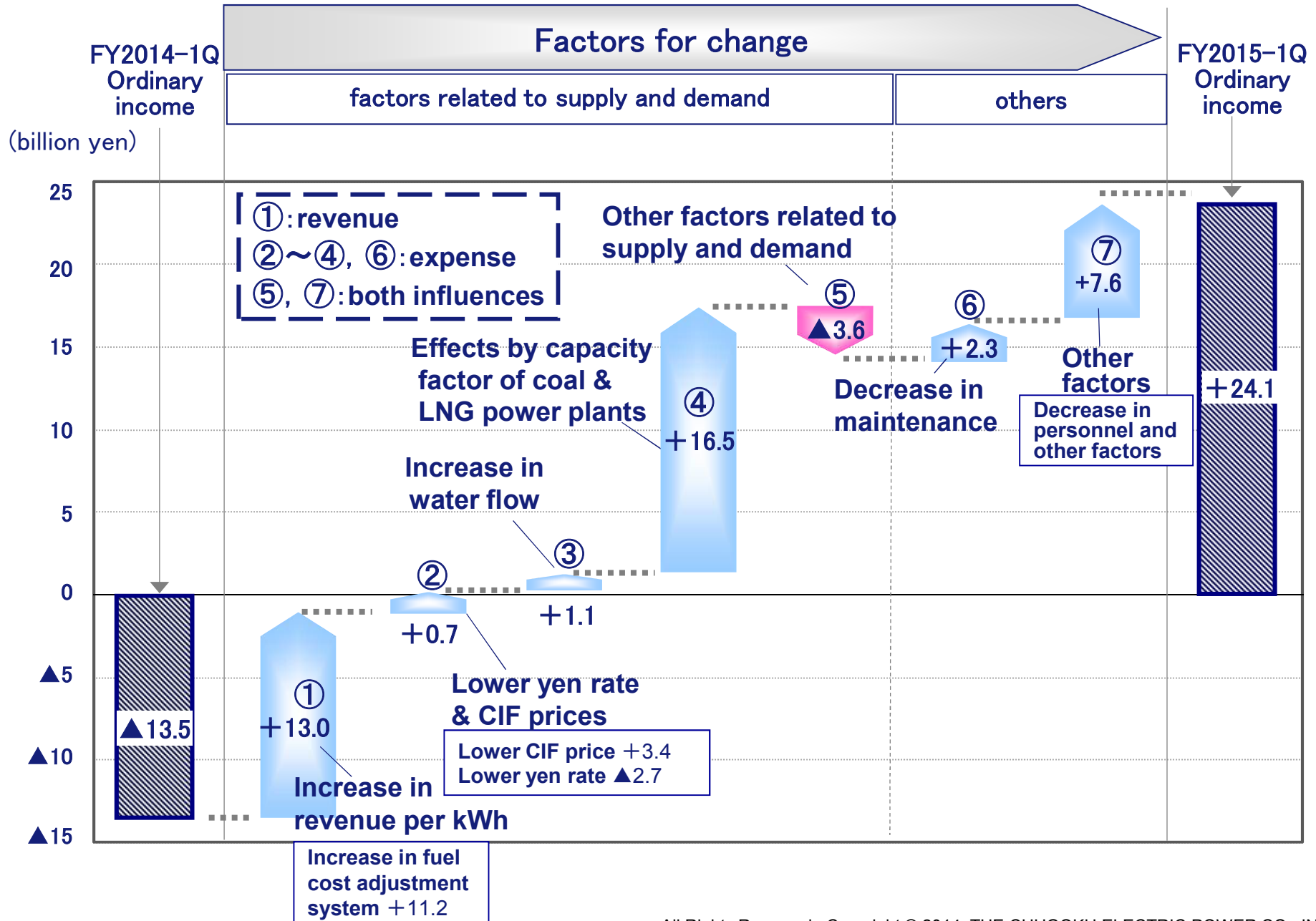
(3) Income, etc

(billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Breakdown
Operating income	21.6	▲11.7	33.4	
Ordinary income	24.1	▲13.5	37.6	
Provision for drought	▲0.3	—	▲0.3	
Provision for depreciation of nuclear power plant	0.1	0.1	0.0	
Income taxes, etc.	6.5	▲4.9	11.4	
Net income	17.7	▲8.7	26.5	

(Rounded down to the hundred million yen)

5. Factors for change in Ordinary income < Non-Consolidated >



6. Major Factors

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■ Major Factors

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)
Exchange rate (¥ / \$)	102	99	3
Crude oil prices (All Japan CIF) (\$ / b)	109.5	107.8	1.7
Foreign coal prices (All Japan CIF) (\$ / t)	99.1	113.7	▲14.6

(※) Crude oil prices and foreign coal prices in FY2015-1Q are assumption value of our company.

■ Financial impact (Sensitivity)

(billion yen)

	FY2015-1Q
Exchange rate (¥1 / \$)	0.9
Crude oil prices (All Japan CIF) (\$1 / b)	0.6
Water flow rate (1%)	0.2
Nuclear capacity factor (1%)	0.5

7. Balance Sheet < Consolidated >

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(billion yen)

	End of FY2015-1Q (A)	End of FY2014 (B)	Difference (A-B)	Breakdown
Assets	2,909.2	2,948.0	▲38.7	See Appendix : P17,18 Balance Sheet <Non-consolidated>
Electric utility fixed assets	1,359.1	1,365.8	▲6.6	
Construction in progress	593.9	586.4	7.5	
Liabilities	2,308.4	2,341.5	▲33.1	
Interest-bearing debt	1,861.1	1,857.9	3.2	
Provision for depreciation of nuclear power plant	71.3	71.1	0.1	
Total net assets	600.8	606.4	▲5.6	
Shareholders' equity	596.0	601.6	▲5.6	

(Rounded down to the hundred million yen)

8. Segment Information

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(1) Comprehensive Energy Supply Business ※ (billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Breakdown
Operating revenues	14.1	12.8	1.2	・Increase in LNG sales business
Operating income	0.4	0.1	0.2	

(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 excluding transactions among them .

(2) Information & Telecommunication Business (billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Breakdown
Operating revenues	9.2	8.8	0.3	・Increase in corporate business
Electric telecommunication business	7.8	7.4	0.4	
Operating income	1.4	1.5	▲0.0	
Electric telecommunication business	1.5	1.6	▲0.0	

(Rounded down to the hundred million yen)

Ⅱ . Performance Outlook for FY2015 Forecast of dividends

《Operating revenues》

- We expect that both consolidated and non- consolidated operating revenues increase, due to the increase in grants on the feed-in tariff scheme for renewable energy in comparison with the last expectation announced on April 28,2014.

《Operating income, Ordinary income, Net income》

- As we cannot formulate reasonable cost forecasts of electrical power supply/demand, the forecasts of operating, ordinary, and net income cannot be announced at this time.
- We shall provide prompt notification as soon as it is possible to announce our earnings forecast.

2. Summary of Performance Outlook

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(billion yen)

	Consolidated				Non- Consolidated			
	FY2015(Forecasts)		Difference (A-B)	Rate of change (A/B-1)	FY2015(Forecasts)		Difference (A-B)	Rate of change (A/B-1)
	As of Jul.31 (A)	As of Apr.28 (B)			As of Jul.31 (A)	As of Apr.28 (B)		
Operating revenues	1,309.0	1,301.0	8.0	0.6%	1,233.0	1,226.0	7.0	0.6%
Operating income	—	—	—	—	—	—	—	—
Ordinary income	—	—	—	—	—	—	—	—
Net income	—	—	—	—	—	—	—	—

■ Major Factors

		FY2015(Forecasts)		Difference (A-B)
		As of Jul.31 (A)	As of Apr.28 (B)	
Electricity sales	(billion kWh)	Approx. 58.60	Approx. 58.60	Approx. 0
Exchange rate	(¥ / \$)	Approx. 104	Approx. 105	Approx. ▲1
Crude oil prices (All Japan CIF)	(\$ / b)	Approx. 110	Approx. 110	Approx. 0

3. Forecast of dividends

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- We have not revised the forecasts of dividends of FY 2015 announced on April 28, 2014, i.e. we have not yet decided them.

The forecasts of dividends previously announced on April 28, 2014.

	FY2015 [Forecasts]	FY2014
Annual dividends	Undecided	¥50 per share
Interim dividends	undecided	¥25 per share

Ⅲ. Appendix

1. Operating revenues < Non-Consolidated >

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(1) Personnel

(billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Breakdown
Total	23.5	26.4	▲2.8	
Retirement allowances	▲0.0	1.9	▲1.9	•Decrease in actuarial difference depreciation ▲1.8

(Rounded down to the hundred million yen)

Actuarial Difference

(billion yen)

	Recorded amount	FY2014 amount of amortization	FY2015 Estimate		
			Amount of amortization	Balance of non-amortization	Non-amortization years
FY2009	▲25.4	▲5.0	—	—	-
FY2010	22.1	4.4	4.4	—	-
FY2011	0.1	0.0	0.0	0.0	1
FY2012	▲0.1	▲0.0	▲0.0	▲0.0	2
FY2013	4.7	0.9	0.9	2.8	3
FY2014	12.2	—	2.4	9.8	4
Total	13.8	0.3	7.8	12.6	-

(※) Amortize for five years from next recorded year

(Rounded down to the hundred million yen)

(2) Maintenance

(billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Breakdown
Total	17.5	19.9	▲2.3	
Power source	8.3	8.7	▲0.3	
Electric power transport	8.8	10.8	▲1.9	• Decrease in distribution ▲1.9
Others	0.3	0.4	▲0.0	

(Rounded down to the hundred million yen)

(3) Depreciation

(billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)	Breakdown
Total	23.6	23.5	0.1	
Power source	8.9	8.3	0.6	• Increase in nuclear power +0.4 • Increase in thermal power +0.2
Electric power transport	12.6	13.0	▲0.3	
Others	2.0	2.2	▲0.1	

(Rounded down to the hundred million yen)

2. Procurement and Consumption of Fuel (in-house)

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(1) Procurement volume

	Unit	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)
Fuel oil ※1	million liters	240	280	▲40
Crude oil	million liters	10	310	▲300
Coal ※2	thousand tons	1,720	1,640	80
LNG ※2	thousand tons	600	530	70

※1 : Internal combustion power plant included

※2 : Sales included

(2) Consumption volume

	Unit	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)
Fuel oil ※3	million liters	220	280	▲60
Crude oil	million liters	20	320	▲300
Coal	thousand tons	1,620	1,110	510
LNG	thousand tons	500	450	50

※3 : Internal combustion power plant included

3. Balance Sheet < Non-Consolidated >

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(1) Assets

(billion yen)

	End of FY2015-1Q (A)	End of FY2014 (B)	Difference (A-B)	Breakdown
Total	2,700.7	2,739.2	▲38.4	
Fixed assets	2,453.6	2,459.9	▲6.3	
Electric utility fixed assets	1,396.3	1,403.3	▲6.9	<ul style="list-style-type: none"> ▪ Asset capitalization +17.8 ▪ Depreciation ▲23.6 (Accumulated depreciation rate 76.7%) ▪ Retirement, etc. ▲1.1
Incidental business fixed assets	0.3	0.3	▲0.0	
Non-business fixed assets	4.2	4.4	▲0.1	
Construction in progress	599.1	592.6	6.5	
Nuclear fuel	186.7	182.8	3.8	
Others	266.8	276.3	▲9.5	
Current assets	247.1	279.2	▲32.1	▪ Decrease in cash and time deposits

(Rounded down to the hundred million yen)

(2) Liabilities and Net Assets

(billion yen)

	End of FY2015-1Q (A)	End of FY2014 (B)	Difference (A-B)	Breakdown			
Total	2,700.7	2,739.2	▲38.4	<Breakdown of interest-bearing debt>			
Liabilities	2,260.3	2,300.6	▲40.2		End of FY2015-1Q (A)	End of FY2014 (B)	Difference (A - B)
Long-term liabilities	1,731.7	1,757.2	▲25.5				
Current liabilities	457.3	471.8	▲14.5	Corporate bond	909.9	924.9	▲14.9
Provision for drought	—	0.3	▲0.3	Long-term debt	851.0	838.8	12.1
Provision for depreciation of nuclear power plant	71.3	71.1	0.1	Short-term debt	74.0	77.0	▲3.0
				CP	15.0	8.0	7.0
Net Assets	440.4	438.6	1.8	Total	1,850.0	1,848.9	1.1
Common stock	185.5	185.5	-				
Capital surplus	16.7	16.7	▲0.0				
Retained earnings	240.6	240.0	0.5				
Treasury stock	▲14.4	▲14.4	▲0.0				
Net unrealized holding gains on securities, etc.	12.0	10.7	1.2				

(Rounded down to the hundred million yen)

4. Capital Expenditure < Non-Consolidated >

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(billion yen)

	FY2015-1Q (A)	FY2014-1Q (B)	Difference (A-B)
Total	29.0	21.7	7.3
Power Source	17.0	11.1	5.8
Electric Power	6.9	8.7	▲ 1.7
Transport			
Transmission	2.2	2.3	▲ 0.1
Transformation	1.8	3.5	▲ 1.6
Distribution	2.8	2.8	0.0
Nuclear Fuel	4.6	0.7	3.8
Others	0.4	1.0	▲ 0.5

(※) Incidental Business Facilities Excluded

(Rounded down to the hundred million yen)

(1) Financial Index

(billion yen)

		End of FY2015-1Q (A)	End of FY2014 (B)	Difference (A-B)
Consolidated	Interest-bearing debt	1,861.1	1,857.9	3.2
	Exclude lease obligations	1,852.1	1,848.7	3.4
	Shareholders' equity ratio	20.5%	20.4%	0.1%
Non-consolidated	Interest-bearing debt	1,850.0	1,848.9	1.1
	Exclude lease obligations	1,850.0	1,848.9	1.1
	Shareholders' equity ratio	16.3%	16.0%	0.3%

(2) Interest Rate (Non-Consolidated)

(Rounded down to the hundred million yen)

	FY2015-1Q	FY2014
Average	1.38%	1.41%
End of period	1.35%	1.39%

6. Information & Telecommunications Business

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■ Performance Outlook of Information & Telecommunications Business

(billion yen)

	FY2015(Forecasts)		Difference (A-B)
	As of Jul.31 (A)	As of Apr.28 (B)	
Operating revenues	39.1	38.8	0.2
Electric telecommunication business	32.0	31.8	0.2
Operating income	5.7	6.3	▲0.6
Electric telecommunication business	5.2	5.8	▲0.6

(Rounded down to the hundred million yen)

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

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	Unit	FY2012	FY2013	FY2014	FY2015-1Q
Completely electrical housing introduced		46	44	43	10
Newly-constructed	Number of housing (Thousand)	21	21	21	5
Remodeled ※1		26	23	22	5
The ratio of newly constructed electrical Housing	%	51.6	49.1	45.5	{ 46.5 ※2 { 74.4 { 14.1
Single homes	%	80.4	78.1	72.9	
Housing complexes	%	18.5	18.5	13.7	
Household diffusion rate of completely electric homes	%	16.4	17.6	18.5	18.9
Electric water heater sales	thousand	60.1	56.3	56.4	13.8
“Ecocute”		44.9	43.9	46.1	11.4
The diffusion rate of electric water heater	%	25.7	26.8	27.4	27.7
Electric Water Heater Contract Accounts (accumulated total)	Number of accounts (Thousand)	825.2	860.9	896.6	908.2

(※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 as of the end of May, 2014.

(※3) Total amounts may not agree due to rounding off.

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