



Support documentation of
FY2015-3Q financial results

The Summary of Financial Results for FY2015-3Q (April 1 through December 31, 2014)

The Chugoku Electric Power Co., Inc.

January 30, 2015

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

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I . FY2015 3rd Quarter Financial Results

1. FY2015 -3Q Financial Results Summary

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(1) Consolidated

(billion yen)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	943.5	905.3	38.1	4.2%
Operating income	42.1	▲6.0	48.2	—
Ordinary income	32.2	▲16.4	48.6	—
Net income	21.9	▲13.2	35.1	—

(Rounded down to the hundred million yen)

(2) Non-consolidated

(billion yen)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	887.3	852.7	34.6	4.1%
Operating income	34.7	▲13.8	48.6	—
Ordinary income	28.3	▲25.0	53.4	—
Net income	21.0	▲18.5	39.6	—

(Rounded down to the hundred million yen)

2. Electricity Sales

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- Electricity sales were 41.96 billion kWh, down by 2.4% 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 the decrease in air-conditioning demand caused by lower summer temperature, and others.
- 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 ” demand.

(billion kWh)				
	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Rate of change (A/B-1)
Total	41.96	42.99	▲1.03	▲2.4%
Other than eligible customers	13.79	14.62	▲0.83	▲5.7%
Lighting	12.22	12.91	▲0.69	▲5.3%
Low voltage	1.57	1.71	▲0.14	▲8.3%
Eligible customers ※	28.17	28.37	▲0.20	▲0.7%
Commercial	7.95	8.34	▲0.39	▲4.7%
Industrial	20.22	20.03	0.19	0.9%
Large-scale	17.02	16.76	0.26	1.6%

(※) 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.	Jul.	Aug.	Spt.	Oct.	Nov.	Dec.
FY2015	10.0	14.3	19.6	23.2	26.9	26.9	23.9	18.7	13.4	5.5
Difference from the previous year	▲0.7	0.8	▲0.1	▲0.8	▲1.4	▲2.6	▲0.7	▲1.2	1.5	▲1.0
Difference from average year	0.9	▲0.4	0.3	0.2	▲0.2	▲1.3	▲0.5	0.4	0.9	▲2.0

3. Supply Capacity

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- Hydroelectric of own facilities decreased in comparison with the same period in the previous year due to the decreased water flow.
- Thermal power of own facilities decreased due to the decrease in electricity sales, despite the increase in electricity transmitted to other companies.
- Purchased power decreased due to the decrease in received electricity from J-Power (Electric Power Development Co.,Ltd.).

(billion kWh)

		FY2015-3Q	FY2014-3Q	Difference	Rate of change
		(A)	(B)	(A-B)	(A/B-1)
Supply Capacity		46.33	47.39	▲1.06	▲2.2%
Own facilities	(Water Flow Rate)	(102.9%)	(107.8%)	(▲4.9%)	
	Hydroelectric	2.41	2.67	▲0.26	▲9.6%
	Thermal	28.67	29.17	▲0.50	▲1.7%
	(Capacity Factor)	(—)	(—)	(—)	
	Nuclear	—	—	—	—
	New energy sources ※1	0.00	0.00	0.00	3.7%
Purchased power		15.96	16.26	▲0.30	▲1.9%
Interchanged power ※2		▲0.31	▲0.12	▲0.19	152.9%
Pumping use		▲0.40	▲0.59	0.19	▲31.7%

※1: As there are actual values less than 10 million, the rate of change is 3.7%.

※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)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Breakdown
Ordinary revenues	902.1	864.0	38.0	
Operating revenues	887.3	852.7	34.6	
Electricity sales	756.6	752.6	4.0	<ul style="list-style-type: none"> • Increase in revenue units +25.2 Fuel cost adjustment charges +12.6 Renewable energy power promotion surcharge +12.3 • Decrease in electricity sales ▲21.2
Lighting	277.7	287.8	▲10.1	
Commercial & industrial	478.9	464.7	14.1	
Sales to other companies, etc.	130.7	100.1	30.6	<ul style="list-style-type: none"> • Increase in grants on the act of renewable energy +19.2 • Increase in sales to other companies +10.4
Other revenues	14.7	11.3	3.4	

(Rounded down to the hundred million yen)

(2) Expenses

(billion yen)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Breakdown
Ordinary expenses	873.7	889.1	▲15.3	
Operating expenses	852.6	866.6	▲14.0	
Personnel	71.8	83.0	▲11.2	▪ Decrease in retirement allowances ▲8.2
Material	467.5	472.9	▲5.3	▪ Effects by capacity factor of coal & LNG power plants ▲21.4
Fuel	274.0	298.4	▲24.4	▪ Lower CIF prices ▲19.7
Purchased power	193.5	174.4	19.0	▪ Decrease in electricity sales ▲18.9 ▪ Lower yen rate +24.0 ▪ Decrease in water flow ▲2.2 ▪ Increase in purchase of renewable energy, and other factors +28.5
Maintenance	57.6	66.3	▲8.6	▪ Decrease in distribution ▲4.9 ▪ Decrease in thermal power ▲3.6
Depreciation	72.0	72.3	▲0.2	
Nuclear power back-end	4.4	4.7	▲0.2	
Others	179.1	167.3	11.8	▪ Increase in payments of the levy on the act of renewable energy +12.3
Interests	17.6	18.1	▲0.5	
Other expenses	3.5	4.3	▲0.8	

(Rounded down to the hundred million yen)

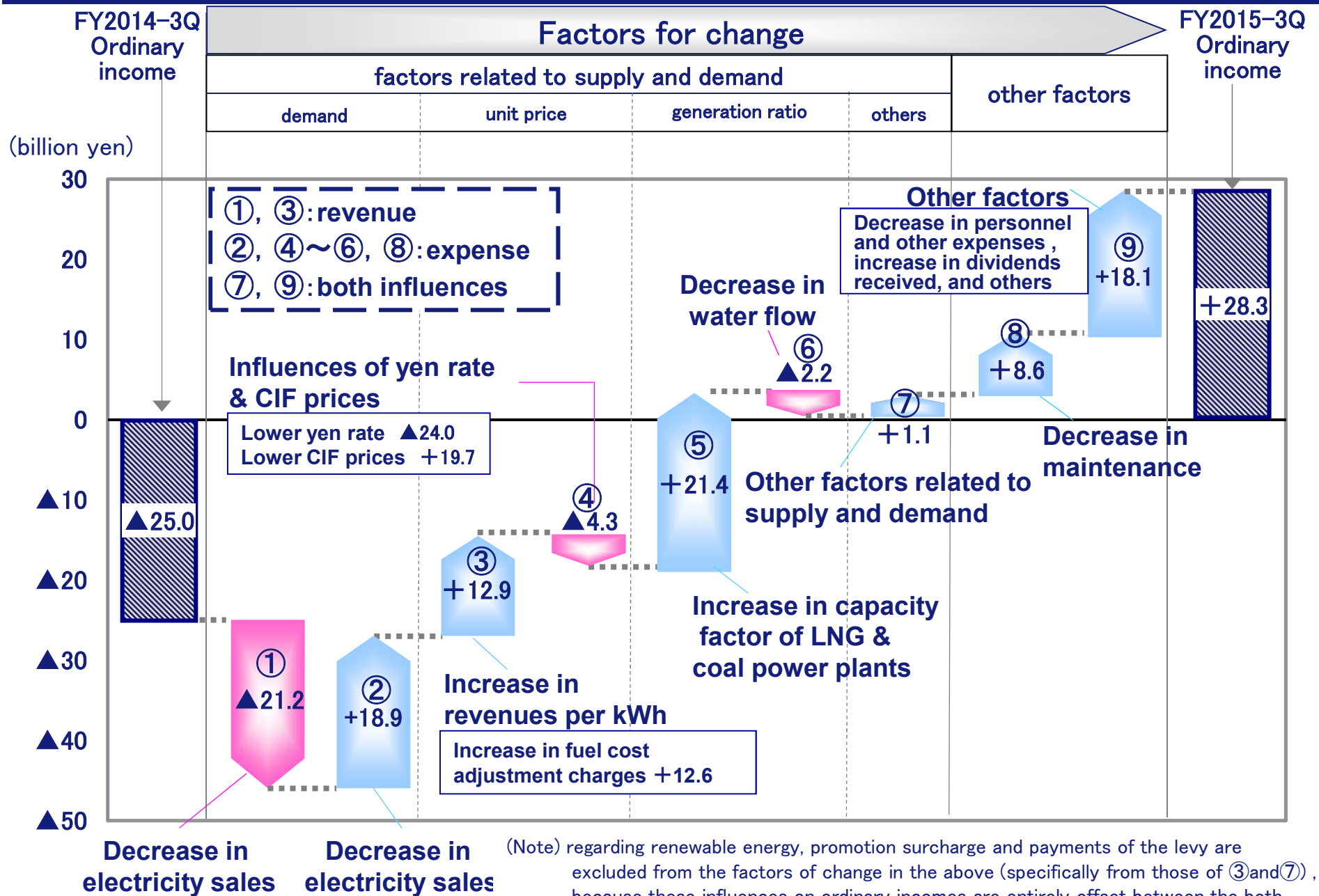
(3) Income, etc

(billion yen)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Breakdown
Operating income	34.7	▲13.8	48.6	
Ordinary income	28.3	▲25.0	53.4	
Provision for drought	▲0.3	—	▲0.3	
Provision for depreciation of nuclear power plant	1.1	2.0	▲0.9	
Income taxes, etc.	6.5	▲8.5	15.1	•Increase in net income before taxes
Net income	21.0	▲18.5	39.6	

(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

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)
Exchange rate (¥ / \$)	107	99	8
Crude oil prices (All Japan CIF) (\$ / b)	102.5	109.5	▲7.0
Foreign coal prices (All Japan CIF) (\$ / t)	95.0	108.7	▲13.7

(※) Crude oil prices and foreign coal prices in FY2015-3Q are assumption value of our company.

■ Financial impact to material expenses [Sensitivity] (billion yen)

	FY2015
Exchange rate (¥1 / \$)	4.0
Crude oil prices (All Japan CIF) (\$1 / b)	3.4
Water flow rate (1%)	0.6
Nuclear capacity factor (1%)	1.7

(※) For the full year (ending March 31, 2015)

7. Balance Sheet < Consolidated >

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(billion yen)

	End of FY2015-3Q (A)	End of FY2014 (B)	Difference (A-B)	Breakdown
Assets	2,969.6	2,948.0	21.6	See Appendix : P18,19 Balance Sheet <Non-consolidated>
Electric utility fixed assets	1,343.8	1,365.8	▲21.9	
Construction in progress	621.5	586.4	35.1	
Liabilities	2,365.9	2,341.5	24.3	
Interest-bearing debt	1,890.0	1,857.9	32.0	
Provision for depreciation of nuclear power plant	72.2	71.1	1.1	
Total net assets	603.7	606.4	▲2.7	
Shareholders' equity	598.8	601.6	▲2.8	

(Rounded down to the hundred million yen)

8. Segment Information

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

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Breakdown
Operating revenues	43.2	42.3	0.8	• Increase in LNG sales business
Operating income	1.4	1.8	▲0.3	

(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)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Breakdown
Operating revenues	28.5	28.2	0.2	• Increase in corporate business
Electric telecommunication business	23.9	22.9	0.9	
Operating income	4.6	5.0	▲0.3	
Electric telecommunication business	4.6	5.0	▲0.4	

(Rounded down to the hundred million yen)

Ⅱ . Performance Outlook for FY2015 Dividends

1. Summary of Performance Outlook

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(1) Consolidated

(billion yen)

	FY2015 (Forecasts) As of January (A)	FY2014 (B)	Difference (A-B)	【Reference】 FY2015 (Forecasts) As of October
Operating revenues	1,298.0	1,256.0	41.9	1,298.0
Operating income	57.0	8.9	48.0	36.0
Ordinary income	43.0	▲3.6	46.6	22.0
Net income	23.0	▲9.3	32.3	12.0

(2) Non-consolidated

(billion yen)

	FY2015 (Forecasts) As of January (A)	FY2014 (B)	Difference (A-B)	【Reference】 FY2015 (Forecasts) As of October
Operating revenues	1,221.0	1,181.1	39.8	1,221.0
Operating income	49.0	▲3.1	52.1	30.0
Ordinary income	38.0	▲18.2	56.2	18.0
Net income	22.0	▲18.8	40.8	12.0

■ Major factors for earnings increase of 56.2 billion yen
(compared to the results of FY2014)

(billion yen)

Major factors	Impact to ordinary income
Increase in fuel cost adjustment charges	Approx. +15
Decrease in material expenses	Approx. +8
▪ Decrease in personnel and maintenance expenses ▪ others	Approx. +33

3. Major Factors

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Major Factors

	unit	FY2015 (Forecasts) As of January (A)	FY2014 (Results) (B)	Difference (A-B)	【Reference】 FY2015 (Forecasts) As of October
Electricity sales	(billion kWh)	Approx. 58.00	58.98	Approx. ▲0.98	Approx. 58.10
Exchange rate	(¥ / \$)	Approx. 110	100	Approx. 10	Approx. 106
Crude oil prices (All Japan CIF)	(\$ / b)	Approx. 94	110.0	Approx. ▲16	Approx. 106
Nuclear capacity factor	(%)	—	—	—	—

Financial impact to material expenses [Sensitivity] (unit: billion yen)

		FY2015 (Forecasts) As of January (A)	FY2014 (Results) (B)	Difference (A-B)	【Reference】 FY2015 (Forecasts) As of October
Exchange rate	(¥ 1 / \$)	4.0	4.7	▲0.7	4.3
Crude oil prices (All Japan CIF)	(\$ 1 / b)	3.4	3.4	0.0	3.4
Water flow rate	(1%)	0.6	0.7	▲0.1	0.7
Nuclear capacity factor	(1%)	1.7	1.8	▲0.1	1.9

- We have not revised the forecasts of dividends announced on October 31, 2014.
- Regarding the forecasts of the year-end dividends of FY2015, we cannot yet inform you at this time.

< Dividends > (yen per share)

	FY2015	FY2014
Interim dividends	25	25
Year-end dividends	Undecided	25
Total	Undecided	50

Ⅲ. Appendix

1. Operating revenues < Non-Consolidated >

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(1) Personnel

(billion yen)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Breakdown
Total	71.8	83.0	▲11.2	
Retirement allowances	0.1	8.4	▲8.2	•Decrease in actuarial difference depreciation ▲5.6

(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)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Breakdown
Total	57.6	66.3	▲8.6	
Power source	27.4	31.0	▲3.5	▪Decrease in thermal power ▲3.6
Electric power transport	28.7	33.7	▲5.0	▪Decrease in distribution ▲4.9
Others	1.4	1.5	▲0.0	

(Rounded down to the hundred million yen)

(3) Depreciation

(billion yen)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)	Breakdown
Total	72.0	72.3	▲0.2	
Power source	27.5	26.1	1.3	▪Increase in nuclear power +1.3
Electric power transport	38.1	39.4	▲1.3	▪Decrease in transmission ▲0.6 ▪Decrease in transformation ▲0.3
Others	6.3	6.6	▲0.3	

(Rounded down to the hundred million yen)

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

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(1) Procurement volume

	Unit	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)
Fuel oil ※1	million liters	770	1,100	▲330
Crude oil	million liters	210	710	▲500
Coal ※2	thousand tons	4,460	4,230	230
LNG ※2	thousand tons	2,160	1,930	230

※1 : Internal combustion power plant included

※2 : Sales included

(2) Consumption volume

	Unit	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)
Fuel oil ※3	million liters	760	1,110	▲350
Crude oil	million liters	250	740	▲490
Coal	thousand tons	4,240	3,740	500
LNG	thousand tons	1,790	1,530	260

※3 : Internal combustion power plant included

3. Balance Sheet < Non-Consolidated >

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(1) Assets

(billion yen)

	End of FY2015-3Q (A)	End of FY2014 (B)	Difference (A-B)	Breakdown	
Total	2,735.9	2,739.2	▲3.3		
Fixed assets	2,481.1	2,459.9	21.1		
Electric utility fixed assets	1,380.6	1,403.3	▲22.6	<ul style="list-style-type: none"> ▪ Asset capitalization +53.8 ▪ Depreciation ▲72.0 (Accumulated depreciation rate 77.1%) ▪ Retirement, etc. ▲4.4 	
Incidental business fixed assets	0.3	0.3	▲0.0		
Non-business fixed assets	3.8	4.4	▲0.5		
Construction in progress	626.7	592.6	34.1		▪ Shimane Nuclear Power Station
Nuclear fuel	194.6	182.8	11.7		
Others	274.8	276.3	▲1.4		
Current assets	254.8	279.2	▲24.4	▪ Decrease in cash and time deposits	

(Rounded down to the hundred million yen)

(2) Liabilities and Net Assets

(billion yen)

	End of FY2015-3Q (A)	End of FY2014 (B)	Difference (A-B)	Breakdown			
Total	2,735.9	2,739.2	▲3.3	<Breakdown of interest-bearing debt>			
Liabilities	2,298.1	2,300.6	▲2.5		End of FY2015-3Q (A)	End of FY2014 (B)	Difference (A - B)
Long-term liabilities	1,783.9	1,757.2	26.7	Corporate bond	869.9	924.9	▲54.9
Current liabilities	441.8	471.8	▲30.0	Long-term debt	924.5	838.8	85.7
Provision for drought	-	0.3	▲0.3	Short-term debt	66.0	77.0	▲11.0
Provision for depreciation of nuclear power plant	72.2	71.1	1.1	CP	-	8.0	▲8.0
Net Assets	437.8	438.6	▲0.8	Total	1,860.6	1,848.9	11.7
Common stock	185.5	185.5	-	<ul style="list-style-type: none"> • Dividends ▲18.1 • Effect by the amendment to the Accounting Standard for Retirement Benefit ▲8.1 • Net income 21.0 			
Capital surplus	16.7	16.7	▲0.0				
Retained earnings	234.8	240.0	▲5.2				
Treasury stock	▲14.5	▲14.4	▲0.0				
Net unrealized holding gains on securities, etc.	15.2	10.7	4.4				

(Rounded down to the hundred million yen)

4. Capital Expenditure < Non-Consolidated >

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(billion yen)

	FY2015-3Q (A)	FY2014-3Q (B)	Difference (A-B)
Total	100.4	87.0	13.4
Power Source	57.3	40.8	16.4
Electric Power			
Transport	27.8	27.2	0.5
Transmission	9.5	9.3	0.1
Transformation	6.8	7.0	▲ 0.2
Distribution	11.4	10.7	0.6
Nuclear Fuel	11.6	14.5	▲ 2.8
Others	3.5	4.2	▲ 0.6

(※) Incidental Business Facilities Excluded

(Rounded down to the hundred million yen)

(1) Financial Index

(billion yen)

		End of FY2015-3Q (A)	End of FY2014 (B)	Difference (A-B)
Consolidated	Interest-bearing debt	1,890.0	1,857.9	32.0
	Exclude lease obligations	1,881.4	1,848.7	32.7
	Shareholders' equity ratio	20.2%	20.4%	▲0.2%
Non-consolidated	Interest-bearing debt	1,860.6	1,848.9	11.7
	Exclude lease obligations	1,860.6	1,848.9	11.7
	Shareholders' equity ratio	16.0%	16.0%	▲0.0%

(Rounded down to the hundred million yen)

(2) Interest Rate (Non-Consolidated)

	FY2015-3Q	FY2014
Average	1.35%	1.41 %
End of period	1.32%	1.39 %

6. Information & Telecommunication Business

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■ Performance Outlook of Information & Telecommunication Business

	FY2015 (Forecasts) As of January (A)	FY2014 (B)	Difference (A-B)	(billion yen) 【Reference】 FY2015 (Forecasts) As of October
Operating revenues	38.9	38.8	0.0	38.9
Electric telecommunication business	31.9	31.1	0.8	31.8
Operating income	5.4	6.9	▲ 1.5	5.4
Electric telecommunication business	5.1	6.7	▲ 1.6	5.0

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

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	Unit	FY2012	FY2013	FY2014	FY2015-3Q
Completely electrical housing introduced		46	44	43	28
Newly-constructed	Number of housing (Thousand)	21	21	21	14
Remodeled ※1		26	23	22	14
The ratio of newly constructed electrical Housing	%	52.8	51.6	47.1	45.2
Single homes	%	79.6	80.0	77.8	※2 72.8
Housing complexes	%	19.6	19.9	13.7	13.3
Household diffusion rate of completely electric homes	%	16.4	17.6	18.5	19.3
Electric water heater sales		60	56	56	38
“Ecocute”	thousand	45	44	46	32
The diffusion rate of electric water heater	%	25.7	26.8	27.4	28.0
Electric Water Heater Contract Accounts (accumulated total)	Number of accounts (Thousand)	825	861	897	923

(※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 November , 2014.

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

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