

Notice Regarding Revisions of Forecasts of Financial Results (Supporting document)

January 28, 2016

The Chugoku Electric Power Co., Inc.

In this report, the term “Fiscal Year 2016” refers to the period between April 1, 2015 and March 31, 2016.

- We expect both consolidated and non-consolidated operating revenues to decrease in comparison with the last fiscal year, due to the reduction in fuel cost adjustment system charges resulted from the decline in fuel prices, decrease in electricity sales, and others.
- We expect both consolidated and non-consolidated income to decrease in comparison with last fiscal year. This is because the expenses for maintaining of reliability on facilities and for Electricity System Reform such as taking measures to the full liberalization of the retail sale of electricity are expected to increase, despite the decrease in material expenses resulted from the decline in fuel prices and our efforts for business efficiency enhancement.

〈Reasons for Revisions of Forecasts Announced in October 2015〉

- We have revised the previously announced forecast of operating revenues, because electricity sales are expected to decrease. The income forecasts have also been revised from the ones previously announced, because we have been making our efforts for business efficiency enhancement and, in addition, material expenses are expected to decrease due to the decrease in electricity sales and the decline in fuel prices.

2. Summary of Performance Outlook

2

(1) Consolidated

(billion yen)

	FY2016 (Forecasts) As of January (A)	FY2015 (B)	Difference (A-B)	【Reference】 FY2016 (Forecasts) As of October
Operating revenues	1,232.0	1,299.6	▲67.6	1,246.0
Operating income	44.0	71.3	▲27.3	28.0
Ordinary income	30.0	58.7	▲28.7	13.0
Net income attributable to owners of the parent	20.0	33.8	▲13.8	11.0

(2) Non-consolidated

(billion yen)

	FY2016 (Forecasts) As of January (A)	FY2015 (B)	Difference (A-B)	【Reference】 FY2016 (Forecasts) As of October
Operating revenues	1,152.0	1,221.8	▲69.8	1,166.0
Operating income	35.0	60.4	▲25.4	20.0
Ordinary income	25.0	49.8	▲24.8	10.0
Net income	16.0	30.3	▲14.3	8.0

Major Factors

	FY2016 (Forecasts) As of January (A)	FY2015 (B)	Difference (A-B)
Electricity sales (billion kWh)	Approx. 56.8	57.87	Approx. ▲1.07
Exchange rate (¥ / \$)	Approx. 121	110	Approx. 11
Crude oil prices (All Japan CIF) (\$ / b)	Approx. 51	90.4	Approx. ▲39.4
Nuclear capacity factor (%)	—	—	—

【Reference】 FY2016 (Forecasts) As of October
Approx. 57.8
Approx. 122
Approx. 54
—

Financial impact (Sensitivity)

	FY2016 (Forecasts) As of January (A)	FY2015 (B)	Difference (A-B)
Exchange rate (¥ 1 / \$)	2.3	3.9	▲1.6
Crude oil prices (All Japan CIF) (\$ 1 / b)	2.8	3.3	▲0.5
Water flow rate (1%)	0.4	0.6	▲0.2
Nuclear capacity factor※ (1%)	0.7	1.6	▲0.9

(billion yen)

【Reference】 FY2016 (Forecasts) As of October
2.4
3.4
0.4
0.7

※FY2016 forecast(A) shows financial impact of Shimane Nuclear Power Plant Unit 2, while FY2015(B) shows financial impact of Shimane Nuclear Power Plant Units 1 and 2.

- We have not revised the forecasts of dividends announced in October 2015.
- Regarding the forecasts of the year-end dividends of FY2016, we cannot yet inform you at this time.

< Dividends > (yen per share)

	FY2016	FY2015
Interim dividends	25	25
Year-end dividends	Undecided	25
Total	Undecided	50

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