

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

January 27, 2017

The Chugoku Electric Power Co., Inc.

In this report, the term “Fiscal Year 2017” refers to the period between April 1, 2016 and March 31, 2017.

# 1. Performance Outlook for FY2017

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- We expect that both consolidated and non-consolidated operating revenues will decrease in comparison with the last fiscal year. This is mainly because the electricity sales revenue is expected to decrease, due to the decrease in fuel cost adjustment charges resulted from the higher yen rate.
- We expect that both consolidated and non-consolidated income will decrease in comparison with the last fiscal year. This is mainly because the effect of the time lag of fuel cost adjustment system will get worse which is due to the lower yen rate and the increase in fuel prices from the second half of FY2017, despite our efforts for business efficiency enhancement and the decrease in material cost resulted from the increase in capacity factor of coal power plants which have the higher economic efficiency.

## 〈Reasons for Revisions of Forecasts〉

- We have revised the previously announced forecast of operating revenues, because fuel cost adjustment charges are expected to decrease. The income forecasts have also been revised from the ones previously announced, mainly because material expenses are expected to increase resulted from the lower yen rate, despite our efforts for business efficiency enhancement.

## 2. Summary of Performance Outlook

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### (1) Consolidated

(billion yen)

	FY2017 (Forecasts) As of January (A)	FY2016 (B)	Difference (A-B)	【Reference】 FY2017 (Forecasts) As of October
Operating revenues	1,191.0	1,231.5	▲40.5	1,193.0
Operating income	28.0	50.0	▲22.0	31.0
Ordinary income	11.0	39.2	▲28.2	19.0
Net income attributable to owners of the parent	4.0	27.1	▲23.1	11.0

### (2) Non-consolidated

(billion yen)

	FY2017 (Forecasts) As of January (A)	FY2016 (B)	Difference (A-B)	【Reference】 FY2017 (Forecasts) As of November
Operating revenues	1,113.0	1,150.5	▲37.5	1,114.0
Operating income	24.0	39.6	▲15.6	27.0
Ordinary income	10.0	31.3	▲21.3	17.0
Net income	10.0	21.0	▲11.0	15.0

## ■ Major Factors (Non-Consolidated)

	FY2017 (Forecasts) As of January (A)	FY2016 (B)	Difference (A-B)	【Reference】 FY2017 (Previously announced forecasts)
Electricity sales (billion kWh)	57.1	56.72	0.38	57.1
Exchange rate (¥/\$)	109	120	▲11	105
Crude oil prices (All Japan CIF) (\$/b)	47	48.7	▲1.7	47
Nuclear capacity factor (%)	—	—	—	—

## ■ Financial impact (Sensitivity) (Non-Consolidated)

	FY2017 (Forecasts) As of January (A)	FY2016 (B)	Difference (A-B)	(billion yen) 【Reference】 FY2017 (Previously announced forecasts)
Exchange rate (¥1/\$)	2.2	2.3	▲0.1	2.2
Crude oil prices (All Japan CIF) (\$1/b)	2.4	2.7	▲0.3	2.2
Water flow rate (1%)	0.3	0.3	—	0.3
Nuclear capacity factor* (1%)	0.5	0.6	▲0.1	0.5

## 3. Dividends

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- We have not revised the forecasts of dividends.
- Regarding the forecasts of the year-end dividends of FY2017, we cannot yet inform you at this time.

< Dividends > (yen per share)

	FY2017	FY2016
Interim	25	25
Year-end	Undecided	25
Total	Undecided	50

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**For Questions or Comments,  
Please Contact the Investor Relations Section  
at the Address Below :**

**4-33 , Komachi, Naka-ku,  
Hiroshima 730-8701  
Japan**

**The Chugoku Electric Power Co., Inc.  
Corporate Planning Division  
F A X : +81 82 544 2792  
E-mail: [ir@inet.energia.co.jp](mailto:ir@inet.energia.co.jp)**