



FY2012-1Q Financial Results (April 1 through June 30, 2011)

The Chugoku Electric Power Co., Inc.

July , 2011

In this report, the term “Fiscal Year 2012” describes the period which ended March, 2012.

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. FY2012 1st Quarter Financial Results

FY2012 -1Q Financial Results Summary

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Consolidated

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenue	256.0	246.6	9.4	3.8%
Operating income	1.5	5.2	3.6	69.6%
Ordinary income	3.9	2.5	1.3	-
Net income	5.3	8.7	3.3	-

Rounded down to the hundred million yen

Non-consolidated

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenue	240.6	231.6	8.9	3.9%
Operating income	1.3	3.8	5.1	-
Ordinary income	4.8	2.1	2.6	-
Net income	4.9	7.6	2.7	-

Rounded down to the hundred million yen

Major Factors - Electricity Sales

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- ◆ Electricity sales were 14.35billion kWh for an 1.0% decrease over the same period in previous year.
- ◆ Lighting use decreased in comparison with the same period in previous year due to reasons such as the decrease in heating demand.
- ◆ Large-scale electricity decreased in comparison with the same period in previous year due to reasons such as the decrease in "chemical" and "machinery" demand.

Electricity sales results (Use distinction)

	billion kWh		
	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)
Total	14.35	14.50	0.15
Other than eligible customers	4.97	5.00	0.03
Lighting	4.41	4.42	0.01
Low voltage	0.56	0.58	0.02
Eligible customers ()	9.38	9.50	0.12
Commercial	2.57	2.60	0.03
Industrial	6.81	6.90	0.09
Large-scale	5.77	5.85	0.08

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)

	Mar.	Apr.	May	Jun.
2011	7.2	13.4	19.5	23.6
Difference from previous year	1.9	0.4	1.0	0.3
Difference from average year	1.9	1.3	0.2	0.6

Major Factors - Supply Capacity

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- ◆ Hydroelectric increased due to an increased water flow.
- ◆ Thermal power of CEP and Other companies decreased due to repair & maintenance.
- ◆ Nuclear power increased due to the restart of Shimane Nuclear Power Station Unit No. 2.

		Unit	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	
Supply capacity	Own facilities	(Water Flow Rate)				
		Hydroelectric	billion kWh	1.19	1.07	0.12
		Thermal	billion kWh	7.17	8.59	1.42
		(Capacity Factor)				
		Nuclear	billion kWh	1.80	-	1.80
		Purchased power	billion kWh	5.04	5.99	0.95
		Interchanged power	billion kWh	0.16	0.00	0.16
	Pumping use	billion kWh	0.18	0.18	0.00	
	Total	billion kWh	15.18	15.47	0.29	
Fuel	Exchange rate (Inter Bank)	¥ / \$	82	92	10	
	Crude oil prices (All Japan CIF)	\$ / b	115.0	81.3	33.7	
	Foreign coal prices (All Japan CIF)	\$ / t	134.3	104.9	29.4	

() Crude oil prices and foreign coal prices in FY2012 Interim are assumption value of our company.

billion yen

<Reference>

Financial impact
(Sensitivity)

		FY2012-1Q	FY2011-1Q
Exchange rate	(¥ / \$)	1.0	0.8
Crude oil prices (All Japan CIF)	(\$ / b)	0.5	0.5
Water flow rate	(%)	0.2	0.1
Nuclear capacity factor	(%)	0.4	0.3

c.

Revenue

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Breakdown
Ordinary revenue	245.2	235.9	9.3	
Operating revenue	240.6	231.6	8.9	
Electricity sales	220.1	213.7	6.3	<ul style="list-style-type: none"> · Decrease in electricity sales 2.2 · Increase in revenue units +8.5 (Revenue from fuel cost adjustment system +7.3)
Lighting	87.3	86.0	1.3	
Commercial & industrial	132.7	127.7	5.0	
Sales to other companies etc.	20.4	17.8	2.6	<ul style="list-style-type: none"> · Increase in sales to other companies +1.2 · Increase in incidental businesses +0.9
Other revenues	4.6	4.2	0.3	

Rounded down to the hundred million yen

< Non-Consolidated > Income Statement 2/3

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Expense

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Breakdown
Ordinary expense	250.0	238.1	11.9	
Operating expense	241.9	227.8	14.1	
Personnel	27.7	26.9	0.7	· Increase in retirement allowances +0.9
Material	112.5	104.6	7.8	· Higher CIF price +22.8
Fuel	59.7	53.6	6.0	· Decrease in capacity factor of coal & LNG power plant +22.7
Purchased power	52.7	50.9	1.8	· Increase in capacity factor of nuclear power plant 25.8 · Higher yen rate 10.0 · Increase in capacity factor of hydropower 3.8
Maintenance	21.4	17.9	3.5	· Increase in thermal & nuclear +3.6
Depreciation	27.2	28.3	1.1	· Decrease caused by progress in the depreciation
Nuclear power back- end	3.3	1.9	1.3	· Increase in nuclear power operating result
Other expenses	49.6	47.9	1.6	· Increase in incidental businesses expense +1.1
Interests	6.4	6.6	0.2	
Other expenses	1.6	3.5	1.9	

Rounded down to the hundred million yen

< Non-Consolidated > Income Statement 3/3

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Income, etc.

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Breakdown
Operating income	1.3	3.8	5.1	
Ordinary income	4.8	2.1	2.6	
Provision for drought	1.6	0.7	0.8	
Provision for depreciation of nuclear power plant	1.8	2.4	0.5	
Extraordinary loss	-	6.8	6.8	· Effect due to application of Accounting Standards for Asset Retirement Obligations
Income taxes etc.	3.3	4.5	1.1	
Net income	4.9	7.6	2.7	

Rounded down to the hundred million yen

< Consolidated > Balance Sheet

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billion yen

	FY2012-1Q (A)	FY2011 (B)	Difference (A-B)	Breakdown
Assets	2,857.1	2,831.1	26.0	See Appendix: Balance Sheet
Electric utility fixed assets	1,470.1	1,484.6	14.5	
Construction in progress	503.5	492.0	11.4	
Liabilities	2,210.4	2,169.8	40.5	
Interest-bearing debt	1,781.1	1,724.7	56.3	
Provision for depreciation of nuclear power plant	59.7	57.8	1.8	
Total net assets	646.7	661.2	14.5	
Shareholders' equity	642.4	656.9	14.4	

Rounded down to the hundred million yen

Comprehensive Energy Supply Business

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Breakdown
Operating revenue	11.2	9.9	1.3	· Increase in coal sales
Operating income	0.5	0.2	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. MIZUSHIMA LNG SALES COMPANY (equity method affiliate) excluded.

Telecommunication Business

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Breakdown
Operating revenue	8.6	8.0	0.5	· Increase in the fiber-optic cable leasing business and corporate business
Telecommunication business	7.0	6.2	0.7	
Operating income	1.2	0.9	0.2	
Telecommunication business	1.3	0.9	0.3	

Rounded down to the hundred million yen

. Performance Outlook for FY2012

- **At present we cannot provide an operating plan for Shimane Nuclear Power Station Unit No. 1 ¹ and Unit No. 3 ², making it difficult to formulate reasonable cost forecasts, such that operating, ordinary and net income cannot be determined at this time.**
- **We shall provide prompt notification as soon as it is possible to announce our earnings forecast.**
 - 1 **Undergoing the 29th scheduled inspection**
 - 2 **Under construction**

< Non-Consolidated > Major Factors

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billion kWh

	FY2012 Estimate (A)	FY2011 Result (B)	Difference (A-B)	Previous Estimate (April 28)
Total amount of electricity sales	61.45	62.40	0.95	61.45
Other than eligible customers ()	22.00	22.56	0.56	21.89
Lighting	19.52	19.86	0.34	19.44
Low voltage	2.48	2.70	0.22	2.45
Eligible customers ()	39.45	39.84	0.39	39.56
Large-scale	23.54	23.68	0.14	23.60

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

	FY2012 Estimate (A)	FY2011 Result (B)	Difference (A-B)	Previous Estimate (April 28)
Exchange rate (¥ / \$)	84	86	2	85
Crude oil prices (All Japan CIF) (\$ / b)	111	84	27	110

Performance Outlook for FY2012

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Consolidated

billion yen

	Updated Estimate (A)	FY2011 Result (B)	Difference (A-B)	Previous Estimate (April 28)
Operating revenue	1,160.0	1,094.2	65.7	1,160.0
Operating income	-	48.4	-	-
Ordinary income	-	23.8	-	-
Net income	-	1.7	-	-

Rounded down to the hundred million yen

Non-consolidated

billion yen

	Updated Estimate (A)	FY2011 Result (B)	Difference (A-B)	Breakdown	Previous Estimate (April 28)
Operating revenue	1,094.0	1,028.8	65.1	<ul style="list-style-type: none"> · Increase in revenue units +72.0 · Decrease in electricity sales 14.0 	1,094.0
Operating income	-	37.7	-		-
Ordinary income	-	14.7	-		-
Net income	-	3.0	-		-

Rounded down to the hundred million yen

Dividend	¥50/share	¥50/share
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Performance Outlook for FY2012-2Q

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Consolidated

billion yen

	Updated estimate (A)	FY2011-2Q (B)	Difference (A-B)	Previous estimate (April 28)
Operating revenue	551.0	540.5	10.4	551.0
Operating income	13.0	29.5	16.5	-
Ordinary income	1.0	15.7	14.7	-
Net income	4.0	1.1	5.1	-

Rounded down to the hundred million yen

Non-consolidated

billion yen

	Updated estimate (A)	FY2011-2Q (B)	Difference (A-B)	Breakdown	Previous estimate (April 28)
Operating revenue	519.0	509.5	9.4	<ul style="list-style-type: none"> · Increase in capacity factor of nuclear power plant + 50.0 · Decrease in capacity factor of coal & LNG power plant 35.0 · Effect due to rise of fuel price 19.0 · Increase of repair cost, etc. 	519.0
Operating income	10.0	25.4	15.4		-
Ordinary income	0.0	13.6	13.6		-
Net income	4.0	0.9	4.9		-

Rounded down to the hundred million yen

. Appendix

Personnel

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Breakdown
Total	27.7	26.9	0.7	
Retirement allowances	2.4	1.5	0.9	Increase in actuarial difference depreciation + 0.9(0.2 0.6)

Rounded down to the hundred million yen

Actuarial Difference

billion yen

	Recorded amount	FY2011 amount of amortization	FY2012		
			Amount of amortization	Balance of non-amortization	Non-amortization years
FY2006	18.9	3.7	-	-	-
FY2007	18.5	3.7	3.7	-	-
FY2008	21.0	4.2	4.2	4.2	1
FY2009	25.4	5.0	5.0	10.1	2
FY2010	22.1	4.4	4.4	13.3	3
FY2011	0.1	-	0.0	0.1	4
Total	13.3	2.6	1.1	0.9	-

(*) Amortize for five years from next recorded year

Rounded down to the hundred million yen

Maintenance

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Breakdown
Total	21.4	17.9	3.5	
Power source	11.0	7.6	3.4	Increase in thermal & nuclear +3.6
Electric power transport	10.0	9.8	0.1	
Others	0.3	0.4	0.1	

Rounded down to the hundred million yen

Depreciation

billion yen

	FY2012-1Q (A)	FY2011-1Q (B)	Difference (A-B)	Breakdown
Total	27.2	28.3	1.1	Decrease caused by progress in the depreciation
Power source	11.1	11.7	0.6	
Electric power transport	14.3	14.4	0.1	
Others	1.8	2.1	0.3	

(*) Electric business operating expense

Rounded down to the hundred million yen

Procurement volume

Unit		FY2012-1Q (A)	FY2011-1Q (B)
Fuel oil	million liters	330	300
Crude oil	million liters	200	80
Coal	thousands tons	1,440	1,860
LNG	thousands tons	540	640

Consumption volume

Unit		FY2012-1Q (A)	FY2011-1Q (B)
Fuel oil	million liters	320	290
Crude oil	million liters	160	70
Coal	thousands tons	960	1,400
LNG	thousands tons	340	430

Assets

billion yen

	FY2012-1Q (A)	FY2011 (B)	Difference (A-B)	Breakdown
Total	2,657.6	2,635.1	22.5	
Fixed assets	2,458.0	2,465.6	7.5	
Electric utility fixed assets	1,508.9	1,523.9	14.9	<ul style="list-style-type: none"> · Asset capitalization + 14.4 · Depreciation 27.2 (Accumulated depreciation rate 74.4%) · Retirement, etc. 2.1
Incidental business fixed assets	0.9	0.9	0.0	
Non-business fixed assets	5.7	5.8	0.0	
Construction in progress	508.5	496.5	12.0	<ul style="list-style-type: none"> · Shimane Nuclear Power Station Unit No.3
Nuclear fuel	166.0	165.6	0.3	<ul style="list-style-type: none"> · Decrease in trust funds for reprocessing of irradiated nuclear fuel
Others	267.8	272.7	4.9	
Current assets	199.6	169.5	30.0	<ul style="list-style-type: none"> · Increase in inventories

Rounded down to the hundred million yen

Liabilities and Net Assets

billion yen

	FY2012-1Q (A)	FY2011 (B)	Difference (A-B)	Breakdown																												
Total	2,657.6	2,635.1	22.5	<p><Breakdown of interest-bearing debt></p> <table border="1"> <thead> <tr> <th></th> <th>FY2012-1Q</th> <th>End of FY2011</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Corporate bond</td> <td>929.9</td> <td>969.9</td> <td>39.9</td> </tr> <tr> <td>Long-term debt</td> <td>620.9</td> <td>571.8</td> <td>49.0</td> </tr> <tr> <td>Short-term debt</td> <td>69.3</td> <td>69.3</td> <td>-</td> </tr> <tr> <td>CP</td> <td>110.0</td> <td>65.0</td> <td>45.0</td> </tr> <tr> <td>Lease obligations</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>1,730.1</td> <td>1,676.1</td> <td>54.0</td> </tr> </tbody> </table>		FY2012-1Q	End of FY2011	Difference	Corporate bond	929.9	969.9	39.9	Long-term debt	620.9	571.8	49.0	Short-term debt	69.3	69.3	-	CP	110.0	65.0	45.0	Lease obligations	-	-	-	Total	1,730.1	1,676.1	54.0
	FY2012-1Q	End of FY2011	Difference																													
Corporate bond	929.9	969.9	39.9																													
Long-term debt	620.9	571.8	49.0																													
Short-term debt	69.3	69.3	-																													
CP	110.0	65.0	45.0																													
Lease obligations	-	-	-																													
Total	1,730.1	1,676.1	54.0																													
Liabilities	2,136.1	2,099.3	36.7																													
Long-term liabilities	1,688.5	1,642.6	45.9																													
Current liabilities	386.1	398.7	12.6																													
Provision for drought	1.6	-	1.6																													
Provision for depreciation of nuclear power plant	59.7	57.8	1.8																													
Net Assets	521.5	535.8	14.2																													
Common stock	185.5	185.5	-																													
Capital surplus	16.7	16.7	0.0																													
Retained earnings	327.4	341.4	14.0																													
Treasury stock	12.5	12.5	0.0																													
Net unrealized holding gains on securities, etc.	4.4	4.6	0.2																													

· Dividend 9.1
 · Net income of FY2012-1Q 4.9

Rounded down to the hundred million yen.

Financial Index

billion yen

	Consolidated		Non-consolidated	
	FY2012 -1Q	FY2011	FY2012 -1Q	FY2011
Interest-bearing debt	1,781.1	1,724.7	1,730.1	1,676.1
Exclude lease obligations	1,769.2	1,712.6	1,730.1	1,676.1
Shareholders' equity ratio	22.5%	23.2%	19.6%	20.3%

Interest Rate (Non-Consolidated)

	FY2012 1Q	FY2011
Average	1.55%	1.62%
End of period	1.52%	1.57%

Information & Telecommunication Business

billion yen

	Updated Estimate (A)	Previous Estimate (April 28) (B)	Difference (A-B)
Operating revenue	37.9	38.2	0.2
Telecommunication business	28.4	28.6	0.2
Operating income	4.8	4.7	0.0
Telecommunication business	4.2	4.1	0.0

Rounded down to the hundred million yen

	Unit	FY2009 Result	FY2010 Result	FY2011 Result	FY2012 Interim
Completely electrical housing introduced	Number of housing (Thousand)	61	57	55	10
Newly-constructed		20	18	19	4
(1) Remodeled		42	40	35	6
The ratio of newly constructed electrical Housing	%	42.5	49.7	52.3	51.9
Single homes	%	78.9	82.9	82.4	(2) 81.7
Housing complexes	%	11.8	11.6	13.0	13.8
Household diffusion rate of completely electric homes	%	12.1	13.5	15.1	15.4
Electric water heater sales	thousand	71.3	67.6	66.8	12.8
“Ecocute”		46.5	46.6	49.4	9.2
The diffusion rate of electric water heater	%	21.9	23.3	24.7	25.0
Electric Water Heater Contract Accounts (accumulated total)	Number of accounts (Thousand)	688.8	737.8	785.3	795.9

(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 May , 2011.

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

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