



Support documentation of FY2012
third-quarter financial results

The Summary of Financial Results for FY2012-3Q (April 1 through December 31, 2011)

The Chugoku Electric Power Co., Inc.

January 31, 2012

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

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I . FY2012 3rd Quarter Financial Results

1. FY2012 -3Q Financial Results Summary

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■ Consolidated

(billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	846.8	798.4	48.3	6.1%
Operating income	45.3	42.3	3.0	7.3%
Ordinary income	25.1	21.8	3.3	15.3%
Net income	▲0.4	2.8	▲3.2	-

(Rounded down to the hundred million yen)

■ Non-consolidated

(billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Rate of change (A/B-1)
Operating revenues	798.8	750.6	48.2	6.4%
Operating income	36.5	34.9	1.5	4.6%
Ordinary income	19.5	16.5	2.9	17.9%
Net income	▲1.1	1.0	▲2.2	-

(Rounded down to the hundred million yen)

2. Major Factors

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(1) Electricity Sales

- Electricity sales were 43.89 billion kWh, down 1.89 billion kWh 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 cooling demand and the influence of energy saving. (See p4, Average monthly temperature)
- Large-scale electricity decreased in comparison with the same period in the previous year due to reasons such as the decrease in "chemical" and "machinery" demand.

(billion kWh)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)
Total	43.89	45.78	▲1.89
Other than eligible customers	14.91	15.72	▲0.81
Lighting	13.08	13.75	▲0.67
Low voltage	1.83	1.97	▲0.14
Eligible customers ※	28.98	30.06	▲1.08
Commercial	8.34	8.73	▲0.39
Industrial	20.64	21.33	▲0.69
Large-scale	17.29	17.90	▲0.61

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

(2) Supply Capacity

- Hydroelectric increased due to the increased water flow.
- Nuclear power increased due to the restart of Shimane Nuclear Power Station Unit No. 2.
- Thermal power of own facilities and other companies decreased due to the decrease in electricity sales volume and the increase in nuclear power, despite the increase in interchanged power.

(billion kWh)

		FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)
Supply Capacity		48.03	50.26	▲2.23
Own facilities	(Water Flow Rate)	(117.6%)	(92.4%)	(25.2%)
	Hydroelectric	3.10	2.58	0.52
	Thermal	26.74	29.61	▲2.87
	(Capacity Factor)	(64.0%)	(5.8%)	(58.2%)
	Nuclear	5.41	0.49	4.92
	New energy sources	0.0	-	0.0
Purchased power		15.04	17.53	▲2.49
Interchanged power		▲1.37	0.89	▲2.26
Pumping use		▲0.89	▲0.84	▲0.05

(3) Exchange rate, CIF

	Unit	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)
Exchange rate	¥ / \$	79	87	▲8
Crude oil prices (All Japan CIF)	\$ / b	113.1	79.7	33.4
Foreign coal prices (All Japan CIF)	\$ / t	141.3	111.2	30.1

(※) Crude oil prices and foreign coal prices in FY2012-3Q are assumption value of our company.

< Financial impact (Sensitivity) > (billion yen)

	FY2012-3Q
Exchange rate (1 ¥ / \$)	3.8
Crude oil prices (All Japan CIF) (1 \$ / b)	1.9
Water flow rate (1%)	0.4
Nuclear capacity factor (1%)	1.2

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

	2011								
	Apr.	May	Jun.	Jul.	Aug.	Spt.	Oct.	Nov.	Dec.
2011	13.4	19.5	23.6	27.6	28.2	24.9	18.5	14.7	6.9
Difference from previous year	0.4	1.0	0.3	0.4	▲2.1	▲1.3	▲0.7	2.7	▲0.4
Difference from average year	▲1.3	0.2	0.6	0.5	0.0	0.5	0.2	2.2	▲0.6

3. Income Statement < Non-Consolidated >

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■ Revenue

(billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Breakdown
Ordinary revenues	808.4	759.6	48.7	
Operating revenues	798.8	750.6	48.2	
Electricity sales	707.6	698.6	8.9	<ul style="list-style-type: none"> ▪ Decrease in electricity sales ▲28.9 ▪ Increase in revenue units +37.8 (Revenue from fuel cost adjustment system +37.2)
Lighting	273.8	279.3	▲5.5	
Commercial & industrial	433.8	419.3	14.4	
Sales to other companies etc.	91.2	51.9	39.3	<ul style="list-style-type: none"> ▪ Increase in sales to other companies +31.2 ▪ Increase in incidental businesses +5.9
Other revenues	9.5	9.0	0.4	

(Rounded down to the hundred million yen)

■ Expense

(billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Breakdown
Ordinary expense	788.8	743.1	45.7	
Operating expense	762.3	715.6	46.6	
Personnel	84.4	81.0	3.4	▪ Increase in retirement allowances +3.0
Material	369.9	339.1	30.8	▪ Higher CIF price Crude oil, etc. +63.5 Foreign coal +24.1
Fuel	220.6	184.9	35.6	▪ Decrease in capacity factor of coal power plant +41.7 ▪ Increase in sales to other companies +28.3 ▪ Increase in capacity factor of nuclear power plant ▲69.8
Purchased power	149.2	154.1	▲4.8	▪ Higher yen rate ▲30.4 ▪ Decrease in electricity sales ▲23.5 ▪ Increase in water flow ▲10.1
Maintenance	68.3	61.2	7.0	▪ Increase in thermal power +9.8 ▪ Decrease in nuclear Power ▲4.6
Depreciation	83.1	84.9	▲1.8	▪ Decrease caused by progress in the depreciation
Nuclear power back-end	9.9	5.0	4.8	▪ Increase in nuclear power operating result
Other expenses	146.4	144.1	2.2	▪ Increase in incidental businesses expense +6.3
Interests	19.2	19.7	▲0.4	
Other expenses	7.2	7.6	▲0.3	

(Rounded down to the hundred million yen)

Income, etc

(billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Breakdown
Operating income	36.5	34.9	1.5	
Ordinary income	19.5	16.5	2.9	
Provision for drought	1.8	-	1.8	
Provision for depreciation of nuclear power plant	6.8	7.4	▲0.6	
Extraordinary loss	-	6.8	▲6.8	▪ Effect due to application of Accounting Standards for Asset Retirement Obligations
Income taxes etc.	12.0	1.2	10.8	▪ Deferred tax asset reversals due to changes in tax rates
Net income	▲1.1	1.0	▲2.2	

(Rounded down to the hundred million yen)

4. Balance Sheet < Consolidated >

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(billion yen)

	FY2012-3Q (A)	FY2011 (B)	Difference (A-B)	Breakdown
Assets	2,854.1	2,831.1	22.9	See Appendix : P16,17 Balance Sheet <Non-consolidated>
Electric utility fixed assets	1,443.1	1,484.6	▲41.4	
Construction in progress	527.4	492.0	35.3	
Liabilities	2,213.3	2,169.8	43.4	
Interest-bearing debt	1,768.6	1,724.7	43.8	
Provision for depreciation of nuclear power plant	64.6	57.8	6.8	
Total net assets	640.7	661.2	▲20.5	
Shareholders' equity	636.4	656.9	▲20.4	

(Rounded down to the hundred million yen)

5. Segment Information

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■ Comprehensive Energy Supply Business ※ (billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Breakdown
Operating revenues	34.1	27.8	6.2	・ Increase in LNG and coal sales
Operating income	0.7	0.9	▲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. MIZUSHIMA LNG SALES COMPANY (equity method affiliate) excluded.

■ Telecommunication Business (billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Breakdown
Operating revenues	27.1	25.0	2.0	・ Increase in the corporate business and the fiber-optic cable leasing business.
Telecommunication business	21.4	19.0	2.3	
Operating income	4.2	3.6	0.5	
Telecommunication business	4.1	3.3	0.8	

(Rounded down to the hundred million yen)

Ⅱ . Performance Outlook for FY2012

- We estimated that Operating revenues (Consolidated, Non-consolidated) will increase in comparison with our previous estimate(October,2011) due to the increase in sales to other company, despite the decrease in electricity sales.
- The current situation for restarting nuclear power station is unpredictable, making it difficult to formulate reasonable cost forecasts of supply/demand of electrical power , 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.

Consolidated

(billion yen)

	FY2012 Estimate (A)	Previous Estimate (B)	Difference (A-B)	FY2011 Result
Operating revenues	1,177.0	1,160.0	17.0	1,094.2
Operating income	-	-	-	48.4
Ordinary income	-	-	-	23.8
Net income	-	-	-	1.7

(Rounded down to the hundred million yen)

Non-consolidated

(billion yen)

	FY2012 Estimate (A)	Previous Estimate (B)	Difference (A-B)	Breakdown	FY2011 Result
Operating revenues	1,111.0	1,094.0	17.0	Increase in sales to other companies, and other reasons	1,028.8
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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2. Major Factors

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Major Factors

(billion kWh)

	FY2012 Estimate (A)	Previous Estimate (B)	Difference (A-B)	FY2011 Result
Total amount of electricity sales	60.32	61.12	▲0.80	62.40
Other than eligible customers	21.61	21.89	▲0.28	22.56
Lighting	19.11	19.39	▲0.28	19.86
Low voltage	2.50	2.50	0.00	2.70
Eligible customers	38.71	39.23	▲0.52	39.84
Large-scale	23.08	23.45	▲0.37	23.68
Exchange rate (¥ / \$)	79	80	▲1	86
Crude oil prices (All Japan CIF) (\$ / b)	112	112	—	84

Information & Telecommunication Business (billion yen)

	FY2012 Estimate (A)	Previous Estimate (B)	Difference (A-B)
Operating revenues	37.4	38.2	▲0.8
Telecommunication business	28.6	28.7	▲0.1
Operating income	5.5	5.4	0.0
Telecommunication business	5.1	4.9	0.2

(Rounded down to the hundred million yen)

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III. Appendix

1. Operating revenues < Non-Consolidated >

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(1) Personnel

(billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Breakdown
Total	84.4	81.0	3.4	
Retirement allowances	8.8	5.8	3.0	· Increase in actuarial difference depreciation +2.8

(Rounded down to the hundred million yen)

Actuarial Difference

(billion yen)

	Recorded amount	FY2011 amount of amortization	FY2012 Estimate		
			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)

(2) Maintenance

(billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Breakdown
Total	68.3	61.2	7.0	
Power source	35.5	29.6	5.8	<ul style="list-style-type: none"> ▪ Increase in thermal power +9.8 ▪ Decrease in nuclear power ▲4.6
Electric power transport	31.2	29.7	1.4	
Others	1.5	1.8	▲0.2	

(Rounded down to the hundred million yen)

(3) Depreciation

(billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)	Breakdown
Total	83.1	84.9	▲1.8	▪ Decrease caused by progress in the depreciation
Power source	32.0	35.5	▲3.4	
Electric power transport	43.1	43.7	▲0.6	
Others	7.9	5.6	2.2	

(※) Electric business operating expense

(Rounded down to the hundred million yen)

2. Procurement and Consumption of Fuel

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■ Procurement volume

	Unit	FY2012-3Q	FY2011-3Q
Fuel oil ※1	million liters	960	910
Crude oil	million liters	570	520
Coal ※2	thousands tons	4,310	5,140
LNG ※2	thousands tons	1,840	1,850

※1 : Internal combustion power plant included

※2 : Sales included

■ Consumption volume

	Unit	FY2012-3Q	FY2011-3Q
Fuel oil ※3	million liters	920	930
Crude oil	million liters	540	520
Coal	thousands tons	3,920	4,750
LNG	thousands tons	1,340	1,410

※3 : Internal combustion power plant included

3. Balance Sheet < Non-Consolidated >

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Assets

(billion yen)

	FY2012-3Q (A)	FY2011 (B)	Difference (A-B)	Breakdown
Total	2,650.1	2,635.1	14.9	
Fixed assets	2,446.2	2,465.6	▲19.3	
Electric utility fixed assets	1,481.6	1,523.9	▲42.2	<ul style="list-style-type: none"> ▪ Asset capitalization +48.5 ▪ Depreciation ▲83.1 (Accumulated depreciation rate 75.0%) ▪ Retirement, etc. ▲7.6
Incidental business fixed assets	0.8	0.9	▲0.1	
Non-business fixed assets	5.8	5.8	0.0	
Construction in progress	531.2	496.5	34.7	<ul style="list-style-type: none"> ▪ Shimane Nuclear Power Station Unit No.3
Nuclear fuel	170.2	165.6	4.5	<ul style="list-style-type: none"> ▪ Decrease in deferred tax asset ▲7.2 ▪ Decrease in trust funds for reprocessing of irradiated nuclear fuel ▲5.4
Others	256.4	272.7	▲16.2	
Current assets	203.9	169.5	34.3	<ul style="list-style-type: none"> ▪ Increase in inventories

(Rounded down to the hundred million yen)

■ Liabilities and Net Assets

(billion yen)

	FY2012-3Q (A)	FY2011 (B)	Difference (A-B)	Breakdown			
Total	2,650.1	2,635.1	14.9				
Liabilities	2,134.3	2,099.3	34.9	<Breakdown of interest-bearing debt>			
Long-term liabilities	1,716.9	1,642.6	74.3		FY2012-3Q	FY2011	Difference
Current liabilities	350.7	398.7	▲48.0	Corporate bond	889.9	969.9	▲79.9
Provision for drought	1.8	-	1.8	Long-term debt	699.7	571.8	127.8
Provision for depreciation of nuclear power plant	64.6	57.8	6.8	Short-term debt	68.5	69.3	▲0.7
Net Assets	515.8	535.8	▲19.9	CP	62.0	65.0	▲3.0
Common stock	185.5	185.5	-	Lease obligations	-	-	-
Capital surplus	16.7	16.7	▲0.0	Total	1,720.2	1,676.1	44.1
Retained earnings	322.0	341.4	▲19.4	<ul style="list-style-type: none"> • Dividend ▲18.2 • Net income of FY2012-3Q ▲1.1 			
Treasury stock	▲12.5	▲12.5	0.0				
Net unrealized holding gains on securities, etc.	4.0	4.6	▲0.5				

(Rounded down to the hundred million yen)

4. Capital Expenditure < Non-Consolidated >

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(billion yen)

	FY2012-3Q (A)	FY2011-3Q (B)	Difference (A-B)
Total	95.9	102.8	▲6.9
Power Source	55.2	53.4	1.7
Electric Power Transport	22.5	22.5	▲0.0
Transmission	7.1	6.3	0.8
Transformation	6.9	7.0	▲0.0
Distribution	8.4	9.2	▲0.8
Nuclear Fuel	11.4	12.6	▲1.1
Others	6.5	14.1	▲7.5

(※) Incidental Business Facilities Excluded

(Rounded down to the hundred million yen)

■ Financial Index

(billion yen)

		FY2012-3Q	FY2011
Consolidated	Interest-bearing debt	1,768.6	1,724.7
	Exclude lease obligations	1,757.1	1,712.6
	Shareholders' equity ratio	22.3%	23.2%
Non-consolidated	Interest-bearing debt	1,720.2	1,676.1
	Exclude lease obligations	1,720.2	1,676.1
	Shareholders' equity ratio	19.5%	20.3%

■ Interest Rate (Non-Consolidated)

	FY2012-3Q	FY2011
Average	1.54%	1.62%
End of period	1.51%	1.57%

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

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	Unit	FY2009 Result	FY2010 Result	FY2011 Result	FY2012- 3Q
Completely electrical housing introduced	Number of housing (Thousand)	61	57	55	35
Newly-constructed		20	18	19	15
Remodeled ※1		42	40	35	20
The ratio of newly constructed electrical Housing	%	42.5	49.7	52.3	{ 47.8 ※2 } 72.3 16.9
Single homes	%	78.9	82.9	82.4	
Housing complexes	%	11.8	11.6	13.0	
Household diffusion rate of completely electric homes	%	12.1	13.5	15.1	16.2
Electric water heater sales	thousand	71.3	67.6	66.8	44.4
“Ecocute”		46.5	46.6	49.4	33.6
The diffusion rate of electric water heater	%	21.9	23.3	24.7	25.7
Electric Water Heater Contract Accounts (accumulated total)	Number of accounts (Thousand)	688.8	737.8	785.3	816.4

(※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 November, 2011.

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

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