



# Investors Meeting for FY2010 Financial Results

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The Chugoku Electric Power Co., Inc.

May 11 , 2010

In this presentation, the term “Fiscal Year 2010” describes the period which ended March, 2010.

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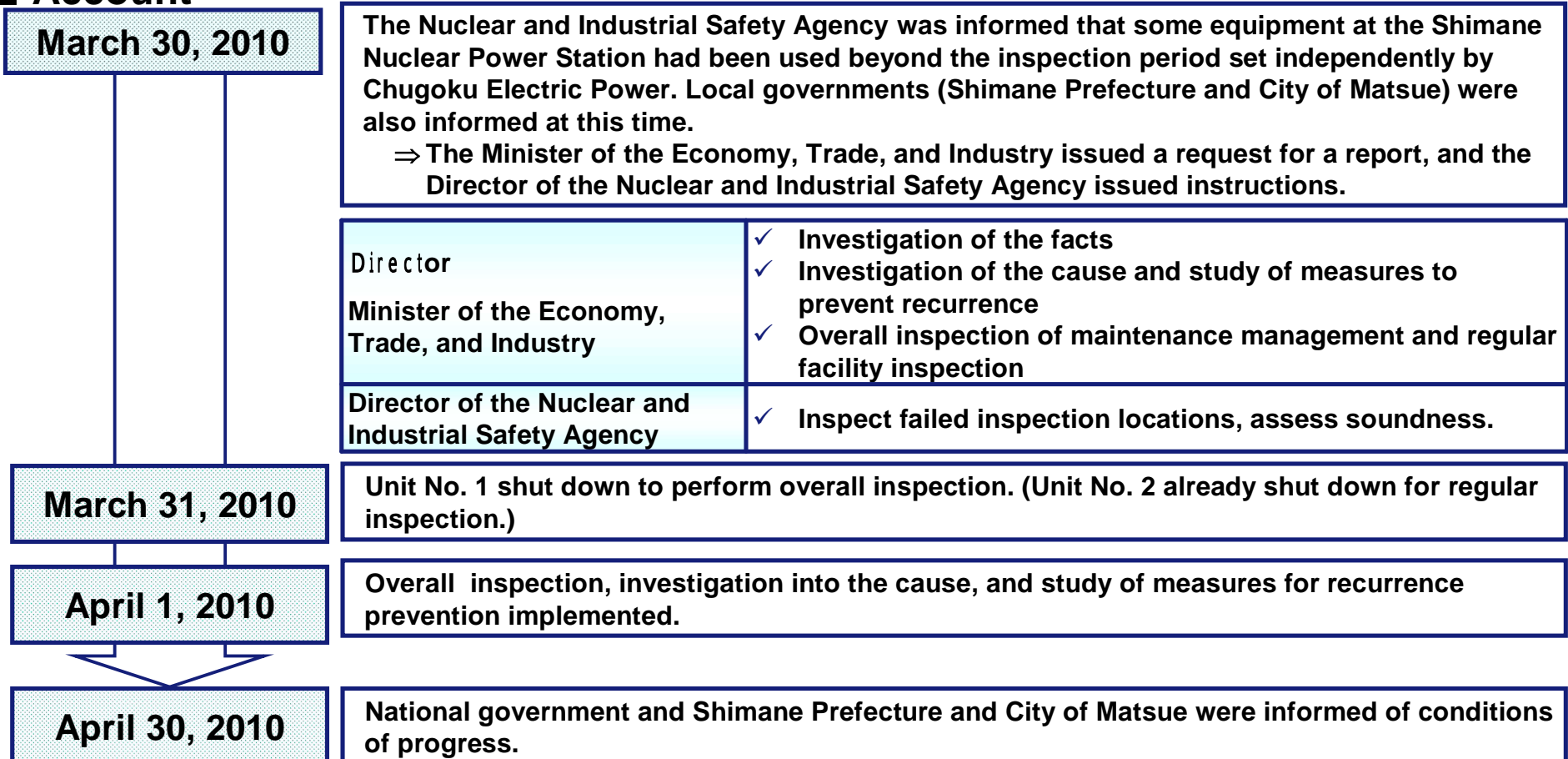
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# **I. Shimane Nuclear Power Station Current and Future Measures Related to Inspection Failure**

# Account of Inspection Failure at Shimane Nuclear Power Station 2

- ◆ We reported to the national government about the inspection failure that occurred at the Shimane Nuclear Power Station in March 2010, and at the same time we implemented an overall inspection, investigation into the cause, and study of measures for recurrence prevention.
- ◆ We reported a progress report to the national and local governments on April 30.

## Account



# Report on Inspection Results (Intermediate Report)

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- ◆ We informed to the national government, Shimane Prefecture and the City of Matsue about the progress of the implementation of overall inspection, investigation into the cause, and study of measures for recurrence prevention on April 30.

## ■ Overall inspection

### ① Inspection and verification results regarding failures on the regular inspection schedule table

- ✓ As a result of inspecting consistency between the data for all equipment listed on the inspection schedule table (approx. 70,000 units) and the inspection records, we confirmed that 506 units had exceeded their inspection periods (including those that had already been reported).
- ✓ We confirmed that 1,159 units made some errors on the inspection schedule table although they had not exceeded their inspection periods.

### ② Report of assessment of soundness of equipment

- ✓ We confirmed through the information on the inspection schedule table and alternative inspections that no abnormalities existed in the 506 units confirmed in ① above.

- We will continue to implement inspections and assessments according to the methods shown on the inspection schedule table.

## ■ Investigating direct causes and studying measures to prevent recurrence

- ✓ An analysis of direct causes and the study of measures to prevent recurrence provided the following results.

Direct causes	Insufficient study at the time of making an inspection schedule table, insufficient management of nonconformities, introduction of uniform inspection rules that are not based on on-site inspection records, etc.
Measures to prevent recurrence	Measures such as clarification of rules, revision of procedures, thorough training, etc.

- We will implement promptly and without fail measures regarding direct causes that have been identified at this point in time.

# Report on Inspection Results (Direction for Final Report)

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- ◆ In the future, we will take further drastic measures to prevent recurrence, by analyzing underlying causes such as the background that led to this problem, the awareness of employees, and work structure and climate.

## ■ Background factors and direction of measures to prevent recurrence

### Background factors, assumed based on the facts and an analysis of causes

- ✓ Insufficient response to changes in the management of maintenance, etc.
- ✓ Insufficient consideration to maintaining quality based on uniform inspection rules
- ✓ Insufficient awareness of nonconformity management
- ✓ Problems related to work structure and climate

### ➤ Consider measures that have an actual effect in the study / formulation processes

- Apply the subjective and professional perspectives of experts from outside the company.
- Focus on the creation of a structure that allows effective functioning of the PDCA cycle (including the restructuring of the maintenance management system and quality assurance system), based on a clear understanding of underlying causes.

### Direction of measures to prevent recurrence at this point in time

- ✓ Measures regarding work structure and workforce
- ✓ Creation of structure for nonconformity management
- ✓ Reformation of awareness, improvement of work operations
- ✓ Measures for passing on technology and skills
- ✓ Improvement of internal audit procedures

# Future Measures (Measures for Restoration of Confidence) **5**

- ◆ We will continue the overall inspection while formulating drastic measures to prevent recurrence based on the identification of underlying causes, in order to present a final report at the beginning of June.
- ◆ We will thoroughly implement these measures to prevent recurrence in order to restore confidence that has been lost. At the same time, we will provide information in a timely and specific manner, such as by holding explanatory meetings in local communities, and make other company - wide efforts to earn the understanding of the public.

Details			April	May	June	...
Overall inspection	Implementation of maintenance management	All records since 2004 <sup>1</sup>	[Bar spanning April to May]			
	Confirmation of status	Records remaining from 2003 and earlier	[Bar spanning April to June]			
Analysis of causes	Confirmation of soundness of equipment	Equipment that can be addressed immediately	[Bar spanning April to May]			
		Equipment that requires the procurement of parts <sup>2</sup>	[Bar spanning May to June]			
Formulation and implementation of measures to prevent recurrence	Direct causes	Formulation of measures to prevent recurrence	[Bar spanning April to May]			
		Implementation of measures	[Bar spanning May to June]			
Underlying causes		Formulation and implementation of measures to prevent recurrence	[Bar spanning May to June]			
			[Bar spanning May to June]			
Assessment of validity and effectiveness of investigation and inspections			[Bar spanning April to June]			
Measures for restoration of confidence	Consider structure that allows opinions and advice from experts outside the company		[Bar spanning May to June]			
	Hold explanatory meetings in local communities		[Bar spanning May to June]			

Final Report

<sup>\*1</sup> Introduce a system for Regular Facility Inspections.

<sup>\*2</sup> Have confirmed through alternative inspections that there are no abnormalities. Will continue to implement inspections according to the inspection schedule table after the final report has been submitted.

- ◆ The estimate for ratio of reserve power (summer peak) according to FY2011 Supply Plan is 19%.
- ◆ Shimane Nuclear Power Station Units No. 1 and No. 2, both currently shut down, are in no condition for the restart of operations. However, we expect there to be no interference with the stable supply of electricity even if both units were to remain offline for the summer.

■ Supply and demand forecast for this summer (Net)

[FY2011 Supply Plan]

Maximum demand (August)	11.28 million kW
----------------------------	------------------

Supply capability	13.36 million kW
Generation reserve margin	2.08 million kW
Ratio of reserve power	19%



Reference : Less supply capability of Units 1 and 2

12.14 million kW
0.86 million kW
8%

- **Summary of “FY2010 Financial Results”  
and “FY2011 Performance Outlook”**

# Summary of “FY2010 Financial Results” and “FY2011 Performance Outlook”

- ◆ The final accounts for FY 2010 show that the reduction in the cost of raw materials surpassed the decrease in demand, resulting in significantly increased profit.
- ◆ Due to the uncertainty of the effect of the inspection failure at the Shimane Nuclear Power Station, we are unable to disclose our profit and loss forecast for FY 2011. However, we will continue to provide a stable dividend of 50 yen.

## FY 2010 Financial Results ( Consolidated )

	2010
Operating Revenue	1038.4
Operating Income	81.5
Ordinary Income	58.0
Net Income	31.0

Difference

( 135.2)  
( + 65.9)  
( + 77.1)  
( + 54.5)

[Unit : billion yen ,  
round down to the hundred million ]

	2009
Operating Revenue	1173.7
Operating Income	15.5
Ordinary Income	19.1
Net Income	23.5

## FY 2011 Financial Estimate ( Consolidated )

	2011
Operating Revenue	1080.0
Operating Income	-
Ordinary Income	-
Net Income	-

Difference

( + 41.6)  
( - )  
( - )  
( - )

[Unit : billion yen ,  
round down to the hundred million ]

	2010
Operating Revenue	1038.4
Operating Income	81.5
Ordinary Income	58.0
Net Income	31.0

- ( ) At this time we are unable to provide a plan of operation for Shimane Nuclear Power Station Units No. 1 and No. 2. Since it is difficult to make a reasonable forecast of cost, operating profit and loss, ordinary profit and loss, and current term net profit and loss remain undetermined.

# FY2011 Estimated Electricity Sales

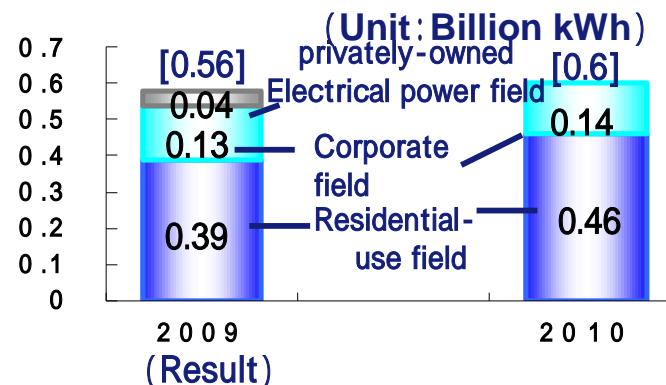
◆ Along with the increase in large-scale demand accompanying the economic recovery, we will move forward actively with measures to strengthen proposals for conversion to completely electrical housing, the recommendation of highly efficient heat pumps to businesses, and the development of new sources of demand through the field of industrial process. We forecast that these measures will result in the first increase in electricity sales in 3 years.

Estimated Electricity sales (Unit: Billion kWh)

	FY2011 Estimate (A)	FY2010 Result (B)	Difference (A-B)
<b>Total</b>	<b>59.90</b>	<b>57.91</b>	<b>1.99</b>
<b>Other than Eligible Customers</b>	<b>21.54</b>	<b>21.13</b>	<b>0.41</b>
Lighting	19.02	18.55	0.47
Low Voltage	2.52	2.58	0.06
<b>Eligible Customers (Large-scale)</b>	<b>(22.56)</b>	<b>(21.34)</b>	<b>(1.22)</b>

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

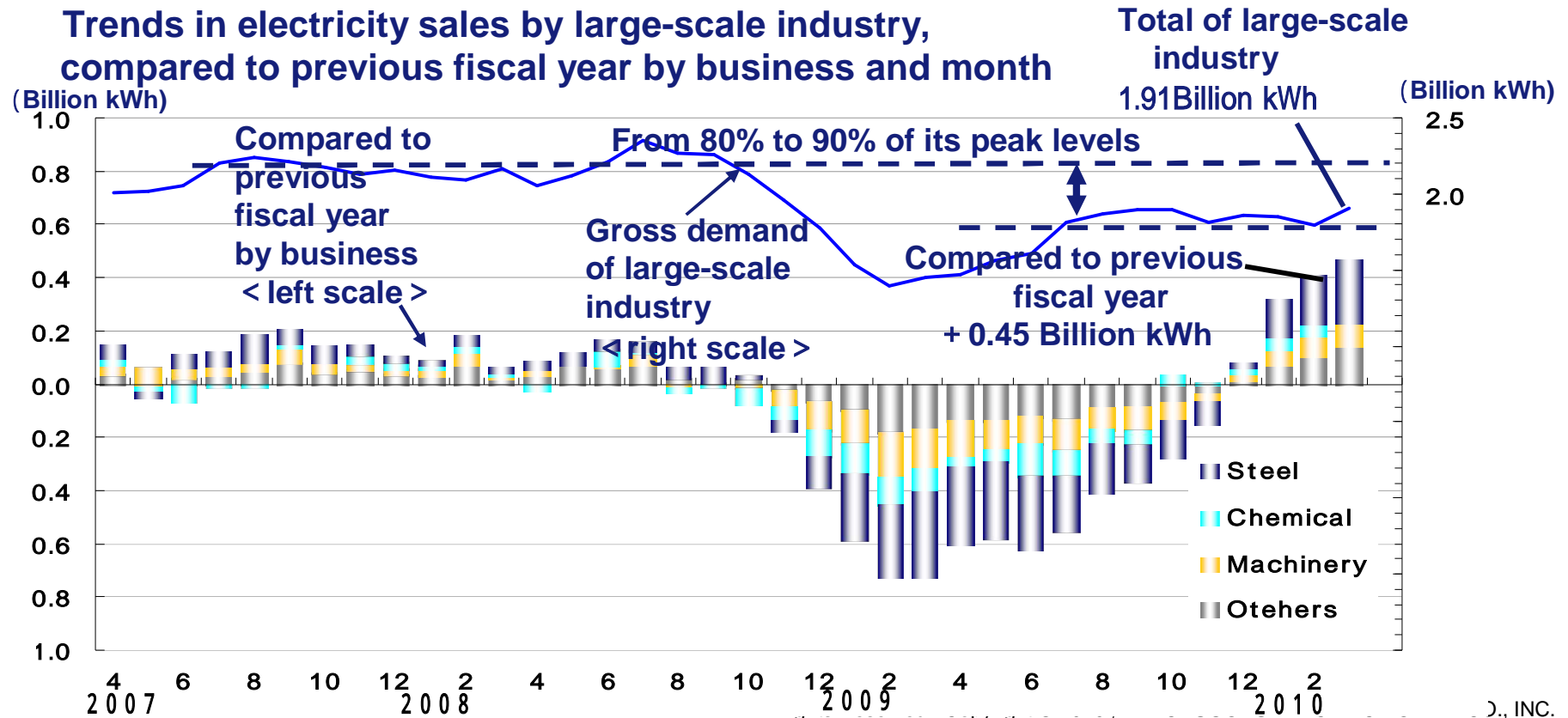
Demand Development Goals



Points of Efforts

- Residential use field**
  - Strengthen proposal for existing houses with “Eco-electrification reform”
  - Promote heating by use of air conditioners
- Corporate field**
  - Recommend high-efficiency heat pumps
  - Recommend electrification of industrial kitchens
  - Development of industrial process demand

- ◆ Large-scale industry hit bottom in February 2009 as production began to recover, with a gradual reduction in negative growth that finally turned positive (in comparison with the previous fiscal year) starting in December.
- ◆ Although the future remains unclear, we expect 22.6 billion kWh for fiscal year 2011, +5.7% over the previous fiscal year, due to a recovery that continues to focus on material-producing industries.



# . FY2010 Financial Results

# FY2010 Financial Results Summary

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## Consolidated

[Unit: billion yen , round down to the hundred million ]

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Comparison (A/B)
Operating Revenue	1,038.4	1,173.7	135.2	88.5%
Operating Income	81.5	15.5	65.9	525.1%
Ordinary(loss) Income	58.0	19.1	77.1	-
Net(loss) Income	31.0	23.5	54.5	-

## Non-consolidated

[Unit: billion yen , round down to the hundred million ]

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Comparison (A/B)
Operating Revenue	972.7	1,107.4	134.6	87.8%
Operating Income	70.7	10.9	59.7	644.5%
Ordinary(loss) Income	45.2	16.3	61.6	-
Net(loss) Income	22.5	19.2	41.8	-

# Major Factors ( Electricity sales)

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- ◆ Electricity sales amounted to 57.91 billion kWh, 5.4% reduction compared to the previous fiscal year.
- ◆ Due to the reduction in air conditioning demand caused by the lower summer temperatures compared to the previous year, lighting was also down compared to the previous fiscal year.
- ◆ Since most types of business registered year-on-year losses, large industrial power was down compared to the previous fiscal year.

## Electricity sales Results ( Use distinction)

[Unit: Billion kWh, %]

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Comparison (A/B)
<b>Total</b>	<b>57.91</b>	<b>61.22</b>	<b>3.31</b>	<b>94.6</b>
<b>Other than Eligible Customers ( )</b>	<b>21.13</b>	<b>21.47</b>	<b>0.34</b>	<b>98.4</b>
<b>Lighting</b>	<b>18.55</b>	<b>18.74</b>	<b>0.19</b>	<b>99.0</b>
<b>Low Voltage</b>	<b>2.58</b>	<b>2.73</b>	<b>0.15</b>	<b>94.3</b>
<b>Eligible Customers</b>	<b>36.78</b>	<b>39.75</b>	<b>2.97</b>	<b>92.5</b>
<b>Commercial</b>	<b>11.14</b>	<b>11.58</b>	<b>0.44</b>	<b>96.2</b>
<b>Industrial</b>	<b>25.64</b>	<b>28.17</b>	<b>2.53</b>	<b>91.0</b>
<b>(Large-scale)</b>	<b>(21.34)</b>	<b>(23.51)</b>	<b>( 2.17)</b>	<b>(90.7)</b>

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

# Major Factors ( Supply Capacity )

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- ◆ **Chugoku Electric Power:** Thermal power was down due to a reduction in demand.  
Nuclear power was up compared to the previous fiscal year, due to a reduction in repairs power.
- ◆ **Other companies:** Dropped due to the suppression of the volume of power receiving due to an increase in repairs power and a decrease in demand.

		Unit	FY2010 (A)	FY2009 (B)	Difference (A-B)	
Supply Capacity	Own Facilities	(Water Flow Rate) <b>Hydroelectric</b>	(%) (87.2)	(82.5)	(4.7)	
			Billion kWh	2.98	3.05	0.07
		<b>Thermal</b>	Billion kWh	33.23	36.67	3.44
		(Capacity Factor) <b>Nuclear</b>	(%) (85.5)	(63.6)	(21.9)	
			Billion kWh	9.58	7.13	2.45
		<b>Purchased Power</b>	Billion kWh	18.48	20.90	2.42
		<b>Interchanged Power</b>	Billion kWh	0.02	0.02	0.04
	<b>Pumping Use</b>	Billion kWh	0.69	0.91	0.22	
	<b>Total</b>	Billion kWh	63.60	66.82	3.22	
Fuel	<b>Exchange Rate</b> (Inter Bank )	¥ / \$	93	101	8	
	<b>Crude Oil Prices</b> (All Japan CIF)	\$ / b	69.3	90.5	21.2	
	<b>Foreign Coal Prices</b> (All Japan CIF)	\$ / t	97.1	133.9	36.8	

## Variables

( Unit: billion yen )

	FY2010	FY2009
Exchange Rate (¥/\$)	2.5	3.9
Crude Oil Prices (All Japan CIF) (\$/b)	1.6	2.1
Water Flow Rate (%)	0.4	0.6
Nuclear Capacity Factor (%)	1.1	1.5

# 【 Non-consolidated 】 Income Statement (1/3)

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## Revenue

【Unit : billion yen , round down to the hundred million 】

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Breakdown
Ordinary Revenue	983.8	1,119.4	135.6	
Operating Revenue	972.7	1,107.4	134.6	
Electricity Sales	913.5	1,026.2	112.6	
Lighting	381.5	406.2	24.6	Decrease in electricity sales 55.5 Decrease in unit price of income 57.1
Commercial & Industrial	531.9	619.9	87.9	
Sales to Other Companies etc.	59.1	81.2	22.0	Decrease in sales to other companies 9.4 Decrease in incidental businesses 9.2
Other Revenues	11.0	12.0	0.9	

# [ Non-consolidated ] Income Statement (2/3)

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## Expense

[Unit: billion yen , round down to the hundred million ]

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Breakdown
Ordinary Expense	938.5	1,135.7	197.2	
Operating Expense	902.0	1,096.4	194.4	
Personnel	112.4	110.7	1.6	( In detail, page 25)
Material	345.0	525.5	180.4	Low CIF price 70.7
Fuel	194.8	317.0	122.2	Decrease in electricity sales 53.5
Purchased Power	150.2	208.5	58.2	Increase in capacity factor of nuclear power plant 32.9 higher yen rate 20.0
Maintenance	103.9	93.6	10.3	— Increase in thermal 10.7
Depreciation	119.2	126.4	7.1	— Decrease caused by progress in the depreciation
Nuclear Power Back-end	14.8	15.0	0.2	Decrease in carbon-emission credit expense 9.0
Other Expenses	206.4	225.0	18.5	Decrease in incidental businesses expense 8.4
Interests	27.9	28.7	0.8	
Other Expenses	8.5	10.5	1.9	

# [ Non-consolidated ] Income Statement (3/3)

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## Income, etc.

[Unit: billion yen , round down to the hundred million ]

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Breakdown
( Operating Income )	(70.7)	(10.9)	(59.7)	
Ordinary(loss) Income	45.2	16.3	61.6	
Provision (Reversal) for Drought	-	-	-	
Provision for depreciation of nuclear power plant	9.2	12.5	3.2	
Income taxes etc.	13.4	9.5	23.0	
Net(loss) Income	22.5	19.2	41.8	

( ) Nuclear power station construction amortization reserves

This amortization reserve is provided to equalize the burden of the cost of depreciation after the start of operation of a newly or an additionally constructed nuclear power station. This reserve has been allocated for the Unit No. 3 expansion at the Shimane Nuclear Power Station since fiscal year 2007.

This reserve covers 26% of expenditures for machinery and other equipment from the time construction starts until the year test operation is first performed, and is amortized over a period of 5 years thereafter.

# [Non-consolidated] Balance Sheet

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[Unit: billion yen , round down to the hundred million ]

	End of FY2010 (A)	End of FY2009 (B)	Difference (A-B)	Breakdown
<b>Assets</b>	<b>2,781.9</b>	<b>2,806.1</b>	<b>24.1</b>	
(Electric Utility Fixed Assets)	(1,533.5)	(1,594.1)	60.6	
(Construction in Progress )	(440.8)	(389.0)	(51.7)	Increased due to the construction of Shimane Nuclear Power Station Unit no.3
<b>Liabilities</b>	<b>2,102.3</b>	<b>2,142.1</b>	<b>39.8</b>	
(Interest-Bearing Debt )	(1,650.8)	(1,717.7)	( 66.8)	
(Provision for depreciation of nuclear power plant )	(45.7)	(36.4)	(9.2)	
<b>Total Net Assets</b>	<b>679.6</b>	<b>663.9</b>	<b>15.7</b>	<b>Net income of FY2010</b>
(Stockholders' Equity )	(675.5)	(659.0)	(16.4)	
<b>Stockholders' Equity Ratio</b>	<b>24.3%</b>	<b>23.5%</b>	<b>0.8%</b>	

# **[Consolidated] Application of Free Cash Flow**

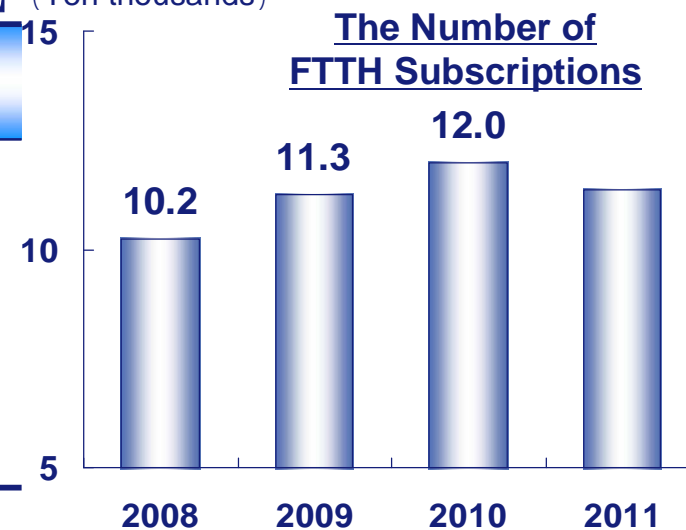
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**[Unit: billion yen , round down to the hundred million ]**

	<b>FY2010 (A)</b>	<b>FY2009 (B)</b>	<b>Difference (A-B)</b>	<b>Breakdown</b>
<b>Cash Flow form Operating Activities</b>	<b>247.6</b>	<b>150.1</b>	<b>97.5</b>	<b>Increase in net income</b>
<b>Cash Flow from Investing Activities</b>	<b>157.1</b>	<b>232.9</b>	<b>75.8</b>	<b>Reduction in expenditure due to acquisition of long-term assets</b>
<b>Free Cash Flow</b>	<b>90.5</b>	<b>82.8</b>	<b>173.3</b>	
<b>Cash Flow from Financing Activities</b>	<b>87.9</b>	<b>91.1</b>	<b>179.0</b>	<b>Repayment of long-term debt, bank loans, and commercial paper</b>
<b>Cash and Cash Equivalents (increase and decrease)</b>	<b>2.6</b>	<b>8.1</b>		

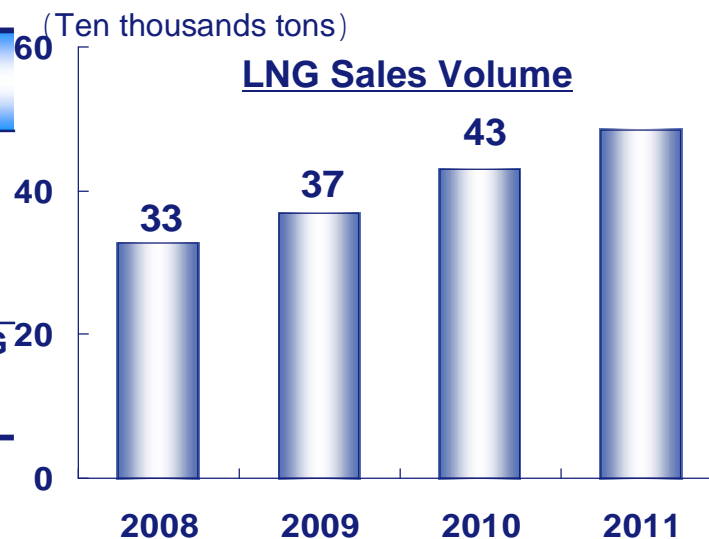
## Telecommunication Business [Unit: billion yen, round down to the hundred million] (Ten thousands)

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Breakdown
Operating Revenue	33.8	33.8	0.0	
Telecommunication Business	24.1	23.1	0.9	· Increase in Internet business and Corporate business
Operating Income	4.6	3.5	1.1	
Telecommunication Business	4.0	3.1	0.8	



## Energy Supply Business [Unit: billion yen, round down to the hundred million]

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Breakdown
Operating Revenue	33.6	43.3	9.7	· Decrease in LNG supply business and coal sale business.
Operating Income	2.0	1.3	0.7	· Increase in LNG supply business.



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.

LNG Sales Volume including the sales of Mizushima LNG Sales Company.

## . Performance Outlook for FY2011

( ) We found incomplete checks at our nuclear plants, Shimane No.1 and No.2\* on March 2010. Now, therefore, we are working on the investigation and the analysis of causes and considering the relapse prevention measures while checking equipment not appropriately checked.

Consequently, at this time we are unable to provide a plan of operation for Shimane Nuclear Power Station Units No. 1 and No. 2. Since it is difficult to make a reasonable forecast of cost, operating profit and loss, ordinary profit and loss, and current term net profit and loss remain undetermined.

# [Non-consolidated] Major Factors

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[ Unit: Billion kWh , % ]

	FY2011 Estimate (A)	FY2010 Result (B)	Difference (A-B)	Comparison (A/B)
<b>Total amount of Electricity sales</b>	<b>59.90</b>	<b>57.91</b>	<b>1.99</b>	<b>103.4</b>
<b>Other than Eligible Customers( )</b>	<b>21.54</b>	<b>21.13</b>	<b>0.41</b>	<b>101.9</b>
<b>Lighting</b>	<b>19.02</b>	<b>18.55</b>	<b>0.47</b>	<b>102.6</b>
<b>Low Voltage</b>	<b>2.52</b>	<b>2.58</b>	<b>0.06</b>	<b>97.3</b>
<b>Eligible Customers</b>	<b>38.36</b>	<b>36.78</b>	<b>1.58</b>	<b>104.3</b>
<b>(Large-scale)</b>	<b>(22.56)</b>	<b>(21.34)</b>	<b>(1.22)</b>	<b>(105.7)</b>

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

		FY2011 Estimate (A)	FY2010 Result (B)	Difference (A-B)
<b>Exchange Rate</b>	<b>(円 / \$)</b>	<b>90</b>	<b>93</b>	<b>3</b>
<b>Crude Oil Prices</b>	<b>(\$ / b)</b>	<b>85</b>	<b>69.3</b>	<b>15.7</b>
<b>(All Japan CIF)</b>				

# Performance Outlook for FY2011

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[Unit: billion yen , round down to the hundred million ]

	Consolidated			Non-consolidated		
	FY2011 Estimate (A)	FY2010 Result (B)	Difference (A-B)	FY2011 Estimate (A)	FY2010 Result (B)	Difference (A-B)
Operating Revenue	1,080.0	1,038.4	41.5	1,014.0	972.7	41.2
Operating Income	-	81.5	-	-	70.7	-
Ordinary Income	-	58.0	-	-	45.2	-
Net Income	-	31.0	-	-	22.5	-

Primary causes of increase and decrease in individual sales fluctuations  
(increase of ¥41.2 billion compared to the previous year)

Factor	Difference	Breakdown
Electricity sales revenue	31.5billion yen	Increase in electricity sales volume +31.0 Revenue from fuel cost adjustment system +10.0 Difference in composition of unit price etc
Others	9.7billion yen	Increase in incidental businesses etc

# 【Appendix】

# FY2010 Expenses ( Non-consolidated )

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## 1 . Personnel

[Unit: billion yen , round down to the hundred million ]

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Breakdown
<b>Total</b>	<b>112.4</b>	<b>110.7</b>	<b>1.6</b>	
<b>Salary Allowance</b>	<b>98.9</b>	<b>100.9</b>	<b>1.9</b>	Decrease in employees
<b>Retirement Allowances</b>	<b>13.4</b>	<b>9.8</b>	<b>3.5</b>	Increase in actuarial difference depreciation (1.4 5.1)

## Actuarial Difference

[Unit: billion yen , round down to the hundred million ]

	Recorded amount	FY2009 Amount of amortization	FY2010		
			Amount of amortization	Balance of non- amortization	non- amortization years
FY2004	7.4	1.5	-	-	-
FY2005	1.4	0.2	0.2	-	-
FY2006	18.9	3.7	3.7	3.7	1
FY2007	18.5	3.7	3.7	7.4	2
FY2008	21.0	4.2	4.2	12.6	3
FY2009	25.4	-	5.0	20.3	4
FY2010	22.1	-	-	22.1	5
<b>Total</b>	<b>22.1</b>	<b>5.1</b>	<b>1.4</b>	<b>0.4</b>	

(\*) Amortize for five years from next recorded year All Rights Reserved. Copyright © 2010 ,THE CHUGOKU ELECTRIC POWER CO., INC.

# FY2010 Expenses ( Non-consolidated )

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## 2 . Maintenance

[Unit: billion yen , round down to the hundred million ]

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Breakdown
<b>Total</b>	<b>103.9</b>	<b>93.6</b>	<b>10.3</b>	
<b>Power Source</b>	<b>61.1</b>	<b>51.8</b>	<b>9.2</b>	— Increase in Thermal 10.7
<b>Electric Power Transport</b>	<b>40.0</b>	<b>39.0</b>	<b>1.0</b>	
<b>Others</b>	<b>2.7</b>	<b>2.7</b>	<b>0.0</b>	

## 3 . Depreciation

[Unit: billion yen , round down to the hundred million ]

	FY2010 (A)	FY2009 (B)	Difference (A-B)	Breakdown
<b>Total</b>	<b>119.2</b>	<b>126.4</b>	<b>7.1</b>	
<b>Power Source</b>	<b>49.9</b>	<b>52.4</b>	<b>2.5</b>	
<b>Electric Power Transport</b>	<b>60.1</b>	<b>63.9</b>	<b>3.8</b>	· Decrease caused by progress in the Depreciation.
<b>Others</b>	<b>9.2</b>	<b>10.0</b>	<b>0.7</b>	

(\*) Electric business operating expense

## 1 . Procurement volume

	Unit	FY2010	FY2009
Fuel oil	kl	840,000	1,070,000
Crude oil	kl	340,000	970,000
Coal	t	5,310,000	6,670,000
LNG	t	2,340,000	2,000,000

## 2 . Consumption volume

	Unit	FY2010	FY2009
Fuel oil	kl	830,000	1,050,000
Crude oil	kl	340,000	910,000
Coal	t	5,400,000	5,880,000
LNG	t	1,850,000	1,650,000

# FY2010 Balance Sheet ( Non-consolidated )

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## 1 . Assets

[Unit : billion yen , round down to the hundred million ]

	End of FY2010 (A)	End of FY2009 (B)	Difference (A-B)	Breakdown										
<b>Total</b>	<b>2,587.4</b>	<b>2,611.1</b>	<b>23.7</b>											
<b>Fixed Assets</b>	<b>2,429.3</b>	<b>2,430.9</b>	<b>1.6</b>											
<b>Electric Utility Fixed Assets</b>	<b>1,573.1</b>	<b>1,634.6</b>	<b>61.4</b>	<table border="1"> <tr> <td>Asset Capitalization</td> <td>79.6</td> </tr> <tr> <td>Depreciation</td> <td>119.2</td> </tr> <tr> <td>Retirement, etc.</td> <td>21.8</td> </tr> <tr> <td>Difference</td> <td>61.4</td> </tr> <tr> <td>Accumulated Depreciation Rate</td> <td>73.0 %</td> </tr> </table>	Asset Capitalization	79.6	Depreciation	119.2	Retirement, etc.	21.8	Difference	61.4	Accumulated Depreciation Rate	73.0 %
Asset Capitalization	79.6													
Depreciation	119.2													
Retirement, etc.	21.8													
Difference	61.4													
Accumulated Depreciation Rate	73.0 %													
<b>Incidental Business Fixed Assets</b>	<b>1.2</b>	<b>1.3</b>	<b>0.1</b>											
<b>Non-business Fixed Assets</b>	<b>5.8</b>	<b>4.9</b>	<b>0.9</b>											
<b>Construction in Progress</b>	<b>445.1</b>	<b>391.8</b>	<b>53.3</b>	Shimane Nuclear Power Station Unit No.3 .										
<b>Nuclear Fuel</b>	<b>156.7</b>	<b>155.4</b>	<b>1.3</b>	Funding of Gemeng International Energy Co.Ltd										
<b>Others</b>	<b>247.1</b>	<b>242.8</b>	<b>4.3</b>											
<b>Current Assets</b>	<b>158.0</b>	<b>180.1</b>	<b>22.0</b>	Decrease in accounts receivable										

# FY2010 Balance Sheet ( Non-consolidated )

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## 2 . Liabilities and Net Assets

[Unit : billion yen , round down to the hundred million ]

	End of FY2010 (A)	End of FY2009 (B)	Difference (A-B)	Breakdown
<b>Total</b>	<b>2,587.4</b>	<b>2,611.1</b>	<b>23.7</b>	
<b>Liabilities</b>	<b>2,028.7</b>	<b>2,058.5</b>	<b>29.7</b>	[ Breakdown of Interest-Bearing Debt ]
<b>Long-term Liabilities</b>	<b>1,600.4</b>	<b>1,631.3</b>	<b>30.8</b>	
<b>Current Liabilities</b>	<b>382.5</b>	<b>390.7</b>	<b>8.2</b>	
<b>Provision for depreciation of nuclear power plant</b>	<b>45.7</b>	<b>36.4</b>	<b>9.2</b>	
<b>Net Assets</b>	<b>558.7</b>	<b>552.6</b>	<b>6.0</b>	
<b>Common Stock</b>	<b>185.5</b>	<b>185.5</b>	<b>-</b>	
<b>Capital Surplus</b>	<b>16.7</b>	<b>16.7</b>	<b>0.0</b>	
<b>Retained Earnings</b>	<b>362.6</b>	<b>358.3</b>	<b>4.3</b>	Dividend paid in June 9.1 Interim dividend paid in December 9.1 Net income of FY2010 22.5
<b>Treasury Stock</b>	<b>12.4</b>	<b>12.4</b>	<b>0.0</b>	
<b>Net Unrealized Holding Gains on Securities etc</b>	<b>6.2</b>	<b>4.4</b>	<b>1.8</b>	

	End of FY2010	End of FY2009	Difference
Corporate Bond	949.9	949.9	0.0
Long-term Debt	543.1	581.5	38.3
Short-term Debt	69.3	64.3	5.0
CP	40.0	65.0	25.0
<b>Total</b>	<b>1,602.4</b>	<b>1,660.7</b>	<b>58.3</b>

Stockholders' Equity Ratio		
End of FY2010	End of FY2009	Difference
21.6%	21.2%	0.4%

# FY2010 Capital Expenditure (Non-consolidated)

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[Unit: billion yen]

	FY2010 (A)	FY2009 (B)	Difference (A) - (B)
<b>Total</b>	<b>149.6</b>	<b>201.4</b>	<b>51.7</b>
<b>Power Source</b>	<b>80.6</b>	<b>109.8</b>	<b>29.2</b>
<b>Electric Power Transport</b>	<b>42.2</b>	<b>42.5</b>	<b>0.2</b>
<b>Transmission</b>	<b>14.9</b>	<b>13.9</b>	<b>0.9</b>
<b>Transformation</b>	<b>10.6</b>	<b>11.8</b>	<b>1.2</b>
<b>Distribution</b>	<b>16.6</b>	<b>16.6</b>	<b>0.0</b>
<b>Nuclear Fuel</b>	<b>11.1</b>	<b>29.8</b>	<b>18.7</b>
<b>Others</b>	<b>15.5</b>	<b>19.1</b>	<b>3.5</b>

( ) Subsidiary Business Facilities Excluded

## 1 . Financial index

	Consolidated		Non-consolidated	
	FY2010	FY2009	FY2010	FY2009
Earnings per Share [Unit:yen]	85.14	64.73	61.84	52.99
Balance of long-term debt, bank loans [Unit:billion yen]	1,638.6	1,706.3	1,602.4	1,660.7
Stockholders' Equity Ratio	24.3%	23.5%	21.6%	21.2%

## 2 . Interest Rate (Non-consolidated)

	FY2010	FY2009
Average	1.72%	1.79%
End of FY2010	1.70%	1.77%

## 3 . Information & Telecommunication Business

[Unit: billion yen , round down to the hundred million ]

	FY2011 (A)	FY2010 (B)	Difference (A-B)	Breakdown
Operating Revenue	37.0	33.8	3.1	· Increase in Internet business and Corporate business.
Telecommunication Business	26.1	24.1	2.0	
Operating Income	4.3	4.6	0.2	
Telecommunication Business	3.6	4.0	0.3	

	Unit	FY2007 Result	FY2008 Result	FY2009 Result	FY2010 Result
<b>Completely Electrical Housing Introduced</b>		<b>55</b>	<b>61</b>	<b>61</b>	<b>57</b>
<b>Newly-constructed</b>	Number of Housing (thousand)	<b>18</b>	<b>20</b>	<b>20</b>	<b>18</b>
( 1) <b>Remodeled</b>		<b>37</b>	<b>41</b>	<b>42</b>	<b>40</b>
<b>The ratio of newly constructed Electrical Housing</b>	%	<b>28.4</b>	<b>39.3</b>	<b>42.5</b>	<b>51.4</b>
<b>Single homes</b>		<b>58.7</b>	<b>73.0</b>	<b>78.9</b> ( 2)	<b>87.7</b>
<b>Housing complexes</b>		<b>8.4</b>	<b>12.2</b>	<b>11.8</b>	<b>11.4</b>
<b>Household diffusion rate of completely electric homes</b>	%	<b>8.3</b>	<b>10.2</b>	<b>12.1</b>	<b>13.5</b>
<b>Electric Water Heater Sales</b>	(thousand)	<b>64.0</b>	<b>71.1</b>	<b>71.3</b>	<b>67.6</b>
<b>“Ecocute”</b>		<b>34.4</b>	<b>41.6</b>	<b>46.5</b>	<b>46.6</b>
<b>The diffusion rate of Electric Water Heater</b>	%	<b>18.5</b>	<b>20.2</b>	<b>21.9</b>	<b>23.3</b>
<b>Electric Water Heater Contract Accounts (accumulated total)</b>	Thousands of accounts	<b>570.4</b>	<b>629.1</b>	<b>688.8</b>	<b>737.8</b>

- ( 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 February , 2010.
- ( 3) Total amounts may not agree due to rounding off.

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