



Investors Meeting for  
FY2013 Financial Results

# Our current situation and future approaches

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The Chugoku Electric Power Co., Inc.

May 10 , 2013

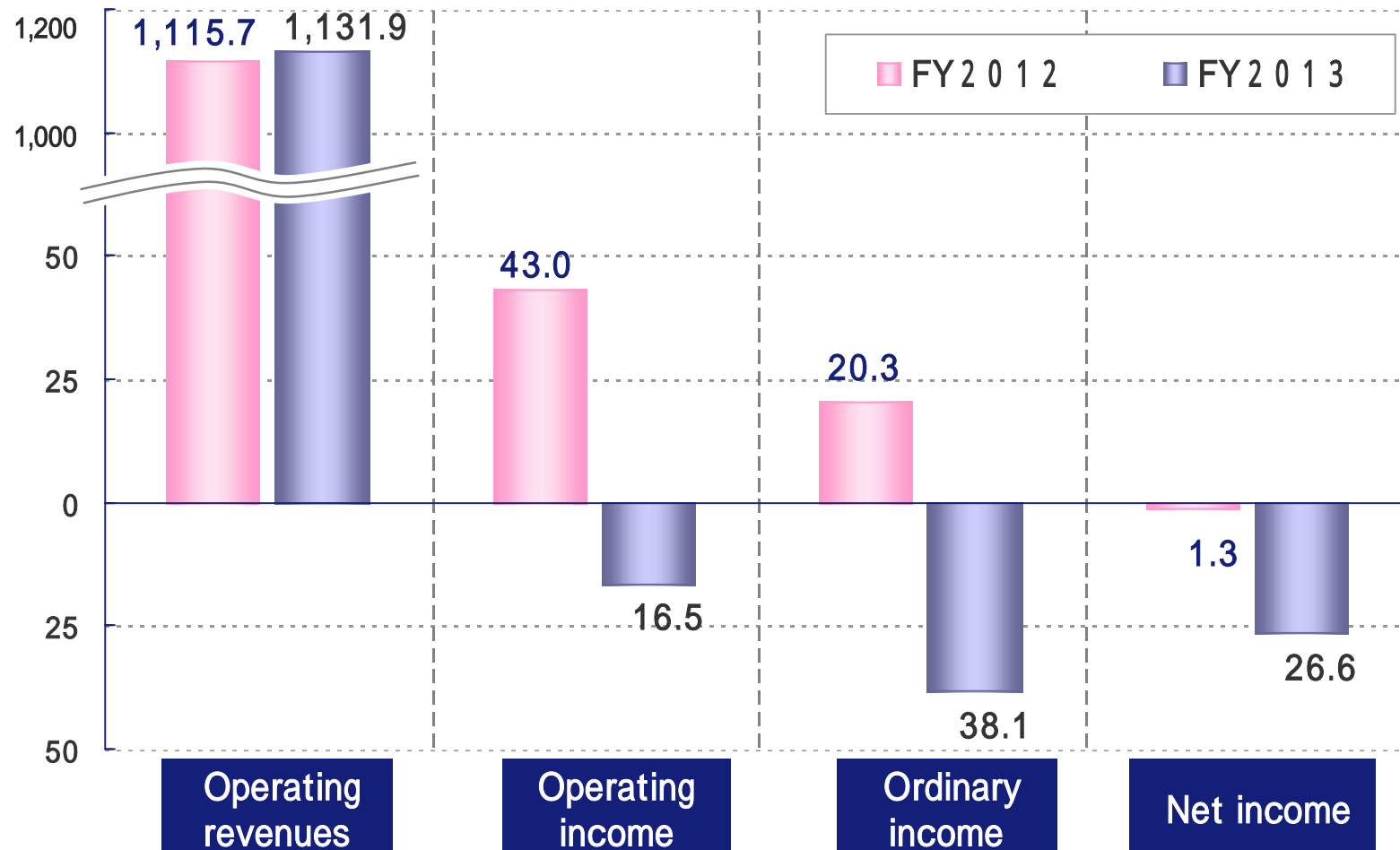
In this presentation, the term “Fiscal Year 2013” describes the period which ending March, 2013.

# 1 . Non-consolidated Financial Results Summary

1

■ Net income in FY2013 Financial Results was 26.6 billion yen that's largest-ever deficit .

(billion yen)



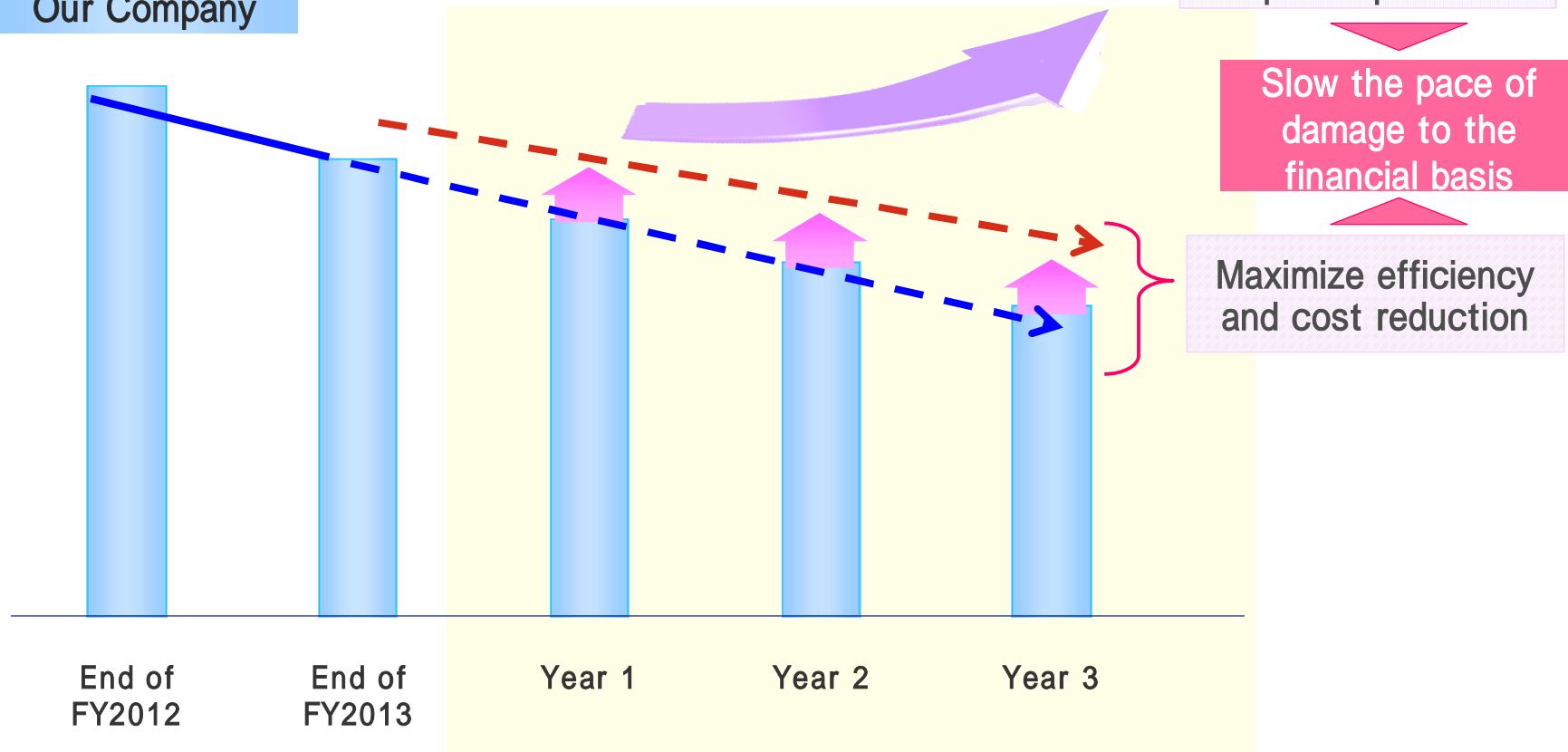
## 2. Status of our Company's Financial Basis

2

- We intend to maximize our measures of efficiency and make efforts to restart nuclear power sooner, further slowing the damage to our financial basis.

### Trend of the Surplus <sup>(\*)</sup> Balance (Image) <sup>(\*)</sup>

Our Company



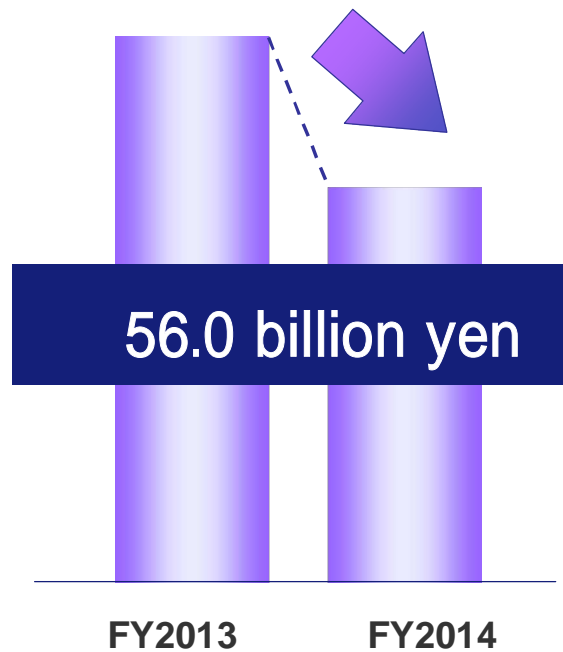
\*1: Total of revenue reserves, other reserves, reserve to adjust for cost fluctuations, and earned surplus carried forward

\*2: Assuming net loss on the level of FY 2013 continues in the future

# 3. Measures for Cost Reduction and Efficiency

■ As we continue not to operate nuclear power, we are maximizing measures for cost reduction and efficiency, including even postponing and cancelling construction. We aim to reduce our deficits and curb the pace at which our financial basis is damaged.

Scale of the FY 2014 investment & expense plan (\*)



\*Excluding capex for safety measures for nuclear power

## Measures

[Examining thoroughly at the implementation stage]

- Reducing procurement/transaction costs
- More detailed checks/creative solutions for work, etc.

[Capital expenditure]

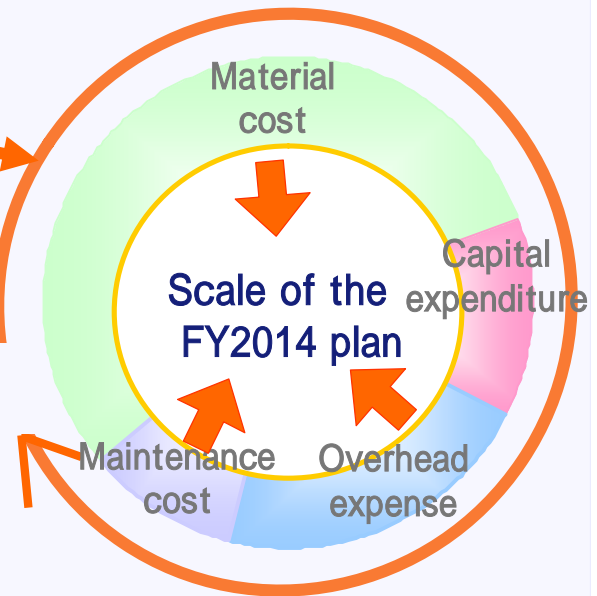
- Stricter selection for and reducing the amount of construction

[Material cost]

- Spot use for fuel / ships
- Use of low-grade fuel, etc.

[Maintenance cost]

- Postponing/cancelling construction
- Shortening construction periods using new construction methods
- Reducing scope of replacements
- Shortening construction periods, etc.



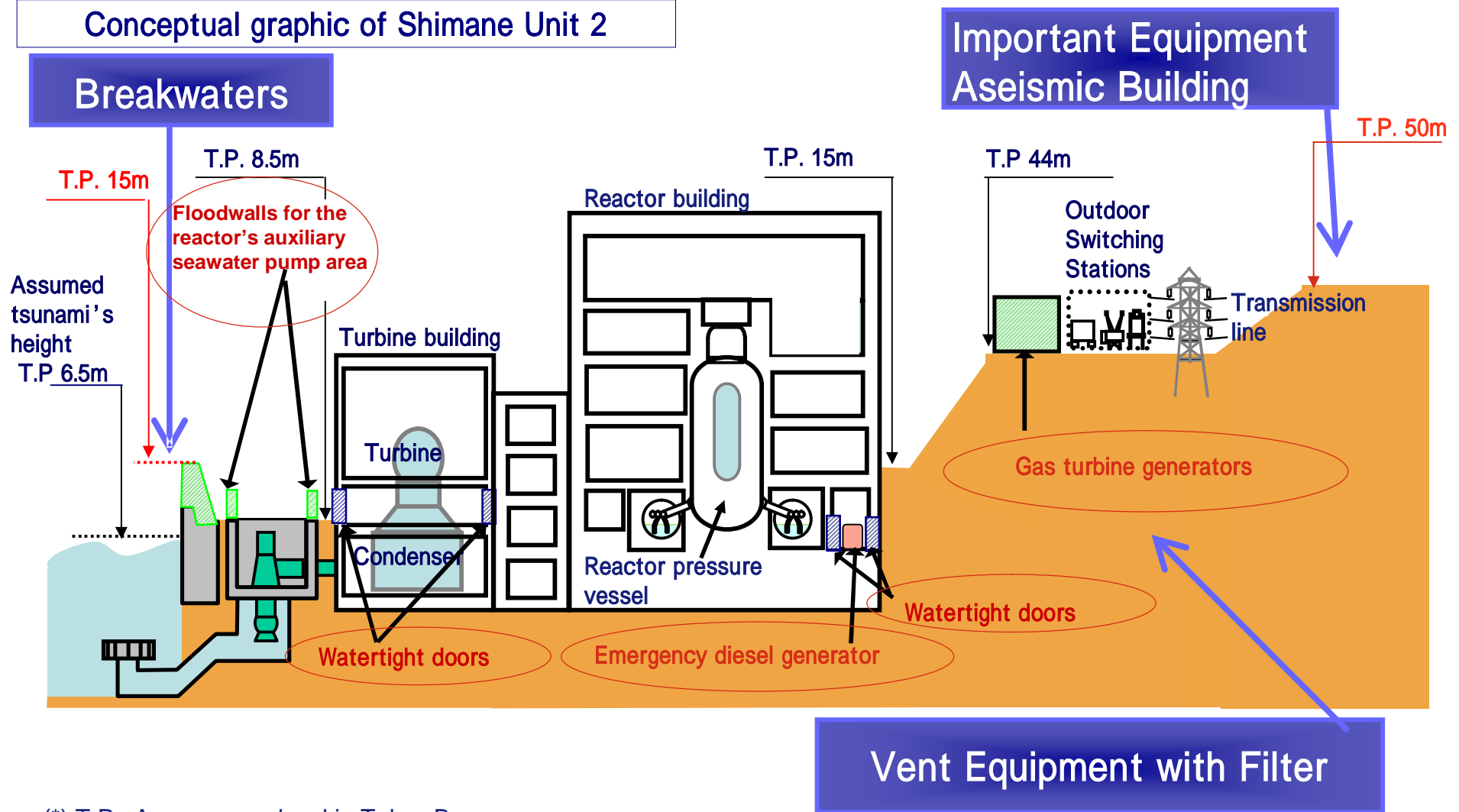
[Overhead expense]

- Postponing/cancelling various measures
- Reducing subcontracting through detailed checks for work
- Reducing fees for electrical promotions, etc.

# 4. Measures of Shimane Nuclear Power Station

■ We are assuredly implementing compliance with new regulations and standards for nuclear power, and maximizing our measures and efforts to restart Shimane Nuclear Power Station sooner.

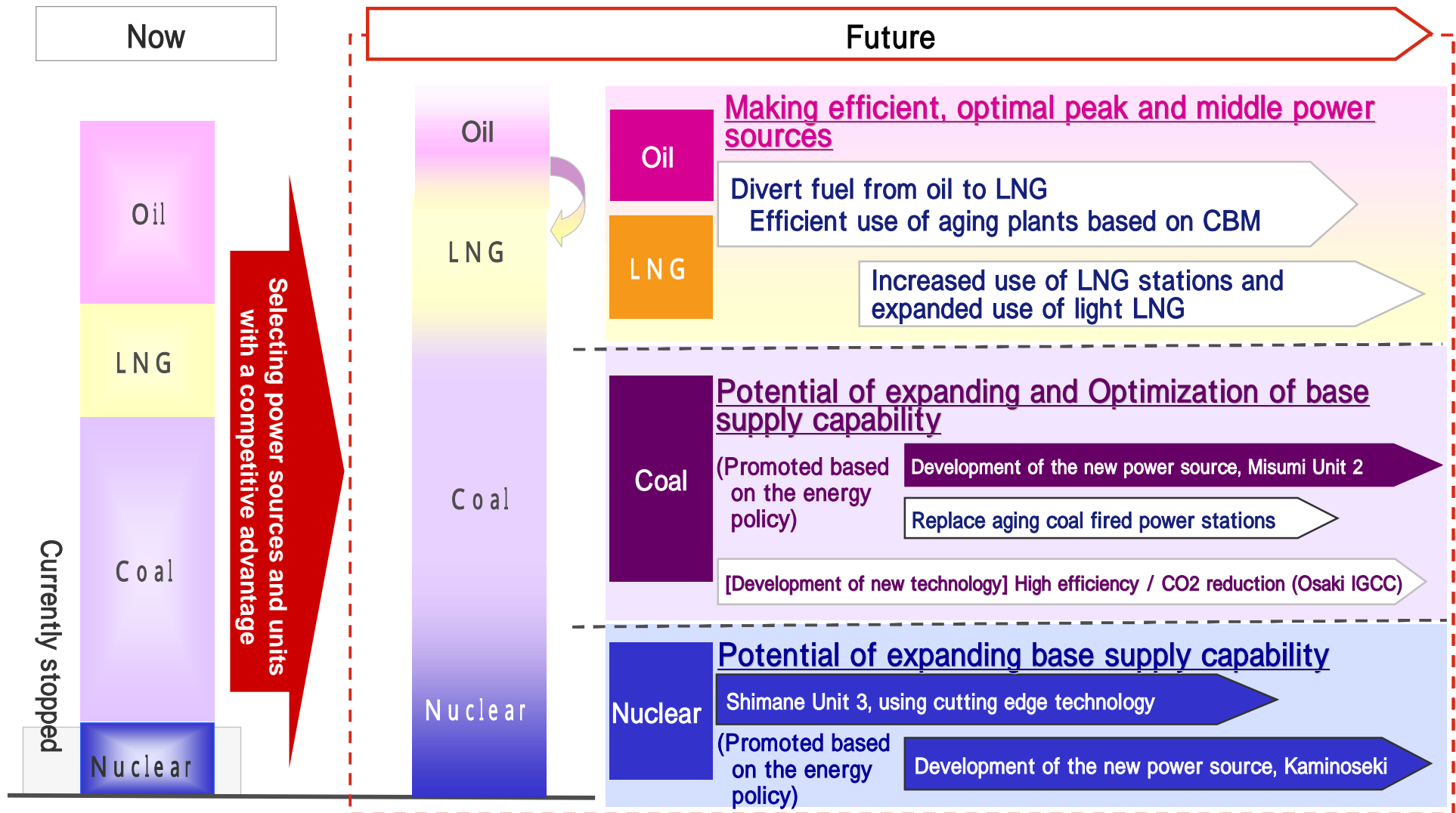
Conceptual graphic of Shimane Unit 2




(\*) T.P.: Average sea level in Tokyo Bay

# 5. Measures Examining the Future Competitive Environment (Power Sources)

■ Aiming to optimize the power source configuration that establishes power supply that is both efficient and stable, we pursue to expand power sources with a competitive advantage that utilize our company's specialties to the maximum.



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