



**Investors Meeting for
FY2015 Financial Results**

State of Shimane Nuclear Power Station

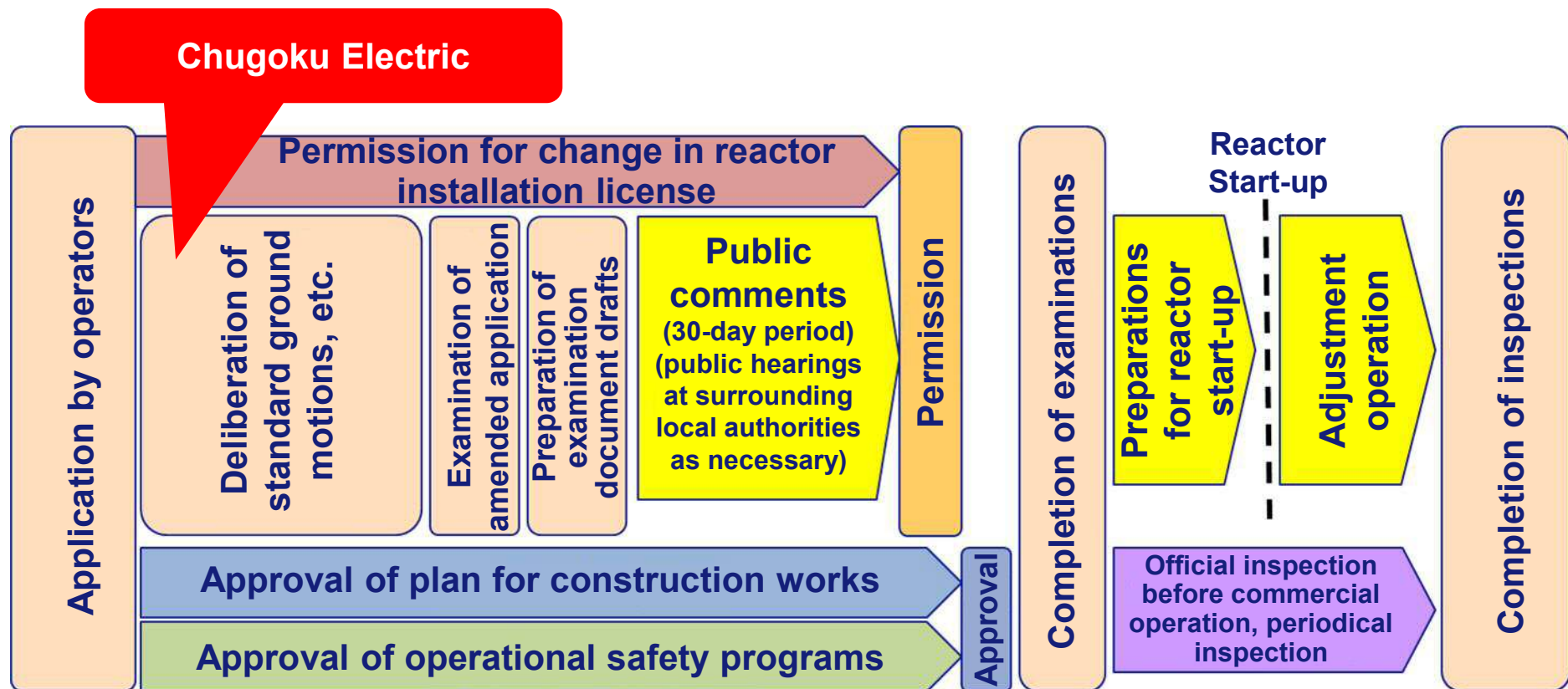
May 13, 2015

The Chugoku Electric Power Co., Inc.

1. Process of Compliance Examinations

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- In December of the year before last, we submitted application documents for compliance verification of Shimane Unit 2 to the Nuclear Regulation Authority.
- The examinations to verify compliance began in January of last year. As of today, May 13 of this year, a total of 46 examinations have been conducted. In the past half-year (November last year to today), 27 examinations have been conducted.



2. State of Progress of Compliance Examinations [Shimane Unit 2]

2

- Regarding earthquakes, the "earthquake ground motion determined with identifying the hypocenter" which is a prerequisite for the standard ground motion assessment, is under examination at the examination gatherings.

Earthquake and Tsunami

	Main examination items	Examination status	Outline of examination	◆ Examination status ★ Chugoku Electric's assessment	
Earthquake	Earthquake ground motion determined without identifying the hypocenter	Completed	Matters relating to standard ground motions regarded as needing to be considered for the power station	◆ Explained that Rumoi and Western Tottori Prefecture Earthquakes will be taken into account (No additional comments)	
	Earthquake ground motion determined with identifying the hypocenter	Being implemented		◆ In order to expand our data, further additional drilling surveys are being conducted (at Shimoubeohigashi and Meshima Island)	
	Subsurface structures of the site and surroundings	Completed		◆ Explained adequacy of subsurface structure models (Responded to additional comments)	
	Standard ground motions	Unimplemented		★ Will set Ss-1 (600 gal) through Ss-4	
	Seismic design policy	Unimplemented		★ Assess the equipment as being able to maintain safety with regard to the standard ground motions	
	Geology and geological structure of the site	Being implemented		Matters relating to the ground inside the power station site	◆ Explaining that there are no fracture zones, active faults or the like
	Stability of ground and inclines	Unimplemented			★ Assess that they are safe
Tsunami	Standard tsunami	Unimplemented	Matters relating to tsunamis regarded as needing to be considered for the power station	★ Set at 9.5 m	
	Anti-tsunami design policy	Unimplemented		★ Assess that safety can be maintained (15 m breakwater and watertight doors installed)	

2. State of Progress of Compliance Examinations [Shimane Unit 2]

3

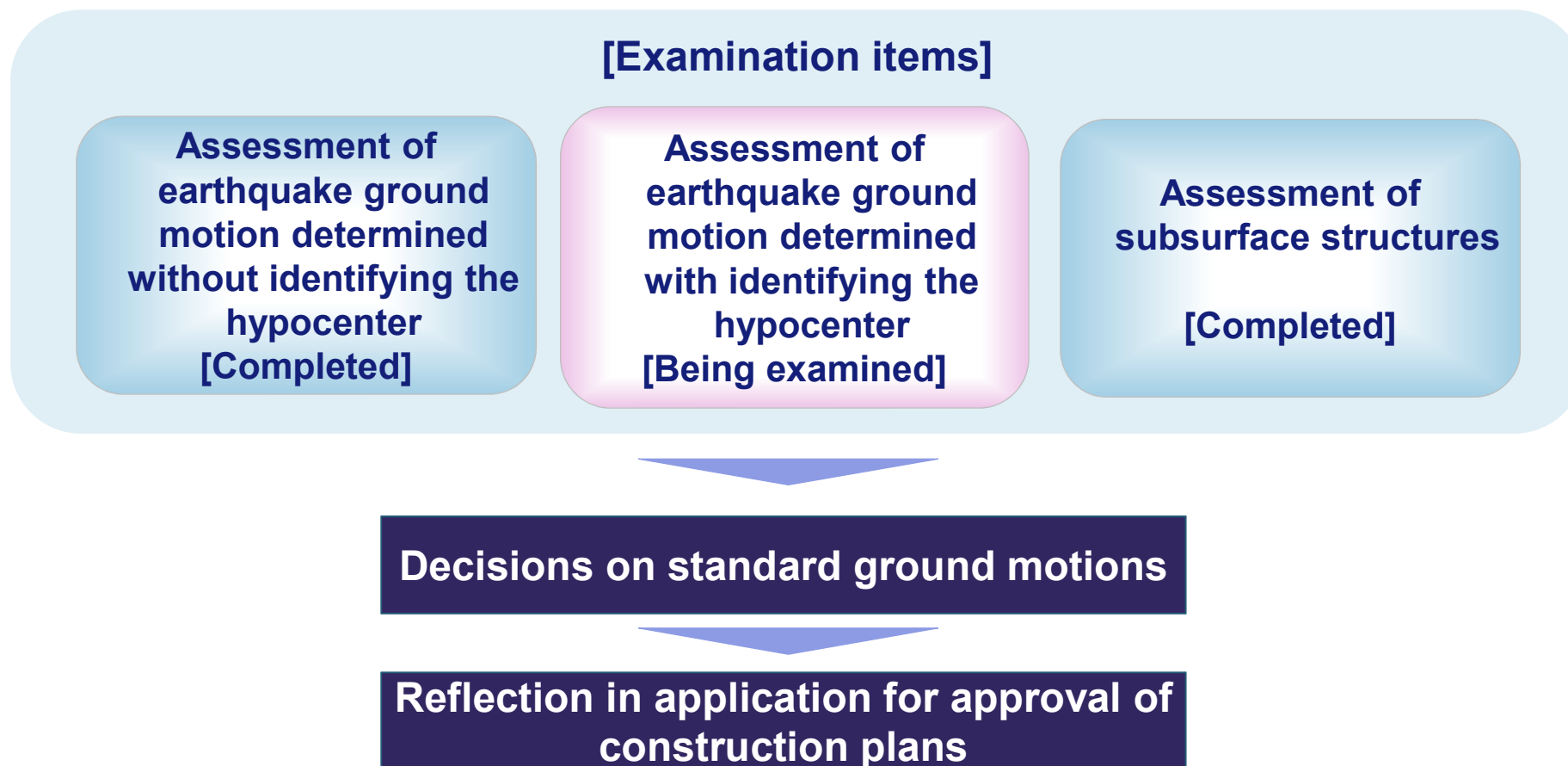
Plant-related

- Regarding plant-related, the filtered vent equipment, etc., is being examined by an examination gathering.

	Main examination items	Examination status	Outline of examination	◆ Examination status ★ Chugoku Electric's assessment
Countermeasures for severe accidents	Probabilistic risk assessment (PRA)	Being implemented	Quantitative assessment of the probability of the reactor core being damaged and leading to a severe accident, and assessment of efficacy of countermeasures for a severe accident, etc.	◆ Explaining the probabilities of damage to the reactor core and rupture of the containment vessel due to internal/external events
	Selection of accident sequences	Being implemented		◆ Explaining the accident scenarios selected on the basis of the PRA results
	Efficacy assessment	Being implemented		◆ Explaining that the severe accident countermeasures are effective for the accident scenarios selected.
	Analytical codes	Being implemented		◆ Explaining the adequacy of the analytical programs used in the PRA and efficacy assessment
	Control room	Unimplemented		★ Assess as 74 mSv in 7 days
	Contingency measure center	Being implemented		◆ Explaining about power supply equipment, radiation exposure assessment, operation methods, etc.
	Filtered vent equipment	Being implemented		Matters relating to the equipment's design, specifications, performance and operation methods
Countermeasures for design basis accidents	Interior inundation	Being implemented	Assessment and countermeasures, etc., regarding newly-added natural disasters	◆ Explaining the impact assessment and countermeasures for interior inundation
	Fire	Being implemented		◆ Explaining about the impact assessment of exterior and interior fires.
	Tornados (impact assessment and countermeasures)	Being implemented		◆ Explaining that we are assessing for maximum wind speed 92 m/s
	Volcanoes (impact assessment and countermeasures)	Unimplemented		★ Assess for volcano on Ulleung Island, South Korea (approximately 2 cm of volcanic ash)
	Single failure of passive system	Being implemented		◆ Explaining that passive systems have been identified and will be able to maintain their safety functions
	Protective power supply equipment	Unimplemented		★ Assess reliability of external power supplies

3. Flow of Examinations Pertaining to Standard Ground Motions

- Establishing the standard ground motions involves assessing the subsurface structures, "earthquake ground motion determined with identifying the hypocenter", and "earthquake ground motion determined without identifying the hypocenter", in the site, then selecting the ground motions that are to be envisioned as occurring at the power station.



4. Examination Status of Assessment of Earthquake Ground Motion Determined with Identifying the Hypocenter

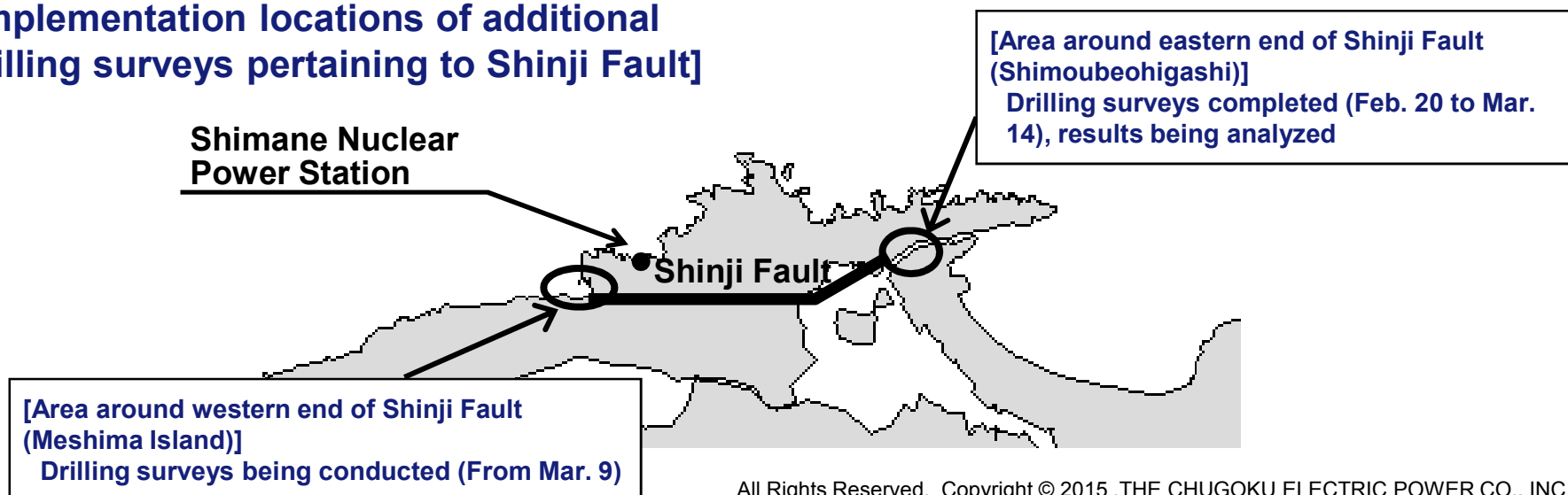
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- Additional surveys were conducted between May and October of last year concerning assessment of landward and seaward active faults at the site perimeter.
[Landward] Trench surveys, drilling surveys, etc.
[Seaward] Sonic surveys, bottom-sampling surveys, etc.

- In the examination gathering of January 16 of this year and the field surveys of February 5 and 6, we explained that in accordance with the results of the additional surveys, there are no changes to the previous assessment results of approximately 22 km for the length of the Shinji Fault.
- On those occasions, there were comments from the Nuclear Regulation Authority and others that we should compile more detailed data before giving explanations, etc.

- In response to such comments, we are currently conducting further additional drilling surveys in order to verify the adequacy of the assessments with expanded data.

[Implementation locations of additional drilling surveys pertaining to Shinji Fault]



5. Examination Status of Assessment of Subsurface Structures

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- Regarding the subsurface structures inside the site, we had been explaining the Chugoku Electric's assessment that there were no particular tendencies that would markedly amplify seismic waves. However, there were comments at last year's examination gatherings that we should carry out more detailed deliberations and explanations.

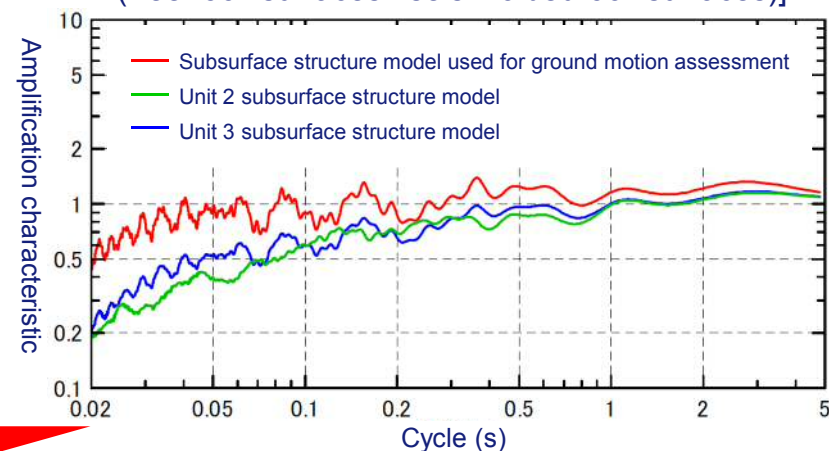
- At the examination gathering on March 6 of this year, we set forth the overall picture concerning the subsurface structure assessments which are a prerequisite for ground motion assessment, and then responded to these comments with the explanation outlined below.

[Outline of the Chugoku Electric's explanation]

(from results of various analyses and deliberations)

- The models of the subsurface structures under Units 2 and 3 are adequate.
- The ground amplification characteristic of the subsurface structure model used for ground motion assessment was determined with a margin above the Units 2 and 3 subsurface structure models' ground amplification characteristics, so that the site's ground motions were assessed on the safe side.
- Hence, this subsurface structure model, which permits assessment of the site's overall ground motions on the safe side, is adequate.

[Comparison of ground amplification characteristics (free rock surfaces / seismic bedrock surfaces)]

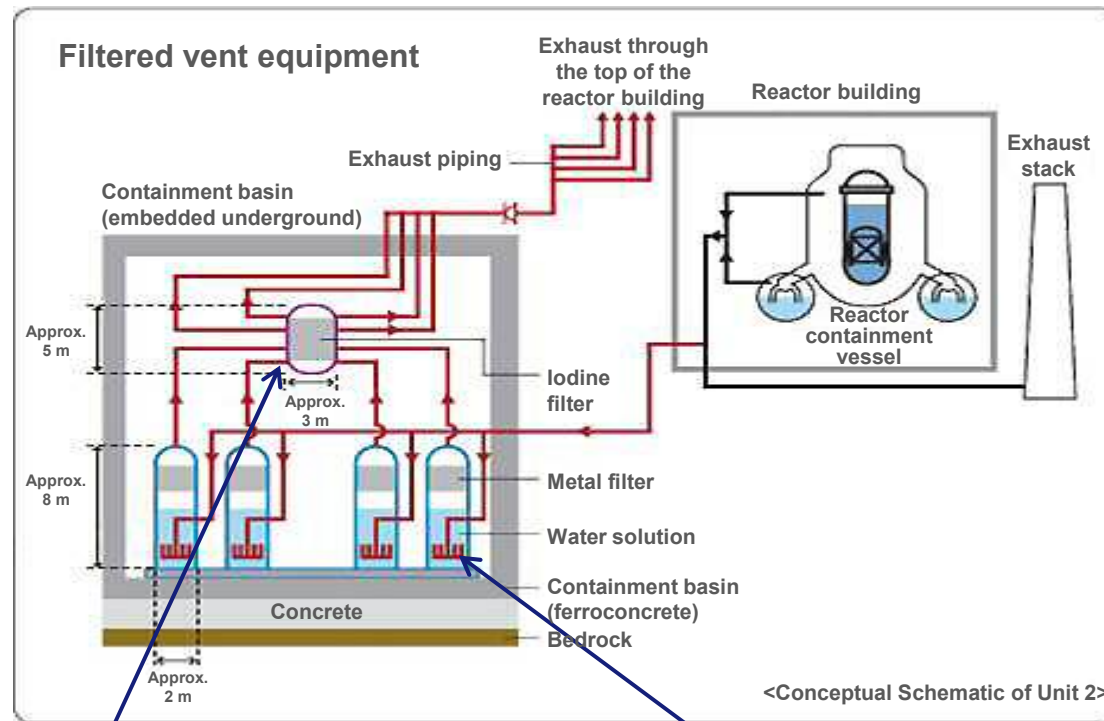


- The Nuclear Regulation Authority concluded that the Chugoku Electric had carried out the necessary deliberations for the assessment.
- At that time, there was a comment that we should give supplementary explanations about the conceptual approaches upon which the assessment had been premised, and we completed such explanations at the hearing of May 12. With that, the examinations relating to subsurface structure ended.

6. State of Safety Measure Works (Filtered Vent Equipment)

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- Regarding the filtered vent equipment for Unit 2: the scheduled completion date for this equipment has been revised from the end of March to the end of September of this year, because additional deliberations on the equipment became necessary in the course of the examinations, among other reasons.



Filtering device

- <<Iodine filter>> * Silver zeolite
- Diameter: Approx. 3 m
 - Height: Approx. 5 m
 - 1 unit (Removal efficiency: 98%)

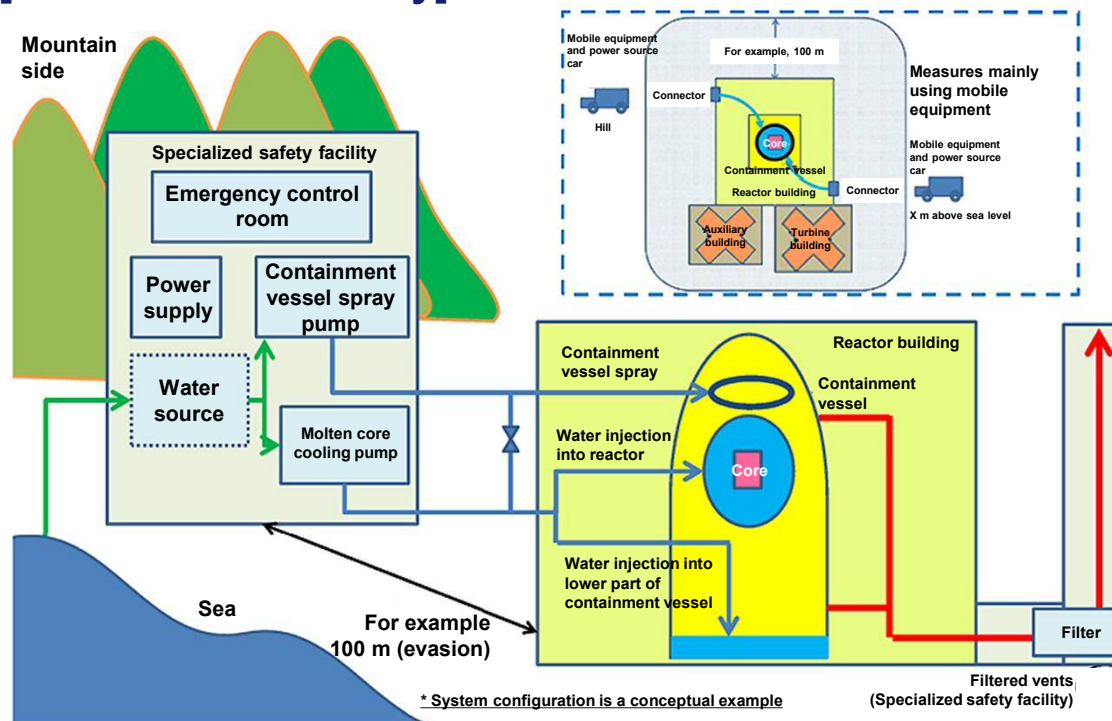
- <<Filtering device>>
- Diameter: Approx. 2 m
 - Height: Approx. 8 m
 - 4 units (Removal efficiency: 99.9%)

7. State of Safety Measure Works (Specialized safety facility)

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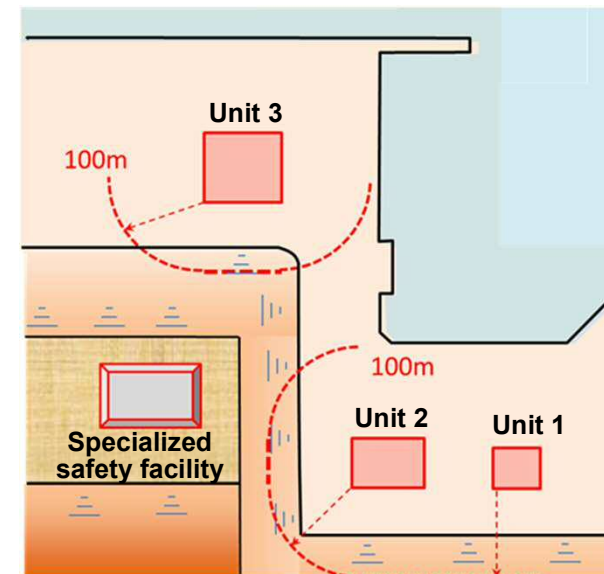
- In February of this year, we began preparation of the site for “specialized safety facility”*.
- Detailed design of the facility will be deliberated in the light of the examination status pertaining to it, working toward completion of its installation in July 2018.

[Outline of the facility]



[Installation location of the facility]

- Elevation: 50 m
- Site area: Approx. 3.5 ha (planned)



<Schematic diagram based on materials at Nuclear Regulation Authority's website>

* "Specialized safety facility" is a facility that will curb emissions of radioactive materials due to damage to a reactor containment vessel, in the event that major damage to a reactor core occurs, or could occur, as a result of an airplane being deliberately crashed into the site, or other terrorist incident. The facility is intended as further back-up for the mobile equipment, etc., and comprises equipment for injecting water into the interior of the reactor containment vessel, filtered vent equipment, power supply equipment, an emergency control room for controlling these equipment, and others.

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