



Investors Meeting for
FY2017-2Q Financial Results

State of Shimane Nuclear Power Station

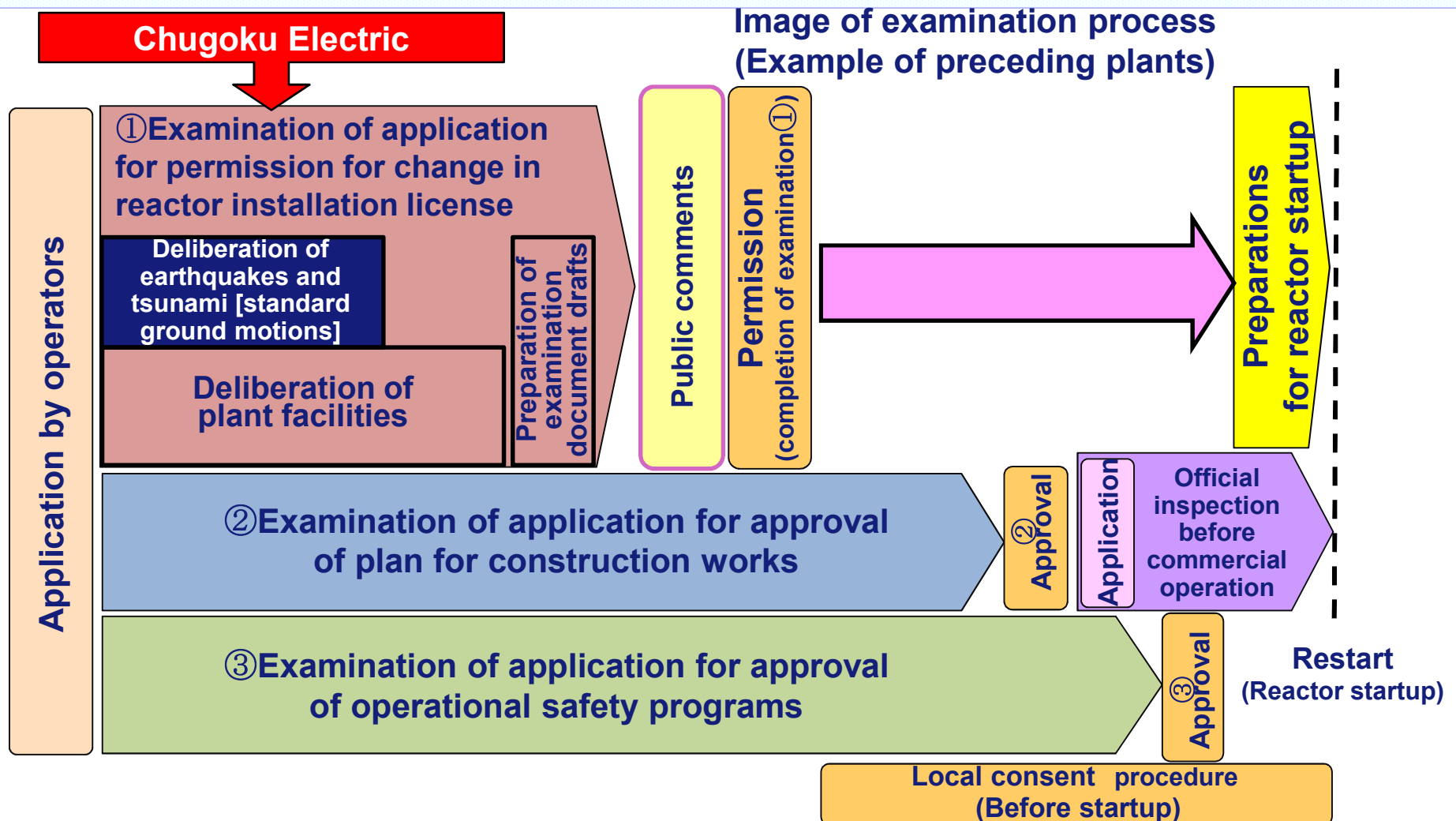
November 8, 2016

The Chugoku Electric Power Co., Inc.

1. Process of Compliance Examinations

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- In December 2013, we submitted application documents for compliance verification of Shimane Unit 2 to the Nuclear Regulation Authority (NRA).
- The examinations to verify compliance began in January 2014. As of the end of October this year, a total of 79 examinations have been conducted.



2. State of Progress of Compliance Examinations [Shimane Unit 2: Plant-related]

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- Examinations for BWR plants of six units at five power stations are concurrently being carried out.

	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	Being implemented	Matters relating to assessment, etc., of radiation exposure in the event of an accident	◆ Assess as 44 mSv in 7 days
	Contingency measure center	Being implemented	Matters relating to the equipment's design, specifications, performance and operation methods	◆ Explaining about power supply equipment, radiation exposure assessment, operation methods, etc.
	Filtered vent equipment	Being implemented		◆ Explaining the adequacy of the design policy, 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 (original application: 69 m/s)
	Volcanoes (impact assessment and countermeasures)	Being implemented		◆ Explaining that we have reassessed for Mt. Sanbesan and Mt. Daisen [approx. 30 cm of volcanic ash ← (original application: approx. 2cm)]
	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
Others	Specialized safety facility	Being implemented	Anti-terrorist measures, etc.	◆ Explaining the outline of the application

2. State of Progress of Compliance Examinations [Shimane Unit 2: Earthquake and Tsunami]

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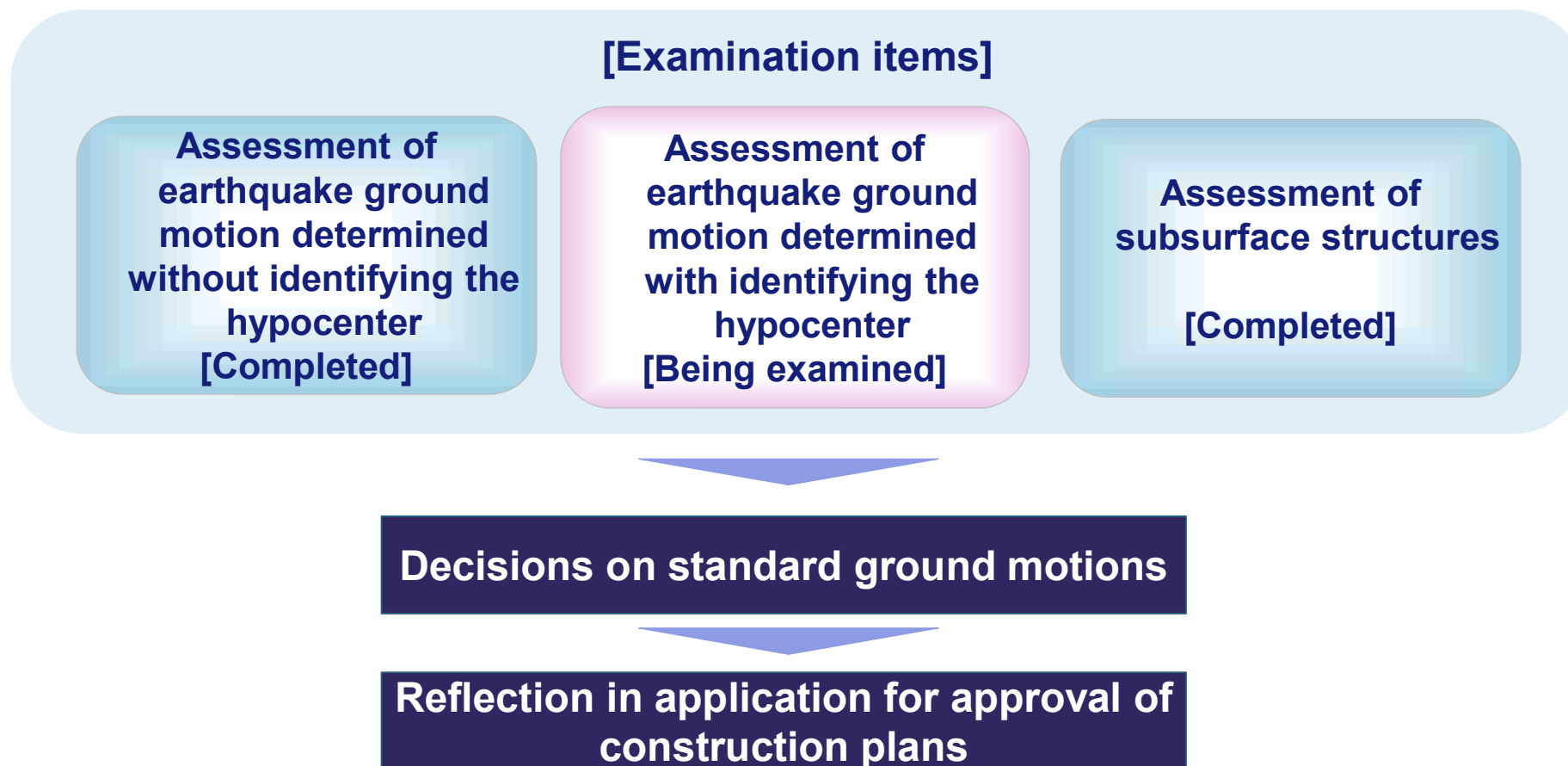
- “Earthquake ground motion determined with identifying the hypocenter” which is a prerequisite for the standard ground motion assessment, is currently under examination.
- Examinations, including of seismic design policy, started from May 2016.

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 ◆ According to the result of our additional drilling surveys concerning Shinji Fault, we are explaining that there are no fault recognized at Shimoubeohigashi and Meshima Island ◆ Explaining the earthquake ground motion assessment results for deliberations of the Shinji Fault and similar areas
	Earthquake ground motion determined with identifying the hypocenter	Being implemented		◆ Explained adequacy of subsurface structure models ★ Will set Ss-D (800 gal), etc
	Subsurface structures of the site and surroundings	Completed		
	Standard ground motions	Unimplemented		
	Seismic design policy	Being implemented	Matters relating to assessment of the equipment with regard to the standard ground motions	◆ Explaining the proposed revisions for changes to the seismic design classifications
	Geology and geological structure of the site	Completed	Matters relating to the ground inside the power station site	◆ Explaining that there are no fracture zones, active faults or the like ★ Assess that they are safe
	Stability of ground and inclines	Unimplemented		
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)

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

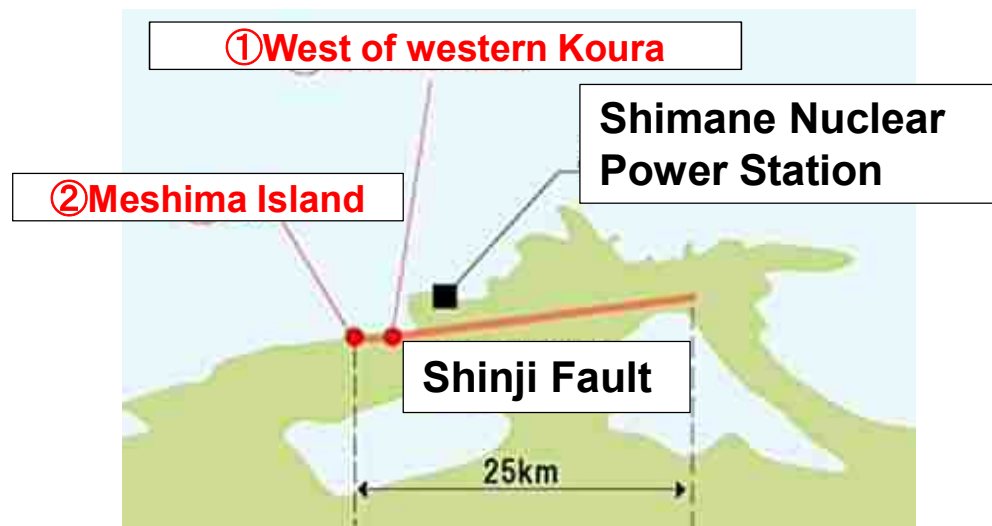
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- We had assessed and explained that the length of Shinji Fault was approx. 22km and the standard ground motions was 600 gal at the examination gatherings before.

- At the examination gathering in January 2016, we explained to revise the length of Shinji Fault from approx. 22km to approx. 25km, from the viewpoint of safety of the power station.

- At the hearing held by the Secretariat of the Nuclear Regulation Authority in February 2016, we explained the deliberations of revising the standard ground motion from 600 gal to 800 gal.

Currently we are replying to the findings of the hearing sequentially.



5. Changes to Seismic Design Classifications (Affects Seismic Design Policy)

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Explanation of changes to seismic design classifications

- From the perspective of preventing the loss of safety functions due to an earthquake affecting a nuclear power station, as well as preventing the effects of radiation accompanying such an event on the public, we have classified the importance of facilities at nuclear power stations in the three classes of S, B, and C, and we are carrying out seismic design corresponding to each class.
- We isolate steam vapor containing radioactive materials by adding an interlock that closes the main steam isolation valve when there is an earthquake. Even if facilities are damaged due to an earthquake, we can still decrease the effects of radiation.

Explanation of changes to seismic design classifications:

“We would like to change the seismic design classifications of the facility from Class B at the time of construction to Class C, because the facility is evaluated as capable of thoroughly reducing the effects of radiation by closing the main steam isolation valve when an earthquake occurs .”

- **The above was explained at the examination gathering in May 2016.**
- **NRA commented that we should explain how this would affect plant safety and related items.**

- **The following proposed revision was explained in July 2016 at the examination gathering.**

"From the perspective of thorough emergency preparedness, facilities such as turbine facilities that are considered to be able to function even if emergency facilities and safety measures facilities cannot function due to an earthquake shall conservatively remain ranked as Class B (waste disposal/treatment and similar facilities are changed to Class C)."

- **Although there were no major comments, this examination gathering has not been held since the one held in July 2016.**

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