



**Investors Meeting for
FY2017 Financial Results**

State of Shimane Nuclear Power Station

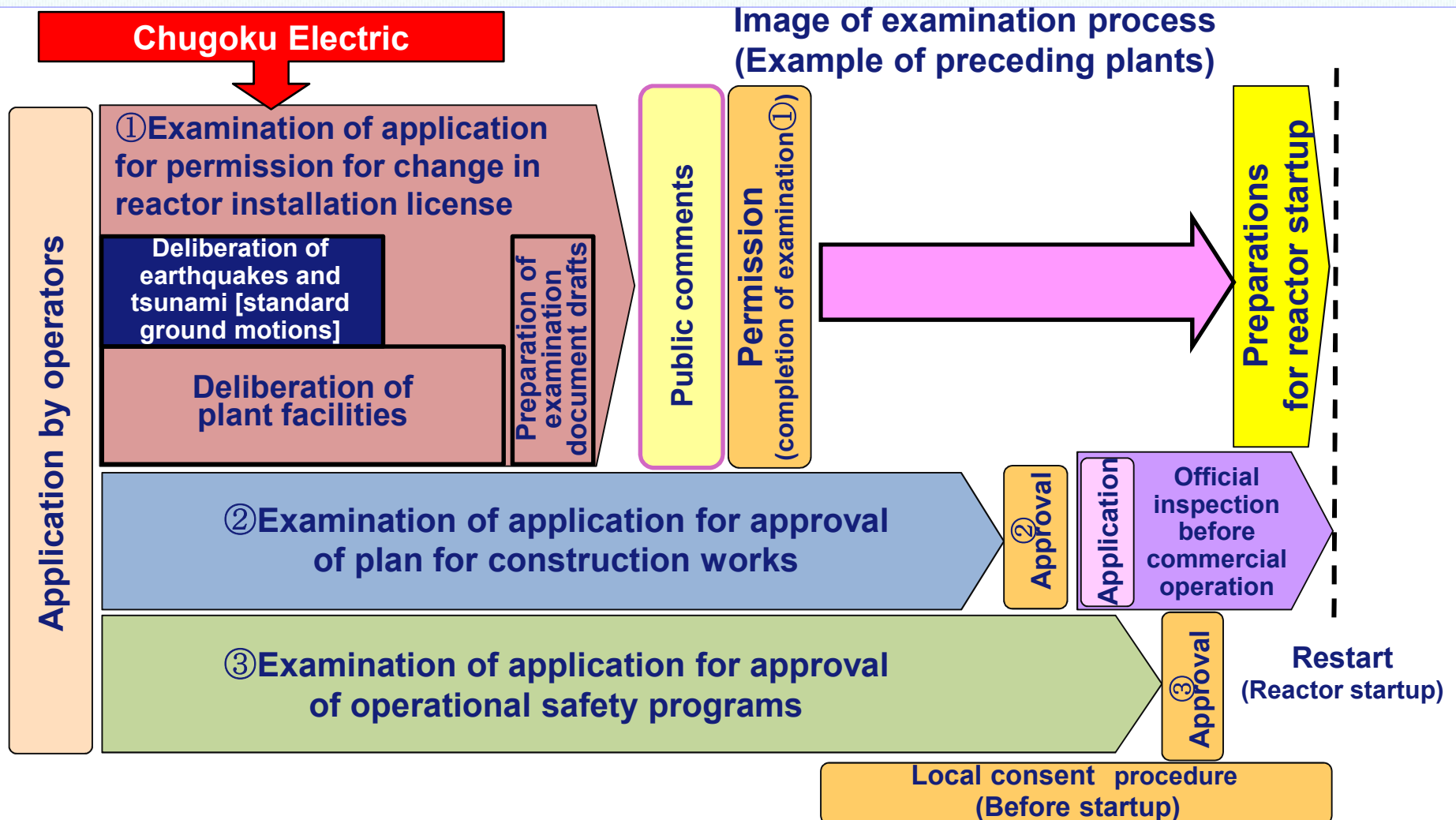
May 11, 2017

The Chugoku Electric Power Co., Inc.

1. Process of Compliance Examinations

1

- 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 April this year, a total of 83 examinations have been conducted.



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

2

- 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 |
| | Reactor 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]

3

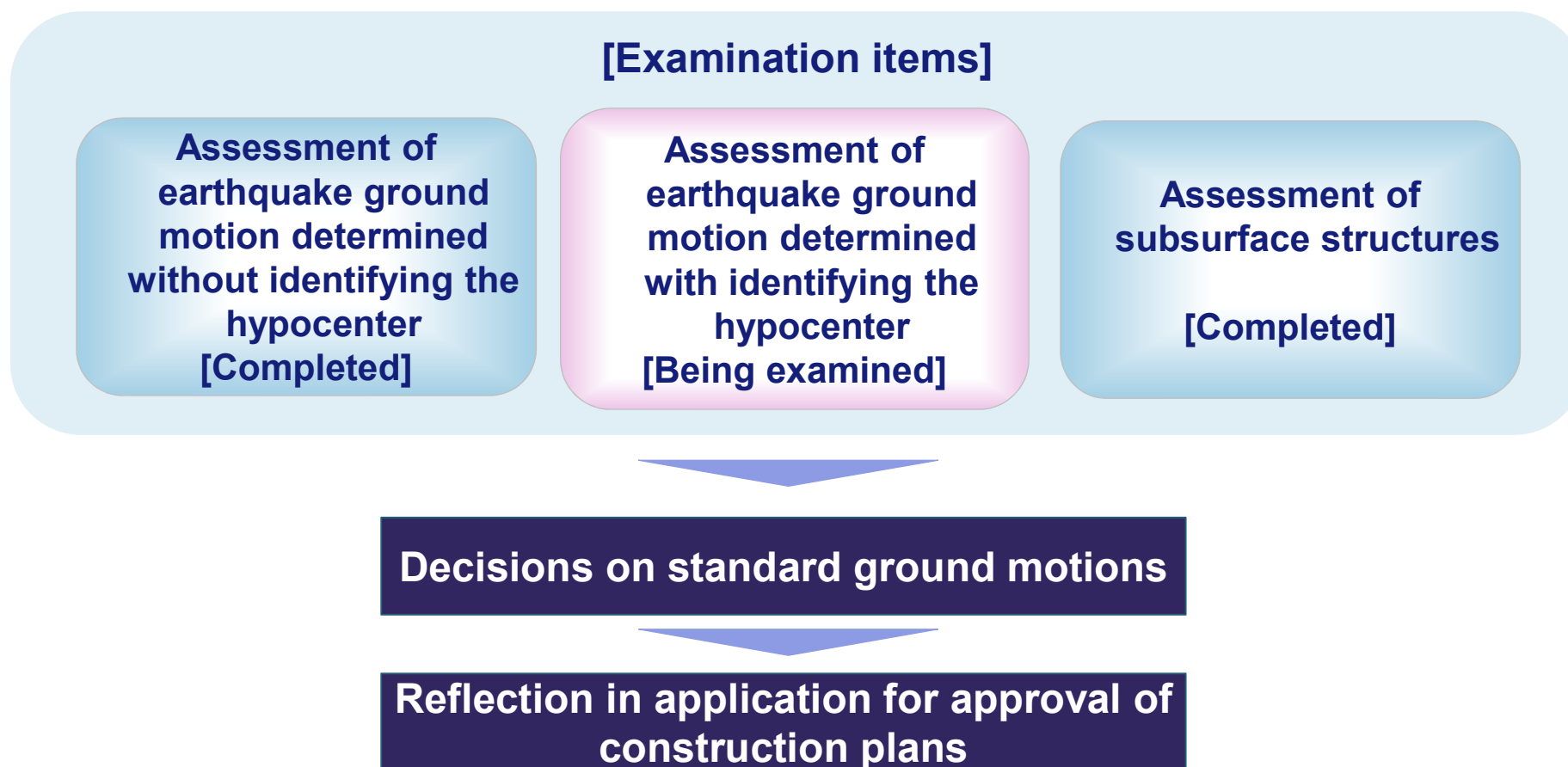
- “Earthquake ground motion determined with identifying the hypocenter” which is a prerequisite for the standard ground motion assessment, is currently under examination.
- The examination gathering about changes to the seismic design classifications has not been held since July 2016.

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 |
| | Earthquake ground motion determined with identifying the hypocenter | Being implemented | | ◆ According to the result of our additional surveys concerning Shinji Fault, we are explaining that there are no fault recognized at Shimoubeohigashi and Meshima Island |
| | Subsurface structures of the site and surroundings | Completed | | ◆ Re-explaining the assessment of the eastern edge of the Shinji Fault |
| | Standard ground motions | Unimplemented | | ◆ Explained adequacy of subsurface structure models |
| | Seismic design policy | Being implemented | Matters relating to assessment of the equipment with regard to the standard ground motions | ★ Will set Ss-D (800 gal), etc |
| | Geology and geological structure of the site | Completed | Matters relating to the ground inside the power station site | ◆ Explaining the proposed revisions for changes to the seismic design classifications |
| | Stability of ground and inclines | Unimplemented | | ◆ Explaining that there are no fracture zones, active faults or the like |
| Tsunami | Standard tsunami | Being implemented | | ★ Assess that they are safe |
| | Anti-tsunami design policy | Unimplemented | Matters relating to tsunamis regarded as needing to be considered for the power station | ★ Set at 10.5 m ★ 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

5

- In January 2016, We explained to revise the length of Shinji Fault from approx.22km to approx.25km.
- In February, We explained the deliberations of revising the standard ground motion from 600 gal to 800gal.

- In July of last year, the national Headquarters for Earthquake Research Promotion announced their long-term assessment of active faults in the Chugoku Region. This included the following description of the Shinji Fault.

- ✓ The length is approx. 21km or longer, and the inclination is estimated to be virtually vertical. The width is unclear, but could be about 15 to 20km.
- ✓ Near the border between land and sea on the eastern length, there is a possibility the geological structure continues, although a definite decision cannot be made as there is not enough detailed data regarding its activity as an active fault.

- After that, examination gatherings were held in November of last year and February of this year.
- In the February examination gathering, we organized the detailed data regarding the area around the eastern edge of the Shinji Fault, and explained again that there is no change to the assessment results hitherto, which state that the length is approx. 25km.
- The Nuclear Regulation Authority has commented, saying, "It is necessary to carefully assess the area around the eastern edge of the Shinji Fault," adding, "There must be further explanations using detailed geological data."

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



5. State of Safety Measure Works

6

- We revised the scheduled completion date for safety measure works into “as early as possible in FY2018”.

<The reason for revision of the scheduled completion date >

- Standard ground motions have not been set, and safety measure works currently being implemented must be handled carefully

<State of safety measure works >



Installation of an emergency response facility (As of April 2017)



Installation of a gas turbine generator (As of April 2017)

- **None of the information on this document is intended to solicit or induce purchase or selling of the Company's stocks. Moreover Chugoku Electric makes no guarantees whatever regarding the contents of this website.**
- **Persons considering investment in the Company should without fail read in advance the stock and bond reports and other financial literature issued by the Company, and make decisions on their own judgment. Though great care is exercised in the preparation of such literature, Chugoku Electric and the other information providers shall not be liable in any manner for any loss whatever incurred as a result of erroneous information contained therein or in this document.**
- **Items in Chugoku Electric's current plans and strategies, etc., published on this document which are not yet historical fact are projections concerning future performance and as such involve factors of risk and uncertainty which means that actual performance in the future may differ to a large extent from projections published here. Therefore Chugoku Electric does not guarantee the reliability of such projections.**



**For Questions or Comments,
Please Contact the Investor Relations Group
at the Address Below :**

**4-33 , Komachi, Naka-ku,
Hiroshima 730-8701
Japan**

**The Chugoku Electric Power Co., Inc.
Corporate Planning Division**

F A X : +81 82 544 2792

E-mail: t9504@pnet.energia.co.jp