

21 November 2017

THE CHUGOKU ELECTRIC POWER COMPANY, INCORPORATED

¥50,000,000,000 Zero Coupon Convertible Bonds due 2018 (the “Bonds”)

Announcement of Repurchase and Cancellation of the Bonds

THE CHUGOKU ELECTRIC POWER COMPANY, INCORPORATED (the “Company”) hereby announces that it has resolved at a meeting of the Board of Directors held on 21 November 2017 to offer to repurchase all outstanding Bonds and to cancel the Bonds so repurchased, as outlined below.

- | | |
|---|---|
| 1. Name of the Bonds | ¥50,000,000,000 Zero Coupon Convertible Bonds due 2018 |
| 2. Subject of Repurchase and Cancellation | <p>The entire aggregate principal amount of the Bonds remaining outstanding</p> <p>(total principal amount of the Bonds ¥50,000,000,000 at maximum) will be the subject of the offer to repurchase. Bonds so repurchased will be cancelled.</p> |
| 3. Repurchase Price | ¥10,000,000 per Bond of ¥10,000,000 denomination each (100.0% of principal amount) |
| 4. Total Amount of Repurchase | <p>¥50,000,000,000 at maximum</p> <p>subject to the Company’s decision whether to accept the tenders of the Bonds, some or all of the repurchase may not be performed</p> |
| 5. Subscription Period | 21 November 2017 to 8 December 2017 |
| 6. Date of Repurchase and Cancellation | 15 December 2017 (scheduled) |
| 7. Method of Repurchase | Repurchase by way of a tender offer of the Bonds towards the holders of the Bonds through Nomura International plc acting as Sole Dealer Manager |