

March 2, 2017

THE CHUGOKU ELECTRIC POWER CO., INC.

**Notice Regarding Reset of Conversion Price for Zero Coupon  
Convertible Bonds due 2018**

THE CHUGOKU ELECTRIC POWER CO., INC. hereby announces the reset of conversion price for the Zero Coupon Convertible Bonds due 2018 (the “Bonds”).

1. Reset of Conversion Price

| Name of issue                             | Conversion Price<br>before the reset | Conversion Price<br>After the reset |
|-------------------------------------------|--------------------------------------|-------------------------------------|
| Zero Coupon Convertible<br>Bonds due 2018 | ¥2,111                               | ¥1,795                              |

2. Effective date

March 13, 2017 (Japan time)

3. Reason for the reset

Reset of Conversion Price of the Bonds pursuant to Condition, due to the fact that the average of the Closing Price of the Shares for 30 consecutive Trading Days up to and including the Reset Calculation Date (March 2, 2017), rounded upwards to the nearest one yen, was at least one yen less than the Conversion Price in effect on the Reset Calculation Date.