



THE CHUGOKU ELECTRIC POWER CO., INC.
4-33, Komachi, Naka-ku,
Hiroshima 730-8701, JAPAN
Tel (082) 241-0211

**NOTICE TO THE HOLDERS OF THE OUTSTANDING
THE CHUGOKU ELECTRIC POWER COMPANY, INCORPORATED (the “Company”)
¥50,000,000,000 Zero Coupon Convertible Bonds due 2018 (the “Bonds”)
(ISIN: XS1184770227 Common Code: 118477022)**

NOTICE IS HEREBY GIVEN by the Company to the holders of the outstanding Bonds, of an adjustment of the Conversion Price (as defined in the terms and conditions of the Bonds) of the Bonds as follows:

Reason for the adjustment: Adjustment of Conversion Price pursuant to Condition 5.2.4 of the terms and conditions of the Bonds due to the Extraordinary Dividend (as defined in such Condition 5.2.4) resulting from payment of a dividend of ¥50 (aggregate in respect of the fiscal year ended 31 March 2017) per Share. The payment of such dividend was approved at the general meeting of our shareholders on 28 June 2017.

Old Conversion Price: ¥1,795

New Conversion Price: ¥1,789.7

Record Date: 31 March 2017 (Japan time)

Effective Date for the new Conversion Price: Retroactively from the day after the Record Date set out above (Japan time)

Capitalised terms used herein not otherwise defined herein have the meanings set out in the Trust Deed, including the terms and conditions of the Bonds, and the Agency Agreement.

This notice is given by
THE CHUGOKU ELECTRIC POWER COMPANY, INCORPORATED

28 June 2017