

## Notice of a Partial Revision of the Policy on the Shareholder's Return

The information shown below is an English translation of "Notice of a Partial Revision of the Policy on the Shareholder's Return", which was filed with stock exchanges (Tokyo, Osaka, and Nagoya) on the date shown below pursuant to their regulations. Be advised that the Japanese version (the original) shall prevail if in any case a discrepancy arises between the original and the English translation.

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CHUBU ELECTRIC POWER COMPANY, INCORPORATED (January 30, 2009)

Stock Code: 9502

### Notice of a Partial Revision of the Policy on the Shareholder's Return

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To whom it may concern:

Chubu Electric Power Company, Incorporated (the "Company") publicly announced "Operating Objectives for FY\*2007" on March 27, 2007, naming FY2010 the target year for the financial goals. With this in mind, and considering previous dividends per share and dividend payout ratios, the Company has been intends to maintain the dividend payout ratio at approximately 40% of net income for each term. Even if the business performance deteriorates, the Company has been to make strenuous efforts to maintain its current level of dividend(60 yen per annum per share), unless the business performance deteriorates significantly, due to some unforeseeable changes in the management environment.

To achieve those financial goals and dividend policy, the Company has carried out sales activities to satisfy our customers and maximized the concerted efforts of the Company's Group to stably provide high-quality energy at low cost that is to be surely served to our customers. The cumulative number of all-electric homes in the Company's areas exceeded 440,000 in December 2008, steadily bearing a fruit of proactive sales activities. In addition, in October 2008 the state-of-the-art, high efficiency LNG thermal plant, *Shin-Nagoya* Thermal Power Station Group No. 8, began integrated operations. The Company is also gradually promoting construction of *Joetsu* Thermal Power Station Group and the maintenance of an energy infrastructure that aims to realize a stable, flexible procurement of LNG. At the same time, we have worked to economize by sharply scaling back administrative overheads to maintain the desired labor productivity, which marks the industry's highest standards.

However, in the first fiscal target year, FY2007, the financial goals fell short of the initial target by a wide margin because of the huge increase in fuel expenses brought on by a rise in fuel prices, resulting in ordinary income on a consolidated basis falling 30.9% year-on-year, to 123.3 billion yen. The conditions were grim as stated above, but

dividends were maintained at 60 yen per annum per share, and consequently, dividend payout ratio on a non-consolidated basis exceeded 70%.

Thereafter, the business environment surrounding the Company has become more unforeseeable as the global economic downturn has progressed, fed by drastic fluctuations in fuel prices and unprecedented agitation in the financial markets. In FY2008, the second year of the target period, as of the announcement date of the financial results of the third quarter today, the ordinary income on a consolidated basis are estimated at approximately 75 billion yen, and the net income on a non-consolidated basis for the current term is expected at net loss of approximately 70 billion yen because of an extraordinary loss in conjunction with shutdown of *Hamaoka* Nuclear Power Plant No. 1 and No. 2.

Furthermore, there is concern that from FY2009 and thereafter energy sales will slide due to the economic downturn and drastic changes in external environments that impact the Company's performance, including trends in economy, fuel prices and foreign exchanges. These severe circumstances are unlikely to favor a swift performance recovery.

Given the above, and considering the corporate performance of FY2007 and the forecast of FY2008 etc., achieving the fiscal goals of the target period from FY2007 to FY2010 will be tough and adhering to those goals is no longer reasonable. These circumstances have led the Company to retract, designating this year as the last target year, the current financial goals and revise the policy on shareholders' return, which is based on those goals.

In order to stably respond to shareholder expectations, the Company will work to maintain the current level of dividend (60 yen per annum per share) while continuing to promote investments for building and operating facilities, such as *Hamaoka* Nuclear Power Plant, which are essential to a stable supply of electricity. We will also continue to ascertain the financial situation and market trends, and responsively carry out stock repurchasing with an eye on distribution of profits to shareholders in timely and appropriate manners.

Based on those policies, although the Company anticipates a considerable net loss on a non-consolidated basis for the current term, we forecast the year-end dividend will be 30 yen per share (60 yen per annum per share), same as in the previous fiscal year.

As it is considered to require more time to determine the unforeseeable external environments, such as the oil market and the financial market, for a while without setting new goals, the Company aims to secure profit needed to stably maintain the current level of dividend with further accumulation of maximum earnings. Also, the Company will strive to keep the current level of shareholders' equity ratio and ensure sound financial strength to continue stable business operations.

The FY2009 management plan will be announced in the "Operating Objective for FY2009" to be released in late March this fiscal year.

We will move forward with even greater management efficiency and strive for stable, continuous operations to meet stakeholders' expectations.

Note: The Company's fiscal year (FY) is from April 1 to March 31 of the following year - FY2008 represents the fiscal year began in April 1, 2008, and ends in March 31, 2009.