

Overview of FY2014 Operating Objectives

~Corporate group that satisfies all energy-related needs and keeps growing~

Following the suspension of operations at the Hamaoka Nuclear Power Station in May 2011, Chubu Electric Power's fuel costs for thermal power have increased significantly, and we continue to face extremely challenging conditions. Under the previous electricity rate levels, it has become a difficult situation for us to cover the necessary fees for accomplishing our most important mission of providing a safe and stable supply of electric power.

Due to this situation, we applied to the Minister of Economy, Trade and Industry for an increase in electricity rates. This application was approved on April 18 of this year. We apologize to customers for the burden that will be faced by this increase in electricity rates, and we would like to ask for your understanding.

In order to continue our most important mission of providing a safe and stable supply of electric power, we will continue to strengthen our "initiative to further enhance safety of Hamaoka Nuclear Power Station," our "initiative for stable supply of electric power." Furthermore, the entire company will work with no areas considered off limits, to further strengthen our "initiative for management efficiency."

Three Key initiatives

1 Initiative to further enhance safety of Hamaoka Nuclear Power Station

- In addition to earthquake, tsunami, and other serious accident countermeasures that have been voluntarily worked toward thus far, necessary additional countermeasures will be implemented with the aim of promptly adapting to the new regulatory requirements of the Nuclear Regulatory Authority which came into force in July 2013.
- Regarding measures to increase safety, we will strive to enhance training and prepare disaster management systems, and strengthen disaster-prevention countermeasures in cooperation with national and local governments, in addition to facility side equipment initiatives pertaining to facilities.
- Without being limited to responding to new regulatory requirements, initiatives to further enhance the safety of Hamaoka Nuclear Power Station will proceed voluntarily and continuously.

[Completion time of equipment countermeasure]

Hamaoka Nuclear Power Station Unit4	The end of September 2015
Hamaoka Nuclear Power Station Unit3	The end of September 2016

[Strengthening of the disaster prevention system]

- System preparation
- Procedure manual preparation
- Securing supplies, etc.
- Implementation of training
- Strengthening cooperation with national and local governments

[Voluntary initiatives toward enhanced safety]

- Further enhance the risk management structure with regards to nuclear safety
- Strengthen two-way communication
- Utilization of probabilistic risk assessment
- Strengthening of the disaster prevention system etc.

2 Initiative for stable supply of electric power

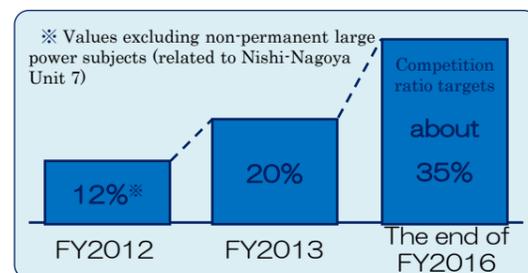
- With the cooperation of power saving efforts of customers and initiatives on the supply side in the summer of 2014, it is forecasted that a reserve margin acting as an indication of stable power supply can be secured.
- As the foundation for stable power supply is not steady while the operation of Hamaoka Nuclear Power Station is suspended, focused inspections will continue to be conducted for power plant and power transmission facility.
- While securing the necessary supply capacity for the stable supply of the Chubu region, we will continue to maximize cooperation for the stability of supply and demand across the entire country, such as the implementation of support flexibility.

[Supply and demand balance (generating end July, August 2014)]

	Monthly maximum power three-day average	Heat wave one-time peak load*
Peakload	25,210MW	26,440MW
Supply capacity	27,230MW	27,370MW
Reserve capacity	2,020MW	930MW
Reserve margin	8.0%	3.5%

*Report values based on a collection of reports from the Ministry of Economy, Trade and Industry (April 17, 2014)

[Competition ratio targets]



3 Initiative for management efficiency

- In order to reliably achieve management efficiency incorporating authorization costs of electricity rates based on the strict assessment policy in the electricity rate review, we will continue to make every effort for a strong commitment to greater efficiency across all aspects, including the improvement of thermal efficiency, reduction of equipment and service procurement costs, inexpensive fuel procurement, and efficient business operations.
- Concerning the reduction of equipment and service procurement costs, initiatives are being continued for the standardization of specifications and expansion of competition orders.
- A low-cost structure can be achieved through initiatives for continual management efficiency, which will lead to the strengthening of competitiveness.

Chubu Electric Power Group Initiatives for achieving [What We Aim for]

Chubu Electric Power Group
[What We Aim for]

Corporate group that satisfies all energy-related needs and keeps growing

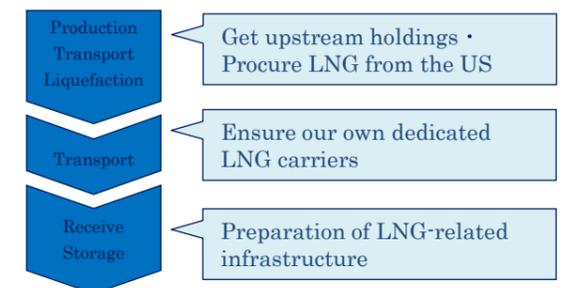
Regarding the electric power system reform, full-fledged discussions are underway aimed at ensuring further neutrality of the power distribution department and introducing full deregulation of retail electric power. Not only limited to electric power system reform, deliberation of gas system reform is also underway. In the future, the business environment surrounding energy will continue to change significantly.

In order for Chubu Electric Power to continue to respond to the expectations and trust of our customers and the society, we will seize these changes as large opportunities, and actively strive to achieve "What We Aim For."

Initiatives 1 Ensure stable supply of low-carbon, high-quality energy at reasonable prices

- From the standpoint of long-term power supply stability and economic efficiency, we are moving forward with procedures for the thermal power bid towards the early introduction of new thermal power plants.
- We are making steady developments in highly efficient combined cycle power generation (Joetsu Thermal Power Station, Nishi-Nagoya Thermal Power Station Group No. 7).
- We will continue active development together with group companies towards the widespread use of renewable energy.
- In order to further improve the stability, economic efficiency, and flexibility of fuel procurement, we are striving to strengthen our fuel value chain, involved in the production, purchasing, and transport of fuel.

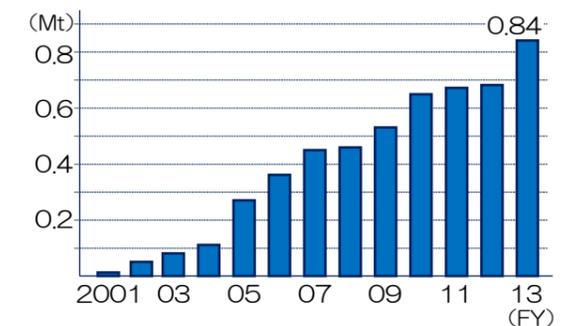
[Fuel value chain and our initiatives]



Initiative 2 Achieving a total energy service corporation

- In order to accommodate to the needs of residential customers who want to use energy in a smarter manner, we are committed to expanding services using the web.
- In order to accommodate to the increasingly diverse and sophisticated customer needs in the industrial and commercial fields, we have joined together with our group companies to offer solution services taking advantage of our various strengths in electricity and gas.
- Through electric power sales and electric power generation in the 50Hz region, we will continue to be fully committed to leading to advantages to our customers, along with steadily expanding the future revenue foundation.

[Transition of gas and a LNG quantity sold]



Initiative 3 Develop overseas energy business

- Focused mainly on priority areas in Asia, North and Central America, and the Middle East, we are striving for the steady business development of the thermal power generation business and renewable energy power generation business to increase profits.
- By implementing business expertise from overseas construction, management techniques, and the liberalization market into domestic business knowledge, we will continue to further enhance domestic energy services.

[State of overseas energy business (The end of FY2013)]

Investment scale	Total about 100 billion yen
Equity output	Total about 3,260MW

Initiative 4 Initiative for business continuity in the event of a major earthquake

- In order to reliably implement business that should be continued during a large-scale disaster, we are working to maintain and improve emergency response capabilities through the creation of a business continuity plan (BCP) and business continuity management (BCM) structure.
- For a massive Nankai Trough earthquake (maximum class), we will continue to further strengthen response capabilities for large-scale disasters, continue deliberating necessary countermeasures and responses, and achieve cooperation with organizations such as local governments based on a "disaster mitigation mindset."