

# Overview of FY2015 Operating Objectives

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

## Four Key initiatives

### 1 Initiative to further enhance safety of Hamaoka Nuclear Power Station

- Chubu Electric Power is continuing on earthquake, tsunami and other serious accident countermeasures to increase safety, and will further make our best efforts to promptly obtain the Nuclear Regulation Authority's confirmation that Unit 4 meets the new regulatory requirements.
- While preparing a disaster management system and striving to enhance training, we will also make every effort for non-physical aspects that include strengthening cooperation with local governments, in view of achieving higher effectiveness in resident evacuation plans and other emergency preparedness approaches.
- Without being limited to meeting the national government's regulatory requirements, initiatives to voluntarily and continuously enhance nuclear safety will proceed with efforts focusing on boosting "governance", "risk management", and "risk communication."

#### [Equipment measures]

- [Design basis measures]
- Earthquake responses
- Tsunami and flood responses
- [Serious accident countermeasures]
- Securing power supply, heat removal, and water injection functions
- Preventing reactor vessel or reactor building damages; measures to control the spread of emissive material

#### [Strengthening of the disaster prevention system]

- System preparation
- Developing response steps
- Securing supplies, etc.
- Implementation of training
- Actively joining disaster management trainings planned by national and local governments

#### [Voluntary initiatives toward enhanced safety]

- Conducting training
- Passing down know-hows and lessons learned from past accidents and troubles
- Establishing a "Meeting on Improving Nuclear Safety," headed by the President
- Utilizing PRA (probabilistic risk assessment)
- Boosting risk communication with the new Communication Promotion Group set up in the Corporate Communication Division serving a central role

### 2 Initiative for stable supply of electric power

- The operation of Hamaoka Nuclear Power Station is still suspended for the summer of 2015, but we will continue to carry out power supply initiatives, and reliably achieve stable supply for the Chubu region with focused inspections on the power station and power transmission facility.
- We will take account of the increase in the amount of introduced renewable energy and the possibility of progresses in the power system reform to decentralize the power distribution business. With this in mind, Chubu Electric Power will continue to proceed with required considerations and initiatives to secure stable supplies.

#### [Supply and demand balance (generating end August 2015)]

	Monthly maximum power three-day average	Heat wave one-time peak load*
Peakload	24,750MW	25,970MW
Supply capacity	27,120MW	27,250MW
Reserve capacity	2,370MW	1,280MW
Reserve margin	9.6%	4.9%

\*Report values based on a collection of reports from the Ministry of Economy, Trade and Industry (April 16, 2015)

### 3 Initiative for management efficiency

- Group-wide initiatives for efficiency allowed achieving a total reduction of 216.6 billion yen. This was a result of further cutting 25.1 billion yen in FY2014's fuel cost, regarding a 191.5 billion yen/year (FY2014-2016 three-year average) reduction that was incorporated to the authorization costs on electricity rates.
- Repercussions from equipment and labor cost rises are expected in FY2015 and onwards, but we will continue to maximize efficiency in a group-wide manner by establishing stable supply and public safety.

### 4 Initiative for the changing business environment

- Changes in the national government's energy policy, such as the electric power and gas system reform, has triggered a major transition in the business environment around Chubu Electric Power Group. By adequately responding to this change, we will move forward with the following initiatives in power generation and distribution, retail, and other business areas to achieve further growth of the Chubu Electric Power Group.

#### Strengthening competitiveness

**Achieving reasonable and high-quality energy supply in a run-up to the full deregulation of retail electric power**

#### Increasing profit-earning opportunities

**Endeavor to achieve further growth by providing a variety of services and expanding business areas**

#### Responding to transitions in the energy policy

**Responding to calls from the society, and preparing for further change by looking ahead into the future**

We agreed with Tokyo Electric Power Company, Inc. to establish on April 30, 2015 JERA Co., Inc., a "comprehensive alliance covering the entire energy supply chain from upstream investments and fuel procurement through power generation." JERA's business activities will be harnessed to enable an internationally competitive and stable energy supply of electric power, gas, and other particulars, and thereby enhance the enterprise value of both company's groups.



## 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
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In a drive to achieve "What We Aim For," Chubu Electric Power Group will lay down four key initiatives as a stepping stone to actively implement various initiatives in different business areas.

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

- We will steadily carry forward the development of the LNG-fired Nishi-Nagoya Thermal Power Station Group No. 7 and the coal-fired Taketoyo Thermal Power Plant Unit 5, thereby continuing to achieve a well-balanced power makeup and enhance our power competitiveness.
- Highly efficient combined cycle power generation will be introduced to the LNG-fired station, while having top-of-the-line power generation facilities installed at the coal-fired station. With these undertakings, we will work to achieve CO<sub>2</sub> emission reductions from the current level after the development of Taketoyo Unit 5.
- We will continue active development together with group companies towards the widespread use of renewable energy.
- We will strive to further improve stability, economic efficiency, and flexibility in terms of fuel procurement.

#### [Overview of Taketoyo Thermal Power Plant Unit 5's development]

Power output	1,070MW(Generating end)
Thermal efficiency	45% or above (Low heating value standards)
Planned start of operation (scheduled)	March 2022

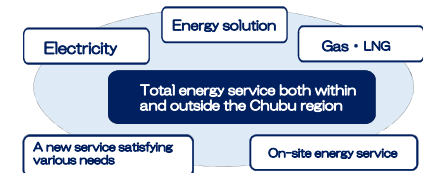
#### [Facility size of solar power and wind power generation (As of the end of FY2014)]

	Amount developed by Chubu Electric Power Group*	Amount subject to purchase by Chubu Electric Power
Solar power	174MW	3,668MW
Wind power	100MW	212MW

\* Full amount calculated for joint businesses

### Initiative 2 Achieving a total energy service corporation

- The full deregulation of retail electric power, regarding electricity and gas, will enable us to provide optimal energy services to customers both within and outside the Chubu region. We will seize these changes as large opportunities to further enhance and diversify our services in an effort to offer a total energy service.
- Viewing the changes in the gas system reform as an opportunity to expand gas sales, we will work to satisfy a wider range of customers' needs.
- Our online member service "KatEne" will be leveraged to present to household customers optimal services that meet their demand on an individual basis, and we will thereby strengthen our relationship with them.
- We will expand sales in areas outside the Chubu region by boosting sales frameworks and steadily securing power in the concerned areas.



### Initiative 3 Develop overseas energy business

- We will advance our businesses by bringing together the assets and know-how owned by TEPCO and Chubu Electric Power. This will be achieved by positioning regions in which both companies have been investing in as focus areas, namely "Asia, North and Central America, and the Middle East", and also by transferring Chubu Electric Power's overseas energy business to JERA in a phased fashion.

#### [State of overseas energy business (The end of FY2014)]

	Total	about
Investment scale	100 billion yen	
Equity output	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.
- We are reviewing our own measures in keeping with revisions that national and local governments are making for the Nankai Trough earthquake or disaster management measures, and will continue on required measures and responses.