

Overview of FY2013 Operating Objectives

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

Chubu Electric Power continues to face extremely challenging conditions, including a reduction in our supply capacity due to the suspension of operations at Hamaoka Nuclear Power Station and poorer profitability because of rising fuel costs. However, we continue to put every effort into our “Three Key Initiatives.”

Moreover, Japan is currently considering electric power system reforms based on such key approaches as full deregulation of retail electric power.

Chubu Electric Power is committed to building a better electric power system for its customers. To do this, we are working proactively to provide a stable supply of electric power and offer our customers a wide range of services through competition.

Three Key initiatives

1 Initiative to further enhance safety of Hamaoka Nuclear Power Station

○ Initiatives up to now

- Take safety measures to meet strict targets that we have set voluntarily, always reflecting the most up to date knowledge, in anticipation of a possible triple-interlocked earthquake. This includes not just responding to the national government’s safety standards, but also performing ongoing work to increase seismic durability margins as a voluntary initiative and thus enhance safety at Hamaoka Nuclear Power Station.
- In light of knowledge learned from such incidents as the accident at the Fukushima Daiichi Nuclear Power Station, decide to take measures against tsunami and severe accidents.



Tsunami protection wall

○ Tsunami Countermeasures

- Flood Prevention measures 1 : Prevention of flooding on the station site (build a tsunami protection wall, install flood protection walls to protect seawater intake pumps, etc.)
- Flood Prevention measures 2 : Prevent flooding in buildings in the event the site is flooded (replace doors with watertight doors, newly install tsunami protection doors, install emergency seawater intake system, etc.)
- Enhanced Emergency Measures : Ensure the cooling function (install gas turbine generators on high ground, deploy portable power pumps, etc.)



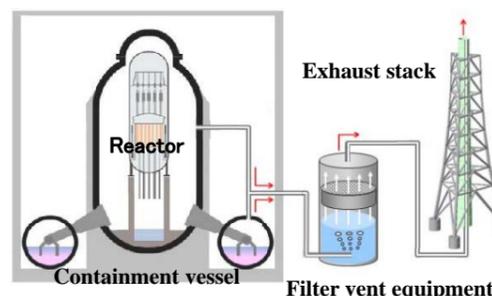
Tsunami protection doors

○ Implementation of Severe Accident Countermeasures

- Decide to take measures to prevent large-scale discharge of radioactive material (such as installation of filter vents) and measures to prevent damage to containment vessel to respond to severe accidents (major accidents involving significant damage to the reactor core)

○ Future initiatives

- In light of such factors as the state of the investigation of the Cabinet Office, perform evaluation of seismic motion at Hamaoka Nuclear Power Station, among other measures
- In addition, make an appropriate response to new safety standards that the Nuclear Regulation Authority is considering, and continue to enhance the safety of Hamaoka Nuclear Power Station, always reflecting the most up-to-date knowledge
- Take initiatives to give the local community and society in general a sense of security by carefully explaining these measures



Overview of filter vent equipment

2 Initiative for stable supply of electric power

○ FY2013 summer supply and demand outlook

- We anticipate that the FY2013 summer peak load (peak power three-day average at the generating end) will be about 24.9 GW, or about 300 MW greater than in FY2012. On the supply capacity side, Joetsu Thermal Power Station Unit 1-2 (595 MW) has started commercial operation, and we anticipate a similar start at Unit 2-1 (595 MW). Therefore we forecast a stable supply of electric power during the summer of FY2013, just as in FY2012.
- The foundation of a stable supply is not completely firm as yet. For example, we continue to operate older thermal power units. Therefore we are practicing early detection of signs of irregularities (to prevent trouble before it happens) and making repairs promptly at all power stations.

○ Wide-area initiatives for stable supply

- In light of issues raised by the Great East Japan Earthquake, we are actively cooperating for the establishment of a wide-area system operating agency (under consideration by the national government) and taking initiatives to expand the capacity of frequency converters, so that reserve capacity can be used over a wide area in the event of a large supply and demand gap.

3 Initiative for management efficiency

○ Initiatives up to now

- Enhance the efficiency of equipment deployment, operation and procurement (implement high-efficiency combined-cycle generation, update gas turbines to new type, etc.)
- Enhance efficiency in business operations, etc. (slim-down staff, take initiatives to redesign operations, establish an efficient business system for the Group overall, etc.)

○ Making management more efficient following suspension of operations of Hamaoka Nuclear Power Station

- Reduce capital investment, fuel costs and miscellaneous costs by revising construction methods, practicing economical fuel procurement and use, revising publicity and sales initiatives and R&D/system development processes, etc.



Chita Daini Thermal Power Station, Unit No. 2 gas turbine

Chubu Electric Power Group Management Vision 2030 “What We Aim For”

“What We Aim For” Corporate group that satisfies all energy-related needs and keeps growing

- We are taking initiatives to achieve “What We Aim For” as expressed in “Chubu Electric Power Group Management Vision 2030” and to achieve a better electric power system for our customers.

Initiatives for achieving “What We Aim For”

1 Becoming the top corporate group in energy services

- Cooperation between Chubu Electric Power and its Group companies to offer solution services taking advantage of our various strengths in electricity and gas, so that we can meet increasingly diverse and sophisticated customer needs
- Initiatives for the efficient use of energy (such as proving demand response in national government proving tests)
- Take initiatives such as working to enhance and diversify customer services and actively using the wholesale electric power market to prepare a competitive environment in anticipation of full deregulation of retail electric power



Freeport LNG terminal

2 Enhancing stability, economy and flexibility in fuel procurement

- Get upstream holdings (participate in Ichthys LNG project, etc.)
- Procure LNG from the US (secure natural gas liquefaction capacity by concluding natural gas liquefaction agreement with subsidiary of US firm Freeport)
- Joint purchases of LNG under Asia’s first arrangement of purchase by buyers from different countries

3 Actively implementing high-efficiency combined-cycle generation

- Joetsu Thermal Power Station (Unit 2-1: July 2013; Unit 2-2: May 2014)
- Nishi-Nagoya Thermal Power Station Group No. 7 (Unit 7-1: September 2017; Unit 7-2: March 2018), world’s most efficient thermal power generation facilities (thermal efficiency: about 62%)



Joetsu thermal power station

4 Promoting renewable energy

- Conduct proactive development to achieve a low-carbon society (Tokuyama Hydroelectric Power Station, Mega Solar Shimizu, etc.)
- Take stabilization measures and ensure adjustment capacity to respond to large-scale implementation of renewable energy (conduct voltage fluctuation control tests with power storage systems at distribution substations, etc.)

5 Initiative for business continuity in the event of a major earthquake, etc.

- As a corporate group providing a lifeline for the Chubu Region, continue to take our existing measures for a major triple-interlocked earthquake.
- Establish a business continuity plan (BCP) to ensure that operations that need to continue will proceed steadily even in the event of a major disaster.
- Establish partnerships with local governments, etc. take necessary measures and responses and further enhance our ability to respond to earthquakes and tsunami even in the event of a massive Nankai Trough earthquake stronger than a triple-interlocked earthquake.