

Quarterly Financial Report

The information shown below is an English translation of "Quarterly Financial Report for the Six Months Period Ended September 30, 2016", which was filed with stock exchanges (Tokyo and Nagoya) on the date shown below pursuant to their regulations, for your convenience. Be advised that the Japanese version (the original) shall prevail if in any case a discrepancy arises between the original and the English translation.

CHUBU ELECTRIC POWER COMPANY, INCORPORATED (October 28, 2016)

Quarterly Financial Report for the Six Months Period Ended September 30, 2016 (FY 2016)

(In accordance with provisions of regulations in Japan, and accounting standards generally accepted in Japan)
 Stock code: 9502 URL: <http://www.chuden.co.jp/english/ir/index.html> Stock listed on: Tokyo SE, Nagoya SE
 Representative: Mr. Satoru Katsuno, President
 Contact: Hideki Hayakawa, Manager, Investor Relations Section. Tel: +81-52-951-8211
 Projected date for submitting quarterly security report: November 10, 2016
 Commencement of payment of dividend: November 30, 2016
 Preparation of supplementary materials for quarterly financial results: Yes
 Information meeting for financial results: Yes

(Figures are rounded down to the nearest million yen)
 (Figures in parentheses are negative numbers)

1. Performance over the Six Months Period Ended September 30, 2016 (Consolidated)

(April 1, 2016 – September 30, 2016)

(1) Consolidated Operating Results

	Operating Revenues		Operating Income		Ordinary Income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
For the six months ended								
September 30, 2016	1,306,894	(11.8)	172,248	(24.3)	163,798	(22.2)	146,738	(2.1)
September 30, 2015	1,481,825	(2.9)	227,648	227.3	210,462	446.8	149,900	224.8

Note: Comprehensive income

(2Q FY2016: 120,376 million yen (YoY: -18.5%), 2Q FY2015: 147,787 million yen (YoY: 225.4%))

	Net income per Share (Primary)	Net income per Share (Fully diluted)
For the six months ended	yen	yen
September 30, 2016	193.78	-
September 30, 2015	197.94	-

(2) Consolidated Financial Standing

	Total Assets	Net Assets	Shareholders' Equity Ratio
As of	million yen	million yen	%
September 30, 2016	5,510,185	1,745,626	31.0
March 31, 2016	5,538,945	1,637,109	28.9

Reference: Shareholders' Equity (September 30, 2016: 1,707,967 million yen, March 31, 2016: 1,599,934 million yen)

2. Dividends

	Annual Dividends per Share				
	1Q end	2Q end	3Q end	4Q end	Annual
Fiscal Year ended March 31, 2016	yen -	yen 10.00	yen -	yen 15.00	yen 25.00
Fiscal Year ended March 31, 2017	-	15.00			
Fiscal Year ended March 31, 2017(Forecasts)			-	15.00	30.00

(Note) Forecasts revision of dividends from the latest forecasts: None

3. Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2017 (approximate estimate)

%: change from the same period of the previous year

	Operating Revenues		Operating Income		Ordinary Income		Net Income attributable to owners of parent		Net Income per Share (Primary)
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For the year ending March 31, 2016	2,590,000	(9.3)	145,000	(49.1)	125,000	(51.1)	115,000	(32.3)	151.87

(Note) Forecasts revision of consolidated results from the latest forecasts: Changes occurred

<Notes>

(1) Changes in important subsidiaries during the quarter under review

(accompanying changes in the extent of consolidated companies): Yes

New: None

Company name:

Excluded: 1 company

Company name: Chubu Electric Power Australia Pty Ltd.

(2) Application of accounting methods unique to state quarterly financial report: None

(3) Changes in accounting policies, changes in accounting estimates, restatements:

- i) Changes in accounting policies to comply with the revised accounting standards: None
- ii) Changes in accounting policies, other than under i): None
- iii) Changes in accounting estimates: None
- iv) Restatements: None

(4) Number of shares issued (common stock)

i) Number of shares issued at the end of period	September 30, 2016	758,000,000	March 31, 2016	758,000,000
ii) Number of treasury shares at end of period	September 30, 2016	766,677	March 31, 2016	743,530
iii) Weighted average number of shares outstanding during the period	September 30, 2016	757,245,104	September 30, 2015	757,311,666

<Presentation of implementation status for quarterly review procedures>

The review procedure of Quarterly Consolidated Financial Report based on the Financial Instruments and Exchange Act had not been completed as of the release of this quarterly financial report.

<Explanations Regarding Appropriate Use of the Forecasts, and Other Special Remarks>

1. The forecasts for the year ending March 31, 2017 have been revised from the previous announcement made in July 29, 2016. Information concerning the forecasts in Presentation Materials for Six-Months ended September 30, 2016 [Supplementary quarterly materials] on slide No.08 “Summary of Forecast for FY2016”
2. The forecasts are based on information available as of the date of this announcement is made, and also, assumptions as of the date of this announcement are made on uncertain factors that would affect future results. Actual results may differ by various causes in the future.
3. We also disclosed Presentation Materials for Six-Months ended September 30, 2016 (Supplementary quarter materials) through TD net at the same date. We are planning to hold Information meeting for financial results for analysts and institutional investors. We will disclose the material for this Information meeting on the website.

(Reference) Forecasts of Non-Consolidated Results for the Fiscal Year Ending March 31, 2017 (approximate estimate)

?: change from the same period of the previous year

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income per Share (Primary)
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For the year ending March 31,2017	2,360,000	(10.9)	125,000	(52.9)	105,000	(55.1)	75,000	(52.3)	99.03

(Note) Forecasts revision of Non-consolidated results from the latest forecasts: Changes occurred

The Attached Document

<Table of Contents>

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets	2
---------------------------------	-------	---

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income		
---	--	--

Consolidated Statements of Income	3
-----------------------------------	-------	---

Consolidated Statements of Comprehensive Income	4
---	-------	---

(3) Consolidated Statements of Cash flows	5
---	-------	---

(4) Note regarding Consolidated Financial Statements		
--	--	--

(Note regarding issue on going concern)	6
---	-------	---

(Note regarding the case of material fluctuation in shareholders' equity occurs)	6
--	-------	---

(Additional information)	6
--------------------------	-------	---

2. Other information (supplementary information)

(1) Business and other risks	7
------------------------------	-------	---

(2) Challenges to be addressed by the Company	9
---	-------	---

1.Consolidated Financial Statements

(1)Consolidated Balance Sheets

(Millions of yen)

	As of Mar 31, 2016	As of Sep 30, 2016
Assets		
Non-current assets	4,794,534	4,803,861
Electric utility plant and equipment	3,144,438	3,108,063
Hydroelectric power production facilities	329,467	323,733
Thermal power production facilities	597,554	588,592
Nuclear power production facilities	170,494	161,773
Transmission facilities	740,571	722,224
Transformation facilities	403,352	406,540
Distribution facilities	779,899	785,095
General facilities	111,411	109,122
Other electric utility plant and equipment	11,686	10,981
Other non-current assets	247,416	247,403
Construction in progress	340,221	328,918
Construction and retirement in progress	340,221	328,918
Nuclear fuel	233,879	232,077
Loaded nuclear fuel	40,040	40,040
Nuclear fuel in processing	193,839	192,037
Investments and other assets	828,578	887,398
Long-term investments	216,632	195,159
Long-term investment for subsidiaries and associates	213,395	322,754
Reserve fund for reprocessing of irradiated nuclear fuel	177,673	164,687
Net defined benefit asset	26,321	27,588
Deferred tax assets	176,417	163,616
Other	19,554	15,005
Allowance for doubtful accounts	(1,416)	(1,414)
Current assets	744,411	706,323
Cash and deposits	143,945	110,534
Notes and accounts receivable - trade	237,142	260,480
Short-term investments	190,542	168,737
Inventories	74,651	63,525
Deferred tax assets	31,155	28,162
Other	68,193	76,032
Allowance for doubtful accounts	(1,220)	(1,149)
Total	5,538,945	5,510,185
Liabilities and net assets		
Non-current liabilities	2,702,460	2,649,573
Bonds payable	429,255	499,256
Long-term loans payable	1,478,552	1,444,651
Provision for reprocessing of irradiated nuclear fuel	194,921	186,414
Provision for preparation of reprocessing of irradiated nuclear fuel	16,662	16,995
Provision for loss in conjunction with discontinued operations of nuclear power plants	10,851	9,584
Net defined benefit liability	204,412	187,967
Asset retirement obligations	198,907	199,969
Other	168,897	104,734
Current liabilities	1,176,528	1,093,373
Current portion of non-current liabilities	387,396	348,227
Short-term loans payable	349,637	358,864
Notes and accounts payable - trade	135,910	98,098
Accrued taxes	79,862	69,986
Other	223,721	218,196
Reserves under special laws	22,846	21,611
Reserve for fluctuation in water levels	22,846	21,611
Total liabilities	3,901,836	3,764,558
Shareholders' equity	1,545,297	1,680,641
Capital stock	430,777	430,777
Capital surplus	70,786	70,785
Retained earnings	1,044,855	1,180,233
Treasury shares	(1,121)	(1,154)
Accumulated other comprehensive income	54,637	27,325
Valuation difference on available-for-sale securities	38,313	38,309
Deferred gains or losses on hedges	(18,808)	(15,384)
Foreign currency translation adjustment	29,158	1,661
Remeasurements of defined benefit plans	5,973	2,738
Non-controlling interests	37,174	37,659
Total net assets	1,637,109	1,745,626
Total	5,538,945	5,510,185

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Six-months ended September 30, 2015	Six-months ended September 30, 2016
Operating revenue	1,481,825	1,306,894
Electric utility operating revenue	1,346,819	1,187,419
Other business operating revenue	135,005	119,474
Operating expenses	1,254,176	1,134,646
Electric utility operating expenses	1,129,180	1,026,562
Other business operating expenses	124,995	108,083
Operating income	227,648	172,248
Non-operating revenue	7,559	7,766
Dividend income	929	982
Interest income	2,192	1,020
Share of profit of entities accounted for using equity method	—	367
Other	4,437	5,396
Non-operating expenses	24,745	16,216
Interest expenses	21,273	14,878
Share of loss of entities accounted for using equity method	957	—
Other	2,515	1,337
Ordinary revenue	1,489,384	1,314,660
Ordinary expenses	1,278,921	1,150,862
Ordinary income	210,462	163,798
Provision or reversal of reserve for fluctuation in water levels	7,579	(1,235)
Provision of reserve for fluctuation in water levels	7,579	—
Reversal of reserve for fluctuation in water levels	—	(1,235)
Extraordinary income	10,811	30,292
Reversal of provision for loss in conjunction with discontinued operations of nuclear power plants	10,811	—
Gain on change in equity	—	30,292
Income before income taxes	213,695	195,325
Income taxes - current	22,130	34,177
Income taxes - deferred	40,287	13,563
Total income taxes	62,418	47,741
Net income	151,277	147,584
Net income attributable to non-controlling interests	1,377	845
Net income attributable to owners of parent	149,900	146,738

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six-months ended September 30, 2015	Six-months ended September 30, 2016
Net income	151,277	147,584
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,907)	(92)
Deferred gains or losses on hedges	(1,039)	598
Foreign currency translation adjustment	(420)	(11,608)
Remeasurements of defined benefit plans, net of tax	(2,834)	(3,022)
Share of other comprehensive income of entities accounted for using equity method	2,712	(13,083)
Total other comprehensive income	(3,489)	(27,207)
Comprehensive income	147,787	120,376
Comprehensive income attributable to		
owners of parent	146,483	119,426
non-controlling interests	1,304	950

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six-months ended September 30, 2015	Six-months ended September 30, 2016
Cash flows from operating activities		
Income before income taxes	213,695	195,325
Depreciation	128,136	122,666
Decommissioning costs of nuclear power units	2,257	2,354
Loss on retirement of non-current assets	3,056	4,548
Increase (decrease) in provision for net defined benefit liability and assets	2,131	(21,851)
Decrease in provision for reprocessing of irradiated nuclear fuel	(7,520)	(8,507)
Increase in provision for preparation of the reprocessing of irradiated nuclear fuel	320	333
Decrease in provision for loss in conjunction with discontinued operations of nuclear power plants	(10,811)	(1,266)
Increase (decrease) in reserve for fluctuation in water levels	7,579	(1,235)
Interest and dividend income	(3,121)	(2,002)
Interest expenses	21,273	14,878
Gain on change in equity	—	(30,292)
Decrease in reserve fund for reprocessing of irradiated nuclear fuel	9,905	12,986
Increase in notes and accounts receivable - trade	(9,416)	(23,640)
Decrease in inventories	2,290	10,926
Decrease in notes and accounts payable - trade	(35,450)	(37,132)
Other, net	(22,085)	(20,028)
Subtotal	302,240	218,061
Interest and dividend income received	4,890	4,983
Interest expenses paid	(22,397)	(15,208)
Income taxes paid	(9,972)	(33,806)
Cash flows from operating activities	274,761	174,029
Cash flows from investing activities		
Purchase of non-current assets	(141,733)	(142,595)
Payments of investment and loans receivable	(24,513)	(61,617)
Collection of investment and loans receivable	13,835	6,523
Other, net	(1,114)	15,709
Cash flows from investing activities	(153,525)	(181,979)
Cash flows from financing activities		
Proceeds from issuance of bonds	39,860	89,689
Redemption of bonds	(132,050)	(84,500)
Proceeds from long-term loans payable	13,970	105,611
Repayments of long-term loans payable	(151,031)	(118,822)
Increase in short-term loans payable	186,550	201,427
Decrease in short-term loans payable	(183,380)	(191,970)
Purchase of treasury shares	(79)	(37)
Cash dividends paid	(7,580)	(11,341)
Dividends paid to non-controlling interests	(316)	(446)
Other, net	(1,189)	(1,952)
Cash flows from financing activities	(235,247)	(12,342)
Effect of exchange rate change on cash and cash equivalents	(262)	(76)
Net decrease in cash and cash equivalents	(114,275)	(20,368)
Cash and cash equivalents at beginning of this period	390,088	324,390
Decrease in cash and cash equivalents resulting from change of scope of consolidation	—	(26,352)
Cash and cash equivalents at end of this period	275,813	277,669

(4) Note regarding Consolidated Financial Statements

(Note regarding issue on going concern)

Not applicable

(Note regarding the case of material fluctuation in shareholders' equity occurs)

Not applicable

(Additional information)

On October 1, 2016, "Act for Partial Amendment to the Act for Deposit and Management of the Reserve Funds for Reprocessing of Spent Fuel from Nuclear Power Generation" (Act No. 40 of May 18, 2016), and "Ordinance for Partial Revision of the Ordinance on Accounting at Electricity Utilities and Other Provisions" (Ordinance of the Ministry of Economy, Trade and Industry No. 94 of September 30, 2016) came into effect, and "Ordinance on Accounting at Electric Utilities" (Ordinance of the Ministry of International Trade and Industry No. 57 of June 15, 1965) were revised.

Heretofore, in order to set aside the expenses necessary for spent fuel reprocessing, the amount recognized as accrued at the end of the consolidated accounting period would be allocated as a provision for reprocessing of irradiated nuclear fuel and as a provision for preparation of reprocessing of irradiated nuclear fuel based on the estimated expenses necessary for spent fuel reprocessing, but from the said date of enforcement, it has been decided that an amount commensurate with the volume of spent fuel generated with the operations of the specific utility power generation reactor will be paid into the Nuclear Reprocessing Organization of Japan as a contribution, and will be allocated as an Electric utility operating expenses.

Herewith, in the consolidated accounting period for the third quarter of FY2016, a Reserve fund for reprocessing of irradiated nuclear fuel, 164,687 million yen, and a Provision for reprocessing of irradiated nuclear fuel, 186,414 million yen, will be used up, and a Provision for preparation of reprocessing of irradiated nuclear fuel, 16,995 million yen, will be allocated as the un-paid spent fuel reprocessing contribution or as a Current portion of non-current liabilities.

2. Other information (Supplementary Information)

(1) Business and other risks

Concerning “Business and other risks” stated on Financial Report for the Fiscal Year Ended March 31, 2016, the Company has made a significant change to the following items.

The forward-looking statements in this document are based on the Company’s judgment on the day for announcing operating results for the Six Months Period of the Fiscal Year Ending March 31, 2017 (on October 28, 2016).

In addition, “(2) Risks associated with Chubu Electric Group business activities (i)Suspension of electricity generating facilities”, to which some change was made in the Financial Report for the 1Q of the Fiscal Year Ending March 31, 2017, has further been changed as follows in the Financial Report for the 2Q of the current fiscal year. “(2) Risks associated with Chubu Electric Group business activities (ii) Nuclear power back-end costs, etc.” and “(2) Risks associated with Chubu Electric Group business activities (iii) Changes in the competitive environment” have been changed as follows in the Financial Report for the 2Q of the current fiscal year.

(The item numbers attached to the following headings correspond to the item numbers for “Operating Results IV. Business and Other Risks” stated on Financial Report for the Fiscal Year Ended March 31, 2016.)

(2) Risks associated with Chubu Electric Group business activities

(i)Suspension of electricity generating facilities

The Company has suspended operation of all reactors at the Hamaoka Nuclear Power Station. Based on the new regulatory standards, we have currently been implementing countermeasures steadily, while undergoing the Nuclear Regulation Authority's review to verify compliance with the new regulatory standards for Reactor No. 3 and No.4. We will strengthen internal systems to take action in response to reviews being conducted, and allow early confirmation that the power station conforms to the new regulations.

The major safety enhancement measures at Unit 4, related to the tsunami/earthquake countermeasures or severe accident countermeasures that have been planned after the accident at the Fukushima Daiichi Nuclear Power Station, was completed with some exceptions in September 2016. Meanwhile, part of the safety enhancement measures will continue, which are associated with revisions in the contents of safety enhancement measures based on the status on site and design changes based on the contents of the examination for verification of conformance with the new regulatory standards. In the future as well, if the contents of safety enhancement work need to be revised or additions need to be made based on the progress of the examination or based on new knowledge, the revisions or additions should be implemented at the earliest. After Unit 4, efforts will be made to implement the countermeasures in Unit 3 based on the new regulatory standards. In parallel with specifying the method for recovery from the sea-water inflow in Unit 5, countermeasures based on the new regulatory standards will be examined, and preparations will be made for applying for the examination for verification of conformance.

Moreover, on site response focusing on the inside of the power station, such as strengthening the on-site response capabilities through education/training or by streamlining the emergency preparedness system, will be continued, and in addition, efforts will be made to enhance the offsite response in preparation for nuclear disaster in the areas around the power station, by strengthening cooperation with the national and local governments, directed towards enhancing the effectiveness of emergency response including the evacuation of residents.

In order to secure stable supply of electricity under circumstances where all reactors of Hamaoka Nuclear Power Station have been suspended, we have continuously operated aging thermal generators to meet demand. However, our

performance is expected to be affected by a substantial increase in fuel costs due to replacement of nuclear power with thermal power.

Providing the complete power supply system from power generation to distribution, the Chubu Electric Group strives to develop and maintain optimum facilities that ensure stable delivery of high quality electricity economically, while working to establish disaster-resistant systems by taking measures against large-scale earthquakes.

However, if supply facilities of the Company or other power companies from which we receive power supply are shut down because of a large-scale disaster, an accident or terrorism and an obstacle to fuel procurement, our operational results may be affected.

(ii) Nuclear power back-end costs, etc.

The back-end business of nuclear power takes an extremely long time period and has many uncertainties. To prepare for the future backend costs, based on the rules set by the government, Chubu Electric power has set aside provision for reprocessing of irradiated nuclear fuel and provision for preparation of the reprocessing of irradiated nuclear fuel. In addition, in October 2016, the "Act for Partial Amendment to the Act for Deposit and Management of the Reserve Funds for Reprocessing of Spent Fuel from Nuclear Power Generation" came into effect with the aim of steadily implementing the reprocessing of spent fuel, etc.

Even so, the costs of nuclear fuel cycles, including back-end costs, may vary depending on regulatory reform, changes in estimates of future expenses (mandated and voluntary), and the operating status of reprocessing facilities. As a result, company performance may potentially be affected.

(iii) Changes in the competitive environment

The environment surrounding the energy business is changing rapidly with the full liberalization of the electricity retail to consumers including residential customers that commenced on April 2016, the full liberalization of the gas retail to consumers including residential customers to commence in 2017 and legal unbundling of power transmission/distribution sector to be in effect from 2020. Also, there may be a significant change in the structure of supply and demand in order to realize the "Energy Mix" proposed in the Ministry of Economy, Trade and Industry's "Long-term Energy Supply and Demand Outlook" declared in July 2015. Changes may involve expanded use of renewable energy, promotion of natural gas and drastic strengthening of energy conservation.

Under such circumstances, the Chubu Electric Group will maximize management efficiency and also create new tariff menu and services that surpass the expectations of customers as well as promoting the sales of electricity and gas with focus on the Tokyo metropolitan area. However, the performance of our group could also potentially be affected by intensified competition and changes to supply-demand structure.

We will increase our competitiveness by improving stability, economic efficiency and flexibility in fuel procurement to a higher level through the "JERA" established jointly with the Tokyo Electric Power Company, Incorporated (TEPCO). The existing fuel business (upstream business/procurement) and the existing overseas power generation and energy infrastructure business of TEPCO and the Company was integrated to JERA in July 2016. Capital, technology and knowledge accumulated by both companies will come together to accelerate growth in the international energy market. Integration of the existing thermal power generation business of both companies to JERA is to be put under consideration with the goal of coming to a decision in the spring of 2017. Since we formed the alliance with the aim to accelerate our conventional growth strategy, we believe the alliance will increase our growth opportunities. However, our business performance may be affected by the specific development of the new

company.

(2) Challenges to be addressed by the Company

Concerning “Challenges to be addressed by the Company” stated on Financial Report for the Fiscal Year Ended March 31, 2016, the Company has made a significant change. Following items represents full text after the change.

The forward-looking statements in this document are based on the Company’s judgment on the day for announcing operating results for the Six Months Period of the Fiscal Year Ending March 31, 2017 (on October 28, 2016).

(Challenges to be addressed)

The environment surrounding the energy business is changing rapidly with the full liberalization of the electricity retail to consumers including residential customers that commenced on April 2016, the full liberalization of the gas retail to consumers including residential customers to commence in 2017 and legal unbundling of power transmission/distribution sector to be in effect from 2020. On the other hand, as for nuclear power generation, most of the power plants in our country remain suspended, while some nuclear power plants of other electric power companies restarted by complying with the new regulatory standards. But our mission as a provider of energy that providing environmentally friendly and high-quality energy in a safe, reasonable, and stable form will remain unchanged. The Group will strive to fulfill the mission and aim to become a total energy service corporate group that is one step ahead and that provides services that exceed the expectations of customers ahead of our competitors. Concretely speaking, we will implement four priority measures across the Group.

- (i) Measures to increase the safety of the Hamaoka Nuclear Power supply for new era
- (ii) Measures to ensure stable power supply for new era
- (iii) Measures to accelerate growth
- (iv) Measures to construct a business framework to make swift responses

With the situation that the business environment is changing drastically, we launched an internal company system from April, 2016 to construct an independent business framework to make flexible and swift responses among business fields such as power generation, power transmission and distribution, and retail. And we established three companies, “a Power Generation Company,” “a Power Network Company,” and “a Sales Company.”

(i) Measures to increase the safety of the Hamaoka Nuclear Power plant for new era

As for Reactor No.3 and No.4, the Company has currently been taking countermeasures steadily based on the new regulatory standards, while receiving the Nuclear Regulation Authority’s review to verify compliance with the new regulatory standards. We will strengthen internal systems to take action in response to reviews being conducted, and allow early confirmation that the power station conforms to the new regulations. As for Reactor No.5, we have summarized the restoration plan in the event of seawater inflow, and we have also continuously been examining measures that conform to the new regulations.

In addition to enhancing disaster prevention system and training for emergency preparedness, coordination with the central government and local governments is being strengthened to improve the effectiveness of emergency response

including the evacuation of local residents.

We will continue to implement further initiatives toward the voluntary and continuous improvement of safety for nuclear power than just responses to the new regulatory standards.

In addition, we will endeavor to share information about the initiatives with members of society, including local communities, and will answer their insecurity and question to acquire their comprehension through bidirectional communication.

(ii) Measures to ensure stable power supply for new era

Amid the changing business environment as observed in the full electric power retail deregulation or the legal unbundling of transmission and distribution operations, Chubu Electric Group will work in solidarity while playing their respective parts to allow for achieving a well-balanced power source ratio. At the same time, Chubu Electric Power will deliver environmentally-friendly and high-quality energy in a stable manner.

In the Power Generation Company, we will advance development of Nishi-Nagoya Thermal Power Plant Unit No.7 which is high efficiency LNG thermal power plants and Taketoyo Thermal Plant which is low fuel cost coal thermal power plant. We will also continue to promote renewable energy.

In the Power Network Company, we will secure capabilities needed to steadily supply energy to the Chubu region, and also strive to make high electric power qualities and low wheeling charges stand together while preserving the Company's detached and impartial stance.

In the Customer Service & Sales Company, we will ensure stable power supply and provide good quality energy services to our customers steadily.

(iii) Measures to accelerate corporate the growth of the Company

We are implementing measures to accelerate corporate growth, regarding the changes of business environment such as full liberalization of the electricity and gas retail market as favorite opportunities.

In the Customer Service & Sales Company, we will provide new services that surpass the expectations of customers such as new tariff menu, new services and expand Gas & Power that provide electricity and gas at one stop. And we will work on expanding business domains by promoting the sales of electricity and gas with focus on the Tokyo metropolitan area.

In the Power Generation Company, we will achieve fuel procurement which has advantage of flexibility, economic efficiency and stability through JERA. The existing fuel business (upstream business/procurement) and the existing overseas power generation and energy infrastructure business of TEPCO and the Company was integrated to JERA in July 2016. Capital technology and knowledge accumulated by both companies will come together to accelerate growth in the international energy market. Integration of the existing thermal power generation business of both companies to JERA is to be put under consideration with the goal of coming to a decision in the spring of 2017.

(iv) Measures to construct a business framework to make swift responses

To achieve sustainable corporate growth under the situation that the business environment is changing, we constructed an independent business framework by such as delegating executive authority over operations in a drive. Furthermore, we will work to further increase our management efficiency and foster risk management.

Chubu Electric will thoroughly implement regulatory compliance by maintaining awareness on how trust from

customers and the society at large function as the building blocks of our business operations. At the same time, we will fulfill our corporate social responsibility (CSR) as a good corporate citizen delivering "security," make efforts to be trusted and selected by customers, stockholders, and investors, and contribute to the development of regional communities.