

Presentation Materials for Fiscal Year ended March 31, 2019

April 26, 2019

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01

Outline of Financial Results for Fiscal Year ended March 31, 2019

Note: The Company's fiscal year (FY) is from April 1 to March 31 of the following year.
FY2018 represents the fiscal year begun on April 1, 2018, and ended on March 31, 2019.
Monetary amounts are rounded down to the nearest whole number of the units being used, while
principal figures like electrical energy sold or electric power supplied are rounded to the nearest unit.

<Points of Financial Results>

■ Consolidated operating revenues: 3,035.0 billion yen

Operating revenues increased by 181.7 billion yen compared with FY2017, mainly due to an increase in surcharge and grant based on Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (+36.8 billion yen), in addition to an increase in fuel cost adjustment charge (+153.7 billion yen), in spite of a decrease in electrical energy sold (-60.4 billion yen).

■ Consolidated ordinary income: 112.9 billion yen

Ordinary income decreased by 15.6 billion yen compared with FY2017, mainly due to expansion of time lag loss (-31.0 billion yen) and a decrease in electrical energy sold (-27.0 billion yen), in spite of a decrease in fuel cost through the full operation of Nishi-Nagoya thermal power plant (+12.0 billion yen) and cost reduction achievement in fuel procurement and improvement of the efficiency related to the basic costs (+28.0 billion yen). Further, consolidated ordinary income excluding the effect of time lag is approx.163.0 billion yen (increased by 16.0 billion yen compared with FY2017).

- [Consolidated]**
- Operating revenues increased for 2 consecutive years since FY2017.
 - Ordinary income decreased following FY2016, for the first time in 2 years.
 - We recorded increased sales and decreased income following FY2013, for the first time in 5 years. (Billion yen,%)

	FY2018 (A)	FY2017 (B)	Change (A-B)	(A-B)/B
Operating revenues	3,035.0	2,853.3	181.7	6.4
Operating income	125.9	136.5	(10.5)	(7.8)
Ordinary income	112.9	128.5	(15.6)	(12.1)
Extraordinary loss *	—	23.3	(23.3)	—
Net income attributable to owners of parent	79.4	74.3	5.0	6.8

(note) The number of consolidated subsidiaries [change from the previous year in parenthesis]

FY2018 : 37 subsidiaries (+5 companies) , 37 affiliates accounted for under the equity method (+10 companies)

(Billion yen,%)

[Nonconsolidated]

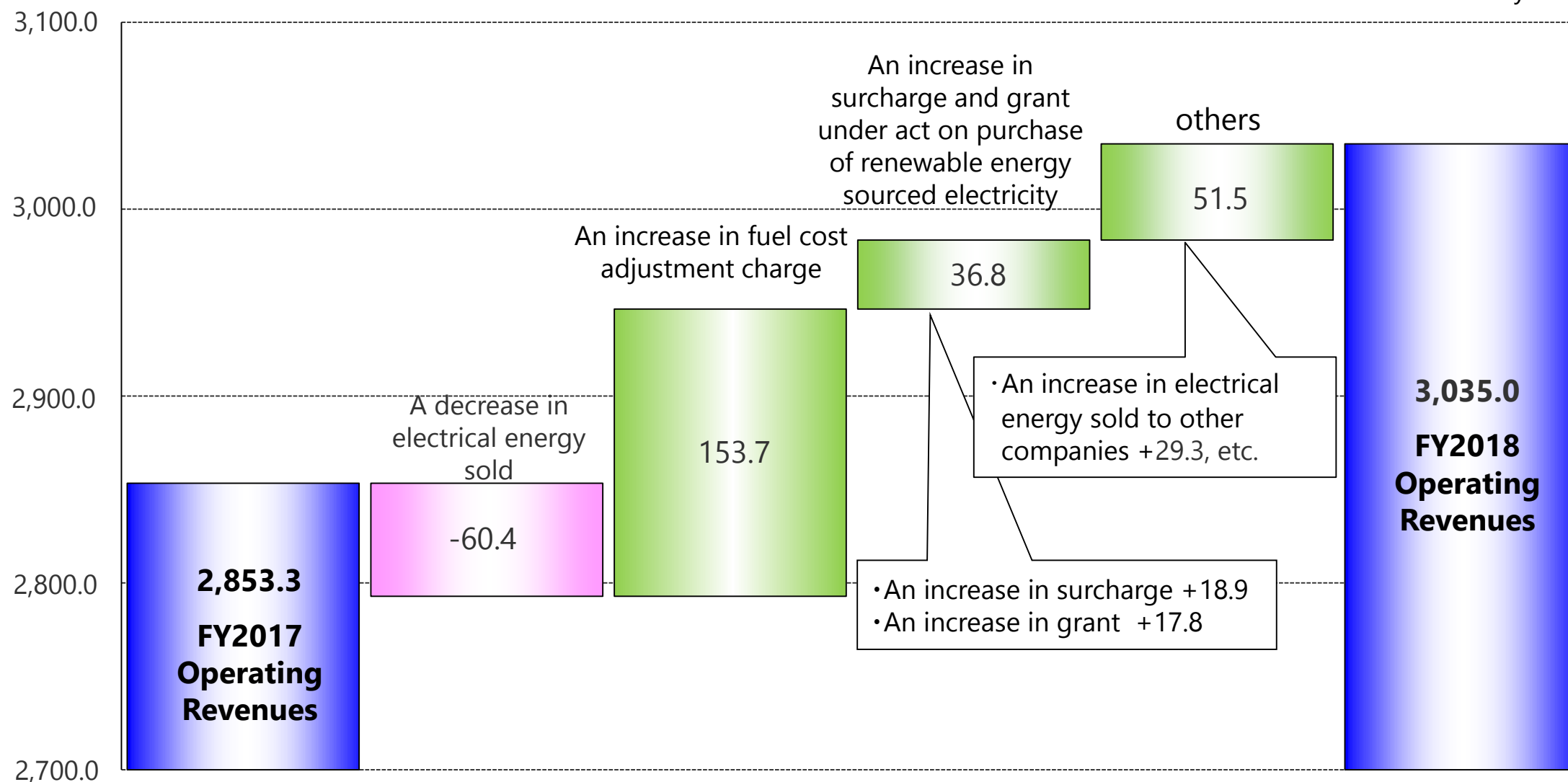
	FY2018 (A)	FY2017 (B)	Change (A-B)	(A-B)/B
Operating revenues	2,743.0	2,597.1	145.8	5.6
Operating income	105.5	114.7	(9.1)	(8.0)
Ordinary income	89.0	91.8	(2.8)	(3.1)
Extraordinary loss *	—	22.3	(22.3)	—
Net income	66.0	48.5	17.4	36.0

* FY2017 : Impairment loss

[Factors contributing to change in consolidated operating revenues]

(Operating revenues increased by 181.7 billion yen)

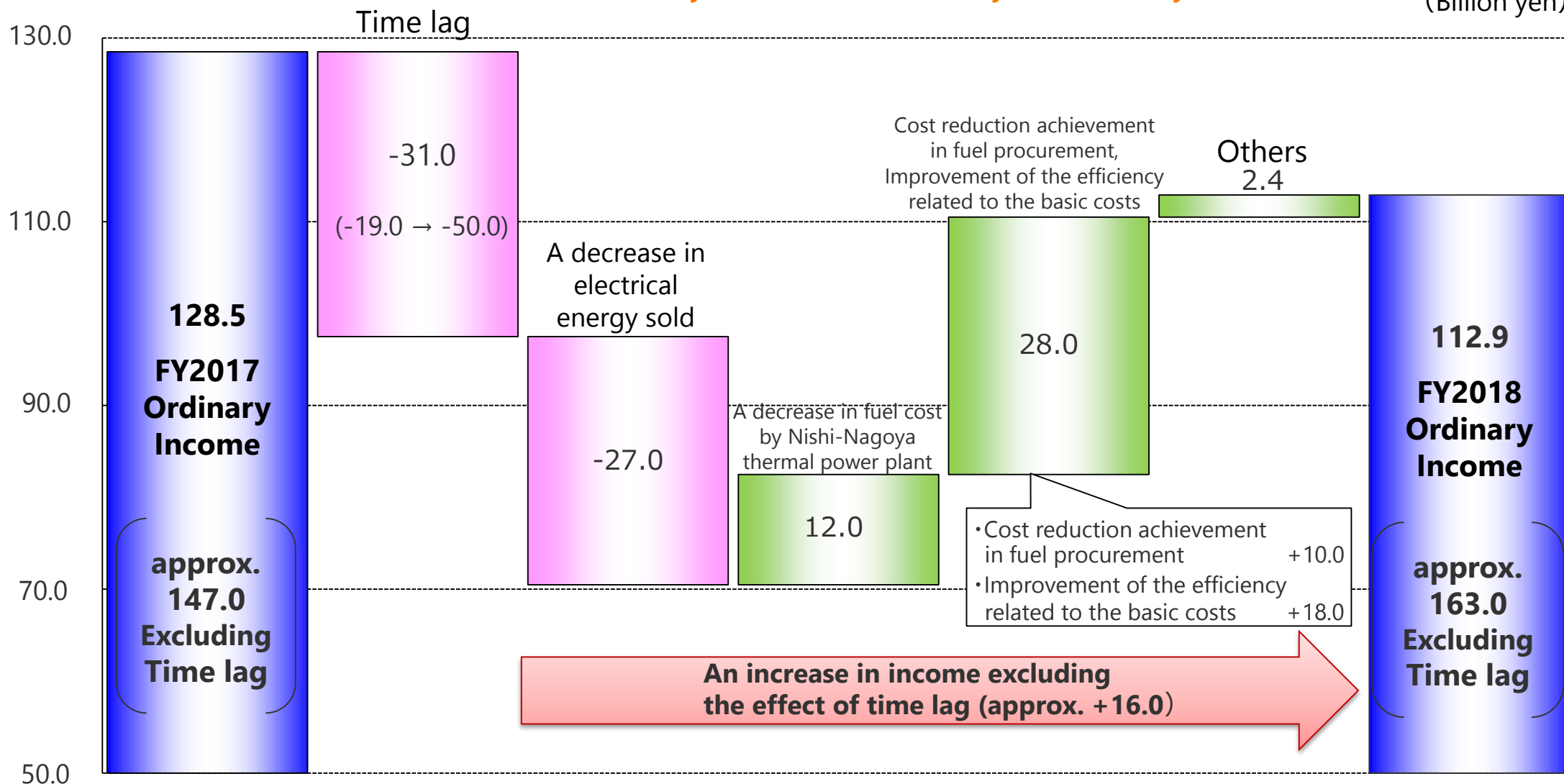
(Billion yen)



[Factors contributing to change in consolidated ordinary income]

(Ordinary income decreased by 15.6 billion yen)

(Billion yen)



<Electrical Energy Sold> (Nonconsolidated)

- **Dropped by 3.2TWh to 118.3TWh**, compared with FY2017, mainly due to an effect of switches made to other operators with the intensified competition, in spite of a sales increase outside Chubu region.

		(TWh,%)			
		FY2018	FY2017	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electrical Energy Sold	Low voltage	36.4	38.8	(2.4)	(6.2)
	High voltage	81.9	82.6	(0.8)	(0.9)
	Extra-high voltage				
Total		118.3	121.4	(3.2)	(2.6)

[Reference (1)]

Electrical Energy Sold including group companies (*)	123.6	125.3	(1.7)	(1.4)
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* The sum of the company, consolidated subsidiaries, and affiliates accounted for under the equity method.

[Reference (2)]

Electrical Energy Sold to other companies (*)	11.0	7.9	3.1	39.4
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* Electrical Energy Sold to other electric utilities represents wholesale volume in the electric power supplied.

05 | Electric Power Supplied and Principal Figures

<Electric Power Supplied> (Nonconsolidated)

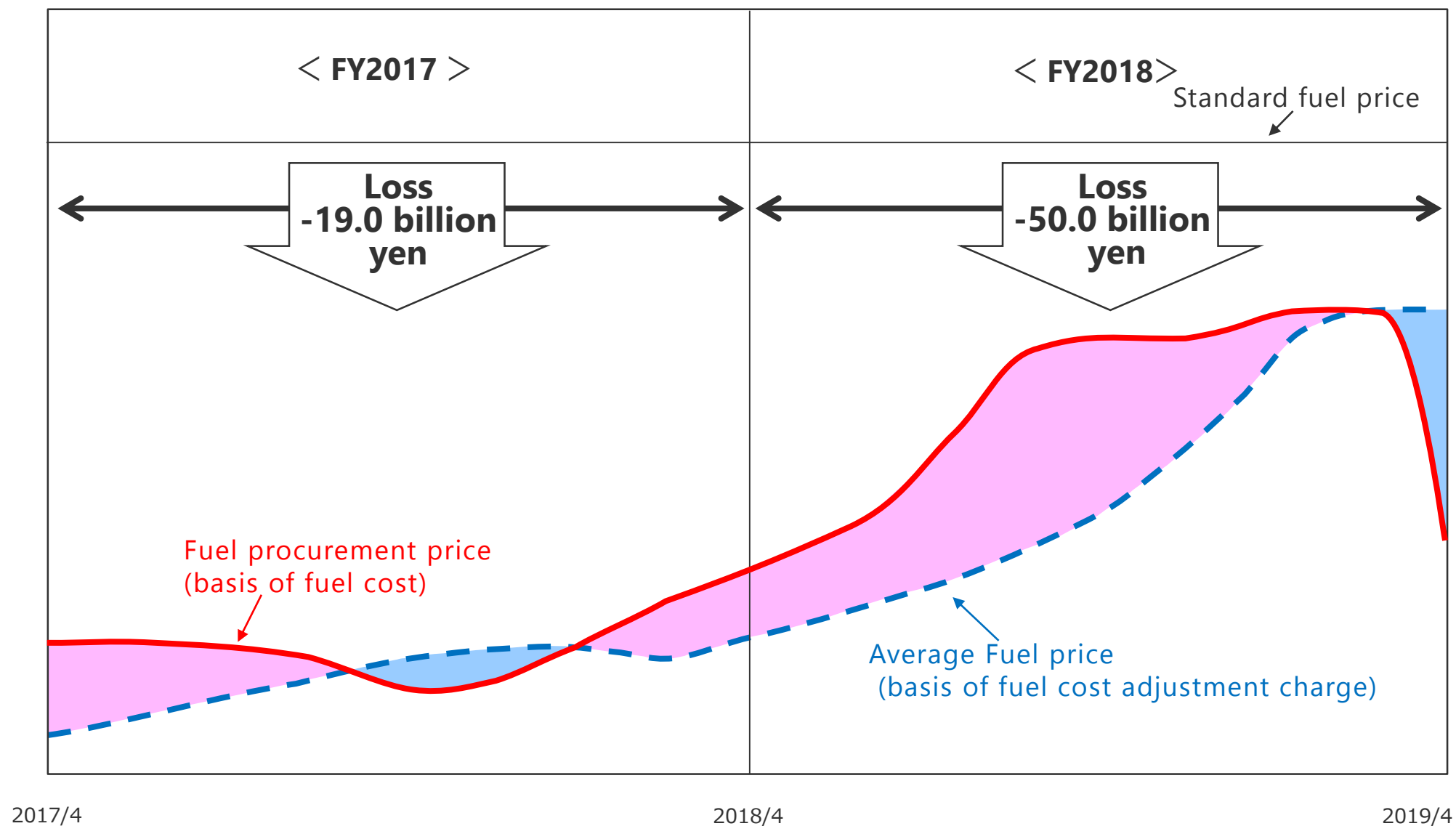
- **Hydro:** Almost unchanged from FY2017.
- **Wholesale:** Increased by 3.1 TWh, mainly due to an increase in wholesale volume.
- **Purchased power:** Increased by 4.1 TWh, mainly due to an increase in purchase of power outside Chubu region and renewable energy.
- **Thermal:** As a result of decrease in electrical energy sold and above, thermal power output **decreased by 4.1 TWh**.

			(TWh,%)			
			FY2018 (A)	FY2017 (B)	Change (A-B)	(A-B)/B
Electric Power Supplied	Internally generated	Hydro	8.5	8.5	(0.0)	(0.3)
		<flow rate>	<102.4>	<98.7>	<3.7>	
		Thermal	104.0	108.0	(4.1)	(3.8)
		Nuclear	(0.3)	(0.2)	(0.0)	2.1
		<utilization rate>	<—>	<—>	<—>	
	Externally generated(*)	Renewable energy	0.1	0.0	0.0	46.0
		Wholesale	(11.0)	(7.9)	(3.1)	39.4
		Purchased power	22.7	18.6	4.1	21.8
Power used for pumped storage			(0.7)	(1.2)	0.6	(46.8)
Total			123.4	125.9	(2.5)	(2.0)

* Externally generated represent power output that we grasp at the end of FY2018.

[Principal Figures]

		FY2018 (A)	FY2017 (B)	Change (A-B)	
CIF price: crude oil	(\$/b)	72.0	57.0	15.0	*CIF crude oil price for FY2018 is tentative.
FX rate (interbank)	(yen/\$)	110.9	110.9	(0.0)	



* Accrued income include the effect of time lag of gas supply business.

<Forecast>

- Consolidated operating revenues: 3,050.0 billion yen (forecast)
- Consolidated ordinary income: 185.0 billion yen (forecast)

Consolidated ordinary income is expected to increase from the previous year mainly due to a conversion of loss incurred by fuel cost adjustment system time lag into income because of a decrease in fuel price.

Further, consolidated ordinary income excluding the effect of time lag is expected to be approx.150.0 billion yen.

[Consolidated]

- Operating revenues will increase for 3 consecutive years since FY2017.
- Ordinary income will increase following FY2017, for the first time in 2 years.
- We will record increase sales and increase income following FY2017, for the first time in 2 years.

	FY2019 (Forecast) (A)	FY2018 (Result) (B)	(Billion yen,%)	
			Change (A-B)	(A-B)/B
Operating revenues	3,050.0	3,035.0	approx. 15.0	0.5
Ordinary income	185.0	112.9	approx. 72.0	63.8
Net income attributable to owners of parent	165.0	79.4	approx. 86.0	107.8

[(Reference) Nonconsolidated]

	FY2019 (Forecast) (A)	FY2018 (Result) (B)	(Billion yen,%)	
			Change (A-B)	(A-B)/B
Operating revenues	2,720.0	2,743.0	approx. (23.0)	(0.8)
Ordinary income	75.0	89.0	approx. (14.0)	(15.8)
Net income	45.0	66.0	approx. (21.0)	(31.8)

[Principal Figures]

<Electrical energy sold>	FY2019 (Forecast) (A)	FY2018 (Result) (B)	(TWh,%)	
			Change (A-B)	(A-B)/B
Electrical energy sold	118.7	118.3	0.4	0.4
[Reference]				
Electrical energy sold including group companies *	124.2	123.6	0.6	0.5

* The sum of the company, consolidated subsidiaries, and equity method companies.

<Other principal figures>		FY2019 (Forecast)	FY2018 (Result)
CIF price: crude oil	(\$/b)	approx. 65	72
FX rate	(yen/\$)	approx. 110	111
Nuclear power utilization rate	(%)	-	-



<Policy of Return to Shareholders>

- Chubu Electric Power will continue to invest in plants and equipments for a safe and stable supply of electricity as well as in growth sectors to maintain sustainable growth and increase our corporate value.
- Providing strong shareholder returns is an important mission for our Group. We will continue to pursue stable dividends, and consider our profit growth. Our target consolidated payout ratio is over 30%.

<Dividends for the fiscal year under review (FY2018)>

- For FY2018, the year-end dividends per share is expected to be **25 yen** in comprehensive consideration of mid-to-long income and financial position, in addition to the achievement of management goals.

	FY2018	FY2017
Interim Dividends per share (yen)	20	15
Year-end Dividends per share (yen)	25	20
Annual Dividends per share (yen)	45	35
Consolidated Payout Ratio excluding the effect of time lag	29.4%	25.2%

<Dividends for the fiscal year to come (FY2019)>

- For FY2019, based on the above "Policy Return to Shareholders", annual dividends per share is expected to be **50 yen*** which is the level to keep the year-end dividend of FY2018.

* Consolidated Payout Ratio excluding the effect of time lag is expected to be approx. 32%.

02

Reference Data : Financial Results

11 | Consolidated Statements of Income

		(Billion yen,%)		
		FY2018 (A)	FY2017 (B)	Change (A-B) (A-B)/B
	Operating revenues	3,035.0	2,853.3	181.7 6.4
	Non-operating revenues	22.2	27.8	(5.6) (20.2)
Ordinary revenues		3,057.3	2,881.2	176.1 6.1
	Operating expenses	2,909.1	2,716.8	192.3 7.1
	Non-operating expenses	35.2	35.8	(0.6) (1.7)
Ordinary expenses		2,944.4	2,752.6	191.7 7.0
<Operating income>		<125.9>	<136.5>	<(10.5)> <(7.8)>
Ordinary income		112.9	128.5	(15.6) (12.1)
Reserve for fluctuation in water levels		—	(0.0)	0.0 —
Extraordinary loss (*)		—	23.3	(23.3) —
Income taxes		30.0	28.4	1.5 5.5
Net income attributable to non-controlling interests		3.5	2.3	1.1 47.2
Net income attributable to owners of parent		79.4	74.3	5.0 6.8

* FY2017 : Impairment loss

12 | Nonconsolidated Statements of Income <1>: Operating revenues

	(Billion yen,%)				<Major factors for change>
	FY2018 (A)	FY2017 (B)	Change (A-B)	(A-B)/B	
Electricity sales revenues	2,197.1	2,145.3	51.8	2.4	<ul style="list-style-type: none"> - An increase in fuel cost adjustment charge +153.7 - A decrease in electrical energy sold -60.4
Sold power to other electric utilities(*1)	109.3	79.9	29.3	36.7	
Transmission revenue, etc. (*2)	87.9	61.6	26.3	42.7	<ul style="list-style-type: none"> - An increase in wholesale volume
Grant under act on purchase of renewable energy sourced electricity	245.2	227.3	17.8	7.9	<ul style="list-style-type: none"> - An increase in purchase of renewable energy sourced electricity
Other	27.9	28.6	(0.6)	(2.4)	
Electricity business operating revenues	2,667.6	2,542.9	124.6	4.9	<ul style="list-style-type: none"> - Gas supply business +17.9 <Gas/LNG sold> 863 thousand tons → 930 thousand tons
Incidental businesses operating revenues	75.3	54.1	21.1	39.0	
Total operating revenues	2,743.0	2,597.1	145.8	5.6	

*1 Sold power to other utilities, and Sold power to other suppliers

*2 Transmission revenue and Settlement revenue among utilities

13 | Nonconsolidated Statements of Income <2>: Operating expenses

(Billion yen,%)

<Major factors for change>

	FY2018 (A)	FY2017 (B)	Change (A-B)	(A-B)/B	
Salaries and employee benefits	189.1	181.0	8.0	4.5	
Fuel	814.3	713.6	100.6	14.1	<ul style="list-style-type: none"> - Differences in power generated: -43.6 <ul style="list-style-type: none"> • A decrease in fuel cost by Nishi-Nagoya thermal power plant • A decrease in electrical energy sold, etc. - Increase in unit price : +144.2 <ul style="list-style-type: none"> • Rise in CIF price, etc.
Nuclear back-end expenses (*1)	16.6	12.8	3.7	29.3	
Purchased power etc. (*2)	469.5	405.3	64.1	15.8	
Transmission charges etc. (*3)	25.3	17.5	7.8	44.6	<ul style="list-style-type: none"> - An increase in purchased power outside Chubu region - An increase in purchase of renewable energy sourced electricity
Maintenance	163.2	184.9	(21.7)	(11.8)	
Depreciation	236.0	247.4	(11.3)	(4.6)	<ul style="list-style-type: none"> - Sales increase outside Chubu region
Taxes other than income taxes	124.5	123.4	1.0	0.9	
Levy under act on purchase of renewable energy sourced electricity	295.7	276.7	18.9	6.9	<ul style="list-style-type: none"> - Improvement of the efficiency related to the basic costs, etc.
Other	229.6	266.7	(37.1)	(13.9)	
Electricity business operating expenses	2,564.2	2,429.8	134.3	5.5	
Incidental business operating expenses	73.2	52.6	20.6	39.2	
Total operating expenses	2,637.4	2,482.4	155.0	6.2	<ul style="list-style-type: none"> - Gas supply business : +20.8

*1 Contributions for reprocessing of irradiated nuclear fuel, Designated radioactive waste disposal expenses, Decommissioning nuclear power plants

*2 Purchased power from other utilities, Purchased power from other suppliers, Portion of the existing power generation expenses such as spent fuel reprocessing for which contracts have been signed

*3 Transmission charges, supply connection transmission charges, Settlement revenue among utilities

14 | Nonconsolidated Statements of Income <3>: Net income

(Billion yen,%)				
	FY2018 (A)	FY2017 (B)	Change (A-B)	(A-B)/B
Operating income	105.5	114.7	(9.1)	(8.0)
Non-operating revenues	14.7	10.8	3.9	36.8
Non-operating expenses	31.3	33.6	(2.3)	(6.9)
Ordinary revenues	2,757.8	2,607.9	149.8	5.7
Ordinary expenses	2,668.7	2,516.0	152.7	6.1
Ordinary income	89.0	91.8	(2.8)	(3.1)
Reserve for fluctuation in water levels	—	(0.0)	0.0	—
Extraordinary loss (*)	—	22.3	(22.3)	—
Income taxes	23.0	21.0	1.9	9.2
Net income	66.0	48.5	17.4	36.0

* FY2017 : Impairment loss

		(Billion yen)		
		2019.3 (A)	2018.3 (B)	Change (A-B)
Assets	Consolidated	5,987.5	5,529.4	458.1
	Nonconsolidated	5,402.8	5,001.2	401.6
Liabilities	Consolidated	4,143.1	3,737.4	405.6
	Nonconsolidated	3,922.8	3,556.1	366.6
Net assets	Consolidated	1,844.3	1,791.9	52.4
	Nonconsolidated	1,480.0	1,445.0	34.9
Shareholders' equity ratio (%)	Consolidated	29.7	31.3	(1.6)
	Nonconsolidated	27.4	28.9	(1.5)
Outstanding interest-bearing debt	Consolidated	2,981.1	2,595.6	385.5
	Nonconsolidated	2,921.3	2,569.4	351.8

[Operating revenues]

(Billion yen)

	FY2018 (A)	external customers	FY2017 (B)	external customers	Change (A-B)	external customers
Power Generation	1,152.9	51.0	1,097.6	47.5	55.3	3.5
Power Network	746.4	123.0	744.6	85.7	1.7	37.2
Customer Service & Sales	2,749.5	2,646.0	2,633.8	2,527.9	115.6	118.1
Others (*)	700.4	214.9	706.1	192.1	(5.6)	22.8
Total		3,035.0		2,853.3		181.7

[Operating income and loss]

(Billion yen)

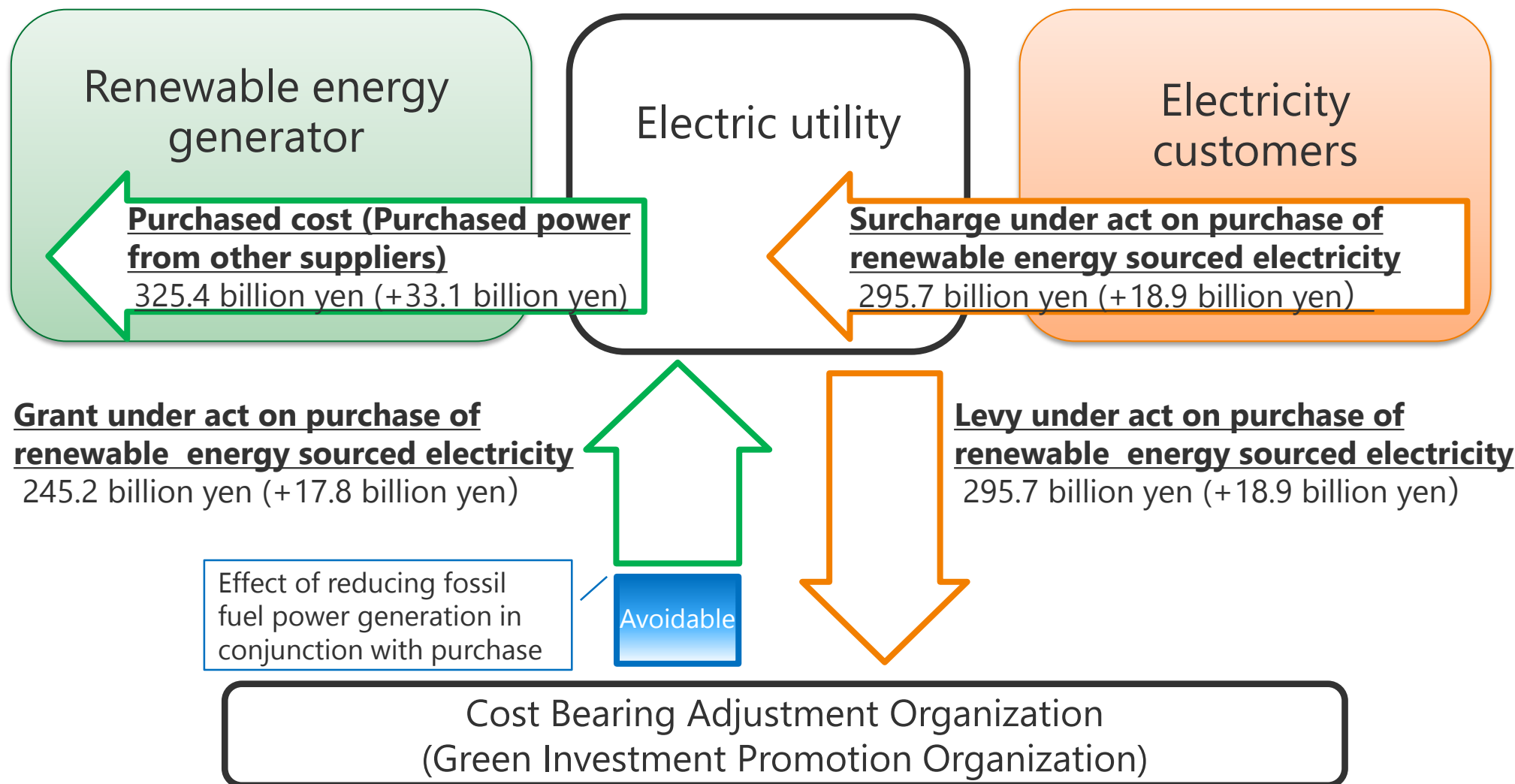
	FY2018 (A)	FY2017 (B)	Change (A-B)
Power Generation	7.4	38.2	(30.7)
Power Network	53.0	55.2	(2.2)
Customer Service & Sales	65.0	38.1	26.8
Others (*)	5.8	7.1	(1.2)
Operating income	131.4	138.8	(7.3)

* "Others" is business segment that is excluded from reporting segments and includes nuclear power division, administrative division and other consolidated subsidiaries.

(Billion yen)

	FY2018 (A)	FY2017 (B)	Change (A-B)
Cash flows from operating activities (a)	296.4	424.1	(127.7)
Cash flows from investing activities (b)	(368.3)	(344.4)	(23.8)
Cash flows from financing activities (c)	337.2	(88.6)	425.9
Net decrease in cash and cash equivalents(a)+(b)+(c)	265.1	(9.0)	274.2
	FY2018 (A)	FY2017 (B)	Change (A-B)
Free cash flows (a)+(b)	(71.9)	79.6	(151.6)

<Result of FY2018 (change from the previous year in parenthesis)>



DISCLAIMER

The forecasts in this presentation 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 materially differ by various causes in the future.

