

Presentation Materials for Six-Months ended September 30, 2019

October 31, 2019

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01

Outline of Financial Results for Six-Months ended September 30, 2019

Note: The company's fiscal year (FY) is from April 1 to March 31 of the following year. FY2019 represents the fiscal year begun on April 1, 2019, and ending on March 31, 2020.

2nd Quarter (2Q) represents six months period ended September 30, 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: 1,572.3 billion yen
Operating revenues increased by 84.8 billion yen compared with 2018/2Q, mainly due to an increase in fuel cost adjustment charge (+61.6 billion yen).
- Ordinary income: 143.5 billion yen
Ordinary income increased by 49.3 billion yen compared with 2018/2Q, mainly due to conversion of time lag loss incurred by fuel cost adjustment system into income (+70.0 billion yen [-38.0 billion yen → 32.0 billion yen]).
Further, consolidated ordinary income excluding the effect of time lag is approx. 112.0 billion yen (decreased by 20.0 billion yen compared with 2018/2Q).
- Extraordinary income: 19.0 billion yen
Valuation gain arising from consolidation accounting procedure due to transfer of the thermal power businesses.

- [Consolidated]**
- Operating revenues increased for 3 consecutive years since 2017/2Q.
 - Ordinary income increased for 2 consecutive years since 2018/2Q.
 - We recorded increased sales and increased income for 2 consecutive years since 2018/2Q. (Billion yen,%)

	2019/2Q (A)	2018/2Q (B)	Change (A-B)	(A-B)/B
Operating revenues	1,572.3	1,487.4	84.8	5.7
Operating income	86.3	94.8	(8.4)	(8.9)
Ordinary income	143.5	94.2	49.3	52.4
Extraordinary income	19.0	-	19.0	-
Net income attributable to owners of parent	136.1	66.5	69.6	104.6

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

2019/2Q: 37 subsidiaries (+3 companies), 34 affiliates accounted for under the equity method (±0 companies) (Billion yen,%)

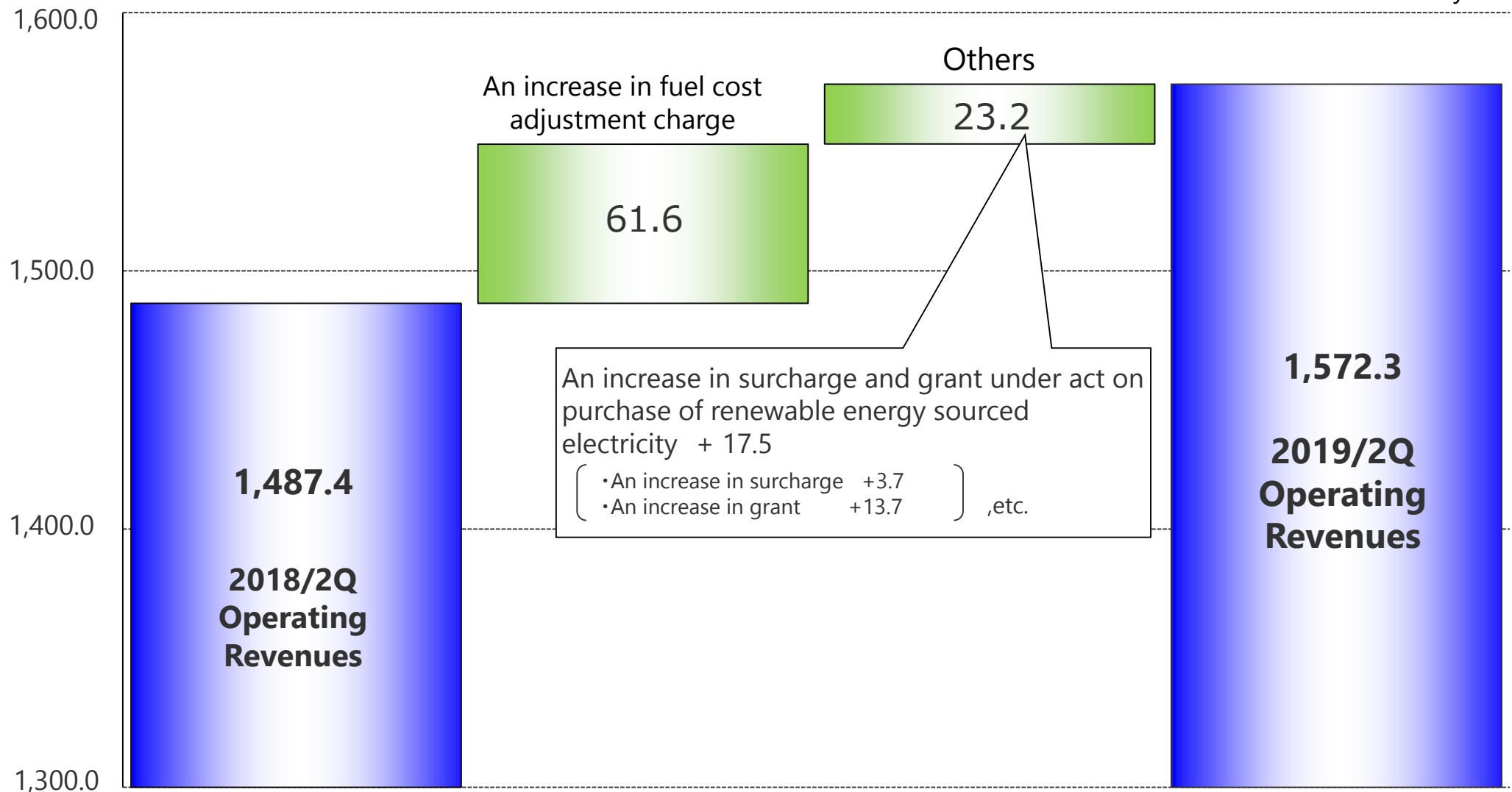
[Nonconsolidated]

	2019/2Q (A)	2018/2Q (B)	Change (A-B)	(A-B)/B
Operating revenues	1,406.1	1,354.6	51.4	3.8
Operating income	77.4	85.8	(8.4)	(9.8)
Ordinary income	74.3	82.5	(8.1)	(9.9)
Net income	53.9	59.2	(5.3)	(9.0)

[Factors contributing to change in consolidated operating revenues]

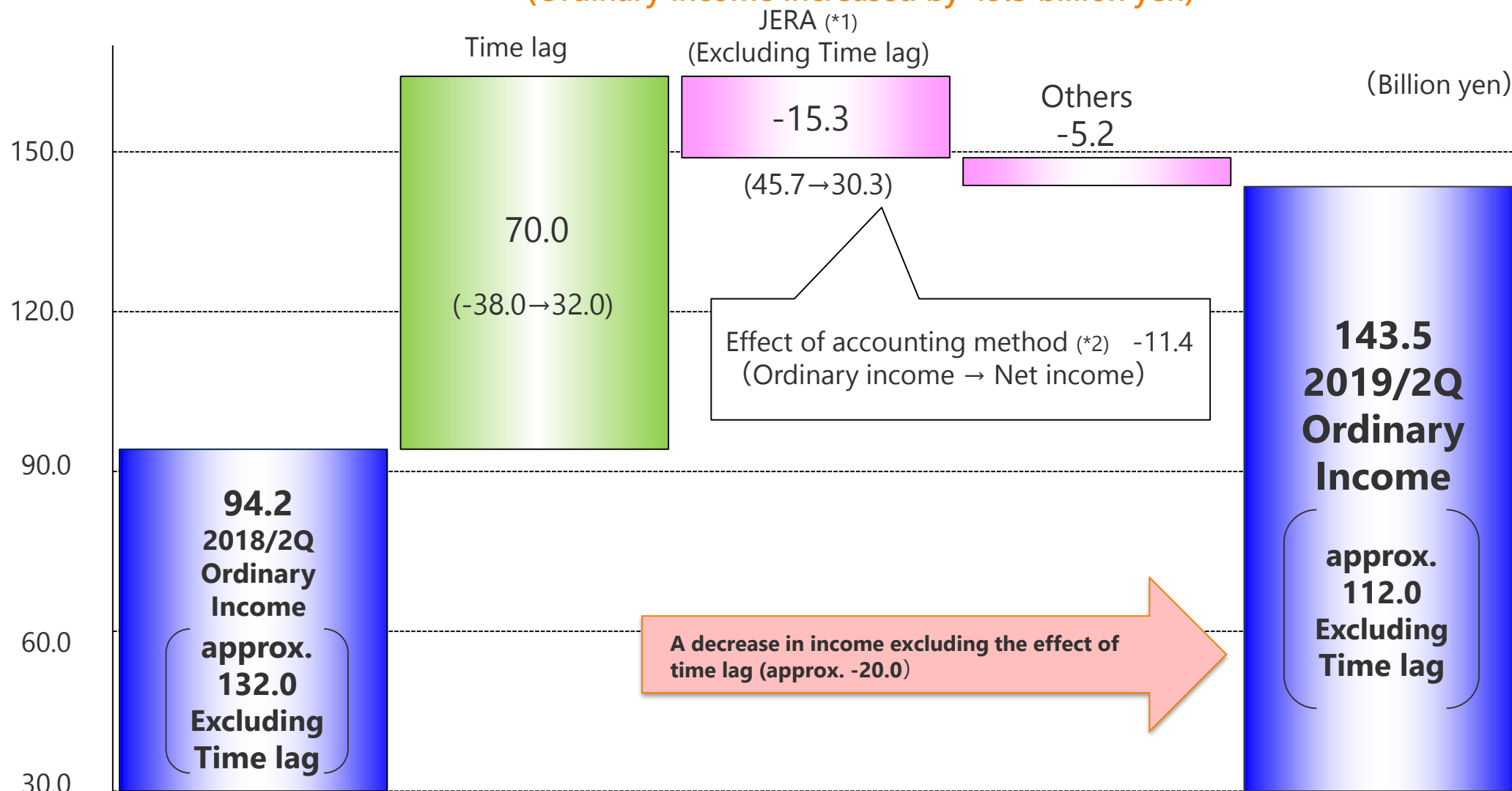
(Operating revenues increased by 84.8 billion yen)

(Billion yen)



[Factors contributing to change in consolidated ordinary income]

(Ordinary income increased by 49.3 billion yen)



*1 Income of 2018/2Q includes the income from thermal power generation business of Chubu Electric Power.

*2 The recognition of JERA profit was changed from pre-tax basis to post-tax basis under consolidation, as the existing thermal power generation businesses was integrated to JERA which is affiliates accounted for under the equity method.

<Electrical Energy Sold> (Nonconsolidated)

- Decreased by 0.3TWh to 59.1TWh compared with 2018/2Q, mainly due to an effect of switches made to other operators with the intensified competition and a decrease in air conditioning demand by lower temperature in this summer compared with the previous year, in spite of a sales increase outside Chubu region.

		(TWh,%)			
		2019/2Q	2018/2Q	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electrical Energy Sold	Low voltage	16.5	17.4	(0.9)	(5.3)
	High voltage ▪ Extra-high voltage	42.6	42.0	0.6	1.5
	Total	59.1	59.4	(0.3)	(0.5)

[Reference (1)]

Electrical Energy Sold including group companies (*)	61.9	61.9	0.0	0.0
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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 (*)	2.3	3.8	(1.5)	(39.6)
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* Electrical Energy Sold to other companies represents power output excluding the electric power transmitted by Power Network Company from "Wholesale" of Externally generated power output.

<Electric Power Supplied> (Nonconsolidated)

- **Hydro:** The flow rate was lower than 2018/2Q; thus hydroelectric power output decreased by 0.8TWh.
- **Thermal:** Thermal power plants have been transferred to JERA in April 2019.
- **Purchased power:** Increased by 52.5TWh, mainly due to the start purchasing electric power from JERA.

		2019/2Q (A)	2018/2Q (B)	Change (TWh,%) (A-B) (A-B)/B		
Electric Power Supplied	Internally generated	Hydro	5.0	5.8	(0.8)	(13.4)
		<flow rate>	<96.9>	<115.1>	<(18.2)>	
		Thermal	-	50.1	(50.1)	-
		Nuclear	(0.1)	(0.1)	0.0	(8.1)
		<utilization rate>	<->	<->	<->	
	Renewable energy, etc.	0.0	0.0	(0.0)	(0.5)	
	Externally generated(*)	Wholesale	(6.9)	(5.1)	(1.7)	33.9
	Purchased power	63.8	11.3	52.5	465.6	
	Power used for pumped storage	(0.4)	(0.4)	(0.0)	4.9	
Total		61.4	61.5	(0.1)	(0.2)	

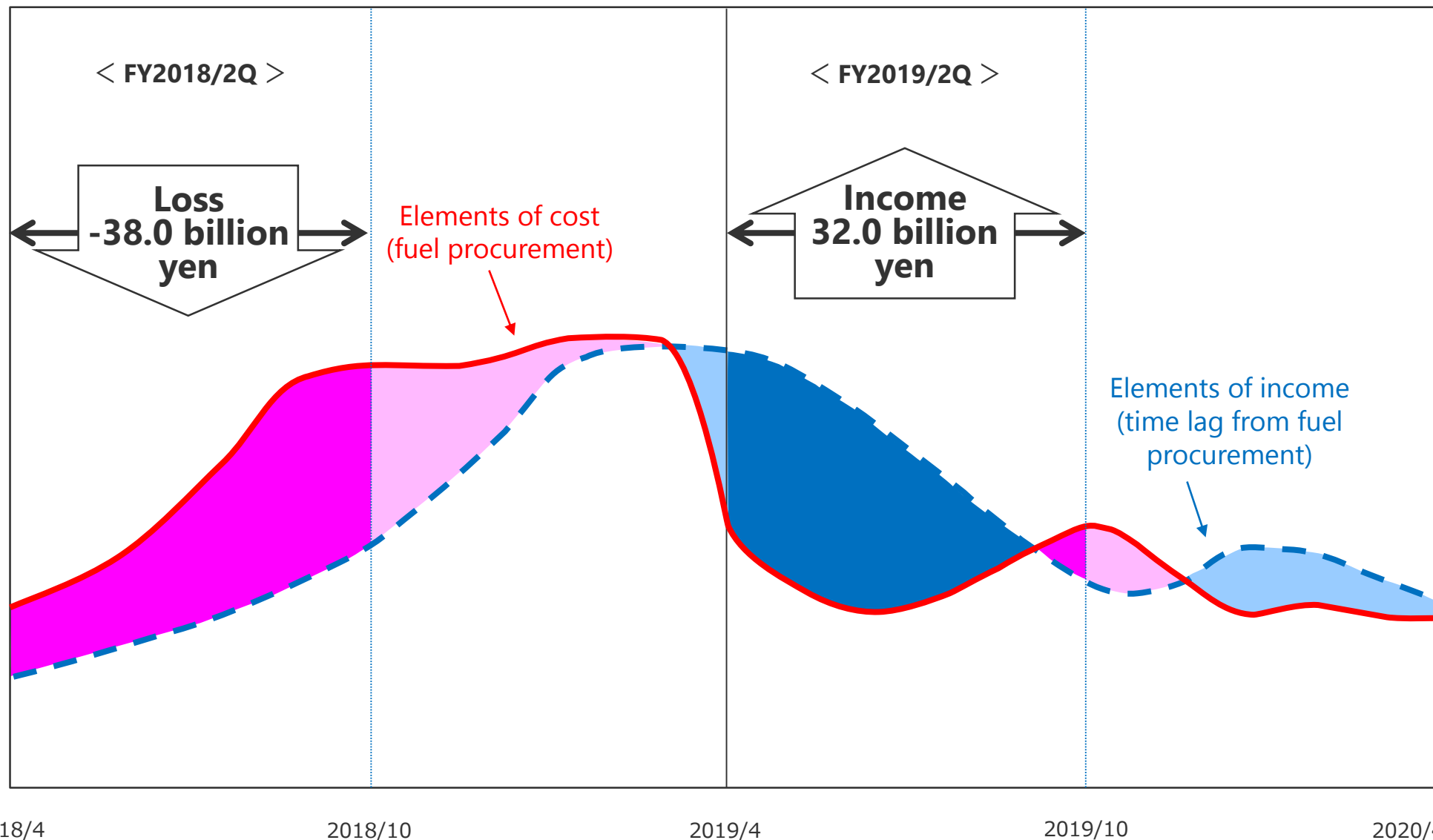
* Externally generated represents power output that we grasped at the end of 2019/2Q. It includes -4.5TWh (2019/2Q) and -1.3TWh (2018/2Q) as the transmitted power and 4.2TWh (2019/2Q) and 1.4TWh (2018/2Q) as the purchased power by Power Network Company.

[Others]

		2019/2Q (A)	2018/2Q (B)	Change (A-B)
CIF price: crude oil	(\$/b)	68.9	73.8	(4.9)
FX rate (interbank)	(yen/\$)	108.6	110.3	(1.7)

*CIF crude oil price for 2019/2Q is tentative.

06 | (Reference) Impact of Accrued Income (Result)



<Policy of Return to Shareholders>

- Chubu Electric Power will continue to invest in plants and equipment 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>

- The board of directors has determined that the interim dividend per share is 25 yen today.

	FY2019	FY2018
Interim Dividends per share (yen)	25 yen	20 yen
Year-end Dividends per share (yen)	<25 yen>	25 yen
Annual Dividends per share (yen)	<50 yen>	45 yen
Consolidated Payout Ratio excluding the effect of time lag	<approx. 32.0%>	29.4%

*1 Forecast in < >.

*2 We have not changed the forecast of the dividend since the previous announcement (July 31, 2019).

<Forecast>

Forecasts of financial results have not been revised from the previous announcement made in July 31, 2019.

- Consolidated operating revenues: 3,050.0 billion yen (forecast)
- Consolidated ordinary income: 185.0 billion yen (forecast)
Consolidated ordinary income excluding the effect of time lag is expected to be approx.150.0 billion yen.

[Consolidated]

	Current (A)	July 31 (B)	(Billion yen,%) Change	
			(A-B)	(A-B)/B
Operating revenues	3,050.0	3,050.0	-	-
Ordinary income	185.0	185.0	-	-
Net income attributable to owners of parent	165.0	165.0	-	-

[(Reference) Nonconsolidated]

	Current (A)	July 31 (B)	(Billion yen,%) Change	
			(A-B)	(A-B)/B
Operating revenues	2,720.0	2,720.0	-	-
Ordinary income	75.0	75.0	-	-
Net income	45.0	45.0	-	-

[Principal Figures]

<Electrical energy sold>	(TWh,%)			
	Current (A)	July 31 (B)	Change (A-B) (A-B)/B	
Electrical energy sold	118.7	118.7	-	-
(Reference)				
Electrical energy sold including group companies *	124.2	124.2	-	-

* The sum of the company, consolidated subsidiaries, and affiliates accounted for under the equity method.

<Others>		Current	July 31
CIF price: crude oil	(\$/b)	approx. 65	approx. 65
FX rate	(yen/\$)	approx. 110	approx. 110
Nuclear power utilization rate	(%)	-	-

02

Reference Data : Financial Results

10 | Consolidated Statements of Income



	(Billion yen,%)			
	2019/2Q (A)	2018/2Q (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	1,572.3	1,487.4	84.8	5.7
Share of profit of entities accounted for using equity method	64.8	7.2	57.5	797.8
Other	6.2	6.7	(0.4)	(6.5)
Non-operating revenues	71.1	13.9	57.1	410.1
Ordinary revenues	1,643.4	1,501.4	142.0	9.5
Operating expenses	1,486.0	1,392.6	93.3	6.7
Non-operating expenses	13.8	14.5	(0.6)	(4.7)
Ordinary expenses	1,499.8	1,407.1	92.6	6.6
<Operating income>	<86.3>	<94.8>	<(8.4)>	<(8.9)>
Ordinary income	143.5	94.2	49.3	52.4
Reserve for fluctuation in water levels	(0.0)	-	(0.0)	-
Extraordinary income	19.0	-	19.0	-
Income taxes	24.4	26.4	(2.0)	(7.6)
Net income attributable to non-controlling interests	2.1	1.2	0.8	72.6
Net income attributable to owners of parent	136.1	66.5	69.6	104.6

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

	(Billion yen,%)				<Major factors for change>
	2019/2Q (A)	2018/2Q (B)	Change (A-B)	(A-B)/B	
Electricity sales revenues	1,104.2	1,074.8	29.4	2.7	An increase in fuel cost adjustment charge +61.6 A decrease in electrical energy sold -5.1
Sold power to other electric utilities(*1)	44.4	49.9	(5.5)	(11.1)	
Transmission revenue, etc. (*2)	46.5	41.9	4.5	10.8	An increase in purchase of renewable energy sourced electricity
Grant under act on purchase of renewable energy sourced electricity	158.5	144.8	13.7	9.5	
Other	16.8	13.0	3.8	29.7	
Electricity business operating revenues	1,370.6	1,324.6	46.0	3.5	Gas supply business +5.0 <Gas/LNG sold> 427 thousand tons → 437 thousand tons
Incidental business operating revenues	35.4	30.0	5.4	18.0	
Total operating revenues	1,406.1	1,354.6	51.4	3.8	

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

*2 Transmission revenue, and Settlement revenue among utilities

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



(Billion yen,%)

	2019/2Q (A)	2018/2Q (B)	Change (A-B) (A-B)/B		<Major factors for change>
Salaries and employee benefits	87.4	94.7	(7.3)	(7.8)	
Fuel	-	366.9	(366.9)	-	Integration of the existing thermal power generation businesses into JERA
Nuclear back-end expenses (*1)	8.2	8.0	0.1	2.3	Start purchasing electric power from JERA
Purchased power etc. (*2)	774.0	252.8	521.1	206.1	Sales increase outside Chubu region
Transmission charges etc. (*3)	16.6	11.3	5.2	46.6	
Maintenance	55.4	82.2	(26.8)	(32.6)	Integration of the existing thermal power generation businesses into JERA -24.4
Depreciation	77.8	116.2	(38.4)	(33.0)	
Taxes other than income taxes	50.1	62.0	(11.9)	(19.2)	Integration of the existing thermal power generation businesses into JERA -37.4
Levy under act on purchase of renewable energy sourced electricity	151.3	147.5	3.7	2.5	
Other	74.1	95.7	(21.5)	(22.6)	Integration of the existing thermal power generation businesses into JERA -18.2 (Waste disposal expenses, etc.)
Electricity business operating expenses	1,295.1	1,237.8	57.3	4.6	
Incidental business operating expenses	33.5	31.0	2.5	8.3	
Total operating expenses	1,328.7	1,268.8	59.9	4.7	Gas supply business +2.6

*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

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



(Billion yen,%)

	2019/2Q (A)	2018/2Q (B)	Change	
			(A-B)	(A-B)/B
Operating income	77.4	85.8	(8.4)	(9.8)
Non-operating revenues	8.4	9.6	(1.2)	(12.5)
Non-operating expenses	11.4	12.9	(1.5)	(11.6)
Ordinary revenues	1,414.5	1,364.3	50.2	3.7
Ordinary expenses	1,340.1	1,281.7	58.4	4.6
Ordinary income	74.3	82.5	(8.1)	(9.9)
Reserve for fluctuation in water levels	(0.0)	-	(0.0)	-
Income taxes	20.5	23.2	(2.7)	(11.9)
Net income	53.9	59.2	(5.3)	(9.0)

14 | Consolidated and Nonconsolidated Financial Standing

		(Billion yen)			
		Sep. 30, 2019 (A)	Mar. 31, 2019 (B)	Change (A-B)	<Major factors for change>
Assets	Consolidated	5,383.3	5,987.5	(604.1)	Succeeded to JERA -1,188.9 (including cash and deposits <-335.0>) Acquisition of JERA's stock by succeeding +578.8
	Nonconsolidated	4,713.4	5,402.8	(689.4)	
Liabilities	Consolidated	3,434.7	4,143.1	(708.3)	
	Nonconsolidated	3,197.1	3,922.8	(725.7)	
Net assets	Consolidated	1,948.6	1,844.3	104.2	Succeeded to JERA -610.1
	Nonconsolidated	1,516.2	1,480.0	36.2	
Shareholders' equity ratio (%)	Consolidated	34.9	29.7	5.2	
	Nonconsolidated	32.2	27.4	4.8	
Outstanding interest-bearing debt	Consolidated	2,343.7	2,981.1	(637.3)	Succeeded to JERA -599.2
	Nonconsolidated	2,271.1	2,921.3	(650.2)	

	(Billion yen)		
	2019/2Q (A)	2018/2Q (B)	Change (A-B)
Cash flows from operating activities (a)	59.1	101.1	(41.9)
Cash flows from investing activities (b)	(435.9)	(211.1)	(224.8)
Cash flows from financing activities (c)	(62.6)	(14.0)	(48.5)
Net decrease in cash and cash equivalents (*) (a)+(b)+(c)	(444.4)	(123.9)	(320.4)

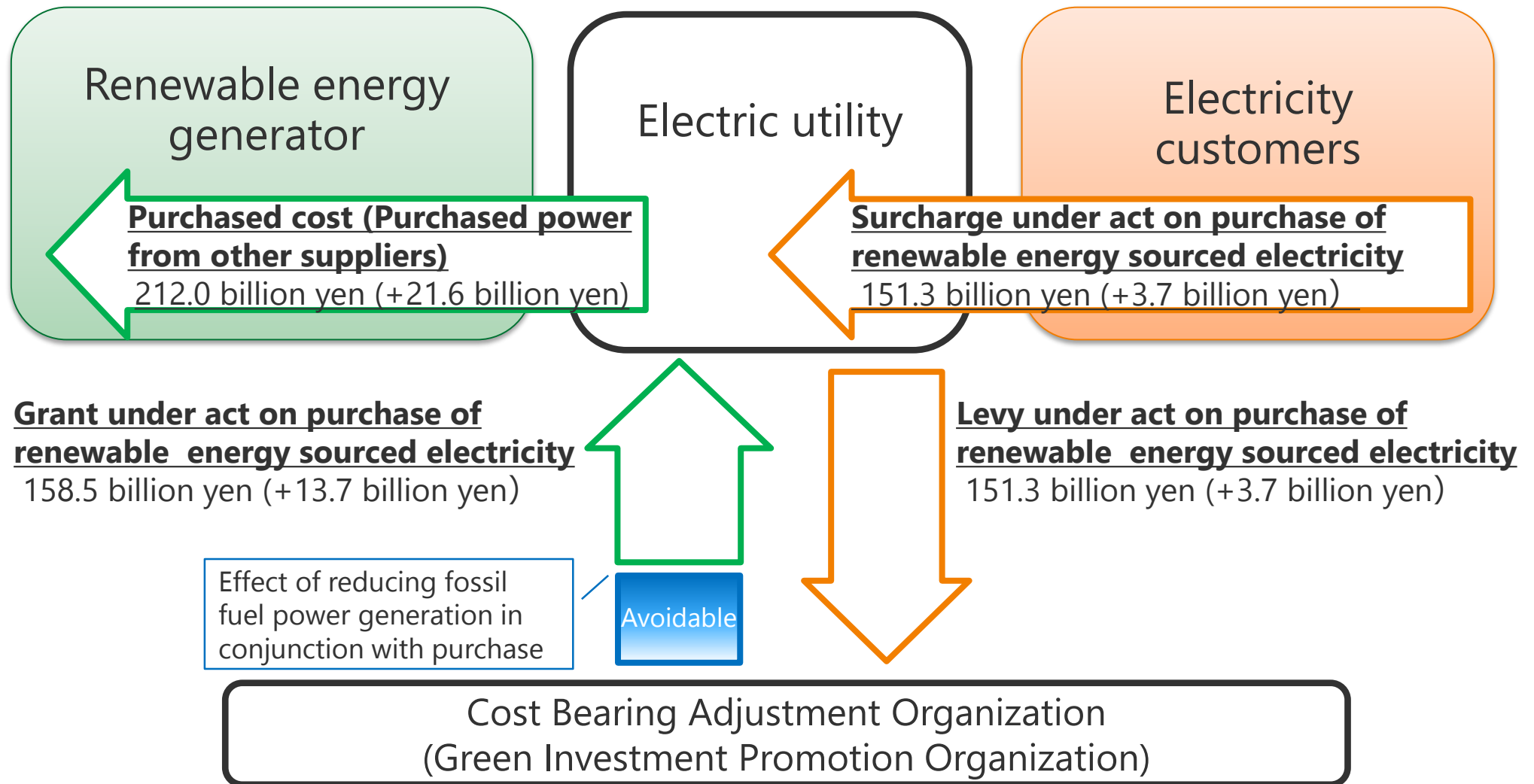
<Major factors>

Payment of adjustment money due to integration of the existing thermal power generation businesses into JERA -335.0

* Includes changes in cash and deposits, etc. due to change in scope of consolidation.

	2019/2Q (A)	2018/2Q (B)	Change (A-B)
Free cash flows (a+b)	(376.8)	(109.9)	(266.8)

<Result of 2019/2Q (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.

