

Management Plan 2009

March, 2009



Note: The Company's fiscal year (FY) is from April 1 to March 31 of the following year -FY2008 represents the fiscal year began in April 1, 2008, and ends in March 31, 2009.

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I Management Assignments

Business Environment Chubu Faces

1

The global economic downturn

- Sales from large-lot contracts declined significantly, led by fewer production in machinery and steel. (An extreme decline in recent days due to their effort to adjust their stock)



- The demands are expected to return rapidly during recovery phase of economy, as Chubu region has many manufactures with strong international competitiveness.

Violent fluctuation in fuel price

- A high volatility in fuel price are re-recognized, by its violent fluctuations in recent years.



- In the case the fuel price is surged again, the company will lose its price competitiveness since it rely more on thermal power generation compared with other EPCOs.

Issues on global warming

- Fewer nuclear outputs by such factors as the shutdown of Hamaoka Nuclear Power Plant No.1 and No2.

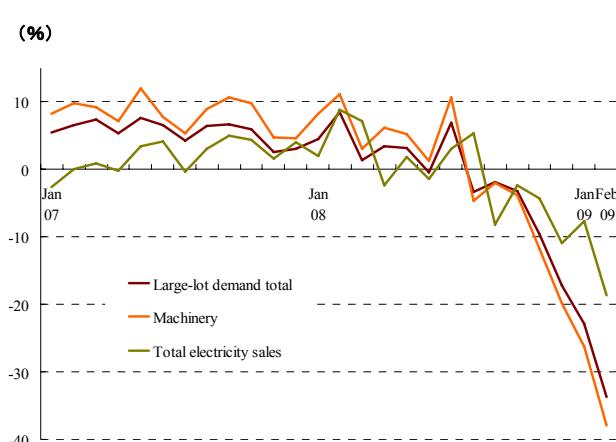


- More reduction of CO₂ emissions are needed.

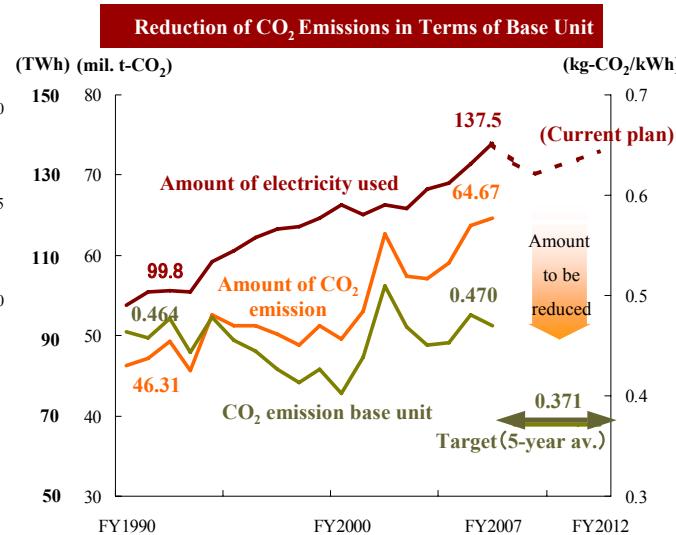
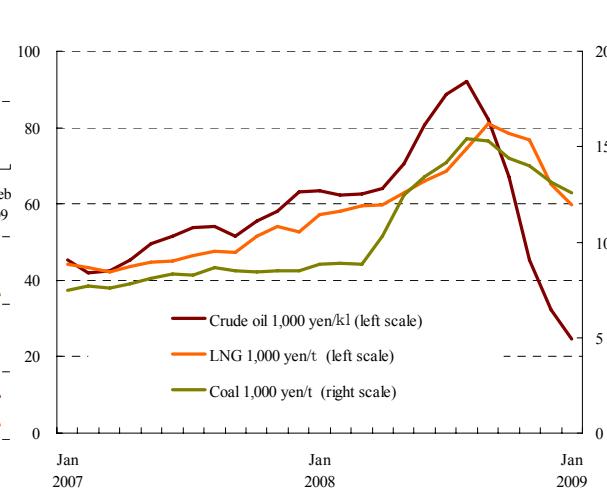
Target

Reduce CO₂ emission by 20% in terms of base unit on 5-year average basis from FY2008 to FY2012 (compared with thd level of FY1990)

Electricity Sales (Year on Year)



All - Japan CIF Price



Principal Measures to be taken

■ Reinforce facilities

**Increase
nuclear power
generation ratio**

**Enhance more
efficiency to
LNG thermal
power plants**

**Reinforce
LNG handling
facilities**

■ Spread progressive sales activities

- Active promotion of heat pump appliances which have advantages in “environmental” and “economical” issues.
- Provision of gas, LNG, and on-site energy services
《Domestic applications》
《Business applications》

**Promotion of
all-electric homes**

Effective solicitation of
“Eco Cute*”

* a highly efficient water heating and supply system incorporating a CO₂ refrigerant heat pump

**Promotion of proposition for
solutions to energy related issues**

Respond to variety of customer needs



■ Principal in allocation of operating cash flow

- Designate priorities to “investments which are essential to maintain stable supply of electricity”, and “stable dividend payout”
- In addition, allocations will be made to such criteria as “strategic investments for business growth and development” and “improvement of financial footing”, based on sufficient considerations to nature of spending and balance among them.

Operating cash flow

Investments which are
essential to maintain stable
supply for electricity

Stable
dividend
payout
Per share
p.a. 60 yen

Strategic
Investment
Improvement of
financial footing, etc

Policy on the shareholder's return

The company will work to maintain current level of dividend (60 yen per annum per share). We will also continue to ascertain the financial situation and market trends, and responsively carry out stock repurchasing with an eye on distribution of profits to shareholders in timely and appropriate manners.

II Supply Plan

Sales Plan

■ Outline of sales plan

- Electric power sales are planned as 146.5 TWh in FY 2018 – a 0.7% in average annual growth (value corrected for temperature and leap year).
 - Demands from electric lighting will be in firm tone, while demand from customers under liberalization is predicted to recover after hitting the bottom in FY2009.
→ Recovery of sales volume to the level of FY2007 is predicted in FY2013(in five years)
- Peak load is planned as 28.55 GW in FY2018 – a 0.6% in average annual growth (value corrected for temperature)

■ Outlook for electric power sales

		(TWh, GW, %)					
		FY2007 (actual)	FY2008 (forecast)	FY2009 (plan)	FY2013 (plan)	FY2018 (plan)	av. annual growth FY2007 to FY2018
Electric lighting	36.1	36.6	37.0	39.1	41.2	1.2 (1.3)	
Electric power	5.4	5.1	4.8	4.6	4.3	-2.0 (-1.6)	
Other demand	1.9	1.8	1.8	1.6	1.5	-2.3 (-2.3)	
Demand from customers under regulation	43.4	43.5	43.6	45.3	47.0	0.7 (0.8)	
Demand from customers under liberalization	94.1	89.6	86.9	92.3	99.5	0.5 (0.6)	
Total electric energy sales	137.5	133.1	130.5	137.6	146.5	0.6 (0.7)	
Peak load (sending end)	26.99	27.11	26.34	27.31	28.55	0.5 <0.6>	

Change from previous plan (at FY2017)		
	Current	Previous
Electric energy sales	144.8 TWh	146.6 TWh
Change	-1.8TWh -1.2%	
Peak load	28.30 GW	28.53 GW
Change	-0.23GW -0.8%	

Note: figures in () are values corrected for temperature and leap year, < > are values corrected for temperature

Development Plan (Generation)

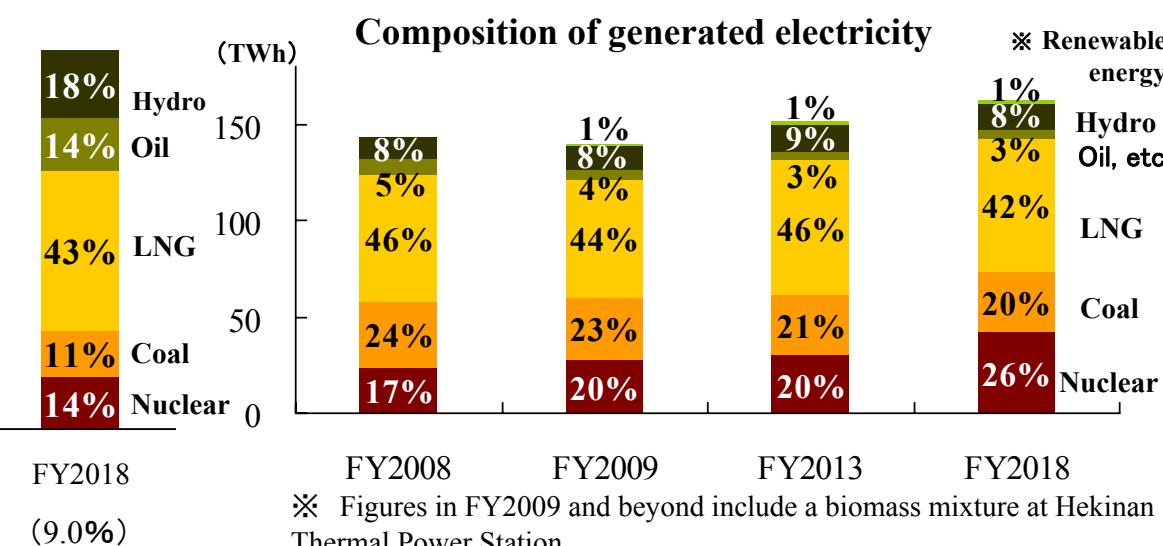
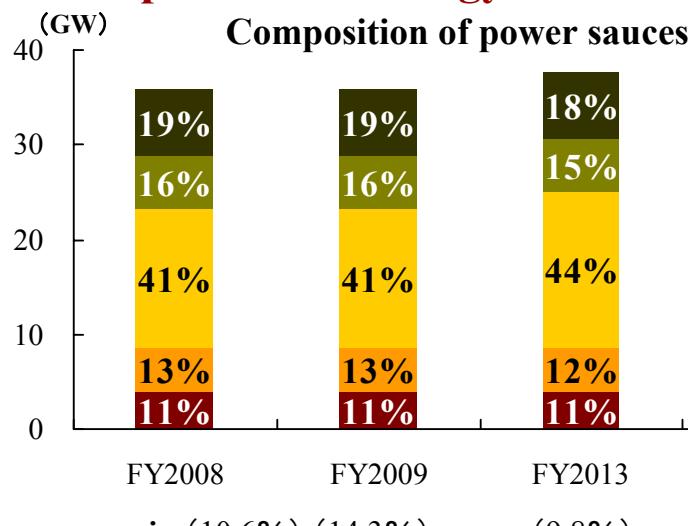
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■ Major power source development plan (4,240 MW during FY2009~2018 + Hamaoka Reactor No.6, a 1,400 MW-class)

- Operation of Hamaoka Reactors No. 1 and No. 2 had been terminated (on January 30, 2009), No.6 to be built as their replacement
- Expedited development of Joetsu Group No. 2, unit 2-2, by approx. three years (operation to be commenced in May, 2014 instead of July, 2017)

		Site name	Output	Construction begins	Operation commences	
Owned	Nuclear	Hamaoka No.6	1,400 MW class	FY2015 (Plan)	2018 & within five years thereafter (target)	
	Thermal(LNG)	Joetsu Gr. No. 1 (Units 1-1 & 1-2)	1,190 MW	March, 2007	July, 2012 & January, 2013	
		Joetsu Gr. No. 2 (Unit 2-1)	595 MW	April, 2008	July, 2013	
		Joetsu Gr. No. 2 (Unit 2-2)	595 MW	February, 2010	May, 2014	
	Hydro	Tokuyama	153.4 MW	September, 2008	FY2014	
Renewable energy	Wind	Omaezaki (Phases 1 & 2)	6 MW & 16MW	October, 2007 & June, 2009	August, 2009 & June, 2010	
		1 site	26 MW	FY2011	FY2012	
	Solar	Mega Solar Taketoyo	7 MW	November, 2009	October, 2011	
	Nuclear	Oma	205/1,383 MW	May, 2008	November, 2014	
Purchased		Tsuruga No. 3	723/1,538 MW	October, 2010	March, 2016	
		Tsuruga No. 4	723/1,538 MW	October, 2010	March, 2017	

■ Composition of energy sources



■ Transmission and distribution facilities plan

- Constructing facilities in a systematic manner, in an effort to ensure a stable supply of electricity, while promoting efficiency by introducing new technologies and more advanced security system.
- Taking into account the aging of transmission and distribution facilities that had been built during the period of extensive growth in electricity demand, the company is steadily and systematically repairing and improving facilities from a medium-to long-term perspective.

	Project name	Scale	Construction begins	Construction completes
Transmission	275kV Joetsu Thermal Power line	63km	March, 2007	June, 2011
	275kV Suruga-Higashi Shimizu line	16km	December, 1996	March, 2014
	500kV Chubu-Kansai Daini-Linkage Line	2km	March, 2014	June, 2016
	500kV Daini-Linkage Switching Station	-	January, 2013	June, 2016
	500kV Sangi Trunk Line: π connection with Daini-Linkage Switching Station	1km	March, 2014	June, 2016
Transformation	275kV Higashi Shimizu Substation	500,000kVA	September, 1995	March, 2014
	Higashi Shimizu Substation Frequency Converter	300MW		December, 2014 Partial operation since Mar. 2006

■ Reinforce LNG handling facilities

- Supporting stable yet flexible LNG procurement

Project name	Project outline	Construction begins	Construction completes
Gas pipeline across Ise Bay	Kawagoe Thermal Power Station - Chita Area LNG Base approx.13.0km	April, 2008	around FY2013
Additional LNG tanks in Kawagoe	Two additonal tanks in Kawagoe Thermal Power Station (capacity: 180,000m³ each)	December, 2007	around FY2012
Reinforcement to No.2 receiving dock in Chita	Enabling to accomodate the largest class of over 200,000m³ LNG super tankers	May, 2008	FY2009
Reinforcement to receiving dock in Kawagoe	Enabling to accomodate the largest class of over 200,000m³ LNG super tankers	late FY2009	around FY2010

Capital Expenditure (Non-consolidated)

(billion yen)

		FY2007 (actual)	FY2008 (forecast)	FY2009 (plan)	FY2010 (plan)
Electric power business	Generation	98.6	116.9	131.3	138.7
	Transmission & others	28.0	37.0	38.3	35.3
	Transformation	16.4	22.3	31.8	38.0
	Distribution	30.1	42.4	35.3	32.8
		74.5	101.7	105.4	106.1
	Nuclear fuel, etc	32.3	41.7	50.8	51.6
		205.4	260.3	287.5	296.4
Incidental business		6.8	3.5	7.0	5.0
Total		212.2	263.8	294.5	301.4

III Sales Targets

Sales Targets on Electricity Sales

■ Target By FY2010,

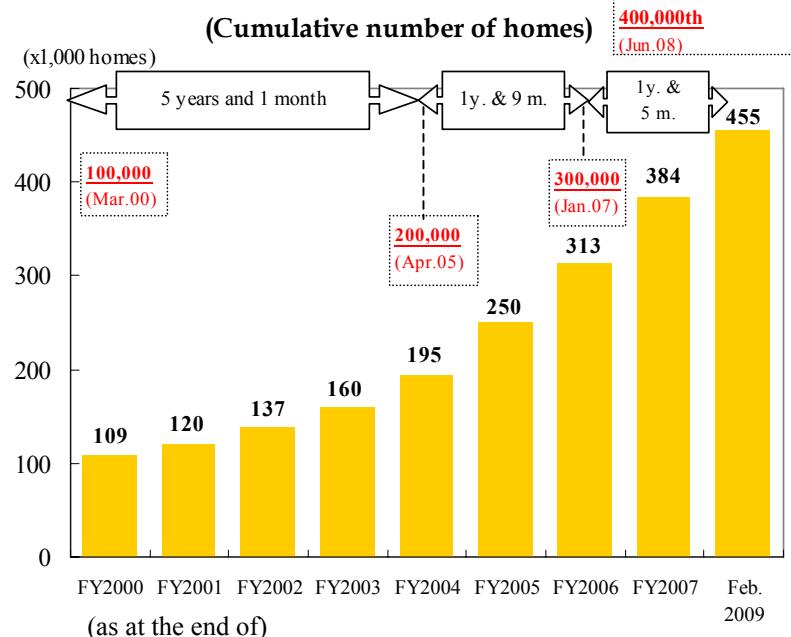
Domestic applications: Increase the number of all-electric homes to over 600,000 in total.

Business applications: Create 800 MW of demand by promoting the use of electricity for kitchens, and temperature control.

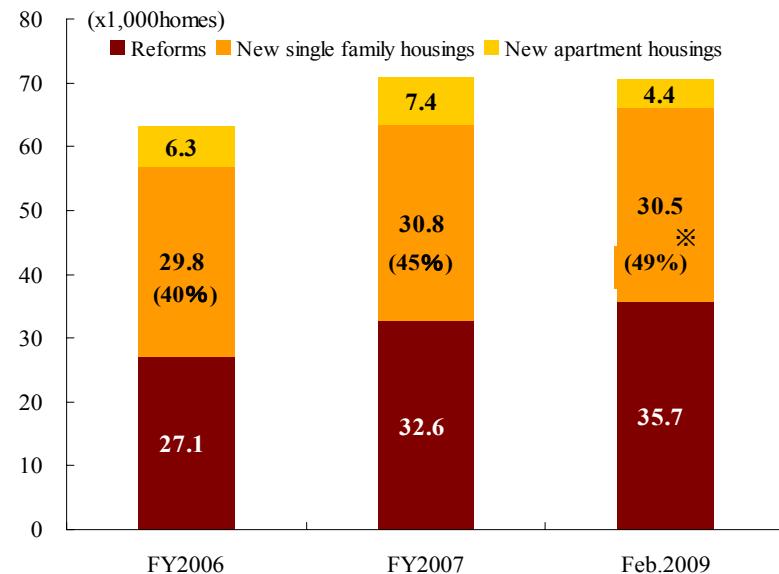
	FY2007-2010 Target	Progress (at the end of Feb, 09)	Progress in %	Description
All-electric home	600,000 homes (287,000 homes)	455,000 homes (142,000 homes)	- (49%)	A satisfactory progress as more recognition and appreciation are given on an attractiveness of life style with electricity
Electricity for kitchens, and temperature control	800MW	423MW	53%	A satisfactory progress as more appreciation is given on energy solutions presented to customers which are to configure the best energy system to their needs

Note: Figures in parenthesis represent change(increase) during the period covering FY2007 through FY2010

■ Penetration of All-electric Homes



《Reference》 All-electric homes by FY



Note: Figures in parenthesis represent share of All-electric home in new single family housings, a figure in parenthesis with * represent share at the end of January, 2009

■ Revenue target

Total revenue of 45 billion yen by three businesses combined in FY2010
(Forecasted result of 40 billion yen for FY2008)

Chubu Electric Power Co., Inc. (Gas Sales & Service Dept.)

Chubu Electric Power
<Incidental business>

Gas sales business
through own gas
pipeline

LNG Chubu
Hokuriku Erunesu

LNG sales
business through
tanker trucks

C ENERGY

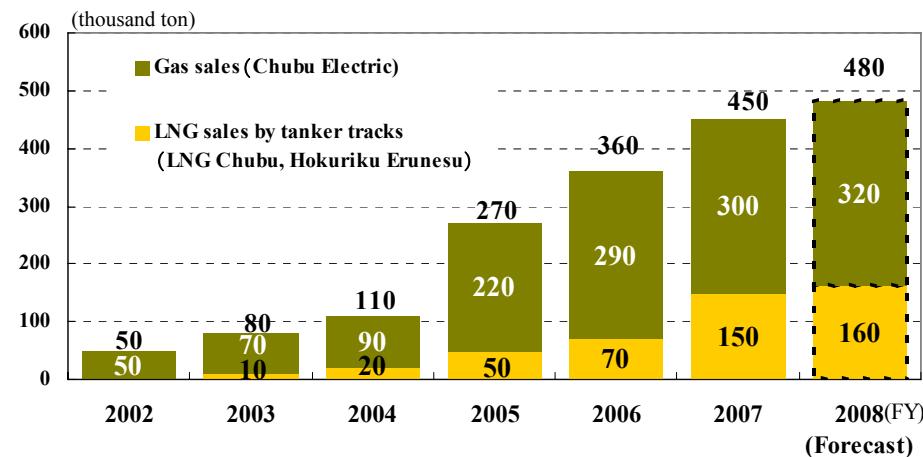
On-site
energy business

- A new energy market – crossing over boundaries of traditional market segments, is under development based on such factor as more recognition upon environmental issue.



- Expanding three business domains under coordinated management with capability to respond shifts in market trends.

Gas and LNG sales



IV Appendices

Nuclear Power Development Plan

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	FY2014	FY2015	FY2016	2018~
Owned 1,400MW				Hamaoka No.6 1,400MW Cls. 2018 & within five years thereafter (Target)
Purchased 1,651MW	Oma (J-Power) 205MW Total: 1,383MW Nov. 2014~	Tsuruga No.3 (JAPC) 723MW Total: 1,538MW Mar. 2016~	Tsuruga No.4 (JAPC) 723MW Total: 1,538MW Mar. 2017~	

Total: Approx. 3,050MW

Hamaoka Nuclear Power Station Replacement Plan 11

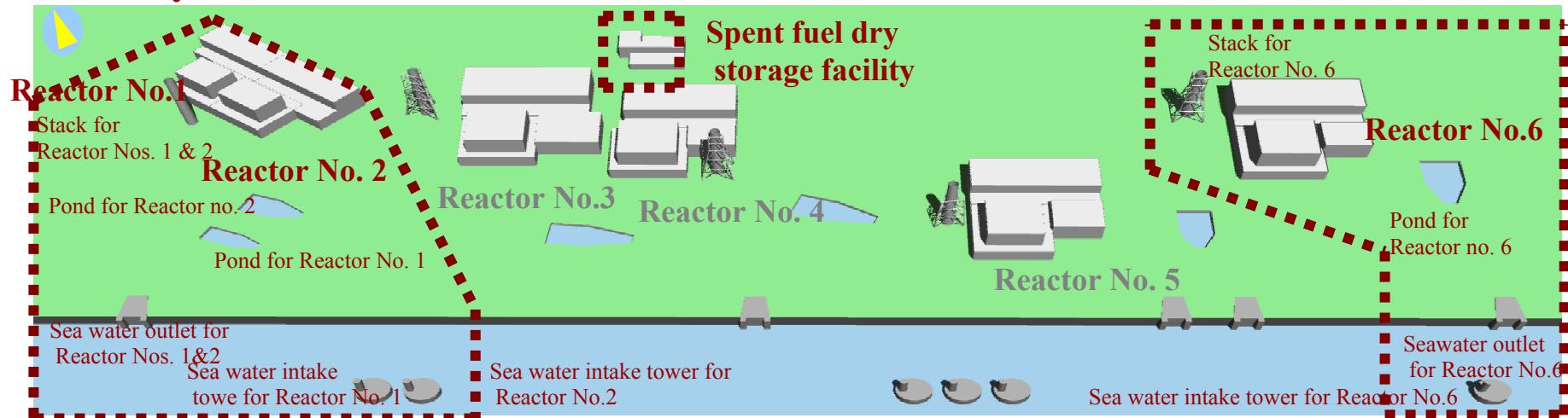
■ Outline of the plan

- Operation of Reactors No.1 and No. 2 to be terminated,
Reactor No. 6 to be built as their replacement
- A spent fuel dry storage facility to be built on the site.

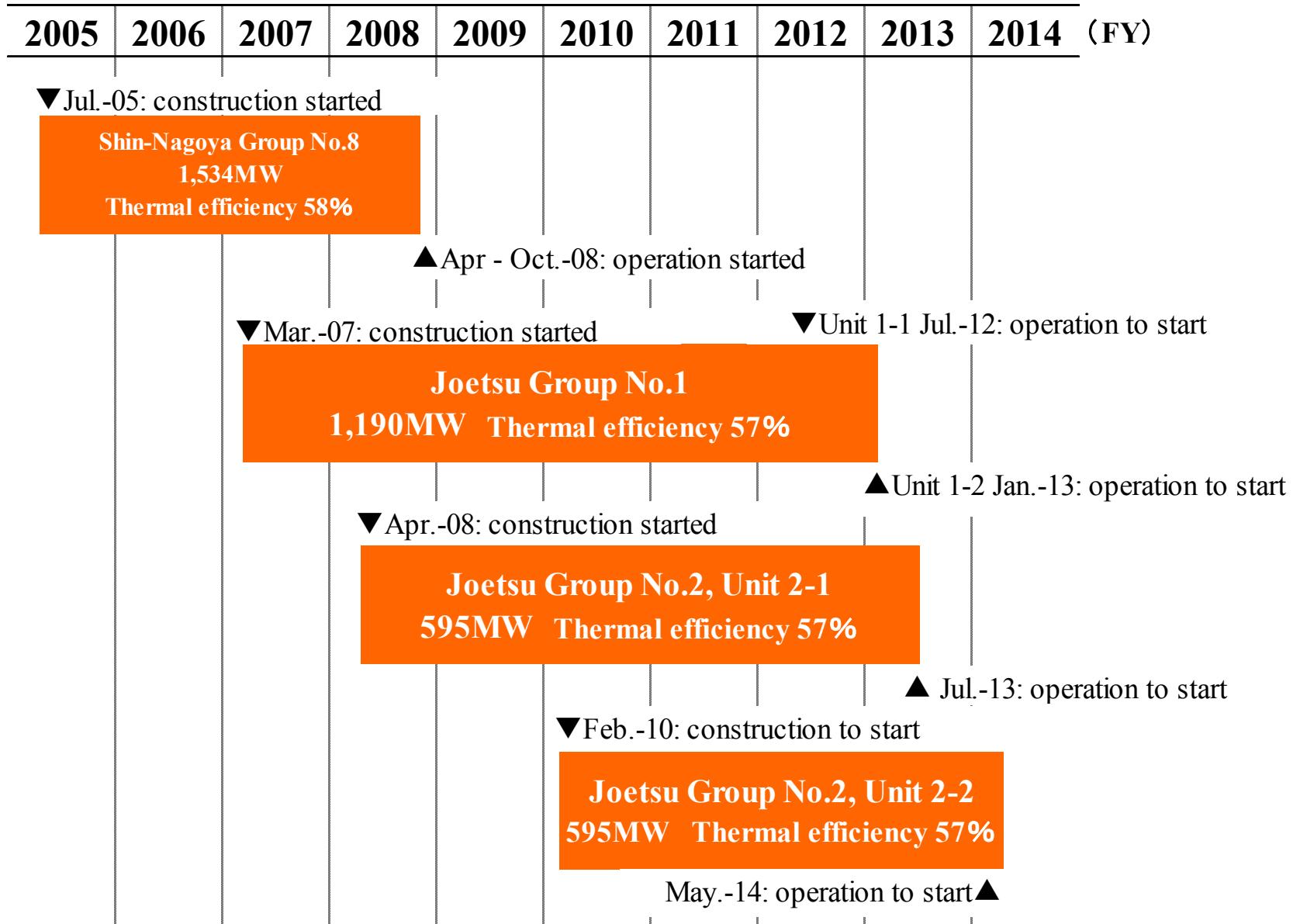
■ Time frame of the plan

	Facility outline	December 2008	2018
Construction of Reactor No.6	Advanced boiling water reactor (ABWR) 1,400 MW class		◆ Construction 2015(Plan) ◆ Operation to start 2018 and within five years thereafter (target)
Termination of operations at Reactors Nos.1 &2	Boiling water reactor(BWR) Reactor No.1 : 540MW Reactor No.2 : 840MW		◆ Planning for decommission procedure
Construction of spent dry storage facility	Dry storage Capacity: arrox 700tU Size: approx.60m×50m×25m(height)	◆ Geological survey ◆ Construction to begin	◆ Usage starts FY2016(target)

■ Site layout



Development of LNG Thermal Power Plants with Enhanced Efficiency



Shin-Nagoya Thermal Power Station Group No.8

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Output	Operation commences	Thermal efficiency	LNG reduction	CO ₂ reduction
1,534MW	October, 2008	58%	approx. 350,000 ton/yr.	approx. 1 million ton-CO ₂ /yr.



Development of Joetsu LNG Thermal Power Station 14

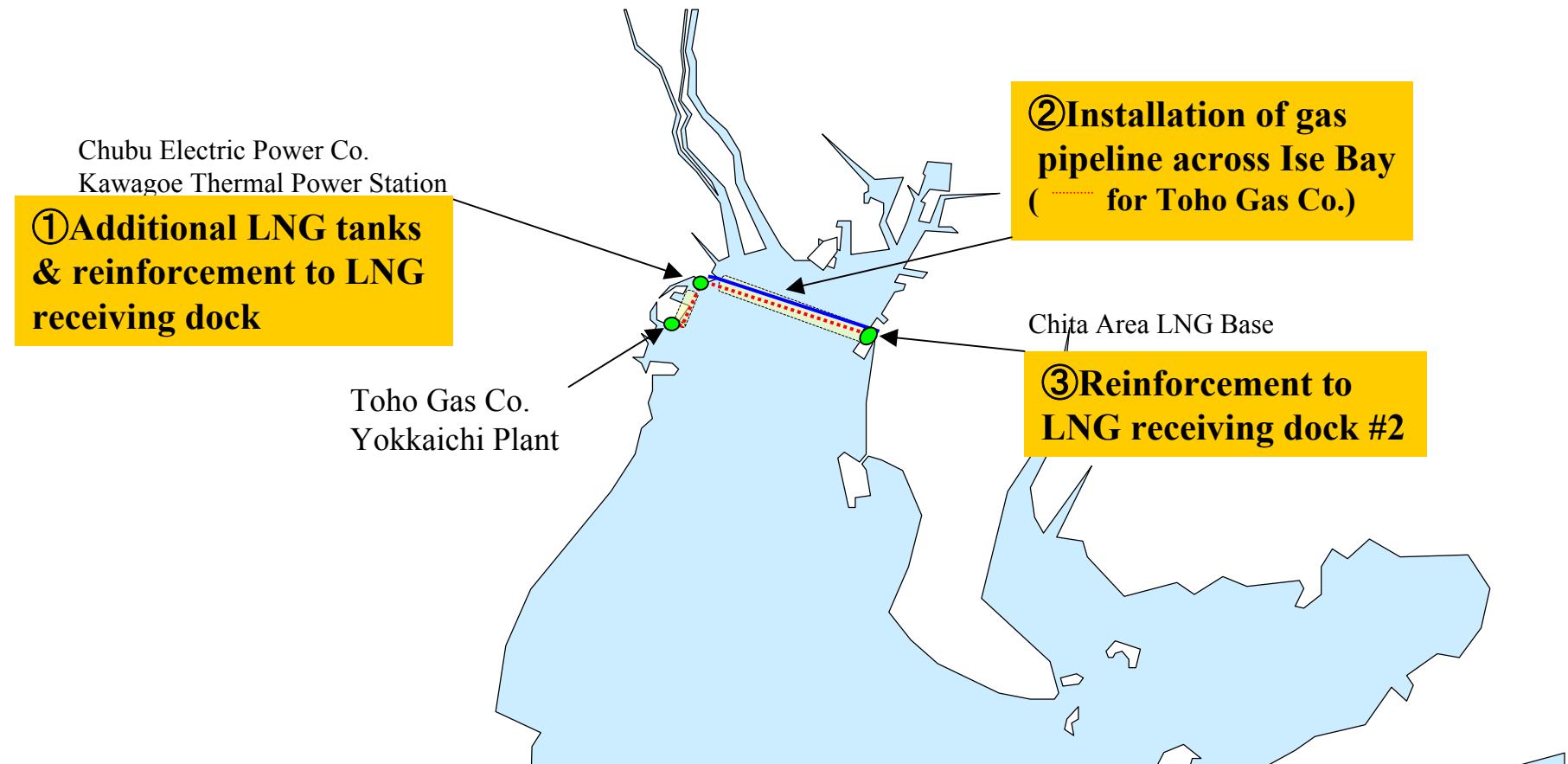
Unit	Output	Construction begins	Operation commences	Thermal efficiency	LNG reduction	CO ₂ reduction
Group No.1	1,190 MW	March, 2007	July, 2012 [1-1]	57%	approx. 600,000 ton/yr.	approx. 1.6 million ton-CO ₂ /yr.
			January, 2013 [1-2]			
Group No.2, Unit2-1	595MW	April, 2008	July, 2013			
Group No.2, Unit2-2	595MW	February, 2010	May, 2014			



Aerial view of the site, City of Joetsu, Prefecture of Niigata

As of March, 2009 (Construction progress: 13%)

- Supporting stable yet flexible LNG procurement



	Project name	Project outline	Construction begins	Construction completes
①	Additional LNG tanks in Kawagoe	Two additional tanks in Kawagoe Thermal Power Station (capacity: 180,000m³ each)	December, 2007	around FY2012
	Reinforcement to receiving dock in Kawagoe	Enabling to accommodate LNG super tankers with class of over 200,000m³	late FY2009	around FY2010
②	Gas pipeline across Ise Bay	Kawagoe Thermal Power Station - Chita Area LNG Base approx.13.0km	April, 2008	around FY2013
③	Reinforcement to No.2 receiving dock in Chita	Enabling to accommodate LNG super tankers with class of over 200,000m³	May, 2008	FY2009

Progress in Overseas Energy Businesses

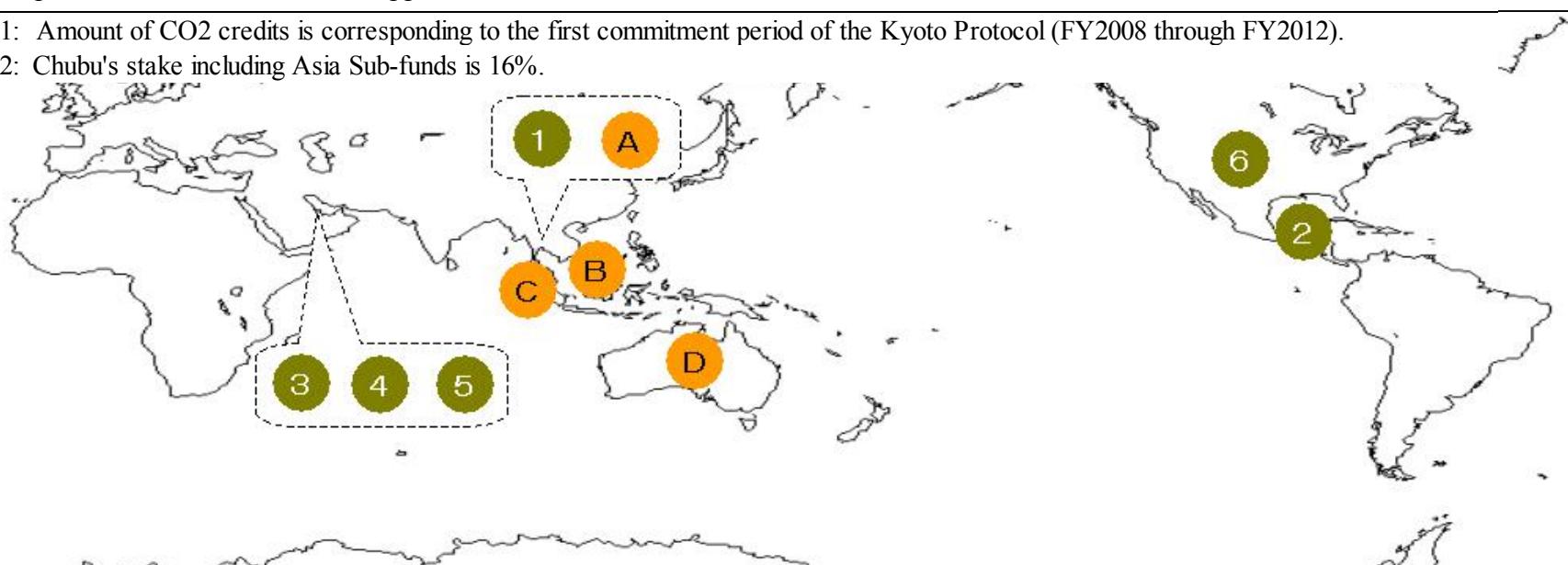
		Output (MW)	Chubu's stake	Construction begins	Operation commences
Power generation	1 Gas thermal IPP, Tahiland	1,400	15%	February, 2006	June, 2008
	2 Gas thermal IPP, Valladolid, Mexico	525	50%	April, 2004	June, 2006
	3 Power generation & desalination, Ras Laffan B, Qatar	1,025	5%	April, 2005	June, 2008
	4 Power generation & desalination, Ras Laffan C, Qatar	2,730	5%	May, 2008	2011 (planed)
	5 Power generation, Mesaieed A, Qatar	2,000	10%	June, 2007	2010 (planed)
	6 Investments in various existing IPPs, United States	50	25%	2004 through 2013 (acquisition and sale phase)	
Environmental	A Rice husk power generation, Tahiland (contracted to acquire approx. 470,000 tons of CO ₂ credits)*1	20	34%	December, 2003	December, 2005
	B Palm oil biomass power generation, Malaysia (expected to acquire approx. 2,000,000 tons of CO ₂ credits)*1	10×2	18%	October, 2006 (site 1) February, 2007 (site 2)	January, 2009 (site 1) March, 2009 (site 2) (Planed)
	C Asia Environment Fund	-	26% *2	2004 through 2014 (fund operation phase)	
	D Joint afforestation, Adelaide, Australia	-	10%	2003 through 2012 (1 st planting phase)	

Total investments in overseas energy business (at the end of February, 2009): approx. 14.8 billion yen (excluding fuel related investments)

Total output based on Chubu's stake: approx. 883 MW

Note 1: Amount of CO₂ credits is corresponding to the first commitment period of the Kyoto Protocol (FY2008 through FY2012).

Note 2: Chubu's stake including Asia Sub-funds is 16%.



■ Target on CO₂ reduction

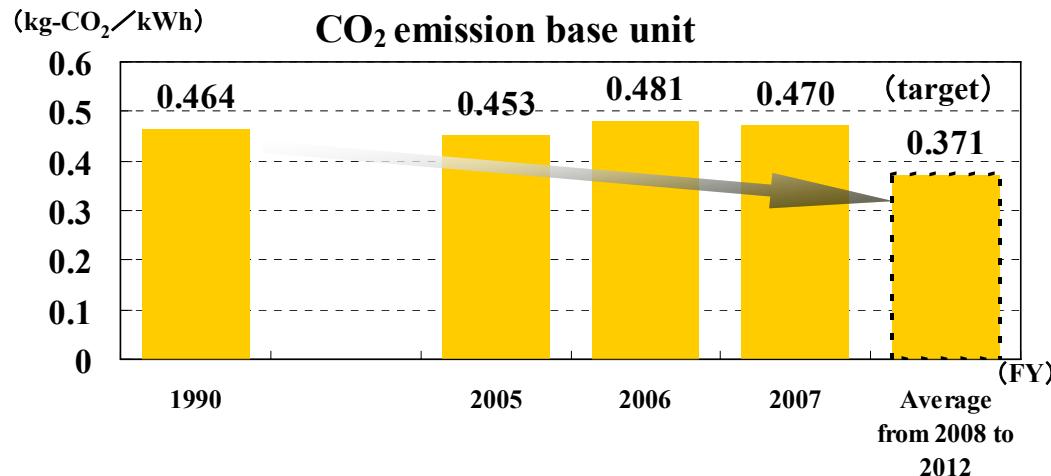
Reduction of CO₂ emission by 20% in terms of base unit on 5-year average basis from FY2008 to FY2012 – the first commitment period of the Kyoto Protocol (compared with the level of FY1990)

Concrete initiatives

- Improvement on utilization rate of nuclear power plants
- Development of high efficiency LNG thermal generators
- Promotion of introduction of renewable energy
- Procurement of CO₂ credits through the use of Kyoto mechanisms
(contracted: approx. 29.5 million tons of CO₂ credits)

Principal measures for CO₂ reduction and its effect

Measures	Effect on CO ₂ reduction
Shin-Nagoya Group No.8	approx. 1 mil. ton-CO ₂ /yr.
Joetsu Groups Nos. 1 and 2	approx. 1.6 mil. ton-CO ₂ /yr.
Biomass mixture at Hekinan	approx. 0.3 mil. ton-CO ₂ /yr.
Mega Solar Taketoyo	approx. 3,400 ton-CO ₂ /yr.



Promotion of Renewable Energy

■ Aiming to achieve use of such energy as renewable energy that is required by RPS Law*, as the measures toward conservation of the earth environment.

*RPS Law requirement FY2010 1.78TWh
 FY2014 2.33TWh

- Active development and introduction of renewable energy (solar power generation, biomass power generation, wind power generation)
- Ongoing purchase of surplus electricity generated by customers with renewable energy, etc

Solar power generation

Site name	Mega Solar Taketoyo (in the premises of Taketoyo Power Station)
Output	7,000kW
Power generation	approx 7.30GWh / year
Construction begins	November, 2009
Operation commences	October, 2011
CO₂ reduction	3,400t-CO ₂ / year

Biomass mixture at Hekinan Thermal Power Station

Rate of mixture	approx 1.5% of 4,100 MW
Power generation (by biomass mixture)	approx 320GWh / year
Operation commences	FY2009 or beyond
CO₂ reduction	300,000 ton-CO ₂ / year

Purchase of surplus electricity (forecast for the end of FY2008)

	Number of contracts	Power purchased (GWh)
Solar	72,000	154
Wind	34	173
Wastes	37	214
Small scale hydro	6	10

Wind power generation

Operator	Site	Operation commences	Max. output (kW)
Chubu Electric	Omaezaki (Phase 1)	Aug. 2009	6,000
	Omaezaki (Phase 2)	Jun. 2010	16,000
	1 site	FY2012	26,000
C-TECH	Wind Park Misato (Misato, Tsu city)	Feb. 2006	16,000 (2,000×8)
	Wind Park Kasadori (Kamiawa, Iga city, and Misato, Tsu city)	Feb. 2010	20,000 (2,000×10)
		Feb. 2011	18,000 (2,000×9)
AOYAMA-KOGEN WIND FARM	Citis of Tsu, and Iga, Mie pref.	FY2003	15,000 (750×20)
		FY2015	80,000 (2,000×40)
	Total		149,000
			197,000

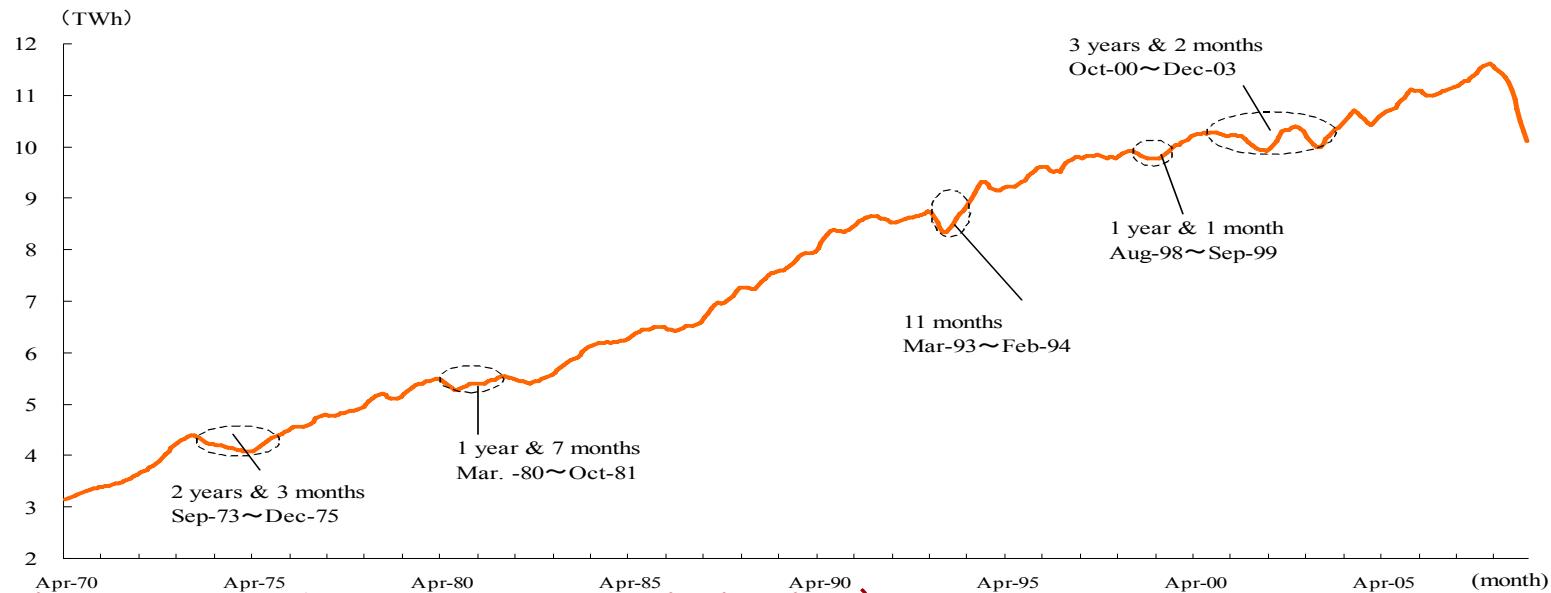
『Reference』 Introduction of electric vehicles to business use

The company is to introduce approx. 1,500 electric vehicles (40 % of total operational fleet) by the end of FY2020 (including plug-in hybrids). This will reduce CO₂ emission by 1,500 ton annually.

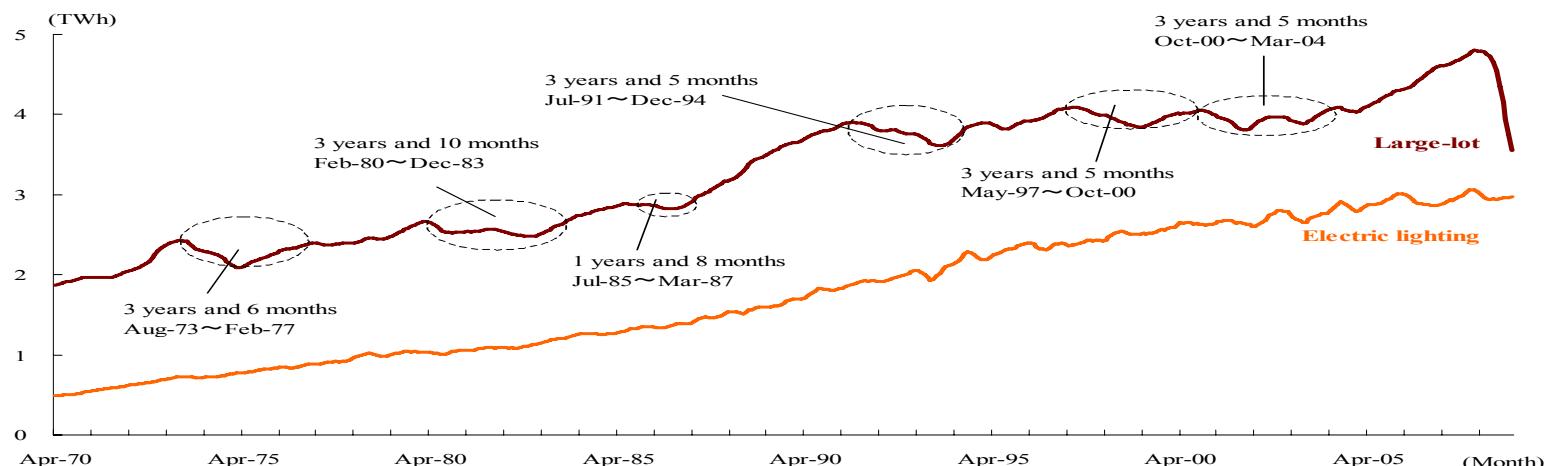


Electric Energy Sold

■ Electric energy sold (total) (values corrected for seasonal effect, not for temperature and leap year)

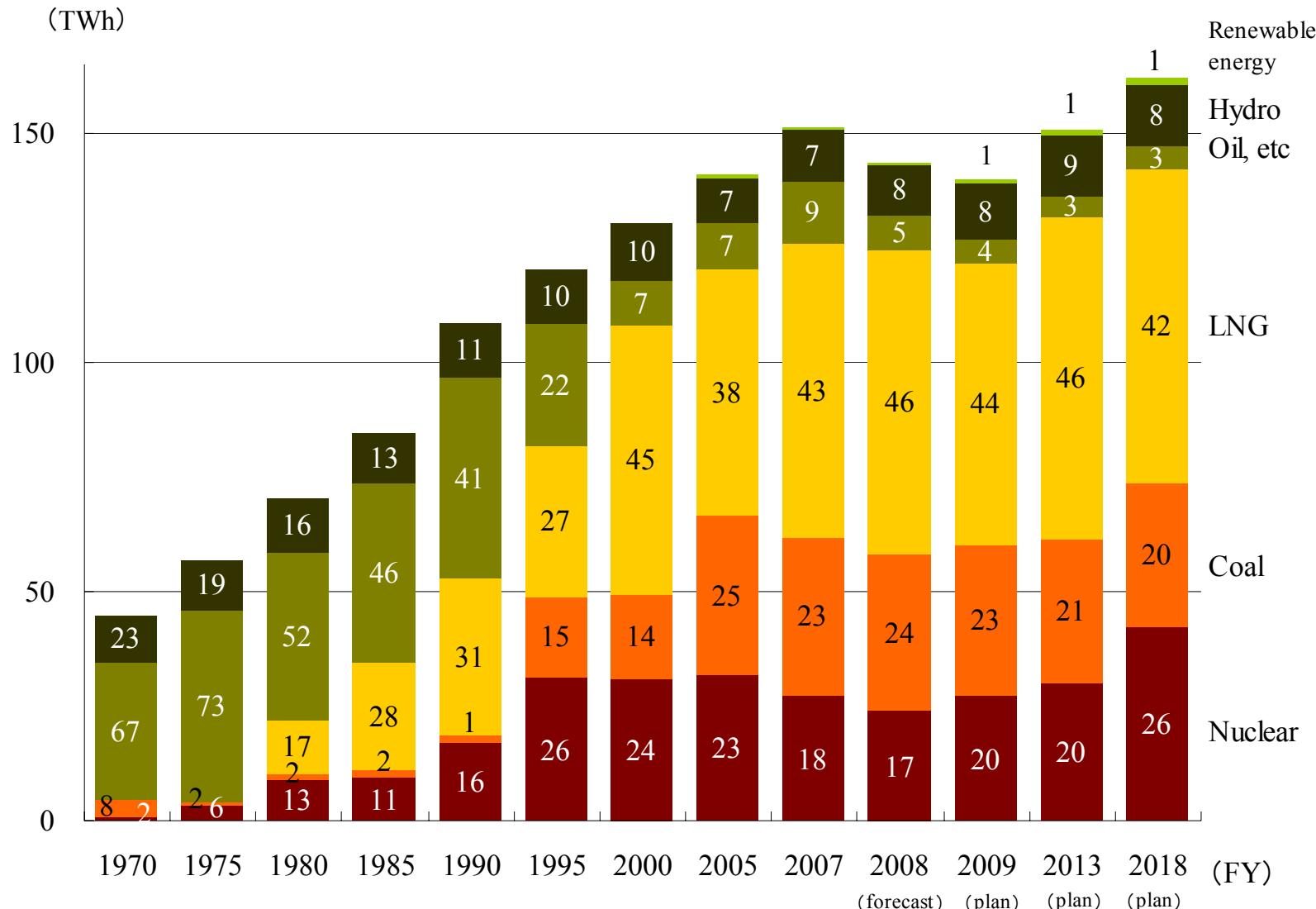


■ Electric energy sold (large-lot, and electric lighting)
(values corrected for seasonal effect, not for temperature and leap year)



Composition of Generated Electricity

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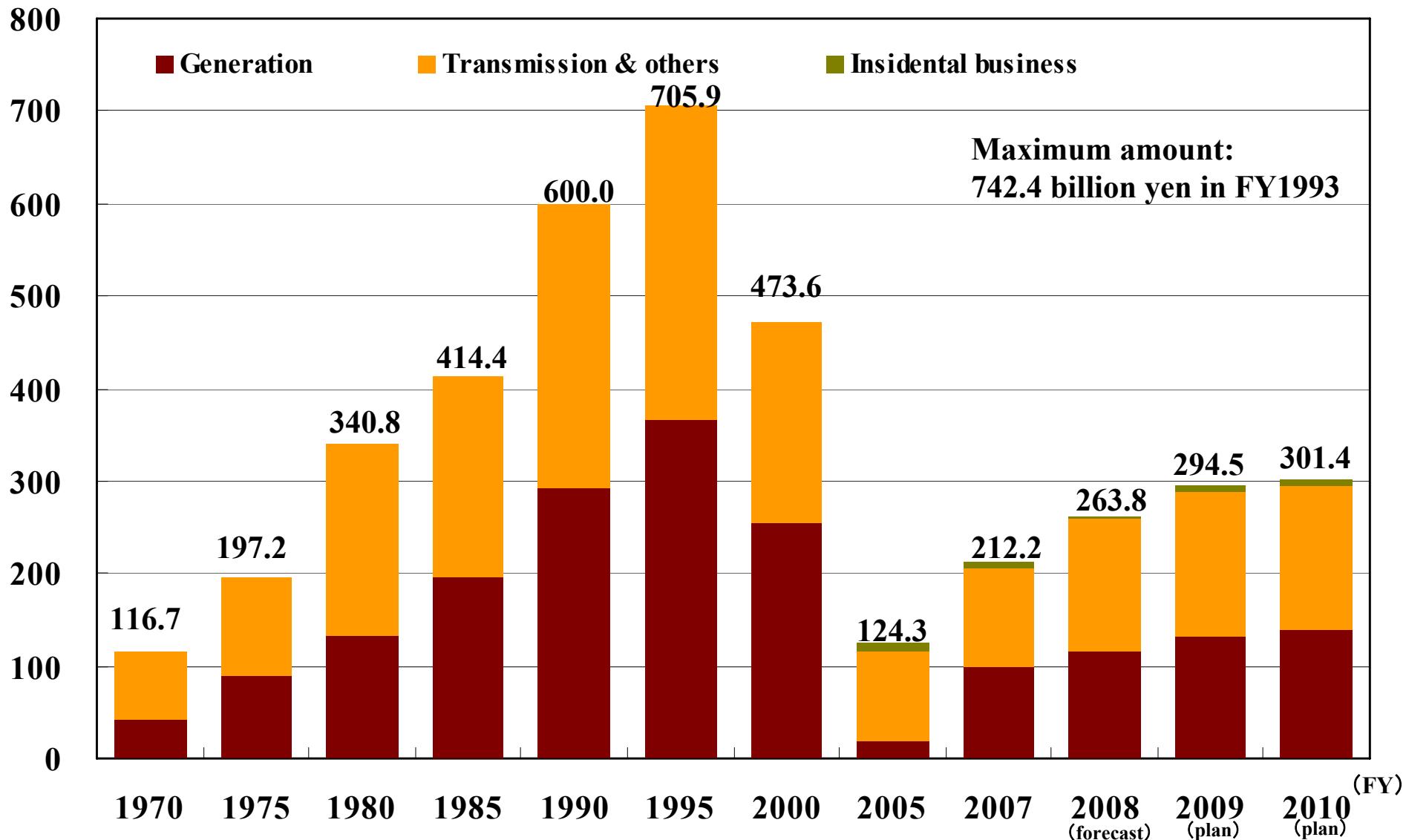
Figures in FY2009 and beyond include a biomass mixture at Hekinan Thermal Power Station.

Figures in the graph represent percentile within corresponding fiscal year.

Capital Expenditure (Non-consolidated)

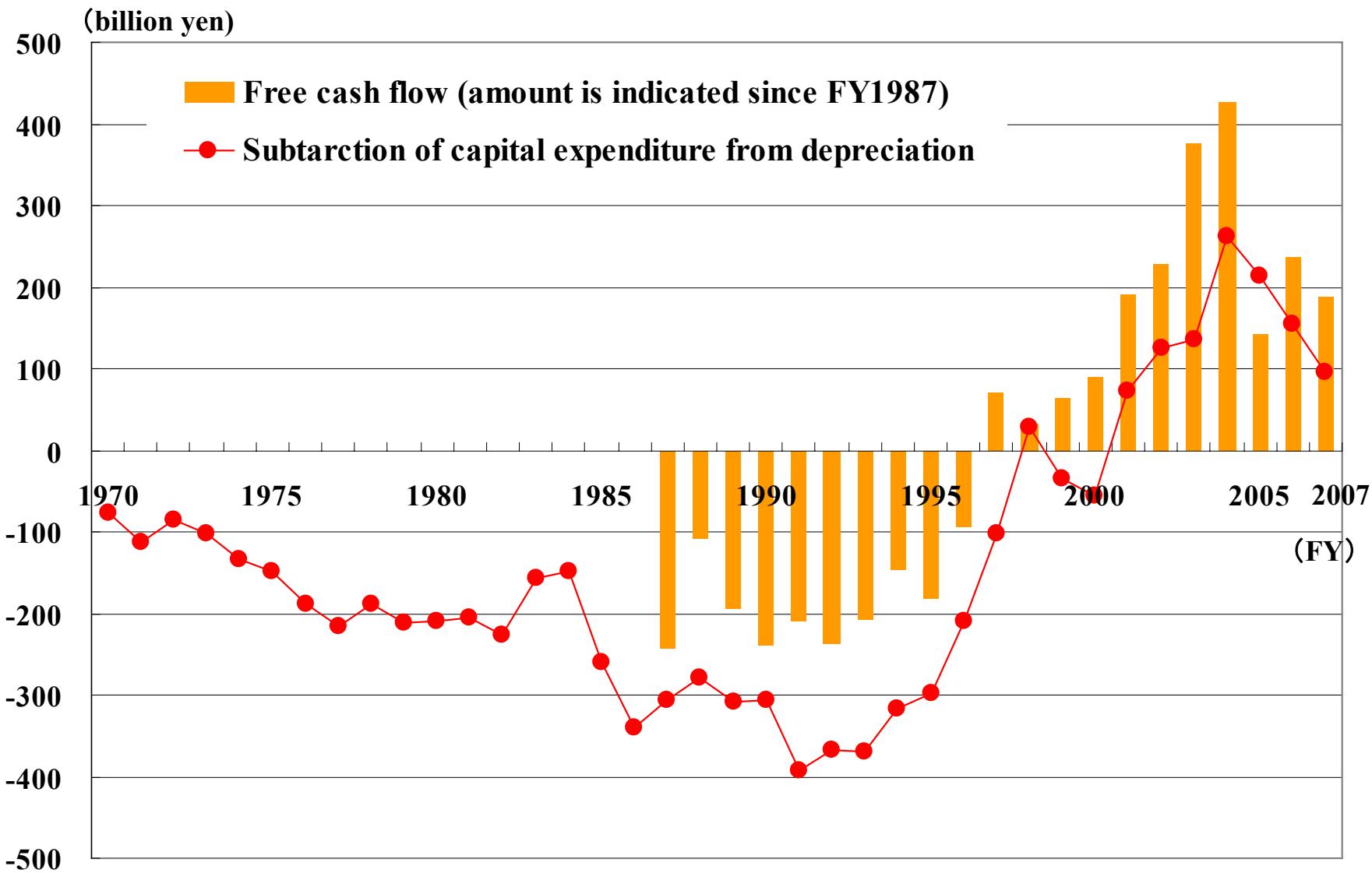
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(billion yen)



Free Cash Flow (Non-consolidated)

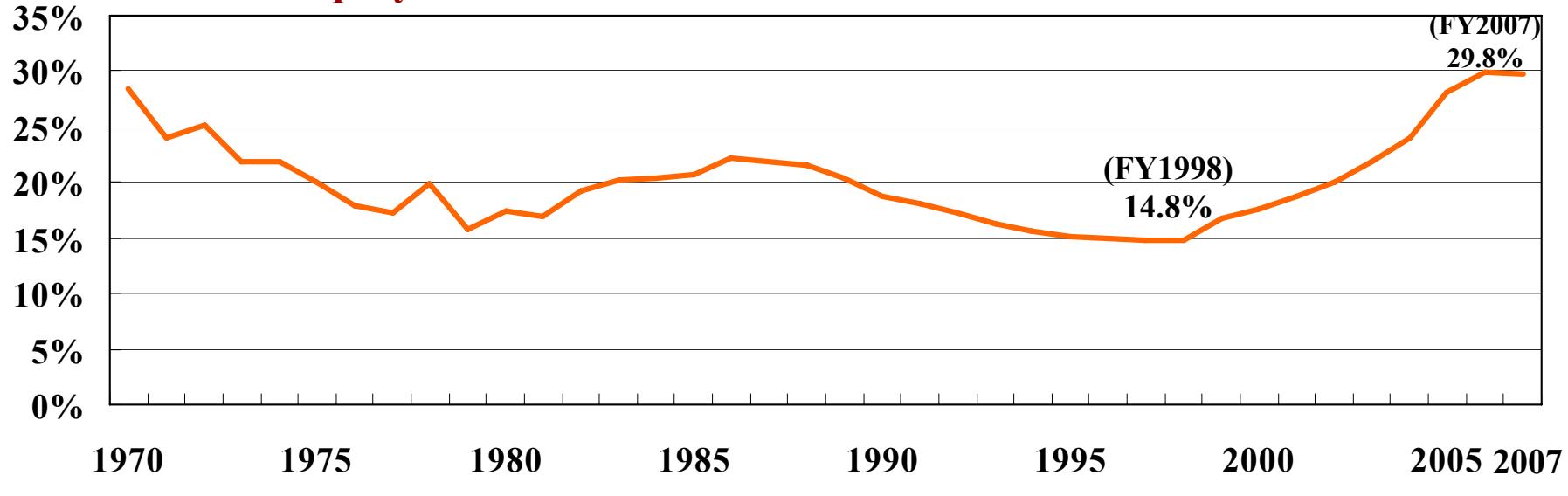
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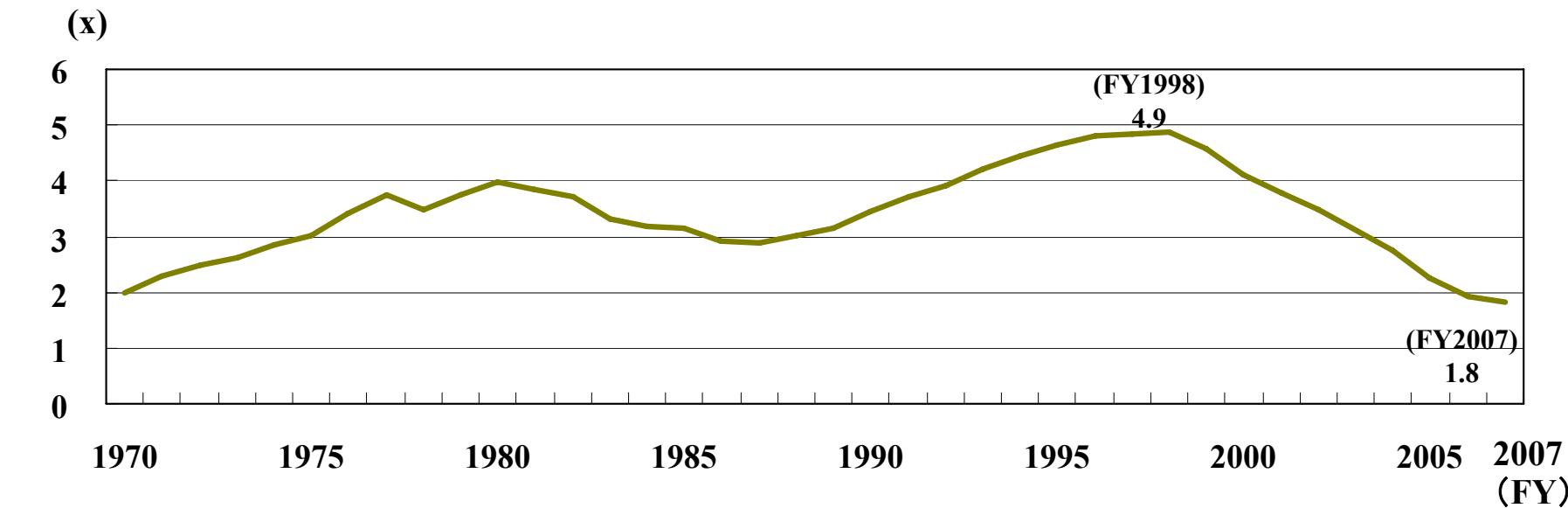
Shareholders' Equity Ratio (Non-consolidated)

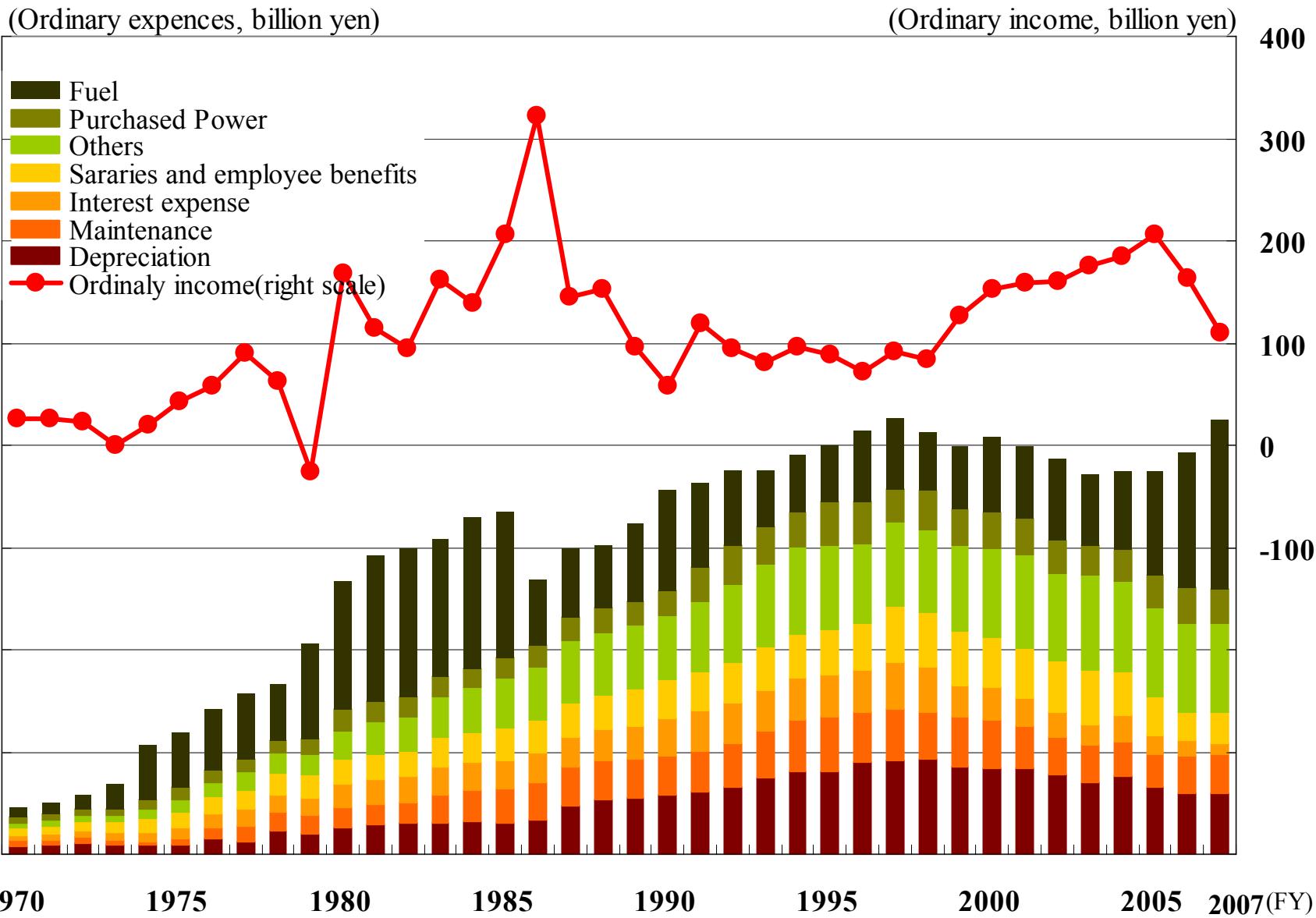
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■ Shareholders' equity ratio



■ Debt equity ratio

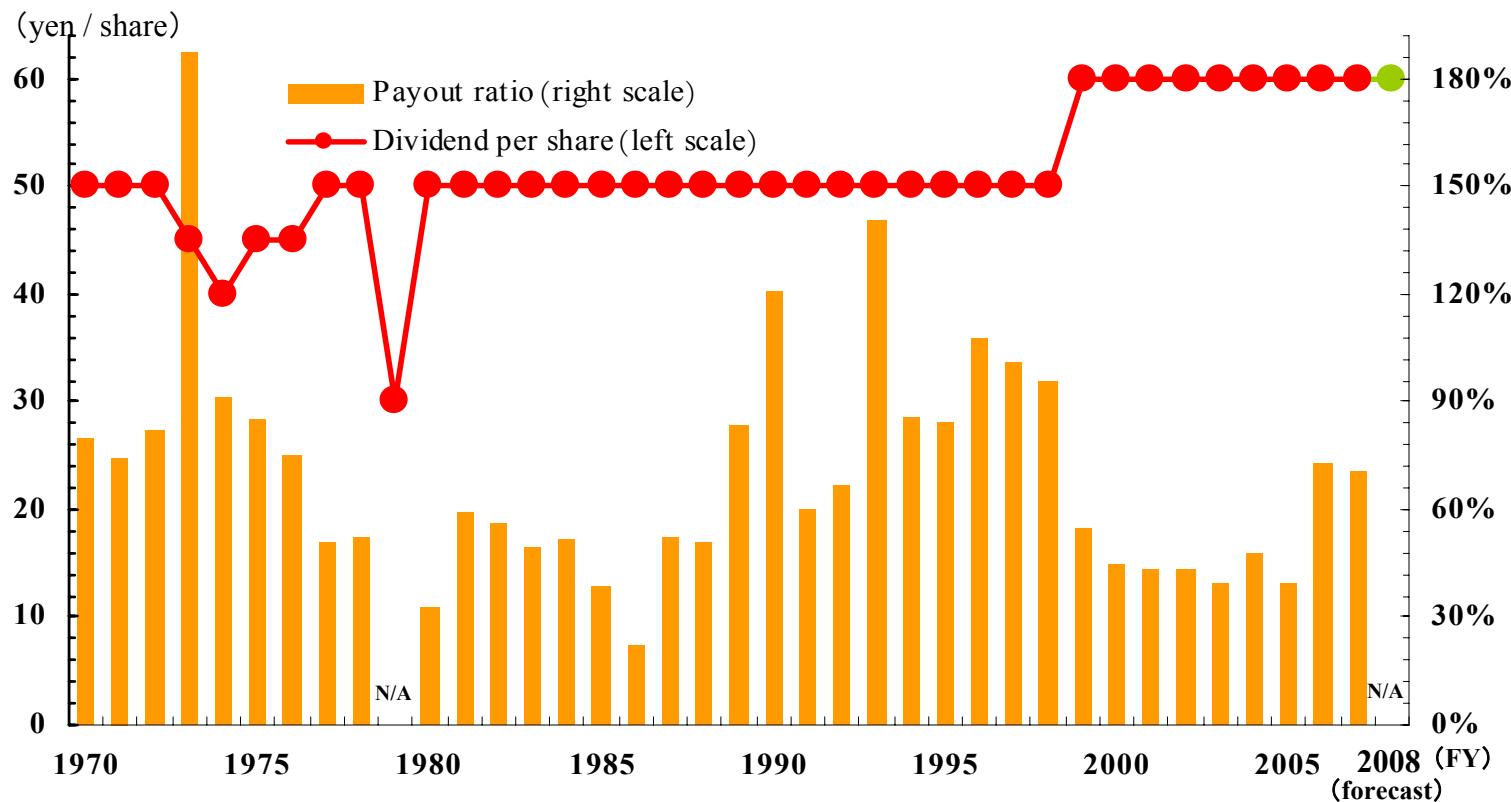




Shareholder's Return (Non-consolidated)

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■ Amount of dividends, dividend payout ratio



■ Shares buy-back

Term	Number of shares (thousand shares)	Total purchase price (million yen)	Use of shares bought
FY1998 - FY1999	10,000	21,858 [2,186yen]*	canceled
FY2003 - FY2004	12,026	26,791 [2,228yen]*	allocated to the conversion of our convertible bonds (due on Mar,2006, conversion price:2,484 yen)
FY2007	3,149	9,999 [3,176yen]*	canceled

* Figures in parentheses are average purchase price per share.

DISCLAIMER

This presentation contains assumptions and forward-looking statements with respect to the financial conditions, forecasts, and business plan of the company, which are based on information currently available.

These assumptions and forward-looking statements involve certain risks and uncertainties, and may cause actual results materially differ from them, by changes in the managerial environment such as economic activities and market trends.

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