

Retraction of Fiscal Goals and A Partial Revision of the Policy on the Shareholder's Return

February 2009

Chubu Electric Power Co., Inc.

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.

Severe Business Environment Chubu Faces



The global economic downturn

- **Trend shows a significant slide** in energy sales led by industrial use
- **Deterioration in pension fund management** by falling stock markets

Violent fluctuation in fuel price

- **Causing a wider range of gap to statements of income**

More importance on environmental issues

- **More reduction of CO₂ emissions are needed** by the shutdown of Hamaoka Nuclear Power Plant No.1 and No. 2, and other factors

Fiscal Goals

- The company considers that achieving the fiscal goals announced in March 2007 will be tough, based on the corporate performance of FY 2007, the forecast of FY2008, and a severe business environment in the future.
- The external environment is extremely unforeseeable for the company to set an alternative fiscal goals.

Designating FY 2008 as the last target year,

Retraction of current fiscal goals (An alternate will not be made for a while)

Fiscal goals announced on March 27, 2007

Item	Target Year	Target (Consolidated)	FY 2007 (actual)	FY 2008 (forecast)
Ordinary Income ¹	4-Year Average from FY2007 to FY2010	160 bn yen or above	123.3 bn yen	approx. 75 bn yen
ROA (Return on Assets ²)		4.1% or above	3.1%	approx. 2.6%
Operating Cash Flow		470 bn yen or above	471.9 bn yen	approx. 390 bn yen
Outstanding Interest-bearing Debt	By the end of FY2010	2,600 bn yen or below	2,862.6 bn yen	approx. 2,780 bn yen

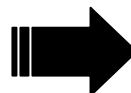
Note: 1) Ordinary Income = Income before provision of reserve for fluctuation in water levels, income taxes and minority interests +/-extra-ordinary loss/gain.

2) Return on Assets = (Ordinary Income + Interest expenses) / Average total assets at beginning and end of the period

A Partial Revision of the Policy on the Shareholder's Return

Dividend policy

A revision based on retaction of the fiscal goals



Work to maintain the current level of dividend (60 yen per annum per share)

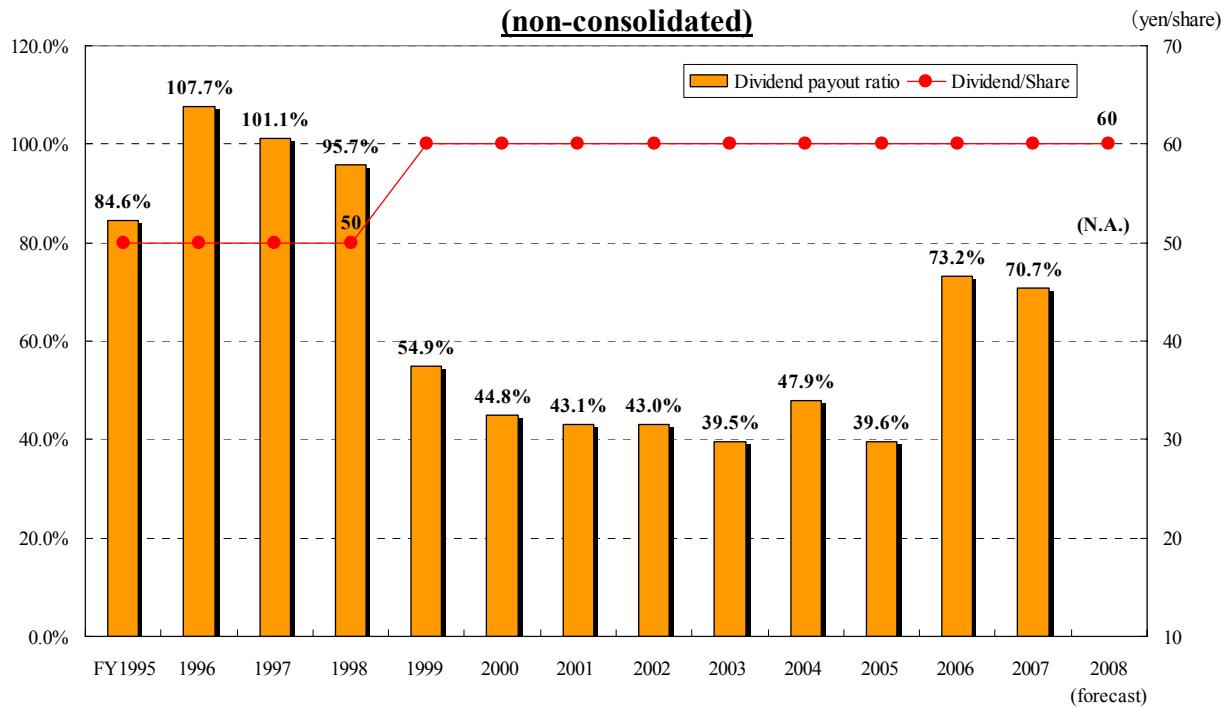
Stock Repurchasing

Will Continue to carry out stock repurchasing responsively, with ascertaining financial standings, market trends, and other aspects

※Previous dividend policy announced on March 27, 2007

Based on the financial targets set for FY2010, the company intends to maintain the dividend payout ratio at approximately 40% of net income on a non-consolidated basis for each term. Even if business performance worsens, we will strive to keep annual dividends on the level of 60 yen per share, unless business performance deteriorates significantly from unforeseeable changes in the business environment or similar factors.

**Trend of Dividend Payout Ratio & Dividend per Share
(non-consolidated)**



Principal Measures Taken since Liberalization of Electric Power Retailing

Increase nuclear power generation ratio	<ul style="list-style-type: none"> ● Commencement of operation at Hamaoka Nuclear Power Plant No. 5 (January 2005)
Increase efficiency in thermal power generation	<ul style="list-style-type: none"> ● Commencement of operation at Shin-Nagoya Gr. No. 8 (Apr. ~ Oct. 2008) ● Shutdown of plants with higher operating cost/lower efficiency
Promote all-electric homes	<ul style="list-style-type: none"> ● Cumulative number of all-electric homes: 442,000 (at the end of Dec. 2008) 《Target》600,000 by the end of FY2010
Promote gas and on-site energy business	<ul style="list-style-type: none"> ● Operating revenue(actual in FY 2007): 32.7 bn. yen 《Target》 approx. 45 bn. yen in FY 2010
Build up financial strength	<ul style="list-style-type: none"> ● Shareholder's equity ratio(consolidated) 17.3% → 30.4% (FY1999) (FY2007)
Improve labor productivity	<ul style="list-style-type: none"> ● Power sales per employee 6,066MWh → 8,592MWh (FY1999) (FY2007) [Reference] Average of 9 EPCOs: 7,150MWh (FY2007)
Reorganize group companies	<ul style="list-style-type: none"> ● Reorganization to gain capability of operation and administration in sense of unity with others in same business domain such as "power generation", "transmission", and "sales" ● Transference of CTC's management rights to KDDI
Revise management structure	<ul style="list-style-type: none"> ● Introduction of external directors and executive officer system
Maintain stable dividend payout	<ul style="list-style-type: none"> ● Dividend increase in FY 1999 by 10yen, 50yen p.a. → 60yen p.a. and maintain the new amount since then

Measures to be taken for Building up Management Base

Needs to implement structural reforms such as power generation portfolio, to maintain supply of energy that is reliable, inexpensive, and environmentally sound



Increase nuclear power generation ratio

Enhance more efficiency to LNG thermal power plants

Reinforce LNG handling facilities

Principal Measures to be Taken for Building up Management Base①

Increase Nuclear Power Generation Ratio

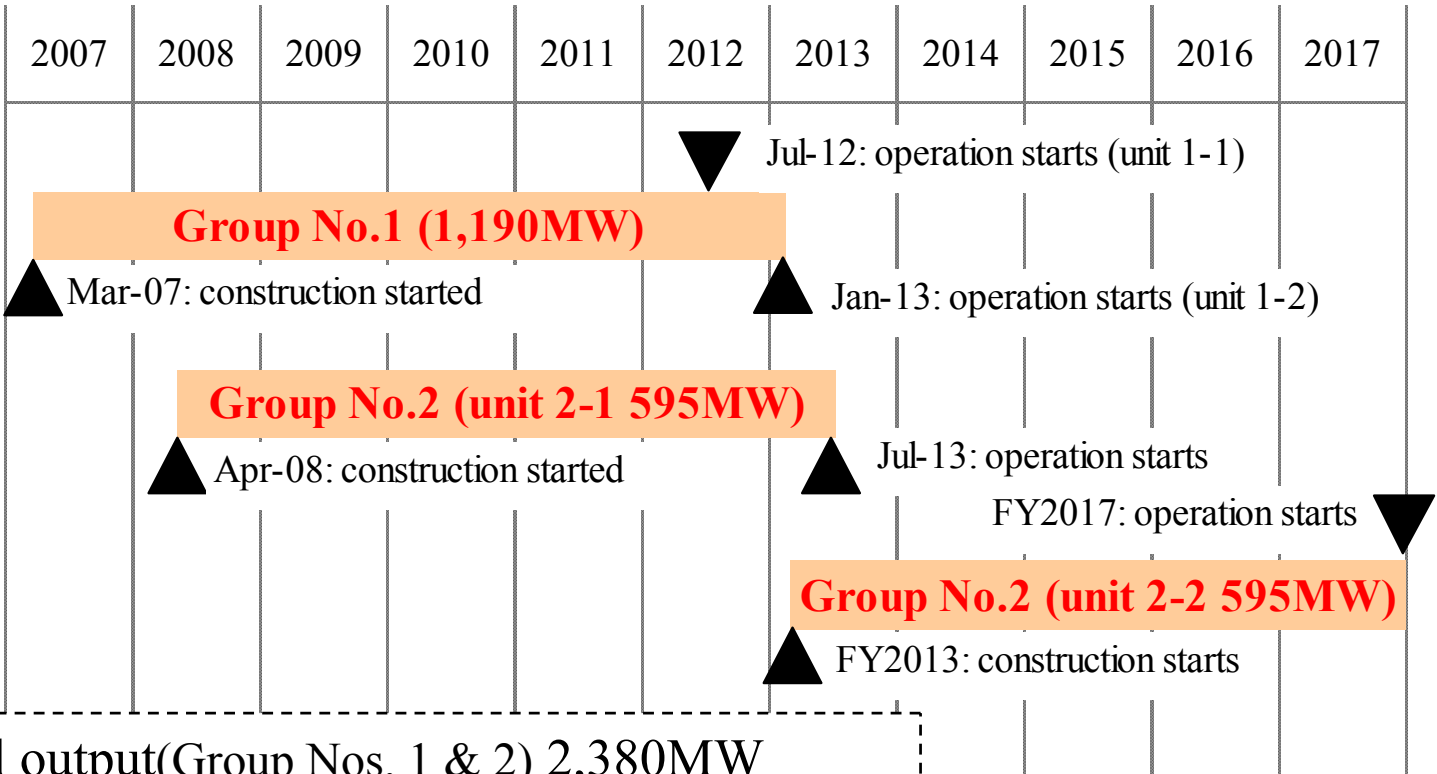


Total: Approx. 3,050 MW

	FY2014	FY2015	FY2016	2018 & within several years thereafter
Owned 1,400MW				Hamaoka No.6 1,400MW CIs. 2018 & within several 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~	

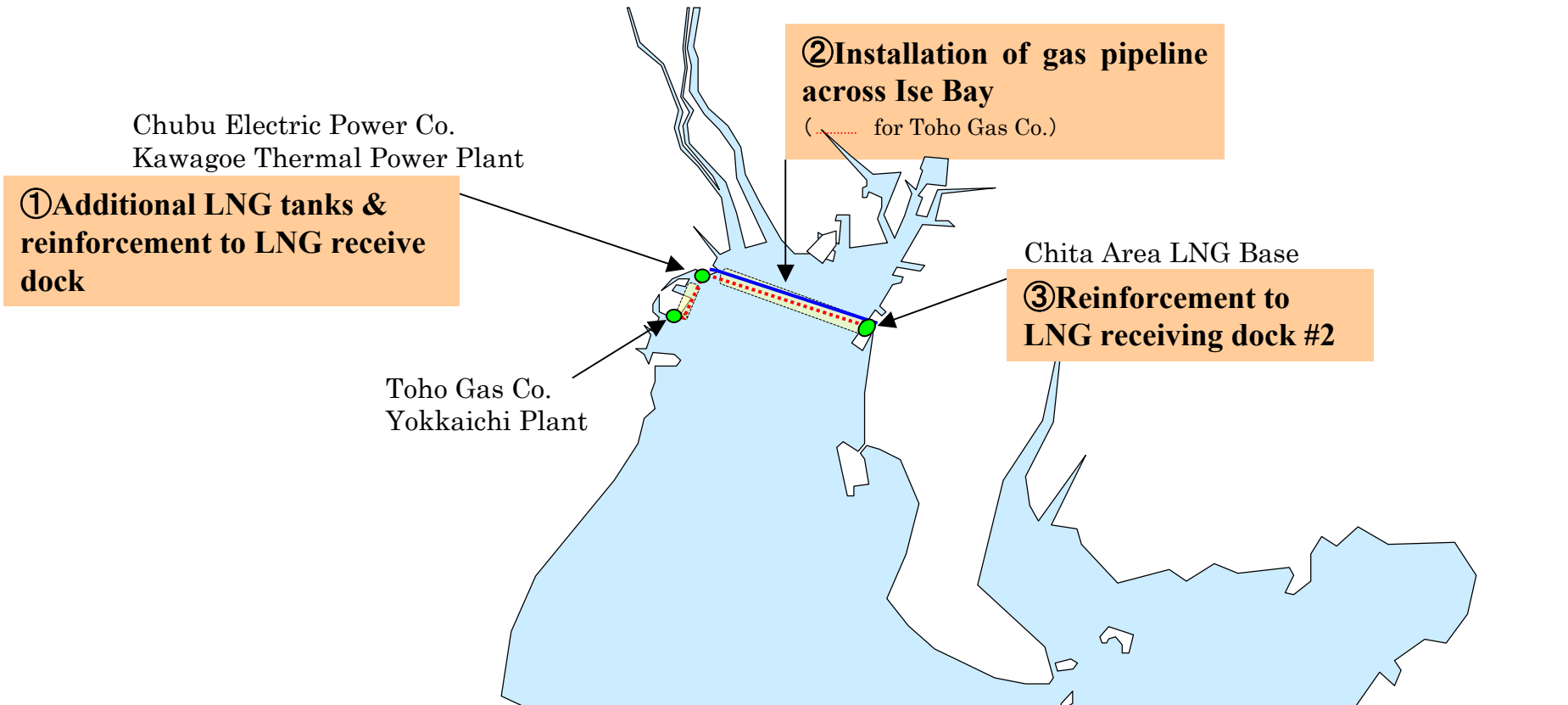
Principal Measures to be Taken for Building up Management Base ②
Enhance More Efficiency to LNG Thermal Power Plants

Development Schedule for Joetsu Thermal Power Plant



Total output(Group Nos. 1 & 2) 2,380MW
 Thermal efficiency: 57%
 LNG reduction: 600 thousand t/year
 CO₂ reduction: 1.6 million t-CO₂/year

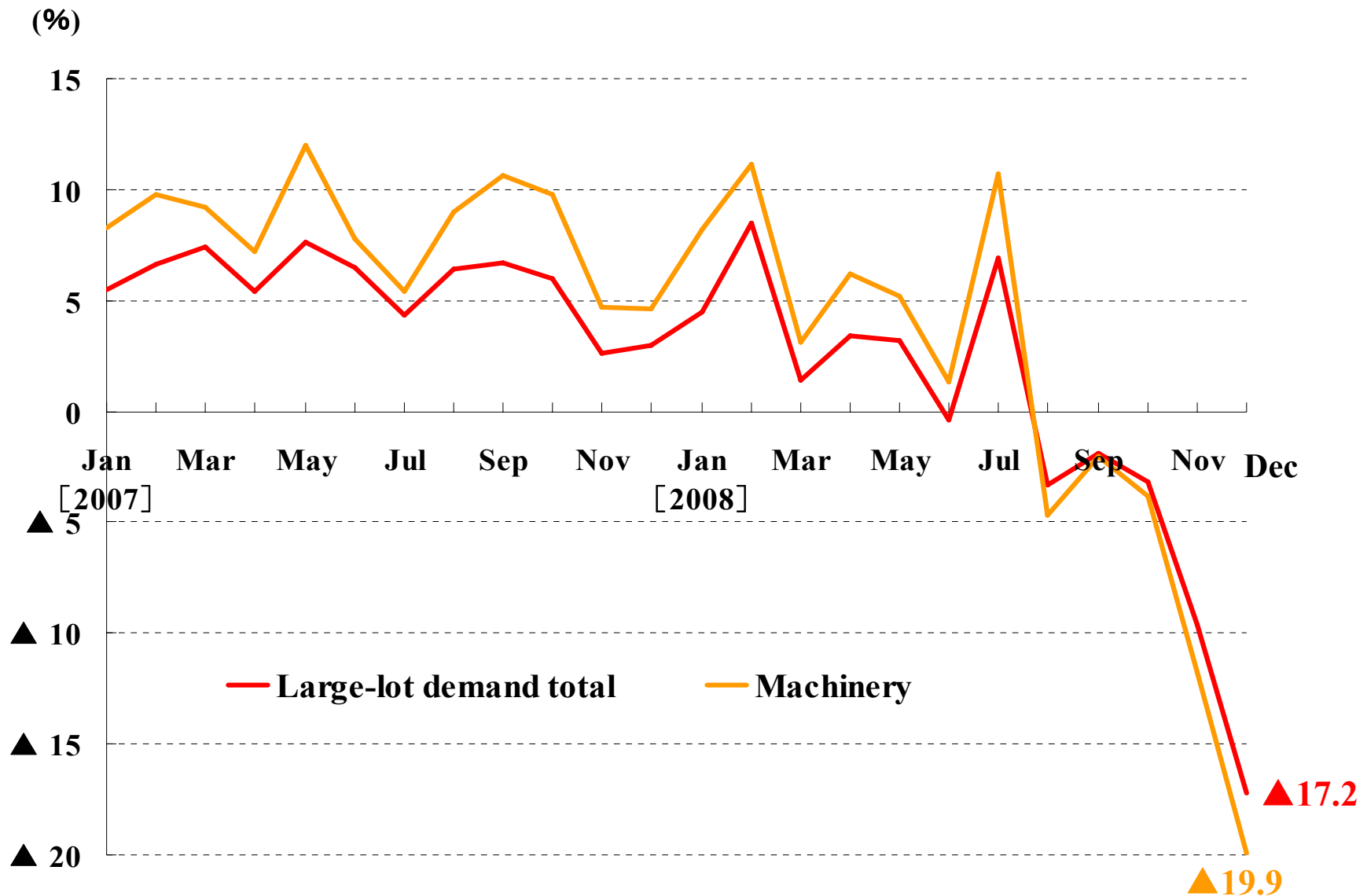
Principal Measures to be Taken for Building up Management Base ③ Reinforce LNG Handling Facilities



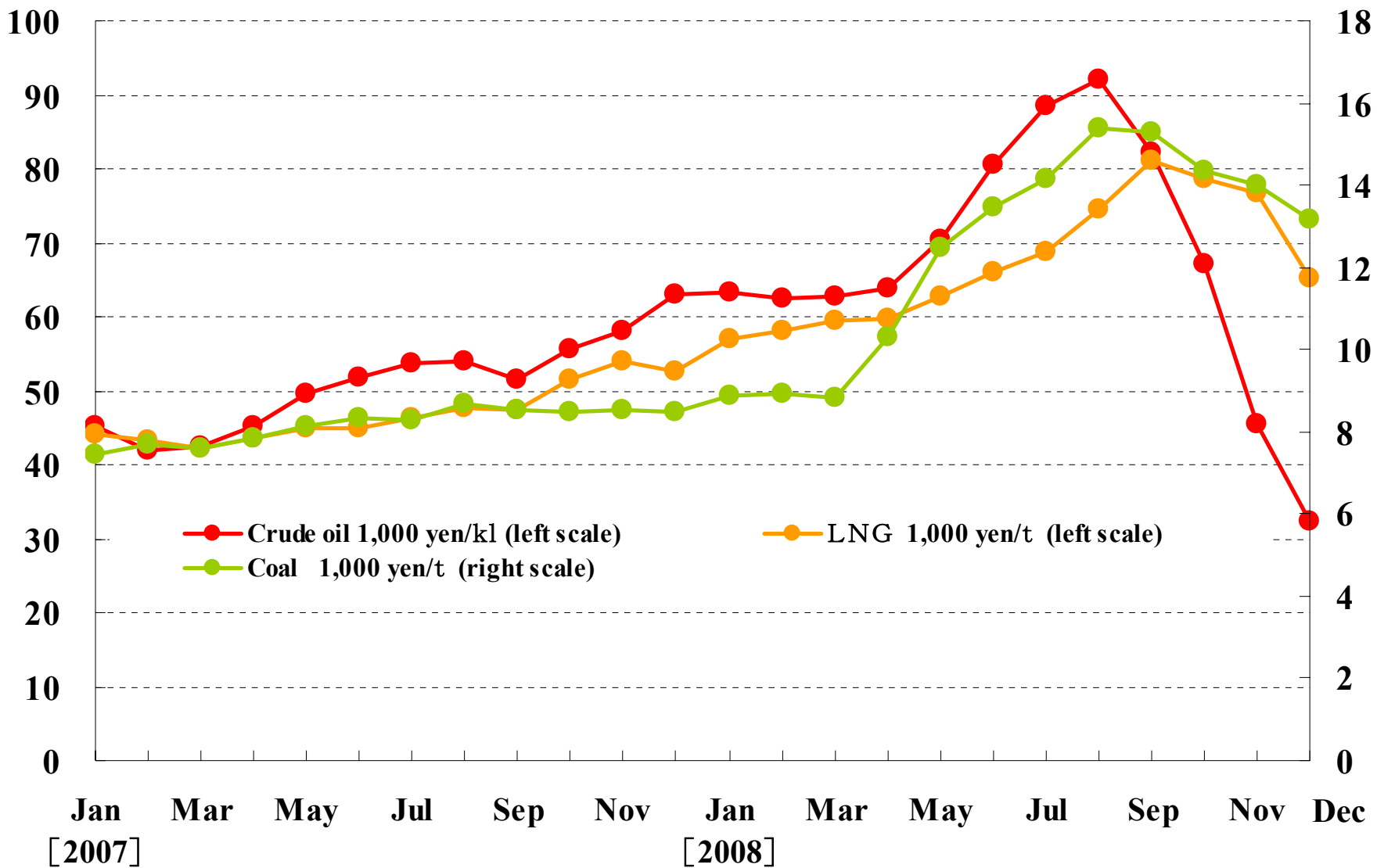
	Outline	Completion
① Additional LNG tanks	Two additional tanks (capacity: 180,000m ³ each)	around FY2011
Reinforcement to LNG receiving docks	Enabling to accomodate the largest class of over 200,000m ³ LNG super tankers	around FY2010
② Installation of gas pipeline across Ise Bay	Approx. 13.0 km between Kawagoe Thermal Power Plant and Chita Area LNG Base	around FY2013
③ Reinforcement to Chita LNG receiving dock #2	Enabling to accomodate the largest class of over 200,000m ³ LNG super tankers	around FY2009

Appendices

Large - lot Demand (Year on Year)



All - Japan CIF Price

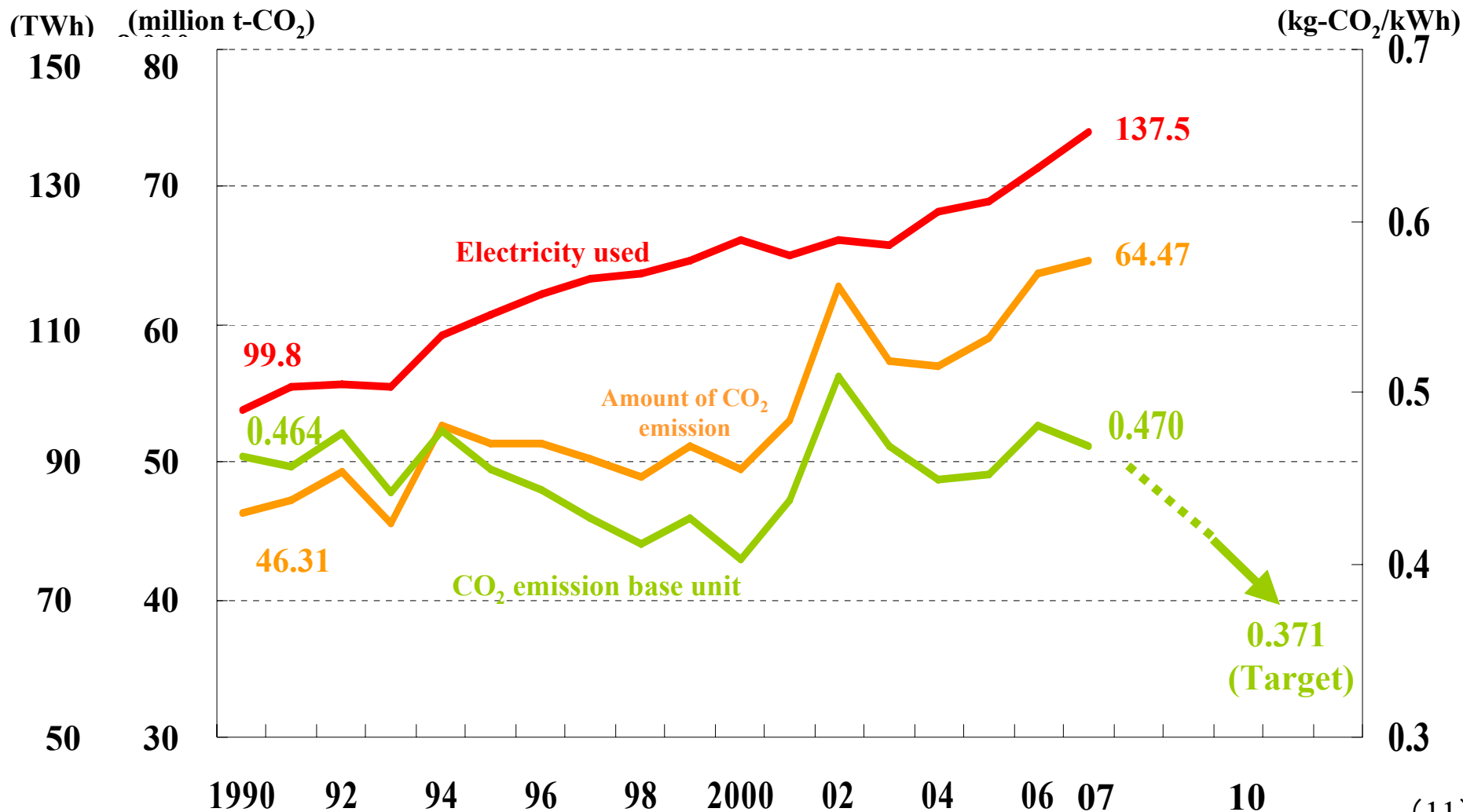


Reduction of CO₂ Emissions in Terms of Base Unit

Target

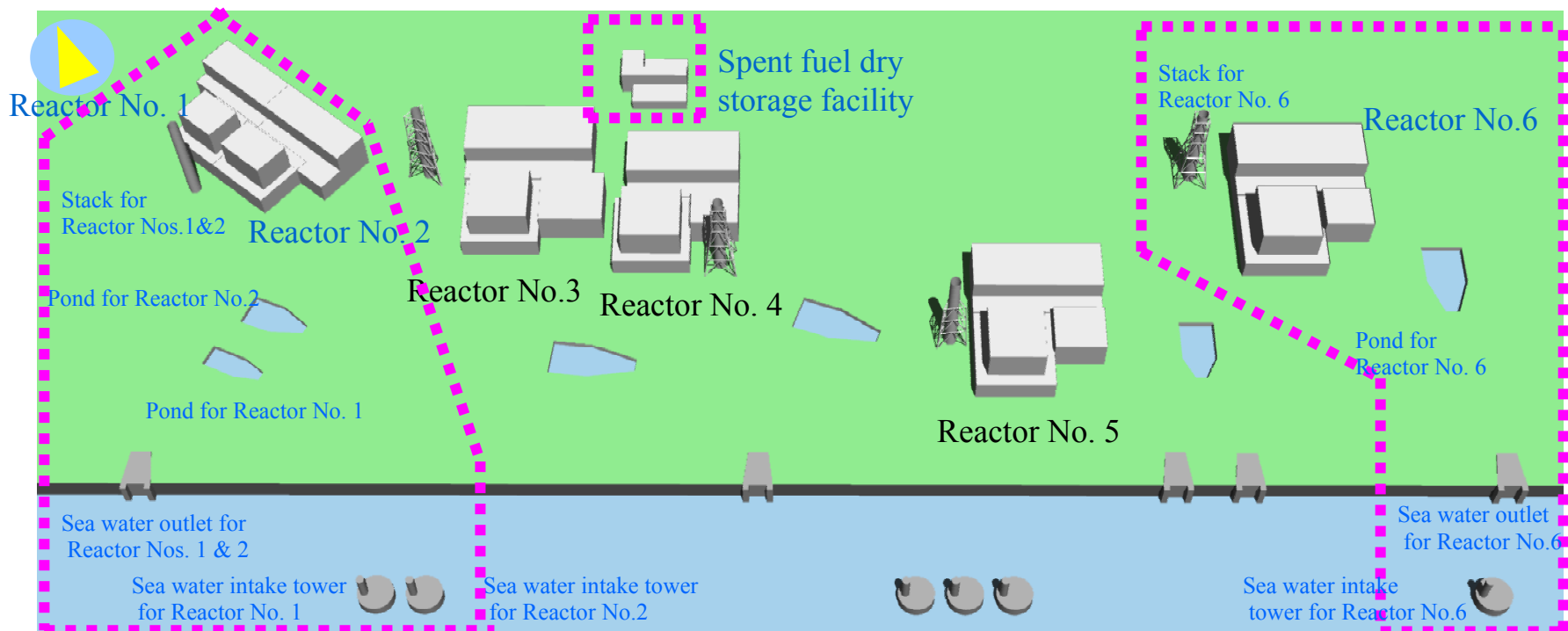
Reduce CO₂ emission by 20% in terms of base unit* on 5-year average basis from FY2008 to FY2012 (compared with the level of FY1990)

**base unit is calculated per electricity consumed*



Overview of Hamaoka Nuclear Power Station Replacement Plan ①

- 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



Overview of Hamaoka Nuclear Power Station Replacement Plan ②



December 2008

2018

**Construction of
Reactor No. 6**

◆ Construction to begin 2015 (plan) ◆ Operation to start 2018 and thereafter within several years (target)

**Termination of
operations at
Reactors Nos. 1 & 2**

◆ Planning for decommission procedures

**Construction of spent fuel
dry storage facility**

◆ Geological survey ◆ Construction to begin ◆ Usage start FY 2016 (target)

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