

Quarterly Financial Report

The information shown below is an English translation of extracts from "Quarterly Financial Report for the Nine Months Period Ended December 31, 2015", 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 (January 29, 2016)

Stock Code: 9502

Quarterly Financial Report for the Nine Months Period Ended December 31, 2015

(In accordance with provisions of regulations in Japan, and accounting standards generally accepted in Japan)

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(Figures are rounded down to the nearest million yen)

(Figures in parentheses are negative numbers)

1. Performance over the Nine Months Period Ended December 31, 2015 (Consolidated) (April 1, 2015 - December 31, 2015)

(1) Consolidated Operating Results

	3Q FY15	YoY	3Q FY14	YoY
Operating Revenues (million yen)	2,126,420	(5.9%)	2,258,962	10.0%
Operating Income (million yen)	237,913	282.6%	62,188	-
Ordinary Income (million yen)	215,302	966.7%	20,184	-
Net income attributable to owners of parent (million yen)	151,679	418.0%	29,281	-
Net income per Share (Primary; yen)	200.29		38.65	

(Note) Comprehensive income (3Q FY 2015: 139,837 million yen (YoY: 236.6 %), 3Q FY 2014: 41,550 million yen (YoY: - %))

(2) Consolidated Financial Standing

	31 Dec. 2015	31 Mar. 2015
Total Assets (million yen)	5,455,104	5,631,968
Net Assets (million yen)	1,631,673	1,507,508
Shareholders' Equity Ratio (%)	29.2	26.1

(Reference) Shareholders' Equity (December 2015: 1,591,094 million yen, March 2015: 1,468,917 million yen)

2. Dividends

	FY 2015	FY 2014	FY 2015 (Forecast)
End of 1st quarter per share (Yen)	-	-	n/a
End of 2nd quarter per share (Yen)	10.00	0.00	n/a
End of 3rd quarter per share (Yen)	-	-	n/a
End of the fiscal year per share (Yen)	n/a	10.00	15.00
Annual Dividends per Share (Yen)	n/a	10.00	25.00

(Note) Forecasts revision of dividends from the latest forecasts: Forecasts have been revised

3. Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2016(approximate estimate)

	FY 2015	YoY
Operating Revenue (million yen)	2,870,000	(7.5%)
Operating Income (million yen)	260,000	142.6%
Ordinary Income (million yen)	230,000	282.0%
Net income attributable to owners of parent (million yen)	155,000	299.5%
Net income per Share (Primary; yen)	204.68	

(Note) Forecasts revision of consolidated results from the latest forecasts: Forecasts have been revised

4. Other Information

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

(accompanying changes in the extent of consolidated companies) : None

(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: Changes occurred

ii) Changes 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 (including treasury shares)

3rd quarter, FY2015: 758,000,000 Year end, FY2014: 758,000,000

ii) Number of treasury shares at the end of period

3rd quarter, FY2015: 731,856 Year end, FY2014: 667,268

iii) Weighted average number of shares outstanding during the period (accumulation for the quarters)

3rd quarter, FY2015: 757,300,689 3rd quarter, FY2014: 757,593,210

Explanations Regarding Appropriate Use of the Forecasts, and Other Special Remark

1. The forecasts for the year ending March 31, 2016 have been revised from the previous announcement made on October 30, 2015.

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.

(Reference) Forecasts of Non-Consolidated Results for the Fiscal Year Ending March 31, 2016
(approximate estimate)

	FY 2015	YoY
Operating Revenue (million yen)	2,660,000	(8.2%)
Operating Income (million yen)	250,000	175.2%
Ordinary Income (million yen)	220,000	424.5%
Net income (million yen)	150,000	447.9%
Net income per Share (Primary; yen)	198.06	

(Note) Forecasts revision of non-consolidated results from the latest forecasts: Forecasts have been revised

The Attached Document

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1. Regarding summary information (notes)

(1) Changes in accounting policies, changes in accounting estimates, restatements

(A change in an accounting policy)

Effective from the 1st quarter of the consolidated fiscal year under review, the Company and its subsidiaries have applied the “Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21 issued on September 13, 2013, hereinafter “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 issued on September 13, 2013, hereinafter “Consolidation Accounting Standard”), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 issued on September 13, 2013, hereinafter “Business Divestitures Accounting Standard”) and other standards, based on which the accounting method was changed to record the difference arising from changes in equity in subsidiaries which the Company continues to control as capital surplus. In addition, the Company has changed its expression of net income, etc., and changed “minority interests” to “non-controlling interests.” Financial statements for the third quarter of the previous fiscal year, as well as the entire previous fiscal year, have been reclassified to reflect these changes.

The Business Combinations Accounting Standard and other standards were applied in accordance with the transitional treatment set forth in Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard and Article 57-4 (4) of the Business Divestitures Accounting Standard, and have been applied from the beginning of the 1st quarter of the consolidated fiscal year under review up to the future.

The effect of this change is minor.

I Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of Dec 31, 2015	As of Mar 31, 2015
Assets		
Non-current assets	4,720,548	4,713,064
Electric utility plant and equipment	3,139,664	3,230,666
Hydroelectric power production facilities	306,269	304,186
Thermal power production facilities	613,759	654,724
Nuclear power production facilities	170,035	182,475
Transmission facilities	749,441	780,434
Transformation facilities	402,641	404,491
Distribution facilities	776,527	779,491
General facilities	109,056	112,200
Other electric utility plant and equipment	11,933	12,663
Other non-current assets	231,123	226,276
Construction in progress	339,654	269,007
Construction and retirement in progress	339,654	269,007
Nuclear fuel	237,620	239,691
Loaded nuclear fuel	40,040	40,040
Nuclear fuel in processing	197,580	199,651
Investments and other assets	772,484	747,421
Long-term investments	221,757	207,422
Reserve fund for reprocessing of irradiated nuclear fuel	179,055	192,682
Net defined benefit asset	27,921	26,134
Deferred tax assets	174,053	191,556
Other	170,801	130,746
Allowance for doubtful accounts	(1,104)	(1,121)
Current assets	734,556	918,903
Cash and deposits	147,252	160,592
Notes and accounts receivable - trade	234,111	249,643
Short-term investments	120,097	250,080
Inventories	127,215	124,647
Deferred tax assets	25,476	50,336
Other	81,369	84,820
Allowance for doubtful accounts	(965)	(1,216)
Total Assets	5,455,104	5,631,968
Liabilities and net assets		
Non-current liabilities	2,689,044	3,010,901
Bonds payable	429,253	555,795
Long-term loans payable	1,504,766	1,693,718
Provision for reprocessing of irradiated nuclear fuel	198,522	209,746
Provision for preparation of reprocessing of irradiated nuclear fuel	16,501	16,021
Provision for loss in conjunction with discontinued operations of nuclear power plants	10,851	21,663
Net defined benefit liability	202,665	194,585
Asset retirement obligations	195,774	194,086
Other	130,708	125,285
Current liabilities	1,114,389	1,102,928
Current portion of non-current liabilities	383,917	343,564
Short-term loans payable	348,737	343,134
Notes and accounts payable - trade	155,473	169,598
Accrued taxes	54,112	67,241
Other	172,149	179,389
Reserves under special laws	19,996	10,629
Reserve for fluctuation in water levels	19,996	10,629
Total liabilities	3,823,431	4,124,459
Shareholders' equity	1,527,243	1,390,825
Capital stock	430,777	430,777
Capital surplus	70,779	70,777
Retained earnings	1,026,789	890,257
Treasury shares	(1,103)	(986)
Accumulated other comprehensive income	63,850	78,091
Valuation difference on available-for-sale securities	45,041	40,169
Deferred gains or losses on hedges	(19,165)	(14,216)
Foreign currency translation adjustment	24,905	34,670
Remeasurements of defined benefit plans	13,069	17,467
Non-controlling interests	40,579	38,591
Total net assets	1,631,673	1,507,508
Total liabilities and net assets	5,455,104	5,631,968

Note: Above figures are rounded down to the nearest million yen.

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

(Millions of yen)

	Nine-months ended Dec 31, 2015	Nine-months ended Dec 31, 2014
Operating revenue	2,126,420	2,258,962
Electric utility operating revenue	1,921,783	2,043,517
Other business operating revenue	204,636	215,445
Operating expenses	1,888,506	2,196,774
Electric utility operating expenses	1,700,054	1,988,909
Other business operating expenses	188,452	207,864
Operating income	237,913	62,188
Non-operating income	16,633	10,607
Dividend income	1,746	1,743
Interest income	3,270	3,793
Share of profit of entities accounted for using equity method	—	1,288
Gain on change in equity	4,177	—
Other	7,439	3,782
Non-operating expenses	39,244	52,612
Interest expenses	29,343	41,268
Share of loss of entities accounted for using equity method	3,639	—
Other	6,262	11,344
Ordinary revenue	2,143,054	2,269,570
Ordinary expenses	1,927,751	2,249,386
Ordinary income	215,302	20,184
Provision or reversal of reserve for fluctuation in water levels	9,367	1,930
Provision of reserve for fluctuation in water levels	9,367	1,930
Extraordinary income	10,811	28,427
Reversal of provision for loss in conjunction with discontinued operations of nuclear power plants	10,811	—
Solution Received	—	28,427
Income before income taxes and minority interests	216,746	46,681
Income taxes - current	20,922	6,895
Income taxes - deferred	42,095	9,173
Income taxes	63,017	16,068
Net income	153,728	30,613
Net income attributable to non-controlling interests	2,049	1,331
Net income attributable to owners of parent	151,679	29,281

Note: Above figures are rounded down to the nearest million yen.

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine-months ended Dec 31, 2015	Nine-months ended Dec 31, 2014
Net income	153,728	30,613
Other comprehensive income		
Valuation difference on available-for-sale securities	5,007	8,578
Deferred gains or losses on hedges	(1,504)	(3,572)
Foreign currency translation adjustment	(10,646)	5,729
Remeasurements of defined benefit plans, net of tax	(4,251)	(753)
Share of other comprehensive income of entities accounted for using equity method	(2,495)	955
Total other comprehensive income	(13,891)	10,936
Comprehensive income	139,837	41,550
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	137,439	39,431
Comprehensive income attributable to non-controlling interests	2,398	2,118

Note: Above figures are rounded down to the nearest million yen.

(3) Note regarding issue on going concern

Not applicable

(4) Note regarding in the case fluctuation in net assets occurs

Not applicable

3. 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, 2015, 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 Nine Months Period of the Fiscal Year Ending March 31, 2016 (on January 29, 2016). In addition, the item, to which some change was made in the Financial Report for the 2Q of the Fiscal Year Ending March 31, 2016, has further been changed as follows in the Financial Report for the 3Q 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, 2015.)

(2) Risks associated with Chubu Electric Group business activities

<3> Changes in the competitive environment

The Government of Japan is addressing the Electricity System Reform, focusing on the steps including: establishment of the organization for cross-regional coordination of transmission operators, full liberalization of entry to electricity retail business; further securing neutrality of the power transmission/distribution sector, and others. In addition, the supply and demand structure in the energy market could change drastically toward the realization of new energy mix, depending on several factors, such as, expanded use of renewable energies; promotion of natural gas; drastic strengthening of energy conservation, and so forth.

Given this situation, the Chubu Electric Group is exerting its maximum effort to enhance management efficiency, and is conducting proactive sales initiatives to respond precisely to customer needs. Even so, future amendments in regulations and changes to supply- demand structure could potentially have an effect on our performance.

Furthermore, Tokyo Electric Power Company, Incorporated (“TEPCO”) and the Company jointly established a new company “JERA” in April 2015, which implements a comprehensive alliance covering the entire energy supply chain from upstream investments and fuel procurement to power generation. Focusing on new fuel procurement and fuel-related businesses, new construction and replacement of thermal power plants in Japan and new overseas power generation businesses, JERA succeeded to fuel transportation and trading business for both companies in October 2015. In addition, JERA will succeed to both companies’ existing fuel businesses (upstream/procurement) and existing overseas power generation/energy infrastructure businesses in July 2016. Meanwhile, both companies will continue examining the integration of their existing thermal power stations into JERA. 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 JERA.

(2) Challenges to be addressed by the Company

The Company has decided to launch an internal company system from April 2016. In addition, Tokyo Electric Power Company, Incorporated (“TEPCO”) and the Company will integrate both companies’ existing fuel businesses (upstream/procurement) and existing overseas power generation/energy infrastructure businesses to JERA in July 2016.

Please note that the matters concerning forecasts for the future performance were judged as of the date of the announcement (on January 29, 2016) of the operating results for the third quarter of the fiscal year ended March 31, 2016.

(Challenges to be addressed)

Business environment surrounding the electric power industry has changed significantly since the accident occurred at the Fukushima Daiichi Nuclear Power Plant of Tokyo Electric Power Company, incorporated (“TEPCO”), turning into an extremely tough situation. Although the Nuclear Regulation Authority has been conducting a review to verify compliance with the new regulatory standards, most nuclear power stations in Japan have been shut down.

Furthermore, regarding the electricity system reform, the bill to revise the Electricity Business Act has passed the Diet. Details of the system’s design (e.g. full liberalization of the retail business scheduled for April 2016, legal unbundling of the electricity transmission and distribution business scheduled for April 2020) have been reviewed by the national government.

However, our mission as an electric power supplier to “provide customers with safe and inexpensive energy on a stable manner” has never changed under any business environment.

To continue to accomplish this mission toward future, it is critical to combine diverse energies such as nuclear power, thermal power and renewable energy in a balanced manner.

Particularly in a country like Japan where energy resources are scarce, the Company believes that it is indispensable to continue to use nuclear power as an important source of electric power based on all-out safety measures with the aim of addressing the challenges of global warming and other, and securing energies on a stable basis toward the future.

The Company has been experiencing extremely tough conditions in the overall business operations due to the suspension of the Hamaoka Nuclear Power Station, though the revenue and expenditure improved to some extent as a result of raising electricity rates and implementing drastic measures for higher management efficiency.

In light of these circumstances, the Chubu Electric Power Company Group has set new priority measure: “Responses to change in the business environment” in addition to existing three in which it will exert continued efforts: “Measures to further enhance the safety of the Hamaoka Nuclear Power Station,” “Measures for stable power supply,” and “Efforts toward promotion of management efficiency.”

Regarding “Measures to further enhance the safety of the Hamaoka Nuclear Power Station,” we applied to the Nuclear Regulation Authority for an examination to verify conformity of the No. 3 reactor with the new regulatory standards in June 2015, following an application for the No. 4 reactor in February 2014. We will reliably implement measures in accordance with the new regulatory standards, accurately monitor the examination status of other power companies and the latest developments, and implement other necessary measures in advance, in order to complete the project at an early stage.

Furthermore, as for Reactor No.5, the Company has also continuously been examining all the necessary steps that need to be taken. The Company is determined not only to take measures to comply with the new regulatory standards, but also to make efforts to further enhance the safety of the Hamaoka Nuclear Power Station voluntarily and continuously.

The Company will strengthen cooperation with local governments toward the formulation of an effective resident evacuation plan by local governments, while improving its disaster management system and conducting disaster drills to enhance its disaster preparedness.

The Company will fully explain these measures and efforts to local communities and society to gain their understanding.

Regarding “Measures for stable power supply,” the Company will continue to change the timing of regular inspections of power generation facilities, shorten the process of such

inspections, and procure additional fuel. Additionally, as measures to deal with aged power generation facilities, the Company will steadily promote the development of Nishi-Nagoya Thermal Power Station Group No. 7 and Taketoyo Thermal Power Plant Unit 5. Furthermore, the Company will strive to bring the reliability, economic efficiency, and flexibility of its fuel procurement to an even higher level by such a way as procuring LNG from the United States. In addition to these measures, the Company will upgrade large-scale earthquake countermeasures at its power generation facilities.

Regarding “Efforts toward promotion of management efficiency,” the Company will exert its utmost efforts to reverse its declining profitability by implementing extensive management efficiency enhancement measures without sanctuaries, such as cutting fuel costs by introducing the latest, most highly efficient generators, and materials procurement costs.

Regarding “Responses to changes in the business environment,” the Company will respond to changes in the business environment such as electricity and gas system reforms in a prompt manner and will formulate and implement a strategy to enhance competitiveness and profitability.

Specifically, regarding the electricity business, the Company will accurately identify customers' needs and offer various services (including KatEne, a web service for member households) and electricity charge options in anticipation of more intense competition due to full liberalization of the retail business, so that customers will be able to continuously choose us.

Regarding the gas business, the Company will make efforts to meet the needs of many more customers in line with the gas system reform (e.g. full liberalization of the retail business scheduled for 2017).

Furthermore, Tokyo Electric Power Company, Incorporated (“TEPCO”) and the Company jointly established a new company “JERA” in April 2015, which implements a comprehensive alliance covering the entire energy supply chain from upstream investments and fuel procurement to power generation to promote our growth strategy. Focusing on new fuel procurement and fuel-related businesses, new construction and replacement of thermal power plants in Japan and new overseas power generation businesses, JERA succeeded to fuel transportation and trading business for both companies in October 2015. In addition, JERA will succeed to both companies’ existing fuel businesses (upstream/procurement) and existing overseas power generation/energy infrastructure businesses in July 2016. Meanwhile, both companies will continue examining the integration of their existing thermal power stations into JERA.

The Company has decided to launch an internal company system and to construct an independent business framework to make flexible and swift responses.

The Chubu Electric Power Company Group will continue trying to ensure stable supply of electricity, develop the electricity business in areas other than the Chubu region, and further expand the gas business. Through these efforts, the Group will continue to respond flexibly and appropriately to changes in the energy market.

Keeping firmly in mind that trust from customers and society is the foundation of our business operation, the Company will execute the management with compliance as well as accomplish its corporate social responsibilities (CSR) as a good corporate citizen providing “security” to all customers, struggling to win confidence of, and to be selected by, customers, shareholders and investors, and contribute to the development of the local communities.