

Quarterly Financial Report

The information shown below is an English translation of "Quarterly Financial Report for the Six Months Period Ended September 30, 2018", 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 (October 26, 2018) Quarterly Financial Report for the Six Months Period Ended September 30, 2018 (FY 2018)

(In accordance with provisions of regulations in Japan, and accounting standards generally accepted in Japan)
Stock code: 9502 URL: <http://www.chuden.co.jp/english/ir/index.html> Stock listed on: Tokyo SE, Nagoya SE
Representative: Mr. Satoru Katsuno, President
Contact: Hideki Hayakawa, General Manager, Head of Investor Relations Section. Tel: +81-52-951-8211
Projected date for submitting quarterly security report: November 2, 2018
Commencement of payment of dividend: November 30, 2018
Preparation of supplementary materials for quarterly financial results: Yes
Information meeting for financial results: Yes (for analysts and institutional investors)

(Figures are rounded down to the nearest million yen)
(Figures in parentheses are negative numbers)

1. Performance over the Six Months Period Ended September 30, 2018 (Consolidated) (April 1, 2018 – September 30, 2018)

(1) Consolidated Operating Results

%: change from the same period of the previous fiscal year

	Operating Revenues		Operating Income		Ordinary Income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
For the six months ended September 30, 2018	1,487,478	6.8	94,807	(2.2)	94,219	7.8	66,516	7.0
September 30, 2017	1,393,309	6.6	96,984	(43.7)	87,388	(46.6)	62,185	(57.6)

(Note) Comprehensive income

2Q FY2018: 79,378 million yen (YoY: 28.3%), 2Q FY2017: 61,866 million yen (YoY: -48.6%)

	Net income per Share (Primary)	Net income per Share (Fully diluted)
For the six months ended September 30, 2018	yen 87.91	yen -
September 30, 2017	82.13	-

(2) Consolidated Financial Standing

	Total Assets	Net Assets	Shareholders' Equity Ratio
As of	million yen	million yen	%
September 30, 2018	5,567,823	1,857,860	32.2
March 31, 2018	5,529,408	1,791,942	31.3

(Reference) Shareholders' Equity (September 30, 2018: 1,792,185 million yen, March 31, 2018: 1,729,742 million yen)

(Note) The "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No.28, dated February 16, 2018) etc. have been applied since the start of this first quarterly consolidated accounting period. Please show the (Additional Information) of attachment p.5 for the details.

2. Dividends

	Annual Dividends per Share				
	1Q end	2Q end	3Q end	4Q end	Annual
Fiscal Year ended March 31, 2018	yen -	yen 15.00	yen -	yen 20.00	yen 35.00
Fiscal Year ending March 31, 2019	-	20.00			
Fiscal Year ending March 31, 2019(Forecasts)			-	20.00	40.00

(Note) Forecasts revision of dividends from the latest announcement: None

3. Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2019 (approximate estimate)

#: change from the previous fiscal year

	Operating Revenues		Operating Income		Ordinary Income		Net Income attributable to owners of parent		Net Income per Share (Primary)
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For the fiscal year ending March 31, 2019	3,000,000	5.1	110,000	(19.4)	100,000	(22.2)	75,000	0.8	99.12

(Note) Forecasts revision of consolidated results from the latest announcement: Yes

<Notes>

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

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

New: - Company name:

Excluded: - Company name:

(2) Application of special accounting treatment used in preparation of the consolidated quarterly financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, restatements:

- i) Changes in accounting policies to comply with the revised accounting standards : None
- ii) Changes in accounting policies, other than under i) : Yes
- iii) Changes in accounting estimates : None
- iv) Restatements : None

(4) Number of shares issued (common stock)

(shares)

- i) Number of shares issued at the end of period
- ii) Number of treasury shares at the end of period
- iii) Weighted average number of shares during each of the following six months (Apr-Sep.)

September 30, 2018	758,000,000	March 31, 2018	758,000,000
September 30, 2018	1,337,165	March 31, 2018	1,289,738
For the six months ended September 30, 2018	756,676,430	For the six months ended September 30, 2017	757,182,876

<This report is not reviewed by Certified Public Accountants nor Auditors.>

<Explanations Regarding Appropriate Use of the Forecasts, and Other Special Remarks>

1. The forecasts for the fiscal year ending March 31, 2019 have been revised from the previous announcement made in July 31, 2018. Information concerning the forecasts is mentioned on slide No.08 [Summary of Forecast for FY2018] in Supplementary quarterly materials “Presentation Materials for Six-Months ended September 30, 2018”.
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 is made on uncertain factors that would affect future results. Actual results may materially differ by various causes in the future.
3. We also disclosed Supplementary quarterly materials “Presentation Materials for Six-Months ended September 30, 2018” through TD net at the same date. We are planning to hold the meeting for investors and analysts. Presentation materials distributing in the meeting are available on our website.

(Reference) Forecasts of Non-consolidated Results for the Fiscal Year Ending March 31, 2019 (approximate estimate)
%: change from the previous fiscal year

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income per Share (Primary)
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For the fiscal year ending March 31, 2019	2,690,000	3.6	90,000	(21.5)	80,000	(12.9)	60,000	23.6	79.29

(Note) Forecasts revision of Non-consolidated results from the latest announcement: Yes

The Attached Document

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1. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of Mar 31, 2018	As of Sep 30, 2018
Assets		
Non-current assets	4,792,185	4,872,289
Electric utility plant and equipment	3,137,080	3,130,153
Hydroelectric power production facilities	311,907	307,294
Thermal power production facilities	684,665	670,311
Nuclear power production facilities	142,248	180,101
Transmission facilities	680,244	662,296
Transformation facilities	414,949	413,593
Distribution facilities	780,857	777,732
General facilities	108,150	104,864
Other electric utility plant and equipment	14,057	13,958
Other non-current assets	276,469	272,870
Construction in progress	344,469	394,620
Construction and retirement in progress	334,025	384,176
Special account related to reprocessing of spent nuclear fuel	10,444	10,444
Nuclear fuel	179,755	181,071
Loaded nuclear fuel	40,040	40,040
Nuclear fuel in processing	139,715	141,031
Investments and other assets	854,410	893,572
Long-term investments	206,723	213,886
Long-term investments in subsidiaries and associates	416,861	452,366
Net defined benefit asset	18,656	18,945
Deferred tax assets	198,842	195,324
Other	14,175	13,882
Allowance for doubtful accounts	(849)	(831)
Current assets	737,222	695,534
Cash and deposits	181,631	157,851
Notes and accounts receivable - trade	291,341	351,758
Inventories	75,056	89,712
Other	190,857	98,324
Allowance for doubtful accounts	(1,663)	(2,111)
Total	5,529,408	5,567,823
Liabilities and net assets		
Non-current liabilities	2,549,995	2,423,179
Bonds payable	619,259	549,260
Long-term loans payable	1,361,767	1,285,839
Provision for loss in conjunction with discontinued operations of nuclear power plant:	9,211	8,867
Net defined benefit liability	182,130	177,715
Asset retirement obligations	209,178	243,649
Other	168,448	157,847
Current liabilities	1,165,023	1,264,337
Current portion of non-current liabilities	257,315	268,942
Short-term loans payable	370,945	354,220
Commercial papers	—	154,000
Notes and accounts payable - trade	133,057	120,186
Accrued taxes	82,179	70,809
Other	321,526	296,177
Reserves under special laws	22,446	22,446
Reserve for fluctuation in water levels	22,446	22,446
Total liabilities	3,737,465	3,709,963
Shareholders' equity	1,688,145	1,739,447
Capital stock	430,777	430,777
Capital surplus	70,805	70,805
Retained earnings	1,188,453	1,239,834
Treasury shares	(1,891)	(1,968)
Accumulated other comprehensive income	41,597	52,738
Valuation difference on available-for-sale securities	38,649	43,948
Deferred gains or losses on hedges	(6,182)	(555)
Foreign currency translation adjustment	19,964	18,390
Remeasurements of defined benefit plans	(10,833)	(9,045)
Non-controlling interests	62,199	65,674
Total net assets	1,791,942	1,857,860
Total	5,529,408	5,567,823

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

Consolidated Statements of Income

(Millions of yen)

	Six-months ended Sep 30, 2017	Six-months ended Sep 30, 2018
Operating revenues	1,393,309	1,487,478
Electricity	1,254,458	1,319,030
Other	138,851	168,447
Operating expenses	1,296,325	1,392,670
Electricity	1,163,314	1,228,967
Other	133,011	163,702
Operating income	96,984	94,807
Non-operating revenues	8,127	13,939
Dividend income	1,221	1,542
Interest income	166	98
Share of profit of entities accounted for using equity method	3,750	7,219
Other	2,989	5,079
Non-operating expenses	17,723	14,528
Interest expenses	13,536	12,412
Other	4,186	2,115
Ordinary revenues	1,401,437	1,501,418
Ordinary expenses	1,314,049	1,407,198
Ordinary income	87,388	94,219
Provision or reversal of reserve for fluctuation in water levels	(1,188)	—
Reversal of reserve for fluctuation in water levels	(1,188)	—
Income before income taxes	88,576	94,219
Total income taxes	25,379	26,481
Net income	63,197	67,738
Net income attributable to non-controlling interests	1,012	1,221
Net income attributable to owners of parent	62,185	66,516

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six-months ended Sep 30, 2017	Six-months ended Sep 30, 2018
Net income	63,197	67,738
Other comprehensive income		
Valuation difference on available-for-sale securities	1,895	6,067
Deferred gains or losses on hedges	664	1,278
Foreign currency translation adjustment	1,501	124
Remeasurements of defined benefit plans, net of tax	(612)	1,936
Share of other comprehensive income of entities accounted for using equity method	(4,780)	2,233
Total other comprehensive income	(1,331)	11,640
Comprehensive income	61,866	79,378
Comprehensive income attributable to		
owners of parent	59,724	77,656
non-controlling interests	2,141	1,721

(3) Notes regarding Consolidated Financial Statements

(Note regarding Issue on Going Concern)

Not applicable

(Note regarding the Case of Material Fluctuation in Shareholders' Equity Occurs)

Not applicable

(Application of Special Accounting Treatment Used in Preparation of the Quarterly Consolidated Financial Statements)

Calculation of tax expenses

Notes are omitted as the same information is provided in "Change in Accounting Policy."

(Change in Accounting Policy)

Change in calculation method of tax expenses

Conventionally, tax expenses were calculated in the same way as that used in end-of-year closing of accounts. Starting the first consolidated quarterly accounting period, however, we have adopted a method of rationally estimating the effective tax rate, determined after applying tax effect accounting on the income before income taxes for the consolidated accounting year, and multiplying the quarterly income before income taxes with the said estimate of the effective tax rate.

This change is aimed at achieving faster and more streamlined closing of quarterly accounts for the Chubu Electric Power Company Group.

This change is not retrospectively applied, as it has minimal effect on quarterly consolidated financial statements.

(Additional Information)

Change in presentation

The "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No.28, dated February 16, 2018) etc. have been applied since the start of this first quarterly consolidated accounting period. Accordingly, deferred tax assets are shown under "Investments and other assets" and deferred tax liabilities are shown under "Non-current liabilities."

As a result, in the consolidated balance sheet for the previous consolidated accounting year, deferred tax assets of 25,247 million yen under "Current assets" have been replaced with deferred tax assets under "Investments and other assets", and deferred tax liabilities of 6 million yen under "Current liabilities" have been replaced with deferred tax liabilities under "Non-current liabilities."

Accordingly, since the deferred tax assets and deferred tax liabilities of the same taxable entity should be offset against each other based on the Accounting Standard for Tax Effect Accounting (Business Accounting Council), the "Deferred tax assets" under "Investments and other assets" and the "Deferred tax liabilities" under "Non-current liabilities" are offset against each other by 780 million yen.

As a result, in the consolidated balance sheet for the previous consolidated accounting year, compared with before change, deferred tax assets under the "Current assets" decreased 25,247 million yen, deferred tax assets under "Investments and other assets" increased 24,467 million yen, deferred tax liabilities under "Current liabilities" decreased 6 million yen, and deferred tax liabilities under "Non-current liabilities" decreased 773 million yen.

Change in Account Method of The Asset Retirement Cost Corresponding to the Asset Retirement Obligations in Relation to the Decommissioning of Specified Nuclear Power Plants

The asset retirement cost corresponding to the asset retirement obligations in relation to the decommissioning of specified nuclear power plants is recorded in tangible fixed assets based on the estimated total cost of decommissioning the nuclear power plants and is expensed based on the straight-line method over the period (the operational period plus the safe storage period) in accordance with “Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Plants” (Ordinance of the Ministry of International Trade and Industry No. 30 of May 25, 1989). However, on April 1, 2018, “Ordinance for Partial Revision of the Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Plants” (Ordinance of the Ministry of Economy, Trade and Industry No. 17 of March 30, 2018) came into effect, and “Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Plants” (Ordinance of the of the Ministry of International trade and Industry No. 30 of May 25, 1989) was revised. As a result, from the date of enforcement, the cost expensed based on the straight-line method over the operational period.

Consequently, there is a reduction of 1,597 million yen for the operating income, ordinary income and quarterly income before income taxes for this consolidated cumulative second quarter.

Incidentally, for the calculation of asset retirement obligations in relation to the decommissioning of Specified Reactor Facilities, reactor facilities’ operational period as well as safe storage period were used as the estimated service period. However, it has been changed, since the effectuation of the Amendments, to use reactor facilities’ operational period alone as the estimated service period.

This change has increased the amount of asset retirement obligations and assets equivalent to asset retirement obligations included in reactor facilities by 32,979 million yen respectively.