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## About the Forecasts

The future plans and forecasts described in this document are based on information the company possesses at the present time and involve potential risk and uncertainty. Therefore, actual performance or business developments in the future may differ from those described. Examples of potential risk or uncertainty include changes in the economic or competitive circumstances affecting a business sector, fluctuations in fuel prices, or modifications of laws or regulations.

Chubu Electric Power Co., Inc.

## Chubu Electric Power Group: Focused on Energy, Meeting a Range of Customer Needs

Chubu Electric Power Co., Inc. ranks third among Japan's largest electric power companies in power generation capacity, electric energy sold, operating revenues, and total assets.

With its core business in electric utilities, Chubu Electric Power Group (hereafter the Group) has developed operations as a Multi-Energy Services Group. In addition to the electric utility business, we are active in a variety of other fields: energy businesses such as supplying gas and on-site energy, construction for development and maintenance of electric utilities-related facilities, and manufacturing of materials and machinery for these facilities.

Chubu Electric Power Company serves an area of nearly 39,000 square kilometers in five prefectures of central Japan (Chubu, in Japanese), home to some 16 million people. The Chubu region is known as one of Japan's leading manufacturing regions, and many worldclass Japanese industries, including manufacturers of automobiles, machine tools, electric components, aircraft components, and new materials, are centered here.



## Chubu Electric Power Company's Share within Japan (FY2008)

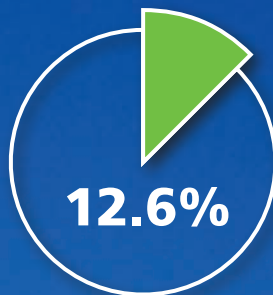
▶ Electric energy sold



▶ Area served

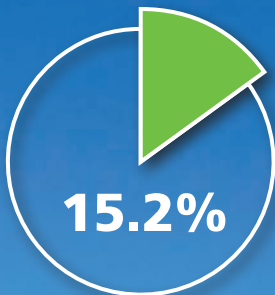


▶ Population served

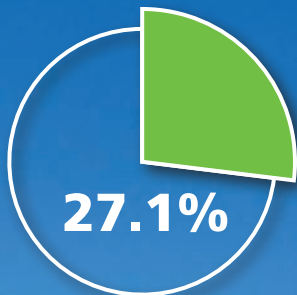


## Economical Foundation of Chubu Region

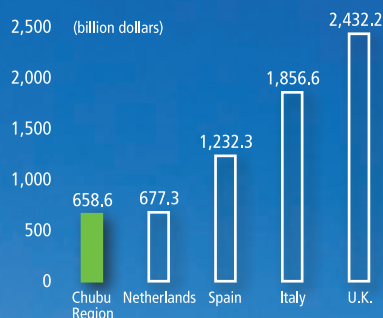
▶ Share of (Real) GDP in Japan (FY2006)



▶ Shipment Share of Products in Japan (CY2007)



▶ Comparison of GDP (Nominal)



Notes 1) Source: Annual Reports on Prefectural Accounts / Japan, Cabinet Office

2) Chubu Region: Aichi Pref., Gifu Pref., Mie Pref., Shizuoka Pref. and Nagano Pref.

Notes 1) Source: Ministry of Economy, Trade and Industry/Census of Manufactures

2) Chubu Region: Aichi Pref., Gifu Pref., Mie Pref., Shizuoka Pref. and Nagano Pref.

Notes 1) Statistics for the Chubu region are from April 2006 to March 2007; all others are from January to December 2006

2) Source: Economic and Social Research Institute, Cabinet Office

3) Chubu Region: Aichi Pref., Gifu Pref., Mie Pref., Shizuoka Pref. and Nagano Pref.



# Consolidated Financial Highlights

		Millions of yen	Millions of yen	Thousands of U.S. dollars
		FY2008	FY2007	FY2008
For the year	Operating Revenues	2,509,982	2,432,865	25,552,092
	Operating Income	182,235	167,863	1,855,187
	Ordinary Income* <sup>1</sup>	130,505	123,389	1,328,566
	Net Income (Loss)	(18,968)	70,619	(193,098)
	Operating Cash Flow	358,880	471,958	3,653,466
At year-end	Total Assets	5,470,129	5,636,258	55,686,949
	Shareholders' Equity* <sup>2</sup>	1,616,655	1,712,665	16,457,854
	Outstanding Interest-bearing Debt	2,789,038	2,862,632	28,392,935

		Yen	Yen	U.S. dollars
		FY2008	FY2007	FY2008
Per share data	Net Income (Loss)	(24.37)	90.58	(0.25)
	Cash Dividends	60	60	0.61

		%	%
		FY2008	FY2007
Financial ratios	ROA	3.7	3.1
	ROE	(1.1)	4.1

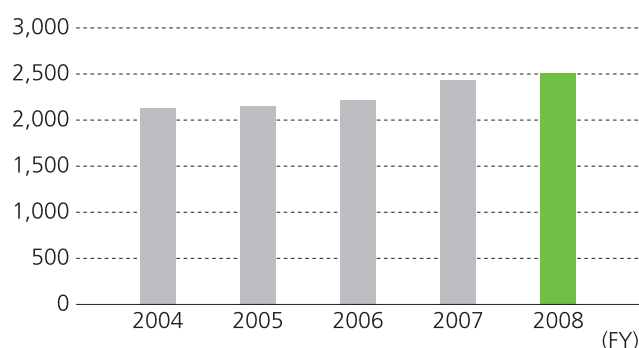
\*1 Income before provision (reversal) of reserve for fluctuation in water levels, income taxes and minority interests + (Reserve for decommissioning costs of nuclear power plants for prior periods + Loss in conjunction with discontinued operations of Hamaoka Reactors No. 1 and No. 2)

\*2 Total Net Assets – Minority interests

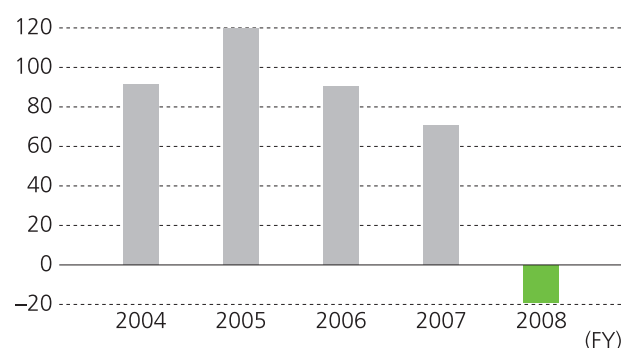
Notes: 1) U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥98.23 = US\$1

2) Chubu Electric Power Company's fiscal year is from April 1 to March 31 of the following year.

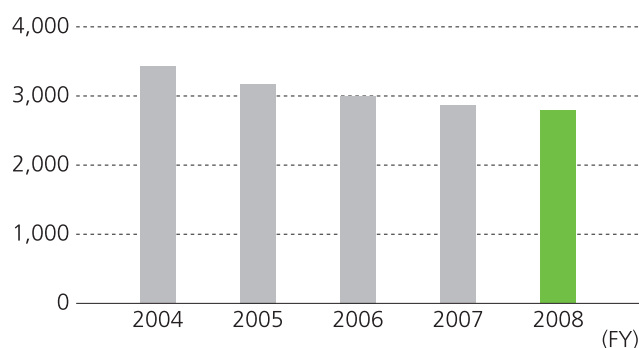
Operating Revenues (billion yen)



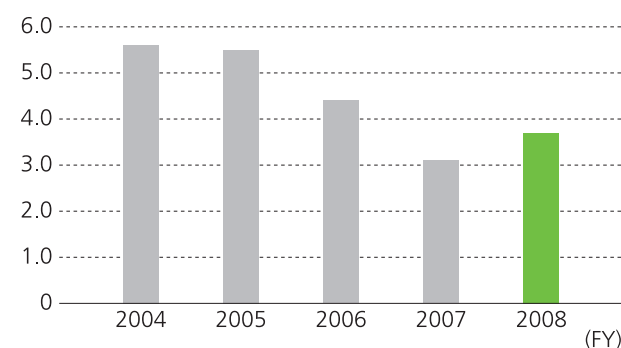
Net Income (Loss) (billion yen)



Outstanding Interest-bearing Debt (billion yen)



ROA (%)





**Fumio Kawaguchi**  
Chairman of the Board of Directors

**Toshio Mita**  
President & Director

*Fumio Kawaguchi*

*Toshio Mita*

## Results for the Fiscal Year 2008

### Overview of Consolidated Financial Results

Japan faced economic difficulties in FY 2008 across the board. As the U.S. financial crisis continued undermining the global economy and a stronger yen hampered Japanese production and exports, corporate earnings declined, employment and earnings fell, and consumer spending waned. This downward trend was evident in our primary business area of central Japan.

Under these circumstances, we saw higher consolidated sales (operating revenues), which rose by 3.2% over the previous year to ¥2,510.0 billion. A lower sales volume of electric energy was offset by higher electric utility revenues from residential, commercial, and industrial (on an increase of unit sales price), for an overall gain in revenue.

In expenses, factors such as higher fuel prices in our electricity business raised consolidated operating expenses 2.8% to ¥2,327.7 billion. As a result, consolidated operating income increased by 8.6% to ¥182.2 billion.

Moreover, our consolidated net loss for the period stood at ¥19.0 billion, mainly from recording an extraordinary loss of ¥153.7 billion in conjunction with the termination of operation at Reactors No. 1 and 2 at Hamaoka Nuclear Power Station, which includes their loss on power generation facilities.

## Challenges to Overcome

Electric power retailing in Japan has been gradually liberalized, a process that began in March 2000. Recently, discussions for provisions for a competitive environment have come underway, in order to achieve both stable electrical supply and environmental soundness in an efficient manner, based on the dialogues made for system reform during the meetings of the Electricity Industry Committee (government subcommittee). The intensity of competition is growing beyond traditional boundaries between industrial sectors and business categories - not only within electric power, but with the whole energy market itself.

Additionally, recognition is growing of the urgent need for concerted efforts to respond to global climate change. One example was seen as leaders at the G8 Hokkaido Toyako Summit last summer issued declarations to the effect that emission reduction targets for greenhouse gases such as CO<sub>2</sub> should be shared worldwide, as global targets, and adopted as a matter of policy.

On the other hand, social and economic systems now face unprecedented challenges, in the form of drastic price fluctuation in crude oil and other fossil fuels, worsening global economic conditions stemming from unrest in financial markets, and other issues.

Against this background, while continuing to ensure a stable supply of electricity, the Group is taking on the following challenges to protect the global environment in our diverse sphere of operations and achieve sustainable growth as a Multi-Energy services group based in the Chubu region.

## Sales Efforts Geared Toward Customer Satisfaction

We are fully committed to providing services that satisfy our customers.

Toward this end, we are stepping up efforts to promote an “all-electric” concept for homes and electrification of air-conditioning, cooking, and other tasks while redoubling our efforts in electricity usage consulting. By developing and providing Multi-Energy services combining electricity, gas, LNG, and on-site energy, we offer precisely the solution customers seek for a variety of needs, when they need it. We will continue working to develop our services, emphasizing the unique advantages of electricity in environmental friendliness, safety, and convenience for the benefit of our customers as we take a stand for the environment.

## Stable Generation and Reliable Supply of Affordable, High-Quality Energy

We generate affordable, superior energy and provide a reliable supply for our customers.

Toward this aim, we build power facilities for a balanced energy portfolio ensuring stable energy supply, environmental protection, and energy efficiency. This and other work is aimed at systematically and efficiently organizing and operating facilities from a medium- to long-term perspective. We are steadily pursuing nuclear power in particular, with safety as the highest priority, because this energy source has supply stability and global environmental advantages. Specifically, at the Hamaoka Nuclear Power Station, we will maintain sound operating practices and take the initiative in information disclosure as we continue to inform the public regarding such agendas as the replacement plan. Meanwhile, we are taking steps to win the understanding of stakeholders and communities regarding the MOX fuel program.

We will be promoting nuclear power and developing high-efficiency LNG thermal plants following Shin-Nagoya Thermal Power Station Group No. 8, such as Joetsu Thermal

Power Station, as we continue intensive efforts aimed at advances in environmental soundness and efficiency in the field of electric power generation. Meanwhile, our efforts to continue procuring fuel in a stable and economical way have led us to diversify our sources while increasing our storage capacity, as with additional LNG tanks at Kawagoe Thermal Power Station.

### Fulfilling our Corporate Social Responsibility, Starting with the Global Environment

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We are taking the initiative in matters of protecting the global environment and other aspects of corporate social responsibility (CSR).

Toward this end, being a good corporate citizen means that diligent regulatory compliance is only the start. Environmental stewardship involves promoting nuclear

power and new energy sources including solar, wind, and biomass to increase our ratio of non-fossil energy sources while boosting thermal efficiency at thermal power plants for better energy efficiency in general. Furthermore, we are to meet the environmental needs of customers and society, and we are helping to popularize new energy resources and energy-efficient technologies.

### Strengthening our Business Foundation to Enhance Corporate Value

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To enhance corporate value, we strengthen the foundations of our business.

We therefore promote strategic use of management resources, group restructuring, stronger management, and the pursuit of technical R&D that supports future business.



Operating cash flows produced by these corporate activities will be allocated for capital investment in a carefully planned way to ensure a stable, efficient supply of electricity. We also aim to provide steady returns to our shareholders over the long term. In addition, Strategic investment will be made for business growth and development. Cash flow allocation by the Group keeps the details and balance in focus, as we seek to improve our financial footing.

As we coordinate the strengths of the Group, we are committed to achieving sustainable growth as a robust enterprise that can respond flexibly and effectively to structural changes in the energy market, a corporate citizen diligent about CSR with a record that inspires confidence, and as a reliable firm, sought out by customers, shareholders and investors alike, that contributes to the development of our local communities.

## Management Objectives

### Sales of Electric Power

By the end of FY 2010 we intend to meet the following targets: In the residential sector, increase the number of all-electric homes to over 600,000 in total by the end of FY 2010; in the commercial and industrial sectors, create 800 MW of demand by promoting the use of electricity for kitchens, air conditioning and so on.

In FY 2008, there were more than 460,000 all-electric homes in all, and in the commercial and industrial sectors, we achieved 430 MW in demand.

### Gas, LNG, and On-site Energy Business\*

We have set a target of ¥45 billion in combined sales in FY 2010 for our gas, LNG, and on-site energy businesses. In FY 2008 we recorded ¥40 billion in combined sales for these three facets of business.

\* A service in which energy facilities are installed on the customer's premises (at factories, for example) to supply the energy needed by the customer.

## < Financial >

The company had established financial goals for the period from FY 2007 to 2010 and meeting these targets through concerted group effort has been a priority for us.

However, amid dramatic change in the business environment, such as a significant fluctuation in fuel price, financial results for FY 2007 and 2008 fell quite short of the targets. Moreover, growing uncertainty of the business environment, led by the worldwide economic downturn following fluctuation in financial markets, constitutes a circumstance that is extremely hard for us in which to foresee the future.

Based on these situations, we had judged that adhering to these goals is no longer reasonable, thus, on January 30, 2009, we had decided to retract financial goals, designating FY 2008 as the last target year, and had revise the policy on shareholders' return, which was based on these goals.

Although we are currently refraining from setting new financial goals for the time being, we aim to secure profit needed to stably maintain the current dividend levels with further accumulation. Also, the Company will strive to keep the current shareholders' equity ratio levels and ensure sound financial strength.



## Basic Policy on Allocation of Operating Cash Flows

For optimal use of the results of management activities, represented as operating cash flow for all stakeholders, we have designated four areas for the allocation of operating cash flows and established the following allocation policy.

Despite the unpredictability of the challenging business environment, we remain committed to this basic policy.

Priority allocation is given to “essential investments for a stable supply of electricity” and “stable dividends to shareholders” as the use of operating cash flows.

In addition, the allocation will be given, with consideration to the usage and balance of the cash flows, to “strategic investment” for projects enhancing assets such as business and facilities, as well as for future growth, then to such criteria as the “improvement of financial footing.”

### Essential investment for stable supply of electricity

We use operating cash flow to fulfill our duty to the public, and we feel that customers and all other stakeholders share our appreciation of the significance of this investment.

We are developing efficient facilities to ensure a stable, safe, affordable, and environmentally sound supply of electricity.

### Stable dividends to shareholders

Cash allocation to compensate our shareholders and investors

As we continue investing to build and operate the facilities that fulfill vital roles in the stable supply of electric power, such as Hamaoka Nuclear Power Station, we strive to meet shareholder expectations by maintaining annual dividends on the level of 60 yen per share.

### Strategic investment for corporate growth and development

Investment that obviously meets the expectations of our shareholders and investors but also our customers and local communities

As we seek sustainable growth for the Group as a whole, our investment further reinforces our electric power business and helps develop and nurture businesses that complement it well, and from which we anticipate greater service and profitability.

#### Specific examples

Investments for the development of more efficient future facilities; to enhance infrastructure for greater flexibility in fuel procurement; to develop new power sources for electricity; to invest in gas, LNG, and on-site energy businesses; overseas energy business; among other areas for sustainable growth

### Improving the group's financial footing, and so on

Cash allocation that satisfies our creditors, financial institutions, and business partners. Also in the form of cost reductions, which are in the interest of all our stakeholders.

We strive to maintain the shareholders' equity ratio at current levels, and ensure the soundness of our financial position. Keeping in mind appropriate returns to shareholders, we will continue to act at the right time in acquiring treasury stock as we monitor financial conditions and market trends.

Japan (and central Japan in particular) has been suffering since global economic conditions worsened last year. As a Multi-Energy services group serving Chubu and other areas, the Chubu Electric Power Group will provide superior energy services, focused on electric power, that are reliable and affordable to meet diverse customer needs through progressive marketing efforts.

## Developing Proactive Sales Programs

### Business Applications

We have received requests from our corporate customers to cut energy costs in particular and to reduce their environmental burden.

In addition to electricity, we offer comprehensive energy solutions combining gas and on-site energy services. We recommend heat source systems—units incorporating heat pumps as well as industrial IH equipment for air conditioning, kitchen appliances, water heating,

production processes, and other purposes. Additionally, we suggest more efficient methods of operation. These finely tuned solutions meet a range of needs.

By promoting electric systems in kitchen appliances, air conditioning, water heating, and production processes, we have created 430 MW of demand in the area we serve between FY 2007 and 2008. Looking ahead, we will be taking many opportunities to present these systems to customers as we close in on our sales target of creating 800 MW of demand by the end of FY 2010.

### Domestic Applications

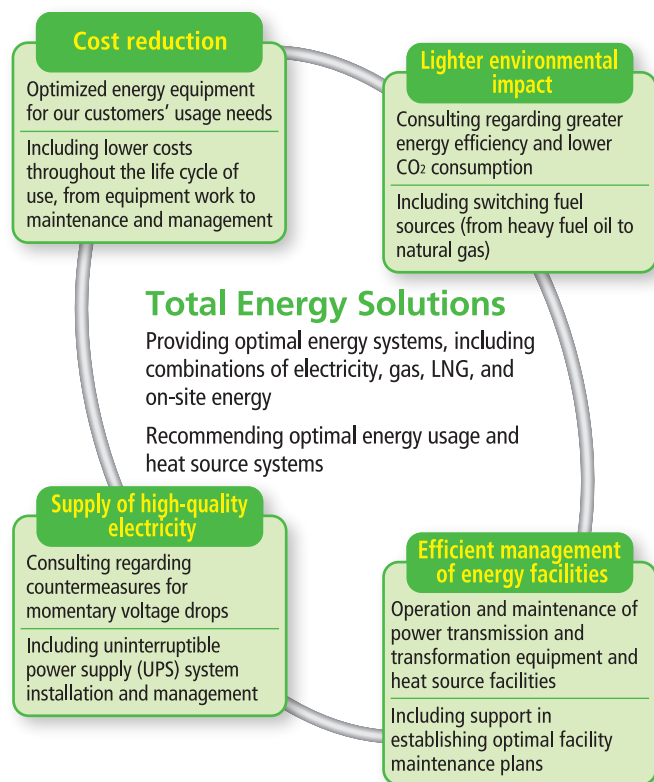
More customers are seeking safe, reliable, economical, and environmentally sound energy choices at home.

Each of these four criteria is met through the unique advantages of electricity in the Eco Cute electric water heaters we market, equipped with a heat pump applying renewable energy technology.

By the end of FY 2008, there were more than 460,000 all-electric homes in our sales region, using electricity for temperature control, water heating, and cooking. We continue to take the initiative in promoting environmentally sound Eco Cute heat pump units and other products as we look to meet our sales target of 600,000 homes by the end of FY 2010.

Through websites and physical sites, we provide the solutions for greater comfort and convenience at home, and also, support our environmental commitments.

Our design-oriented e-Lifestyle Information Center showroom in Nagoya holds presentations and events on topics of interest in consumer lifestyles, in partnership with manufacturers of electric appliances and residential



systems, furniture and tableware suppliers, and other local lifestyle-related enterprises.

Meanwhile, we also operate a website named *"the Heart Bridge"* and publish a related seasonal magazine, established to foster enjoyable and comfortable lifestyles with our customers in the region.

Effective since April 2009, we have introduced a

new promotional phrase, *"ON! What electricity can do for you and what electricity can do for the earth."* By saying *"ON!"*, which originates from "turning on the electricity" and represents vitality and a positive attitude, we are looking forward to delivering new value and more attractive features to our customers.

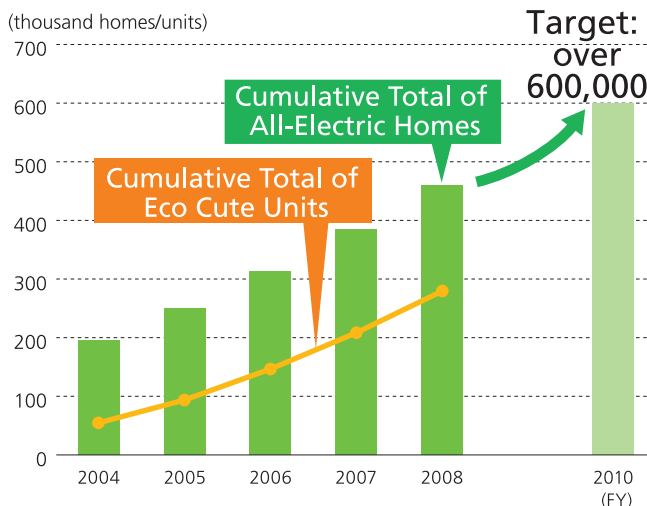
### New promotional phrase, "ON!"

# ON!

あなたにでんきができること。  
地球にでんきができること。

(What electricity can do for you and what electricity can do for the earth.)

### Trends in Cumulative Adoption of All-Electric Homes and Eco Cute (in Chubu Electric Sales Area)



Sales Strategy



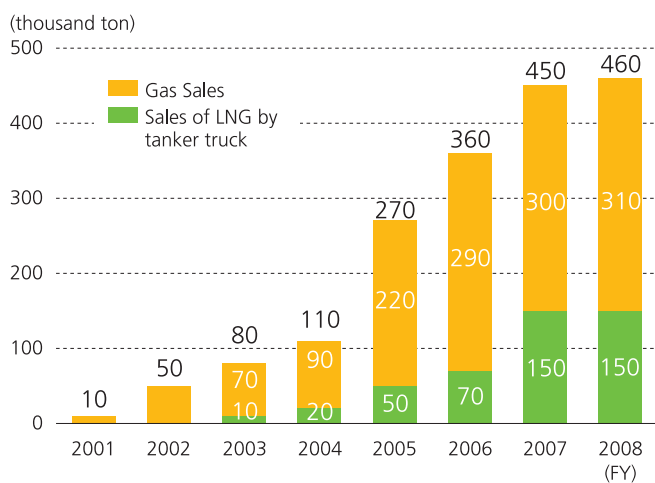
"design no Ma" e-Lifestyle Information Center

## Gas, LNG, and On-Site Energy Businesses

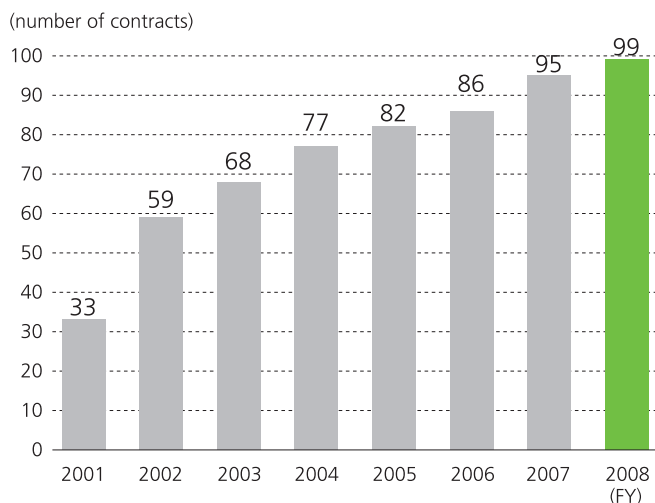
In the energy market, a new market is developing beyond traditional boundaries between industrial sectors and business categories in such ways as the change in fuel sources, from heavy oil to natural gas, based on society's growing awareness of environmental issues, among other factors.

Accordingly, the Gas Sales & Service Department coordinates integrated management in three businesses: Development of gas sales using Chubu-owned pipelines,

### Trends in Gas and LNG Sales Volume



### Cumulative Contracts of C Energy



LNG sales by tanker truck through group company LNG Chubu CORPORATION, and on-site energy sales and service by C Energy Co., INC. We meet diverse customer needs as a one-stop energy solution provider.

We will continue to do all in our power to meet our sales target of ¥45 billion in combined sales for the three facets of this division in FY 2010.

## Overseas Energy Businesses

We have set aside the period up to FY 2010 as a time to build our overseas energy businesses. Applying management resources, including technical expertise and personnel, we intend to cultivate new sources of revenue. These efforts can also contribute significantly to strengthening international ties and protecting the environment. As before, the activities will be conducted with ample attention to business efficiency and risk management.

In investing to strengthen the foundations of our business overseas, we are focusing on opportunities ensuring stable long-term revenue. As we build the majority of our portfolio from areas where we have experience (in Southeast Asia, North America, and Qatar), we will carefully manage existing projects as we enhance their potential as a base of revenue. In consulting business, cooperative projects, and exchange programs, we anticipate a synergistic effect in energy businesses at home and abroad. We manage this business with several goals in mind, hoping to maintain and pass down technical expertise, contribute internationally, and develop closer ties with our fuel suppliers.

The environmental projects we participate in (such as existing projects in Thailand and Malaysia, where power is generated from biomass) enable us to secure revenue and gain CO<sub>2</sub> credits. We will continue developing these projects in times to come.

## Domestic Energy Businesses in Operation

Business	Business Entity	Summary
On-site energy services	C ENERGY CO., INC. Capital: ¥3.4 billion 73.4% owned by Chubu Electric Power; 26.6% owned by six other companies	Established in April 2001, C ENERGY CO., INC. has developed into a Multi-Energy service company. In addition to gas cogeneration facilities, business was expanded to include independent on-site heat and cold sources business and photovoltaic business. Cumulative contracts as of the end of March 2009: 99
Gas supply	Chubu Electric Power ancillary businesses	Gas sales since 2001, leveraging Chubu Electric Power-owned fuel for power generation and gas pipelines in areas around power plants. FY 2008 sales volume: approx. 310,000 metric tons
Sales of LNG by tanker truck	LNG Chubu CORPORATION Capital: ¥200 million 51% owned by Chubu Electric Power; 49% owned by two other companies	Established in June 2000, LNG Chubu CORPORATION sells LNG (liquefied natural gas) mainly to large corporate customers in Chubu area. FY 2008 sales volume: approx. 130,000 metric tons
	Hokuriku Erunesu Co., Ltd. Capital: ¥200 million 34% owned by Chubu Electric Power; 66% owned by three other companies	Hokuriku Erunesu Co., Ltd. was established in Aug. 2001 by Chubu Electric Power Co., Inc., Hokuriku Electric Power Co., Inc. and two other firms to handle LNG sales in the Hokuriku region. FY 2008 sales volume: approx. 20,000 metric tons

## Overseas Energy Businesses in Operation

	Project (Investment)	Output	Summary
Power generation projects	Thailand Gas Thermal IPP Project	1,400 MW	Entered operation in June 2008.
	Mexico Gas Thermal IPP Project	525 MW	Entered operation in June 2006.
	Qatar Ras Laffan B Independent Water and Power Project	1,025 MW	Entered operation in June 2008.
	Qatar Mesaieed A Independent Power Project	2,000 MW	Scheduled to enter operation in 2010.
	Qatar Ras Laffan C Independent Water and Power Project	2,730 MW	Scheduled to enter operation in 2011.
	U.S.A. Existing IPP Dispersed Power Generation Project	—	Interest held in one IPP site
Environmental projects (CDM/JI* Projects)	Australia Adelaide Afforestation Project	—	Participated in FY2002.
	Thailand Rice Husk Biomass Power Generation Project	20 MW	Entered operation in December 2005.
	Asian Environmental Funds	—	Investment in several small-scale environmental projects
	Malaysia Oil Palm Empty Fruit Bunch Biomass Power Generation Project	10 MW × 2 sites	Entered operation at Site 1 in January 2009.

\* Projects that find, study, and launch clean development mechanism (CDM) and joint-implementation (JI) opportunities, with the goal of gaining CO<sub>2</sub> credits.

# Electric Power Supply and Demand

At Chubu Electric Power, we consider it our responsibility to provide customers with an affordable supply of high-quality energy well into the future, safely and on a stable basis.

Toward this end, we seek an optimal, balanced energy portfolio accounting for energy efficiency, stability of supply, and environmental soundness. Nuclear power plants, high-efficiency thermal plants, and other facilities that reflect this approach are being systematically developed.

Although demand for electric power in the Chubu region is currently lower due to the economic slowdown, we anticipate a gradual increase in the medium and long term. This outlook is based on expectations of a recovery in production activity within the Chubu region thereby putting production back on track, after clearing the adjustment phase, and a forecast of solid growth in all-electric homes.

To be prepared for future growth in electricity demand, we are developing nearly 4.24 GW of electric power sources over the next 10 years (FY 2009 to 2018), including purchases of power from other companies.

Electric Power Supply and Demand

Sales Plan	
<b>Electric Energy Sold</b>	<b>0.7%</b>
Average annual growth, FY2007–FY2018 (Growth rate is value-corrected for temperature and leap year)	
<b>Peak Load</b>	<b>0.6%</b>
Average annual growth, FY2007–FY2018 (Growth rate is value-corrected for temperature)	
Power Generation Facilities Plan	
Own-developed	Start of Operation
Joetsu Thermal Power Station Group No. 1 (1,190 MW)	FY2012
Joetsu Thermal Power Station Group No. 2 (1,190 MW)	FY2013, 2014
Hamaoka Nuclear Power Station Reactor No. 6 (1,400 MW class)	FY2018 and thereafter (within several years)
Power Purchased	Start of Operation
Oma Nuclear Power Station (205 MW)	FY2014
Tsuruga Nuclear Power Station Reactors No. 3 and 4 (1,446 MW)	FY2015, 2016
Power Transmission Facilities Plan	
	Start of Operation
275 kV Joetsu Thermal Power line	FY2011
275 kV Suruga - Higashi Shimizu line 275 kV Higashi Shimizu Substation	FY2013
Higashi Shimizu Substation FC	FY2014 (Partial operation from FY2006)
500 kV Chubu-Kansai Daini-Linkage 500 kV Daini-Linkage Switching Station	FY2016
500 kV Sangi Trunk Line: π connection with Daini-Linkage Switching Station	

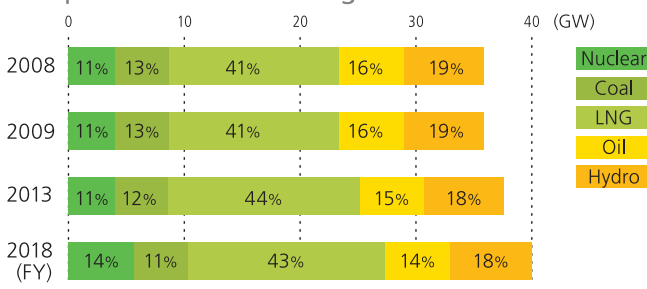
## Active Commitment to Nuclear Power

Nuclear power is an excellent source of energy from the standpoints of supply stability and environmental soundness. With safety as the major prerequisite, nuclear power (as well as the establishment of nuclear fuel cycles) is clearly promoted as a matter of national policy in Japan, as specified in the Framework for Nuclear Energy Policy,

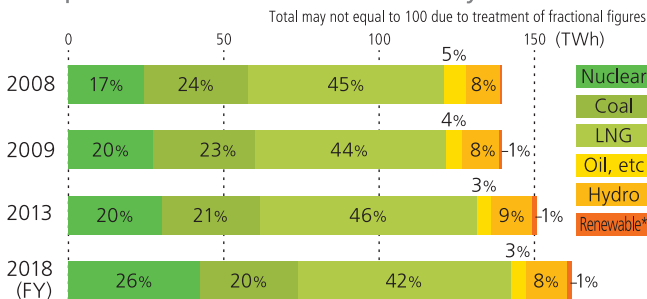
## Power Supply Composition

Power sources of Chubu Electric Power Company are developed from a comprehensive perspective ensuring a stable, economical, eco-friendly, and technologically sound energy supply, with an optimal balance of energy sources.

### Composition of Generating Facilities



### Composition of Generated Electricity



\* Figures in FY2009 and thereafter include a biomass mixture at Hekinan Thermal Power Station.

established by the Atomic Energy Commission and approved by Cabinet in 2005, and the Basic Energy Plan, approved by Cabinet in 2007. Moreover, the Action Plan for Achieving a Low-Carbon Society, approved by Cabinet in July 2008, also indicates that increasing Japan's ratio of non-fossil fuel energy, with a focus on nuclear power, is a critical element in meeting targets.

As expectations for nuclear power and its role in society continue to grow, we must make it our priority

and take the initiative in development, especially because nuclear power represents only a small fraction of our energy portfolio compared to other utility companies. Working toward an optimal energy portfolio with a higher proportion of nuclear power, we are doing our utmost to develop additional sources of nuclear power.

### Hamaoka Nuclear Power Station Replacement Plan and Other

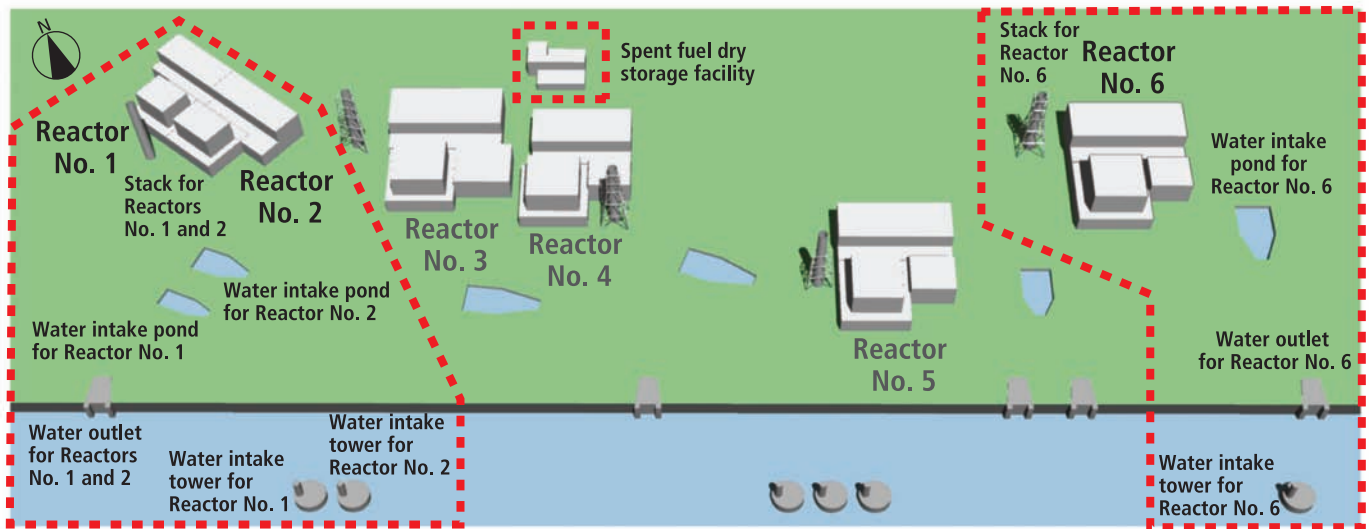
For peace of mind in our local communities, seismic resistance enhancements at Hamaoka Nuclear Power

Station were implemented to withstand earthquake ground motion with a target value of approximately 1,000 gals (on a bedrock surface).

The enhancements on Reactors No. 3-5 were completed by March 2008. Investigations for enhancing Reactors No. 1 and 2 were also conducted, but we had concluded that such improvements were economically unfeasible, due to the amount of time and expense required.

On the other hand, as a company with a smaller nuclear output capacity relative to our optimal portfolio, we recognize the importance of expedited development

### Hamaoka Nuclear Power Station Layout



### Decommissioning Schedule for Reactors No. 1 and 2 at Hamaoka Nuclear Power Station

FY2008	FY2013 — FY2014   FY2015	FY2018 — FY2022   FY2023	FY2023 — FY2029   FY2030	FY2028 — FY2029   FY2030	FY2033 — FY2036
Stage 1: Period of preparation for dismantling		Stage 2: Period of dismantling and removal of reactor zone peripheral equipment		Stage 3: Period of dismantling and removal in the reactor zone	
Stage 4: Period of dismantling and removal of buildings, etc.					
◆ Termination of operations					
◆ Application for approval of decommissioning plan		◆ Application for approval of changes to decommissioning plan			
Fuel outshipment and transfer					
Survey of contamination status, etc.					
System decontamination					
Detailed examination of dismantling and removal					
Dismantling and removal of reactor zone peripheral equipment					
Safe storage					
Dismantling and removal in the reactor zone					
Dismantling and removal of buildings, etc.					
Processing and disposal of radioactive waste (waste from operation and waste from dismantling)					
Dismantling and removal of uncontaminated facilities and equipment located outside the control zone and which are no longer in common use among the reactors					

Note: Further applications for approval of changes may be filed in stages to coincide with the dismantling work schedule.

of nuclear power plants, and the need for their active promotion, since there is more expectation on the role of nuclear power as a viable solution toward a “stable supply of electricity,” and in “preserving the earth environment” in the future.

Accordingly, we have decided to terminate the operations of Reactors No. 1 and 2, and to build a new reactor, Reactor No. 6, as their replacement.

### [Construction of Reactor No. 6]

Reactor No. 6, to be built on-site on the east side of the power station, will incorporate a 1,400 MW class advanced boiling water reactor. It is scheduled to go on-line in 2018 and thereafter (within several years).

### [Measures to Decommission Reactors No. 1 and 2]

Safety is our top priority in decommissioning Reactors No. 1 and 2, and we will ensure regulatory compliance.

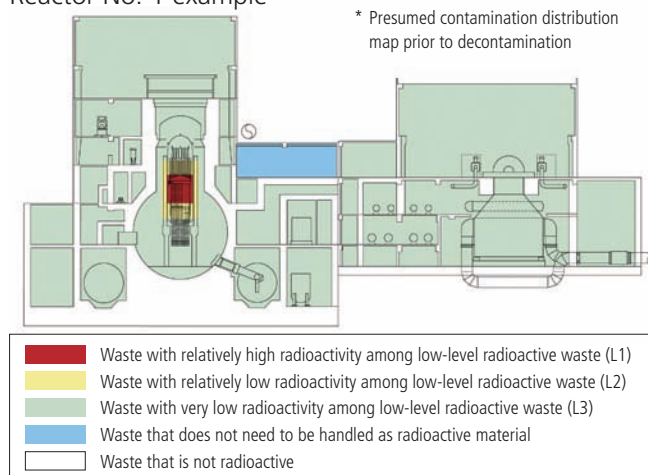
Approximately 480,000 tons of waste will be produced from dismantling these units, of which 17,000 tons (approximately 3%) will be radioactive.

Following regulations, radioactive waste from decommissioning procedures will be classified according to radioactivity levels and processed accordingly.

Discarded material that is not radioactive waste or need not be managed as such will be recycled or treated as industrial waste.

### State of contamination of facilities to be decommissioned

Reactor No. 1 example



### [Dry Storage Facilities for Spent Fuel]

Dry storage facilities for spent fuel is where spent fuel will be stored in specialized containers (metal casks) until transfer to a reprocessing facility. This storage facility will be built on-site before its planned use in FY 2016.

### Introducing MOX Fuel Program to Establish a Nuclear Fuel Cycle

Japan is energy deficient yet a major consumer of energy. In order for Japan to ensure a reliable source of energy in the future while curbing global warming, it is necessary to establish a nuclear fuel cycle that includes a MOX fuel (plutonium) program.

In such program, a nuclear power station reuses plutonium that has been isolated by reprocessing the spent uranium fuel that is removed from nuclear power stations. The use of plutonium-uranium mixed oxide fuel, or MOX fuel is a key component of the national nuclear power policy in Japan, would allow for more effective utilization of uranium resources. The MOX fuel program will be introduced by electric power companies across Japan.

Chubu Electric Power is planning to introduce the MOX fuel program to Reactor No. 4 of the Hamaoka Nuclear Power Station. The plant received its first shipment of MOX fuel in May 2009 from the Melox plant in France after production in January 2009.

Looking ahead, with safety as our foremost priority, we will continue to inform the community as we prepare to begin MOX fuel use in FY 2010.

### Active Deployment of High-Efficiency Thermal Power Plants

The company is constructing high-efficiency LNG thermal plants at Joetsu Thermal Power Station as Joetsu Group No. 1 and Group No. 2, Unit 2-1, which are scheduled to start operation in FY 2012 and 2013 respectively. Furthermore, in order to achieve a further reduction of fuel for power generation and CO<sub>2</sub> emission, we have expedited the development of Joetsu Thermal Power Station Group No. 2, Unit 2-2, by three years, with its targeted commencement of operation set for FY 2014.



## Developing Transmission, Transformation and Distribution Systems with Absolute Reliability

In transmission, transformation, and distribution facilities as well, we have been constructing facilities in a systematic manner, in an effort to ensure a stable supply of electricity, while new technologies and more advanced security systems are also being introduced to promote efficiency. To account for the aging transmission and distribution facilities that were built during the period of extensive growth in electricity demand, we are steadily and systematically repairing and improving facilities from a medium- to long-term perspective, to ensure reliable and improved customer service. Additionally, as we streamline the group framework for construction work, we will continue to build, maintain, and service facilities more efficiently.

## More Stable, Economical, and Flexible Fuel Procurement and Improved Fuel Infrastructure

To ensure stable, economical fuel procurement and the flexibility to respond quickly and judiciously to fluctuations in supply and demand, we are strengthening our fuel supply chain (from production and purchasing to power generation) and investigating the acquisition of upstream interests and use of fuel trading.

Especially for a firm such as Chubu Electric Power, for which LNG thermal generation account for more than 40% of all power generated, strengthening LNG procurement capability is an ongoing mission. Our methods include diversifying sources, combining a variety of short- to long-term purchasing agreements, and ensuring greater flexibility in terms of volume and destination clauses in agreements.

To ensure a supply that is both stable and economical, we view the process from fuel procurement to power generation as a series of steps that must function efficiently as a whole. Thus, for facilities supporting stable yet flexible LNG procurement, we are expanding construction of piers where LNG supertankers can dock, increasing our storage capacity through additional LNG

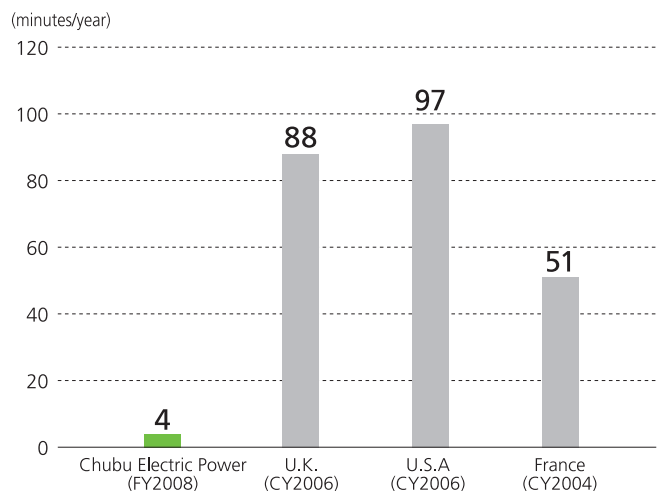
tanks, and working with Toho Gas Co., Ltd., to install gas pipelines across Ise Bay, linking Kawagoe Thermal Power Station to Toho Gas' Yokkaichi Plant and to LNG bases in Chita Area LNG bases as we steadily improve our fuel-related infrastructure.

## Electricity Meeting the Highest Standards of Quality Worldwide

We have remained committed to providing a stable, uninterrupted supply of high-quality electricity, with minimal fluctuations in voltage or frequency, through an integrated system from power generation to delivery to our customers that enables us to manage occasional shifts in demand. We have prepared and maintained safeguard systems to minimize accidental power cuts from lightning and other natural phenomena.

As a result of these constant efforts, the quality of our electricity meets the highest standards worldwide. Looking ahead, our objective is to continue to supply high-quality electricity to satisfy customer needs.

## Service Interruptions due to Supply Incidents per Customer



Source: With the exception of figures for Chubu Electric, these statistic are from *Status of Electric Power Industry, 2008*, Federation of Electric Power Companies of Japan

# Management Efficiency Improvement Measures

To date, we have sought greater efficiency from many standpoints when building and operating facilities and managing procurement as we cut costs. Capital investment has declined after peaking in FY 1993 to substantially low levels during the past several years.

Meanwhile, we must continue to invest steadily and systematically from a medium- to long-term perspective for reliable supply stability. Toward this end and with cost-cutting measures as a prerequisite, we invest as needed for a stable supply of electricity and sustainable growth for years to come.

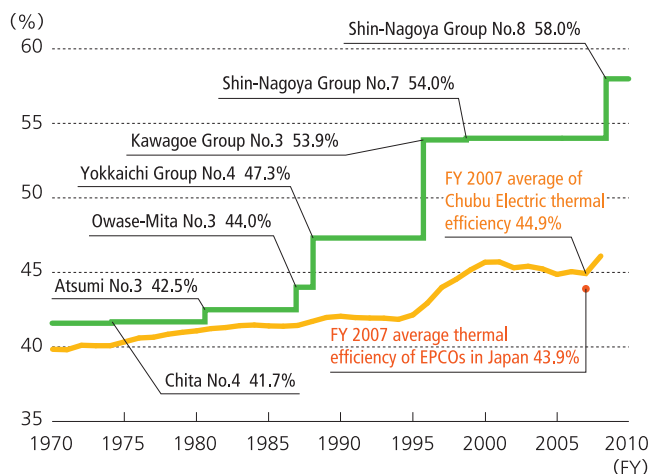
## Greater Facility Efficiency

We are proceeding with facility-wide cost reductions through such efforts as improvements in the efficiency of entire generating facilities, scrap-and-build renewal of generators, and by the application of new technologies, construction methods and standardized specifications.

Following the completion of the high-efficiency combined-cycle Shin-Nagoya Thermal Power Station Group No. 8, which went on-line in FY 2008, Joetsu Thermal Power Station Groups No. 1 and 2 (scheduled for startup between FY 2012 and 2014) employ exceptionally efficient power-generation technology and will also use less fuel and help reduce CO<sub>2</sub> emissions.

This use of high-efficiency combined-cycle plants effectively reduces annual CO<sub>2</sub> emissions by approximately 1 million tons at Shin-Nagoya Thermal Power Station Group No. 8 and approximately 1.6 million tons at Joetsu Thermal Power Station Groups No. 1 and 2.

### Trends in Thermal Efficiency of Thermal Power Generation Facilities (LHV Basis)



Source: Environmental Action Plan by the Japanese Electric Utility Industry (2008), Federation of Electric Power Companies of Japan

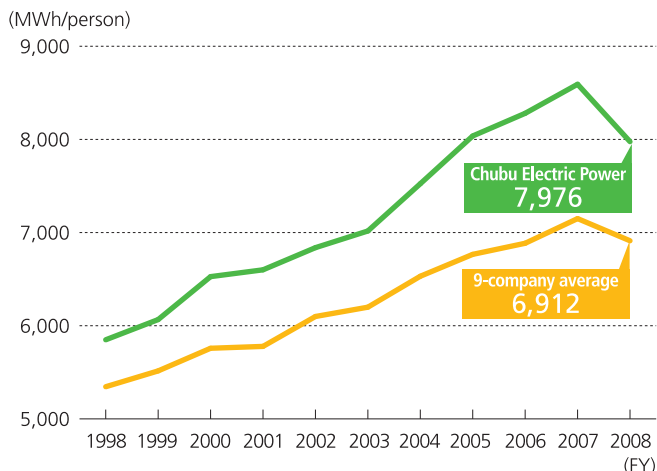
## Increasing Overall Operational Efficiency of Power Plants

Chubu Electric Power Company has been working on several measures to optimize plant operations. We make extensive use of LNG thermal power plants, including high-efficiency combined-cycle plants. Installing auxiliary boilers enables us to temporarily shut down oil-fired thermal power plants when demand is low. As a result of these measures, we have continued to maintain one of the top overall thermal efficiency rates nationwide in FY 2008, at 46.08% (LHV basis).

## Increasing the Efficiency of Business Operations

Pushing for greater efficiency in business operations, we are among the most highly rated Japanese utility companies in terms of the ratio of electric energy sold per employee. Further streamlining in business management over the coming years is expected to support a high level of labor productivity.

### Trends in Power Sales per Employee



## Business Activities that Make a Difference for the Environment

Recognizing environmental initiatives as one of the Group's foremost commitments, we established the Chubu Electric Power Group Environmental Declaration in April 2004, defining the Group's philosophy and vision with respect to the environment. Under this declaration, we continue to evolve into a corporate group that shares society's regard for the environment and one that contributes to the sustainable development of our local communities.

We have been formulating action plans, setting specific targets, and working to meet them following the four guidelines of the environmental declaration. Having reached the end of the period for our previous medium-range targets FY 2008, in June 2009 we identified FY 2020 as our new target date, which coincides with the next medium-term target date for climate change countermeasures in Japan and abroad.

Through these initiatives, we will continue to demonstrate our commitment to the environment.

## Business Activities Geared at Curbing Climate Change

We seek to lower our average base unit CO<sub>2</sub> emissions by 20% relative to FY 1990 levels during the first commitment

period of the Kyoto Protocol (FY 2008–2012). In FY 2008, our base unit CO<sub>2</sub> emissions were 0.424 kg-CO<sub>2</sub>/kWh, 8.5% lower than that in FY 1990. The newly operational Shin-Nagoya Thermal Power Station Group No. 8 (a high-efficiency combined-cycle power plant) and application of Kyoto mechanism CO<sub>2</sub> credits have contributed in this regard. It is a goal we will continue pursuing as diligently as possible by increasing the nuclear power utilization rate of nuclear power plants, developing high-efficiency LNG thermal plants, introducing new energy sources, acquiring CO<sub>2</sub> credit through the Kyoto mechanism, and taking other approaches.

Examples of our environmental commitments include working toward utilization targets for new energy sources in line with the RPS Law\*<sup>1</sup> and other programs, coordinating group companies to take an aggressive stance in developing and introducing renewable energy sources such as solar and wind power, purchasing surplus energy from renewable energy providers, and popularizing and promoting new sources of energy through the Chubu Green Power Fund\*<sup>2</sup> and Certificate of Green Power system.

\*1: Under the RPS (Renewables Portfolio Standard) Law, utility companies must use at least a certain amount of electric power from new energy sources as defined by the government, such as solar, wind, biomass, and small-scale hydropower (1 MW or less).

\*2: Through the Green Power Fund program, customers can donate to support power generated from natural energy sources. The funds promote power facilities using these sources.

## Chubu Electric Power Group Environmental Declaration

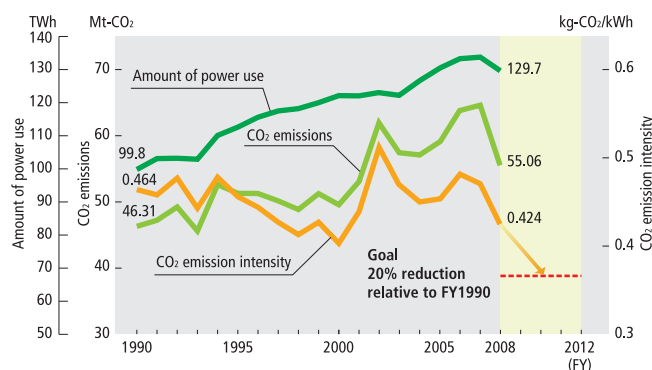
Environmental Philosophy	We will conduct ourselves responsibly and in good faith as members of the energy industry, and strive to protect the global environment through local, regional, and international cooperation.	
Environmental Vision	We will promote global environmental conservation and contribute to the development of local communities capable of sustainable growth. — Transforming ourselves into a corporate group that enables each member to share in the environmental culture —	
Guideline 1.	We will use resources effectively.	<ul style="list-style-type: none"> <li>• We will work toward the development and practical application of renewable energy.</li> <li>• We will promote the efficient use of energy.</li> </ul>
Guideline 2.	We will reduce our environmental impact.	<ul style="list-style-type: none"> <li>• We will proactively reduce emissions of CO<sub>2</sub> and other greenhouse gases.</li> <li>• We will aim for zero emissions and realization of a society dedicated to recycling.</li> </ul>
Guideline 3.	We will improve our level of environmental management.	<ul style="list-style-type: none"> <li>• We will clearly recognize the environmental impact of our operations and undertake thorough environmentally conscious administration.</li> <li>• We will cultivate personnel capable of independently taking action on environmental concerns.</li> </ul>
Guideline 4.	We will promote environment-related communication and improve cooperation with the community on a local and global level.	<ul style="list-style-type: none"> <li>• We will improve interactive communication related to the environment and energy.</li> <li>• We will cooperate with people in a wide range of fields outside the conventional framework.</li> </ul>

## Action Plan

Item	Medium-term Goal (FY2020)	Relevant Guidelines	
Global Warming Prevention Reduction of CO <sub>2</sub> Emissions	Promoting Nuclear Power Generation	<ul style="list-style-type: none"> <li>Maximizing the usage of nuclear power generation facilities, while placing priority on ensuring safety (85% facility utilization rate*)</li> <li>Promoting nuclear fuel recycling</li> <li>Promoting the replacement of nuclear power plants and making continuous efforts to cultivate new sites</li> </ul>	1, 2
	Promoting Development of Renewable Energy	<ul style="list-style-type: none"> <li>Steadily achieving the annual targets of the Renewable Portfolio Standards (RPS) Law (16 TWh throughout Japan by FY2014 (an estimated 2.3 TWh to be achieved by Chubu Electric Power)**)</li> <li>Steadily achieving the targets for after FY2015 under the RPS Law</li> </ul>	1, 2
	Promoting Energy Conservation		
	Improving Thermal Efficiency of Thermal Power Plants	<ul style="list-style-type: none"> <li>Achieving Japan's highest level of thermal efficiency through continuous efforts to maintain the present efficiency level of existing facilities, and through steady development and optimum operations at the Joetsu Thermal Power Station (Overall thermal efficiency of 47% (lower heating value standard))</li> </ul>	1, 2
	Promoting the Introduction of Next-generation Vehicles**3	<ul style="list-style-type: none"> <li>Promoting the introduction of next-generation vehicles (Introducing 1,500 vehicles)</li> </ul>	1, 2
	Saving Energy in the Residential Sector	<ul style="list-style-type: none"> <li>Expanding the usage of Eco Cute heat pumps and other high-efficiency products</li> <li>Actively implementing ecological lifestyle promotion activities</li> </ul>	1, 2, 4
	Saving Energy in the Commercial and Industrial Sectors	<ul style="list-style-type: none"> <li>Proposing solutions that utilize the technologies and expertise of Chubu Electric Power and Group companies</li> </ul>	1, 2, 4
	Researching CO <sub>2</sub> Reduction Measures	<ul style="list-style-type: none"> <li>Promoting research on CO<sub>2</sub> reduction measures (Supporting the widespread usage of next-generation vehicles and the effective utilization of biomass fuels Technologies for the separation, capture, fixation, and biological utilization of CO<sub>2</sub>)</li> </ul>	2
Complementary Initiatives	<ul style="list-style-type: none"> <li>Utilizing the Kyoto mechanisms (appropriate response toward the post-Kyoto framework)</li> </ul>	2, 4	
Reducing the average CO <sub>2</sub> emission**4 by 20% for the period from FY2008 to FY2012 (below FY1990 level) (Appropriate response toward the post-Kyoto framework for the period after FY2013)			
Protecting Biological Diversity	Biodiversity-friendly Business Activities	<ul style="list-style-type: none"> <li>Implementing biodiversity-friendly business activities</li> </ul>	4
	Promoting Environmental Conservation Activities	<ul style="list-style-type: none"> <li>Achieving harmony with nature in our service territory and conserving the environment</li> <li>Promoting nature regeneration activities and the development of nature conservation technologies (Donating 16,000 saplings per year and achieving a cumulative total of more than 500,000 trees)</li> </ul>	4
Creating a Recycling Society	Achieving Zero Emissions**5	<ul style="list-style-type: none"> <li>Reducing external landfill waste among Chubu Electric Power and Group companies (Achieving an external landfill waste ratio of less than 1%)</li> </ul>	2
	Promoting Green Procurement	<ul style="list-style-type: none"> <li>Improving the green procurement rate for office supplies among Chubu Electric Power and Group companies (Achieving a 100% green procurement rate for office supplies)</li> </ul>	2, 3
Chemical Substances Management	Supporting PCB Treatment	<ul style="list-style-type: none"> <li>Promoting proper management and treatment of devices containing PCB (Completing the treatment of all devices by 2016)</li> </ul>	2
Thorough Environmental Management		<ul style="list-style-type: none"> <li>Promoting the utilization of the Environmental Management System (EMS) to improve operational effectiveness and efficiency among Chubu Electric Power and Group companies on a continuous basis</li> </ul>	3
Training Personnel Capable of Taking Independent Action on Environmental Concerns		<ul style="list-style-type: none"> <li>Maintaining and improving environmental awareness among employees of Chubu Electric Power and Group companies (Achieving full participation in the Chubu Electric Power Group Eco Points Program, and training a cumulative total of 300 Chuden Foresters, or volunteer forest conservation instructors)</li> </ul>	3
Communication with Local Communities		<ul style="list-style-type: none"> <li>Promoting education on energy and the environment in cooperation with local communities</li> <li>Actively implementing environmental activities with local communities and strengthening partnerships with local companies</li> </ul>	4
Cooperation with the World		<ul style="list-style-type: none"> <li>Expanding overseas energy projects using the technologies and expertise of Chubu Electric Power and Group companies</li> </ul>	4

- \*1: Facility utilization rates vary every year depending on whether or not a periodical inspection is held. In order to eliminate this variance, the rate is calculated over an extended period of time (averaging over 5 years).  
 \*2: Estimated from the power supply/demand projections and supply plans released by the Japan Electric Power Survey Committee.  
 \*3: Refers to such new types of vehicles as electric vehicles and plug-in hybrid vehicles  
 \*4: The CO<sub>2</sub> emissions intensity is calculated per the electricity amount consumed.  
 \*5: Reducing volume of waste sent to external landfills, including waste from contractors (waste generated due to work ordered by us) to less than 1% of entire volume of waste.

## CO<sub>2</sub> Emissions Trend



Note: CO<sub>2</sub> emissions and emissions intensity for FY2008 reflect Kyoto Mechanism credits.

## Status of Facilities Using Renewable Energy Sources

Record as of the End of FY2008	No. of Facilities in Use	Scale of Generation (kW)
Photovoltaic	49	542
Wind power	1	250

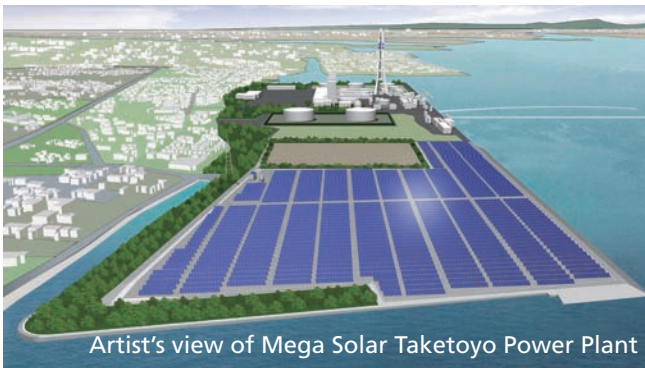
## Purchase of Surplus Power from Renewable Energy Sources

Record as of the End of FY2008	No. of Contracts	Volume of Power Purchased (GWh)
Photovoltaic	72,158	155.62
Wind power	32	167.53
Waste materials	36	206.36
Small/medium-scale hydroelectric	7	10.8

### Developing Mega Solar Power Plants (Large-scale Solar Power Generation)

Development is underway for the first Chubu Electric commercial mega solar power plant. The plant will be located within the Taketoyo Thermal Power Station compound in Aichi Prefecture and is expected to go on-line in fiscal 2011.

Generating 7 MW, it will be the largest solar energy project under our jurisdiction. It will effectively reduce annual CO<sub>2</sub> emissions by approximately 3,400 tons.



Artist's view of Mega Solar Taketoyo Power Plant

As we look to use renewable energy effectively, we consider it imperative to further popularize outstanding Japanese technology. We take the initiative in deploying this mega solar plant and expanding solar applications knowing that it will help drive down prices in solar panels and encourage widespread use.

### Generating Power from Biomass-Fuel Mixtures

Preparations for mixed combustion of woody biomass fuel are now underway at Hekinan Thermal Power Station. Woody biomass fuel will account for approximately 1.5% of the plant's output, and the corresponding reduction in coal use will offset annual CO<sub>2</sub> emissions by approximately 300,000 tons.

A trial run is being conducted using the plant's equipment as of the end of FY 2008 through 2009, and we are making steady progress in anticipation of full-scale operation with woody biomass fuel this fiscal year or later.

### Developing Wind Power Generators

Chubu Electric wind power generators (expected to produce 22 MW) are scheduled to go on-line in FY 2009

and 2010 at Omaezaki Wind Power Station, followed by another site (26 MW) in FY 2012 or later.



AOYAMA-KOGEN  
WIND FARM

Group companies C-TECH and AOYAMA-KOGEN WIND FARM currently operate 28 turbines generating 31 MW on the Aoyama Plateau in Mie Prefecture.

C-TECH is also currently building a 38 MW facility at Wind Park Kasadori in the north of the Aoyama Plateau, in the cities of Tsu and Iga in Mie Prefecture. Work is expected to be finished in FY 2010.

Investigation is also underway for further expansion of the AOYAMA-KOGEN WIND FARM into an adjacent area. This expansion is slated for completion in FY 2015.

### Introducing Electric Vehicles for Company Use

About 1,500 electric vehicles (including plug-in hybrids) will be introduced to our fleet by the end of FY 2020. This represents more than 40% of all company cars.

Deploying this many electric vehicles enables an annual reduction of CO<sub>2</sub> emissions of about 1,500 tons.

Not only does the introduction of eco-friendly vehicles support environmentally conscious business activities, these measures will also help popularize electric cars in general, which is another step toward the low-carbon society we envision.



Image of electric cars to be introduced

## Practicing Corporate Social Responsibility

Chubu Electric Power acts diligently in fulfilling our corporate social responsibility as a good corporate citizen.

We actively contribute to the sustainable development of our local communities through highly transparent business management practices, which we feel are an earnest commitment that answers the expectations of our stakeholders.

Because we manage infrastructure that serves many customers in particular, public and employee safety is paramount. Our most fundamental concern is the safe and stable operation of all of our many facilities, and because we view this as the basis for trust, we will continue to work diligently in this regard.

Our CSR framework consists of the dedicated CSR Group in the Corporate Planning & Strategy Division and the CSR Promotion Council of division managers, which identifies CSR issues and takes steps for improvement. Progress is published annually in the CSR Report.

As a key pillar in executing CSR, under the guidance of our Compliance Committee, we have formed a company-wide framework encouraging each division and facility to practice CSR autonomously. We educate all employees on matters of compliance, and we feel these efforts represent proactive compliance management.

Moreover, we have established the Chubu Electric Power Group Compliance Council, in order to carry out activities to ensure group-wide compliance.

## Corporate Governance

### Governance Structure

To remain a trusted company and the first choice for shareholders, investors, and all stakeholders, we are working to take corporate governance to the next level, with fairness and transparency as central management tenets.

In addition to the corporate bodies prescribed by Japan's Corporation Law (such as a board of directors, board of auditors, and corporate auditors), our governance structure includes the Corporate Planning & Strategy Council and Executive Officers' Committee.

The Board of Directors generally meets monthly to discuss and decide important matters of management and items governed by law or the articles of incorporation. The board also hears progress reports to monitor directors as they execute their duties. Additionally, outside directors have been appointed since FY 2007 in a commitment to decision-making and supervision unbiased by the interests of those carrying out directives, which makes management fairer and more transparent.

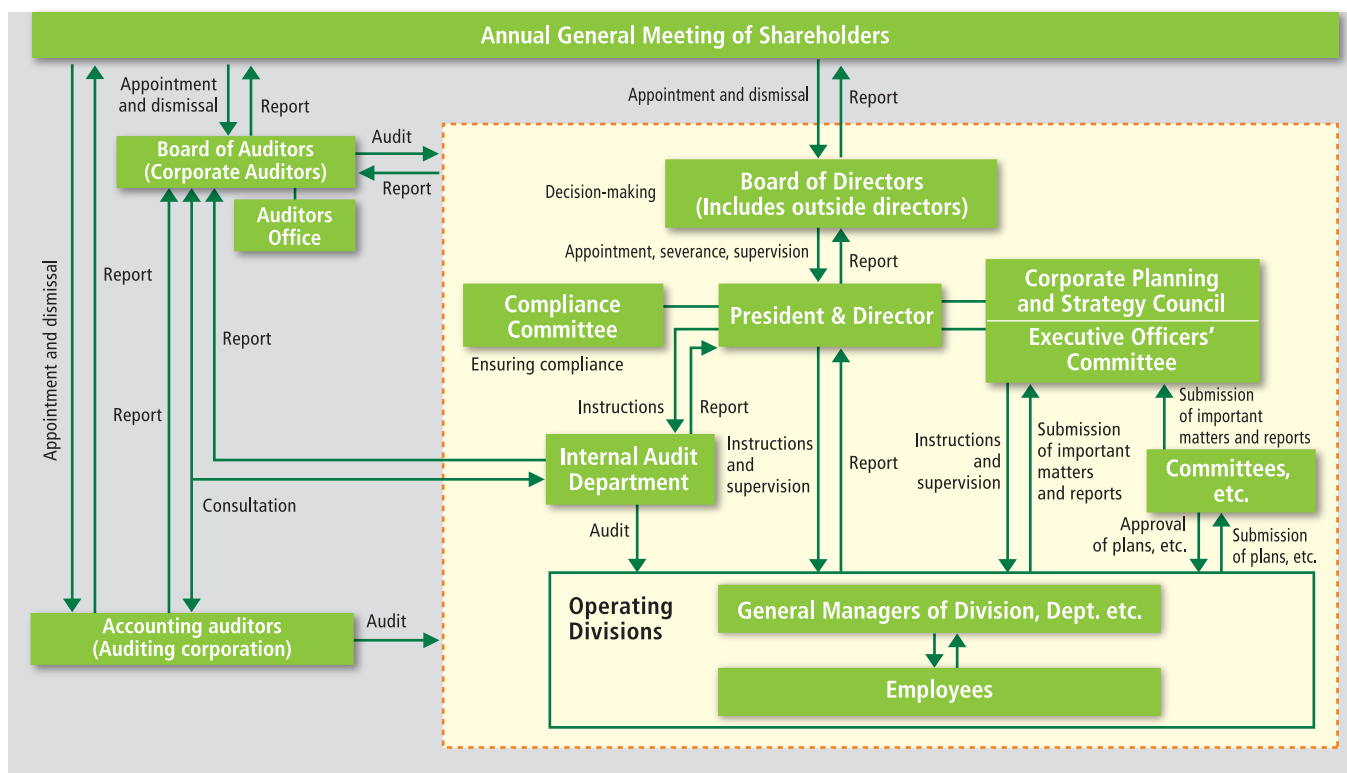
The Executive Officers' Committee generally meets once a week for preliminary deliberation of items on the agenda of the Board of Directors and to discuss other important business matters. Meanwhile, the Corporate Planning & Strategy Council of representative directors and other leaders discusses the course of action in medium- to long-term management. Matters requiring special attention are submitted to the Executive Officers' Committee and Board of Directors. We have adopted an executive officer system to ensure that management's decision-making and supervision duties are separate from the execution side and to help accelerate execution. Substantial presidential authority is given to the managing executive officers with other responsibilities who serve as General Managers, and the execution of duties in specified areas is completed by persons below the rank of General Manager.

As a rule, a director will serve in dual capacity when a managing executive officer must serve also as a General Manager, to ensure consistency between managerial decisions and actual business operations in these specified areas, by using his or her expertise for the dialogs that take place in meetings of the Board of Directors.

To ensure that our management system is capable of responding quickly to changes in the business environment and that management responsibilities and executive responsibilities are clear, directors, managing executive officers, and executive officers are limited to a one-year term.

The Board of Auditors allocates the roles of the Corporate Auditors and shares information in order to conduct audits more systematically and efficiently. It also issues decisions and approvals regarding matters of law and the items prescribed by the articles of incorporation. Corporate Auditors audit every aspect of the performance

## Chubu Electric Power's Corporate Governance Framework



of duties by the directors, for which purpose they attend meetings of the Board of Directors and other important meetings, hear from directors regarding the performance of their duties, and examine the circumstances of company operations and finances.

The Internal Audit Department, which is under the direct control of the president and independent of the operating divisions, is responsible for internal audits, and it performs these audits on the activities of the operating divisions, basing its perspective on internal control system effectiveness and CSR.

### Internal Controls

#### Preparation and Operation of Internal Control System

Chubu Electric Power set its basic stance on the preparation of a Company Law-based internal control system at an April 2006 meeting of the Board of Directors, where we formatted a set of guidelines "to ensure the

proper conduct of business operation," consisting of items related to business management, risk management, compliance, auditing, and so on. A revision was made at a March 2008 Board of Directors meeting that reflected internal control on financial reporting, among other matters, followed by a revision reflecting items relating to business management of Group companies, decided at an April 2009 meeting of the Board of Directors.

Chubu Electric Power appropriately prepares and operates its internal control system as based on this set of guidelines.

### Group Initiatives

As part of initiatives to ensure the proper conduct of business operations, Chubu Electric Power has defined internal Group controls. We have set up a department to oversee relevant issues pertaining to our Group companies in order to adequately develop management strategies and policies applicable to the whole Group, and to effectively manage the Group companies. In FY 2008,

rules have been effectuated for the management of Group companies, in order to prepare and operate their internal control more appropriately.

Since FY 2006, we have been conducting internal audits of consolidated subsidiaries, while extending support to the Group companies in their efforts to establish and operate internal controls.

### Internal Controls on Financial Reporting

Concerning internal control on financial reporting as based on the Financial Instruments and Exchange Law, Chubu Electric Power has prepared a system to visualize, confirm, and evaluate important business processes relating to financial reporting. This system has been in operation since April 2008.

We will continue to work to ensure appropriate financial reporting.

### Risk Management

Risk management for the company as a whole and for the individual divisions should seek to prevent risks, as well as preventing the spread of damage during emergencies that follow their occurrence. We are conducting organizational improvement and putting in place authorities and internal regulations accordingly.

Specifically, risks that can have a serious impact on management are subject to risk management protocol and other internal regulations. According to these regulations, the Corporate Planning and Strategy Division and the various individual divisions are to ascertain and evaluate such risks, which are then to be reported at Management Meetings. They are also to act on the instructions of top management to formulate and implement management plans and business operation plans incorporating risk countermeasures.

When an emergency or other such event that would have a serious impact on the company's assets or credibility in society occurs, then actions are to be taken in accordance with emergency countermeasures regulations, emergency management regulations, and other such regulations. Such actions include reporting to command posts, emergency action for damage control, and restoration procedures.

## Strengthening of Business Foundations

Chubu Electric Power has developed business as a Multi-Energy services group focused on electricity and energy business as our core domain.

We will continue building our overall strengths as a group by promoting unified business management, pursuing technical R&D that supports electricity and energy business in years to come, and reinforcing the foundations of our business in other ways.

These efforts will support us in enhancing corporate value and meeting the expectations of our stakeholders.

## Strengthening of Group Business Structure

The Group has been proceeding with the reorganization of our group companies in an effort to consolidate management resources and put companies on sounder footing in business. We are also stepping up measures to enhance the efficiency of the business structure of the group as a whole.

We have identified the leveraging and advancing of group strengths as a chief issue. Under these guidelines, Chubu Electric and its group members fulfill clearly delineated roles.

## Strengthening of Group Management System

In FY 2005 we introduced a group results evaluation system to evaluate progress in plans prepared by group companies. Under this system, plans are evaluated objectively and quantitatively by Chubu Electric Power Company and clear parameters of managerial responsibility are set. To make this system even more effective, starting in FY 2006, we took a different approach to director compensation by adopting a performance-based bonus system.

We also plan to increase the efficacy of management supervision by discussing target attainment measures during the strategic group conference that is to be attended by executives from Chubu Electric and the Group companies.



## Expanding Efforts to Secure the Group Workforce

As the Group companies face an increasingly aging and retiring workforce, it is essential for us to maintain and steadily transfer the wealth of expertise and skills of these staff members to the younger generation in order to support the power infrastructure. Therefore, Chubu Electric has established a number of initiatives to support

the Group companies in securing an adequate workforce, which include such initiatives as offering posts from across the Group to former employees of the entire group. Other initiatives include the joint recruitment from Chubu Electric and its Group companies of new graduates by means of brochures and seminars that help convey the role of group companies within the Group. These activities are based on evaluations of the number of workforce members that are needed within the entire group.

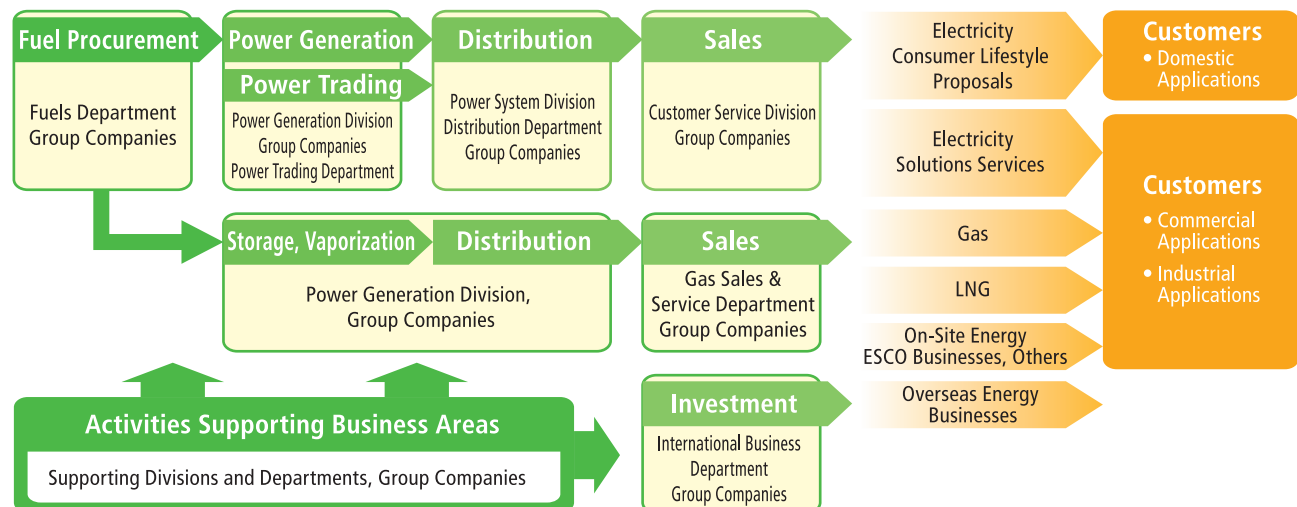
## Strengthening of Group Business Structure

October 2003	Merger of CTI Co., Ltd. and Chuden Computer Service Co., Ltd. (New company: Chuden CTI Co., Ltd.) and Sales Service Shizuoka Co., Ltd. and Chuden Engineering and Sales Service Nagano Co., Ltd.	Reorganization of Chuden Engineering
January 2006	Merger of Eiraku Transportation Co., Ltd., and Oigawa Transportation Co., Ltd. (New company: Chuden Transportation Service Co., Ltd.)	
October 2006	Merger of Eiraku Development Co., Ltd., Chuden Building Co., Ltd., and Chubu Greenery Co. Ltd. (New company: Chuden Real Estate Co., Inc.) Additionally, transfer of Eiraku site management functions related to power distributions to Nittai Co., Ltd. through corporate spin-off (New company: Chuden Haiden Support Co., Ltd.)	
March 2007	Shares of TOENEC CORPORATION acquired by Chubu Electric in a tender offer to strengthen capital ties	
October 2007	Split-up and business transfer of TOENEC CORPORATION and C-TECH CORPORATION	
April 2008	80.5% of shares in Chubu Telecommunications Co., Inc were transferred to KDDI CORPORATION, and a cooperative partnership was established.	
July 2008	C-TECH CORPORATION, CHUBU CABLE NETWORK COMPANY, INCORPORATED, and local cable television companies (including Himawari Network) split up and swapped stocks to established a business holding company (Community Network Center Inc.).	
October 2008	The vehicle leasing operation of TOENEC Service Co., Ltd. was transferred to EIRAKU AUTO SERVICE Co., Ltd. through a spin-off (EIRAKU AUTO SERVICE changed its name to Chuden Auto Lease Co., Ltd.).	
July 2009	Chubu Electric acquired Toho oil Co., Ltd. COMRES CORPORATION's synthetic zeolite production and gypsum sales businesses were transferred to Techno Chubu Co., Ltd. through a spin-off. All COMRES shares held by Chubu Electric transferred to COMRES CORPORATION.	

## A Corporate Group Offering Comprehensive Energy Services

By leveraging the combined strengths of Chubu Electric and group companies, the Chubu Electric Group works to provide energy services of a greater level of value throughout the value chain in a series of business processes from fuel procurement to power generation, distribution, and sales.

### Value Chain in Comprehensive Energy Services

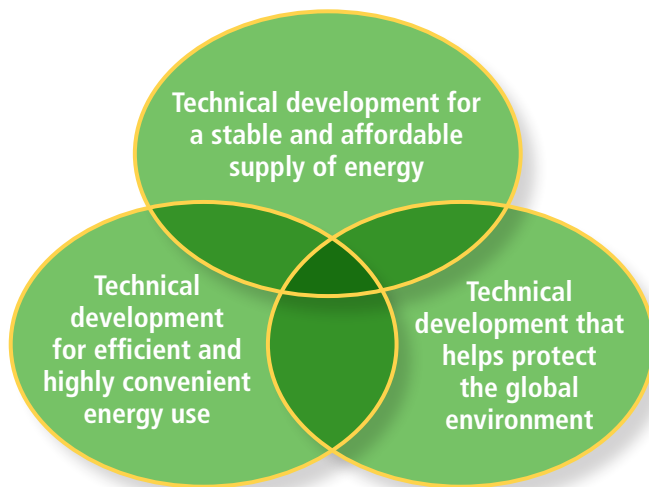


Development by our Research & Development Division is focused on the three areas described below. The division takes a flexible and strategic approach, responsive to business conditions.

Research and development is more cost-effective than ever, in line with efficiency and cost-cutting measures that have been implemented throughout the company. We prioritize our efforts on research activities that have a solid potential for profitability and apply the results in all aspects of business, including our sales activities.

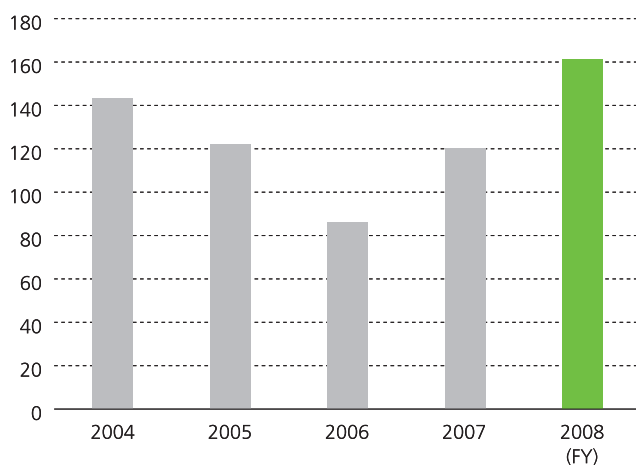
Additionally, we acquire and exercise intellectual property rights for the results obtained through our technical development and innovative business activities.

## Fields of Technical Development



## Number of Patent Applied

(number of applications)



## Major Research Achievements



Efficient, Economical Large Electric Air Conditioning Systems



### Development of Efficient, Economical Large Air Conditioning Systems

Working with Kuken Kogyo Co., Ltd., we have developed an efficient and economical large air conditioning system for large-scale buildings and plants that combines a high-performance water-cooled heat pump and heating tower.

The specialized heat pump in this unit can be switched between cooling and heating modes, and the heating tower is equipped with an advanced heat exchanger. As a result, the unit offers 30% better energy efficiency and lower CO<sub>2</sub> emissions than gas-powered units.

Integrating control of the custom water-cooled heat pump and heating tower into the standard control panel of a single, unified system eliminates the separate design of conventional systems, reducing the initial cost by 30%.

### Development of Backup Systems for Momentary Voltage Drops

Manufacturing plants for semiconductors and precision tools require electricity of extremely high quality. Momentary voltage drops from lightning or other factors can lead to malfunctions and shutdowns of manufacturing equipment, with severe repercussions for our customers' production activities. To prevent such incidents, we have developed a variety of backup systems.



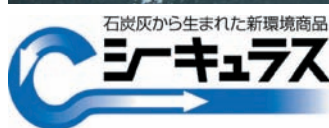
SMES (10,000 kW/second compensation)



High Voltage Large Capacity Momentary Voltage Dip Compensator using EDLC (Electric Double-Layer Capacitors) (10,000 kVA/second compensation)



Development of equipment for CFC destruction



Circulash synthetic zeolite

### [Superconducting Magnetic Energy Storage System]

A backup system designed to provide auxiliary power during momentary voltage drops at large manufacturing plants and similar sites, this system employs superconductor coils, enabling massive amounts of electric power to be discharged instantly. Since July 2003, we have been carrying out verification tests at a major electrical appliance manufacturer, and production-ready units have been in use since July 2007.

### [Momentary Voltage Dip Compensator using EDLC] (Electric Double-Layer Capacitors)

By incorporating a double-layer capacitor that is capable of storing a large amount of electricity in a small device, we have developed a momentary voltage dip compensator that is highly efficient and maintenance-free. To date, we have commercialized systems at a range of voltages and capacities, from units rated for 200 V and 50 kVA to those rated for 6,600 V and 10,000 kVA. Nearly 100 low-voltage units have been deployed at factories and similar sites, and about 30 high-voltage units are also installed.

### Development of Equipment for CFC Destruction

CFCs are known to deplete the ozone layer and contribute to global warming. We have developed equipment that destroys CFCs as a technological response to this global environmental issue and helps ensure regulatory compliance. This equipment harnesses a chemical reaction involving solid alkaline materials to break down CFCs, using our proprietary technology to solidify them into a harmless substance. Because this is a dry process, it requires no complicated wastewater treatment, and CFCs can be broken down at a lower temperature than those in conventional thermal decomposition systems.

Official approval was granted by METI (Ministry of Economy, Trade and Industry) and MOE (Ministry of the Environment) in March 2006 under the Law concerning the Recovery and Destruction of Fluorocarbons, and the equipment is now used in processing CFCs from air conditioners and refrigeration systems. It can also be applied to break down sulfur hexafluoride in electronics insulation and halons used as flame retardants. This equipment is useful in preventing ozone depletion and global warming, which responds to the growing social need for appropriate destruction of CFCs.

### Development and Marketing of Synthetic Zeolite, "Circulash"

Synthetic zeolite is a fine gray powder created from chemically treated coal ash. Its porous crystalline structure allows for considerable absorbent and cation-exchange properties, making synthetic zeolite useful in many different applications, including the absorption and deodorization of malodorous gases, environmental remediation through air and water treatment, and soil improvement to support agriculture or greening. Chubu Electric Power Company has developed technology to produce high-quality synthetic zeolite from coal ash generated at Hekinan coal-fired power plants. We have been marketing this product since October 2004 under the name "Circulash."

# Directors and Corporate Auditors

(As of June 25, 2009)

Chairman of the Board of Directors



Fumio Kawaguchi

President & Director



Toshio Mita

Director, Executive Vice President



Haruhiko Asano



Yoshihito Miyaike



Norihisa Ito



Akihisa Mizuno

Director, Senior Managing Executive Officer



Toshiyuki Nosaka



Ryouzuke Mizutani



Masakazu Aida



Tomohiko Ohno



Masatoshi Sakaguchi



Kazuhiro Matsubara

Director

Yuji Kume  
Hideko Katsumata  
Shun Matsushita

Senior  
Corporate  
Auditor

Hitoshi Yoshida (full-time)

Corporate  
Auditor

Hidetaka Tomita (full-time)  
Katsuyuki Naito (full-time)

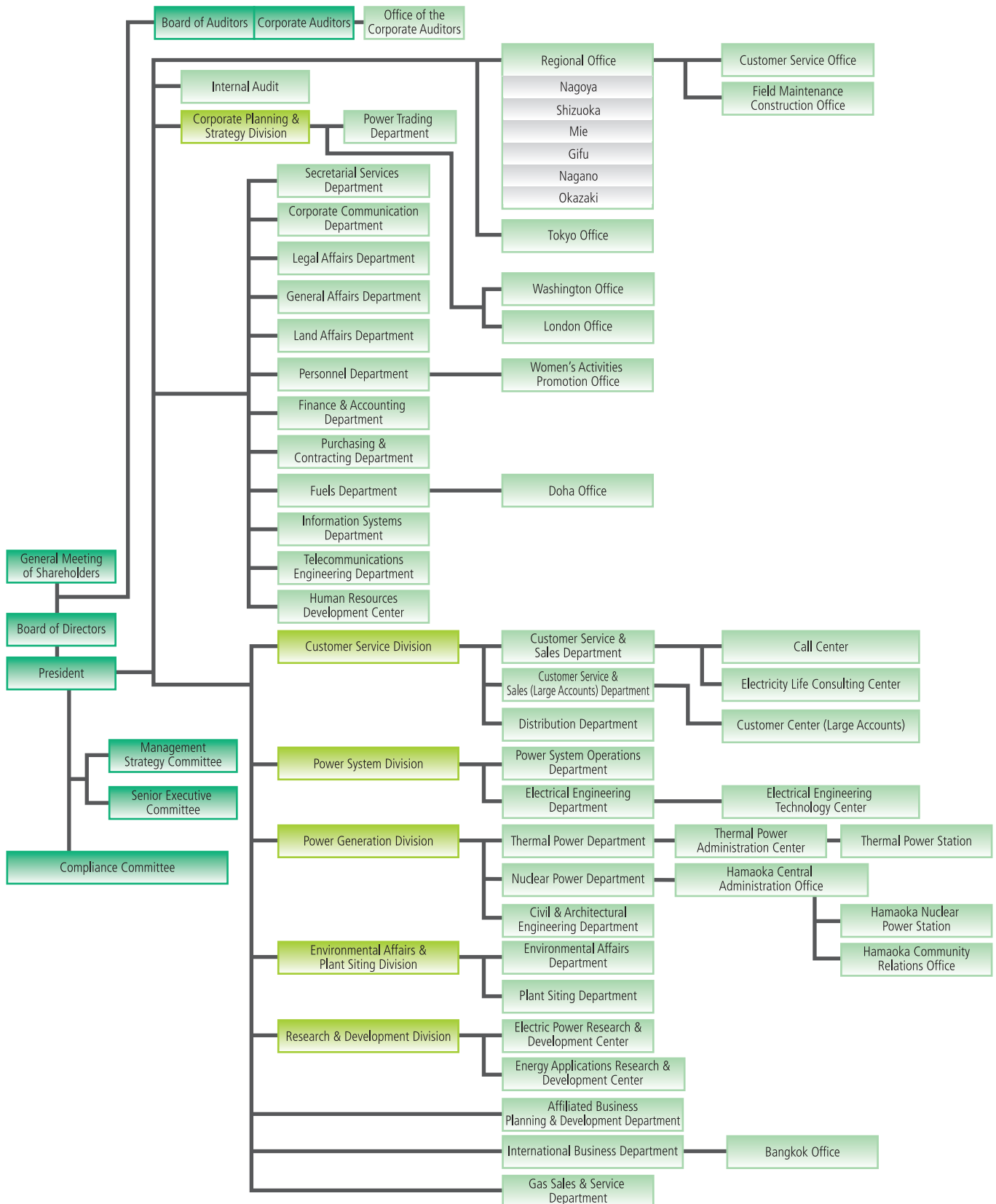
Minoru Matsuo  
Toshiko Aburada  
Kenji Matsuo  
Shigehisa Sao

Notes 1) Directors Hideko Katsumata and Shun Matsushita are outside directors as defined in Article 2, Clause 15 of the Japanese Corporate Law.

2) Corporate auditors Minoru Matsuo, Toshiko Aburada, Kenji Matsuo, and Shigehisa Sao are outside corporate auditors as defined in Article 2, Clause 16 of the Japanese Corporate Law.

# Chubu Electric Power Co., Inc. Organization Chart

(As of July 1, 2009)



# Chubu Electric Power Group

(As of June 30, 2009)

## Electric Power Business

**Chubu Electric Power Co., Inc.**

AOYAMA-KOGEN WIND FARM CO., LTD.

A.T. Biopower Co., Ltd.

Compañía de Generación Valladolid, S. de R.L. de C.V.

## Energy Business

Chita L.N.G.Co., Ltd.	Hamamatsu D.H.C. Co., Ltd.	Nagoya Energy Service Co., Ltd.
LNG Chubu CORPORATION	Centrair Energy Supply Co., Ltd.	Hokuriku Erunesu Co., Ltd.
C ENERGY CO., INC.	S energy service Co., Ltd.	Nagoya City Energy Co., Ltd.

## Construction

TOENEC CORPORATION	Chubu Plant Service Co., Ltd.	C-TECH CORPORATION
TOENEC Service Co., Ltd.	TOENEC (TAIWAN) CO., LTD.	TOENEC PHILIPPINES INCORPORATED
TOENEC (THAILAND) CO., LTD.	TOENEC CONSTRUCTION (SHANGHAI) CO., LTD.	

## Other Businesses

### IT and Telecommunications

Chuden CTI Co., Ltd.	Chubu Telecommunications Co., Inc.	CHUBU CABLE NETWORK COMPANY, INCORPORATED
	Omaezaki Cable Television	Community Network Center Inc.

### Manufacturing

CHUBU SEIKI Co., Ltd.	AICHI ELECTRIC Co., Ltd.	TOKAI CONCRETE INDUSTRIES Co., Ltd.
COMRES CORPORATION	AICHI KINZOKU KOGYO Co., Ltd.	Chubu Liquid Oxygen Co., Ltd.
	Chita Tansan Co., Ltd.	

### Transportation

Chuden Transportation Service Co., Ltd.	SHIN-NIHON HELICOPTER Co., Ltd.
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### Real Estate Management


Chuden Real Estate Co., Inc.
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### Services and Others

CHUDEN KOGYO Co., Ltd.	Chuden Haiden Support Co., Ltd.	KASUMI BERTH CO., INC.
Chuden Auto Lease Co., Ltd.	Toho Oil Co., Ltd.	NIPPON MALENIT CO., LTD.
Chita Berth Co., Inc.	Chuden Disaster Prevention Co., Ltd.	Compañía de Operación Valladolid, S. de R.L. de C.V.
Chubu Cryogenics Co., Ltd.	Techno Chubu Co., Ltd.	Chubu Ratchaburi Electric Services Co., Ltd.
LiveNet Co., Ltd.	Chuden Wing Co., Ltd.	Tyr Capital, LLC
Chubu Electric Power Company International B.V.	CHUDEN BUSINESS SUPPORT Co., Ltd.	PFI Toyokawa Hoisaijyo Co., Ltd.
Toho Industry Co., Ltd.	Chubu Electric Power (Thailand) Co., Ltd.	Ogaki School Lunch Support Co., Inc.
Chubu Electric Power Company U.S.A., Inc.	FILLTECH CORPORATION	
Chubu Energy Trading, Inc.	Chubu Electric Power Goreway B.V.	

 The Company reported the financial statements

 Consolidated subsidiaries

 Affiliates accounted for under the equity method

## Operating / Financial Data Section

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## FIVE-YEAR OPERATING AND FINANCIAL STATISTICS

### OPERATING STATISTICS

Chubu Electric Power Company, Incorporated

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Electric Energy Sold (GWh)					
Customers Under Regulation					
Electric Lighting	34,079	35,291	34,753	36,125	35,336
Electric Power	8,013	7,864	7,366	7,305	6,747
Total	42,092	43,155	42,119	43,430	42,083
Customers Under Liberalization*	84,571	87,406	90,568	94,054	87,651
Total Electric Energy Sold	126,663	130,561	132,687	137,484	129,734

\* Customers Under Liberalization in FY2005 and onward corresponds to demand from all customers of high-voltage electricity.

Customers Under Liberalization in FY2004 is re-categorized in the same definition as is in and after FY2005.

#### Breakdown of Industrial Large-lot Demand Electric Energy Sold (GWh)

Mining and Industry	Mining	41	41	49	60	58	
	Manufacturing Industry	Foods	2,261	2,330	2,459	2,632	2,609
		Textiles	705	820	818	824	722
		Pulps and Papers	1,571	1,712	1,733	1,679	1,577
		Chemicals	3,088	3,134	3,366	3,442	3,190
		Oil and Coal Products	56	54	79	62	76
		Rubber	949	939	872	822	758
		Glass and Ceramics	2,304	2,444	2,632	2,826	2,709
		Steel	6,270	6,426	6,574	6,883	5,705
		Nonferrous Metals	1,445	1,570	1,698	1,841	1,429
		Machinery	19,151	19,880	21,678	23,350	21,081
	Others	4,994	5,147	5,547	5,875	5,373	
	Subtotal	42,794	44,456	47,456	50,236	45,229	
Total	42,835	44,497	47,505	50,296	45,287		
Others	Railways	2,728	2,814	2,752	2,767	2,737	
	Others	3,218	3,306	3,342	3,327	3,290	
	Total	5,946	6,120	6,094	6,094	6,027	
Grand Total	48,781	50,617	53,599	56,390	51,314		

#### Electric Energy Supplied (GWh)

Internally-generated Power	122,926	126,234	127,399	137,121	125,656
Hydroelectric	10,450	7,564	8,651	8,158	7,877
Thermal	90,285	91,045	100,603	103,795	94,921
Nuclear	22,191	27,625	18,145	25,168	22,858
Purchased Power	14,075	13,347	13,554	12,571	12,925
Interchanged Power (Net)	2,935	3,793	4,698	1,576	4,112
Power Used for Pumped Storage	(1,941)	(1,275)	(1,590)	(2,148)	(1,471)
Total Electric Energy Supplied	137,995	142,099	144,061	149,120	141,222



	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Generating Capacity (MW)					
Hydroelectric	5,218	5,220	5,220	5,218	5,219
Thermal	22,370	22,369	22,369	22,369	23,903
Nuclear	4,997	4,997	4,884	4,884	3,504
Total Generating Capacity	32,585	32,586	32,473	32,471	32,626
Annual Peak Load (Three-day average of sending end; MW)	26,243	26,339	26,852	27,849	27,938
Transmission Lines (Route length in km)	12,186	12,149	12,218	12,212	12,212
Substation Capacity (MVA)	119,670	120,110	120,613	121,407	121,886
BTB Station Capacity (MW)	300	300	300	300	300
Distribution Lines (Line length in km)	535,399	537,731	540,069	542,312	544,531
Number of Employees (People)	16,834	16,245	16,025	16,001	16,266

## FINANCIAL STATISTICS (CONSOLIDATED)

Chubu Electric Power Company, Incorporated

	Millions of yen					Thousands of U.S. dollars
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2008
Operating Revenues	¥2,133,224	¥2,150,508	¥2,213,793	¥2,432,865	¥2,509,982	\$25,552,092
Operating Income	342,160	322,105	246,712	167,863	182,235	1,855,187
Net Income (Loss)	91,271	119,458	90,551	70,619	(18,968)	(193,098)
Per Share (yen and U.S. dollars)						
Net Income (Loss) (Basic)	¥125.68	¥162.07	¥115.80	¥90.58	¥(24.37)	\$(0.25)
Shareholders' Equity	1,952.45	2,121.40	2,212.67	2,199.76	2,076.93	21.14
Total Assets	¥5,703,558	¥5,741,876	¥5,701,715	¥5,636,258	¥5,470,129	\$55,686,949
Total Shareholders' Equity	1,413,233	1,659,313	—	—	—	—
Total Net Assets	—	—	1,769,825	1,752,459	1,654,759	16,845,760

Notes: U.S.dollar amounts are translated from yen, for convenience only, at the rate of ¥98.23 = US\$1.



# MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS

< FY2008 >

## Overview

Total electric energy sold was 129.7 TWh, down 5.6% from the previous year due to a decrease in demand in the industrial sector that was brought about by the downturn in the economy during the second half of the year under review.

Considering demand from customers under regulation, although there was an increase in the number of contracts, the presence of higher winter temperatures than in the previous year had caused a decrease in demand for air conditioning, resulting in 35.3 TWh of electric lighting demand, down 2.2% from the previous fiscal year.

Meanwhile, demand for electric power was decreased by 7.6% from the previous fiscal year to 6.8TWh, by reduced number of contracts, weaker air conditioning demand, and other factors.

As for demand from customers facing liberalization, commercial demand decreased by 1.0% from the previous fiscal year to 23.4 TWh due to factors such as a decrease in demand for air conditioning, although the number of contracts increased. Due to a downturn in the economy from the second half of the year, production declined in machinery, steel and other industrial sectors, causing industrial demand to drop 8.8% from the previous fiscal year to 64.2 TWh.

As for supply, hydroelectric power generation was at nearly the same level as the previous fiscal year.

Meanwhile, nuclear power generation decreased by 2.3 TWh, mainly due to the stoppage of Hamaoka Nuclear Power Station Reactor No. 5.

These factors, along with an increase in electric power received from other electric power companies, led to a decrease in thermal power generation by 8.9 TWh over that of the previous fiscal year.

## Consolidated Operating Revenues, Expenses, and Income

Consolidated operating revenues for our electricity

business increased by 5.1% over the previous fiscal year to ¥2,298.9 billion, mainly due to increased electricity sales revenues generated by an increase in the unit price, although there was a decrease in the amount of electric energy sold.

As for expenses, due to increasing fuel prices, operating expenses in electricity business increased by 5.0% to ¥2,126.3 billion.

In terms of total operating revenues in other businesses, although sales increased in the energy business, sales in other businesses decreased, resulting in sales (total operating revenues in other businesses ) of ¥211.1 billion, down 14.0% from the previous fiscal year. In terms of expenses, although the cost of sales in the energy business increased, the cost of sales in other businesses decreased, resulting in operating expenses of ¥201.5 billion, down 16.1% from the previous fiscal year.

As a result, consolidated operating income increased by 8.6% to ¥182.2 billion over the previous fiscal year.

The total of other expenses, calculated by deducting non-operating revenues from non-operating expenses, increased to ¥205.4 billion, up 253% over the previous fiscal year. This was mainly due to losses of ¥153.7 billion related to electric generating facilities following the termination of operations at Reactors No. 1 and 2 in Hamaoka Nuclear Power Station.

As a result, a loss before income taxes and minority interests was ¥23.2 billion. A net loss following deduction of income taxes and other items was ¥19.0 billion down from a net income of ¥70.6 billion from the previous fiscal year.

## Consolidated Financial Standing

Net consolidated property, plant and equipment declined by 5.5% to ¥3,956.7 billion from the end of the previous fiscal year. This decrease occurred due to loss disposal of generation and other facilities in conjunction with the termination of operations at Reactors No. 1 and 2 in Hamaoka Nuclear Power Station and ongoing depreciation, despite of the completed construction of

Shin-Nagoya Thermal Power Station Group No. 8.

Nuclear fuel assets declined by 4.8% from the end of the previous fiscal year to ¥247.5 billion due to a decrease in the amount of loaded nuclear fuel.

Investments and other long-term assets increased by 2.2% over the end of the previous fiscal year to ¥714.6 billion, mainly due to an increase in deferred tax assets.

Current assets rose by 12.3% from the end of the previous fiscal year to ¥551.4 billion, mainly due to increases in cash.

As a result, total assets declined by 2.9% from the end of the previous fiscal year to ¥5,470.1 billion.

Although a reserve for loss in conjunction with discontinued operations of nuclear power plants was posted for possible future expenses and losses related with the decommissioning of electric generating facilities that followed the termination of operations at Reactors No. 1 and 2 in Hamaoka Nuclear Power Station, total liabilities declined 1.8% from the end of the previous fiscal year to ¥3,815.4 billion, mainly due to a decrease in interest-bearing debt and trade notes and accounts payable.

Net assets were down 5.6% from the end of the previous fiscal year to ¥1,654.8 billion, mainly due to the net loss posted for the fiscal year and the payment of dividends.

As a result, our shareholders' equity ratio was 29.6%.

## Outline of Consolidated Cash Flow

Although electricity sales revenues grew due to an increase in unit price, this was offset by a rise in the cost of fuel, resulting in a 24.0% decrease in cash flows from operating activities from the previous fiscal year to ¥358.9 billion.

Cash used in investment activities was down 21.1% from the previous fiscal year to ¥215.1 billion, mainly due to the sale of stocks of the subsidiary Chubu Telecommunications Co., Inc, although there were expenditures for the purchase of property, plant and

equipment in our electricity business.

As a result, free cash flow decreased by 27.8% from the previous fiscal year to ¥143.7 billion.

Reduction of interest-bearing debt payments and other factors resulted in a decrease of 54.9% in cash expenditures used in financial activities, to ¥90.2 billion.

These factors resulted in a balance of cash and cash equivalents of ¥149.7 billion, an increase of 54.2% over the end of the previous fiscal year.

As of the end of FY2008, outstanding interest-bearing debt stood at ¥2,789.0 billion, representing a reduction of 2.6% from that of the previous fiscal year.

## < Business Risks >

Among a variety of factors that could affect the group's operating results and financial standing, the following are considered to have the potential to exert a significant influence on the decisions of investors (Valid as of June 2009).

### Risks Relating to the Economic Environment

#### Economic situation and weather conditions

The amount of electric energy sold in our electricity business, the group's core business, varies with changes in economic trends and the air temperature. The group's performance may therefore be affected by economic shifts and weather conditions.

In addition, annual precipitation levels affect the amount of electric energy generated by hydroelectric power plants, which in turn affects overall power generation costs, although the impact on operating results is being mitigated by means of certain adjustments within balance of the reserve for fluctuation in water levels.

### Fluctuations in fuel prices, etc.

The group depends on imports of liquefied natural gas (LNG), coal, and crude oil. The cost of fuel, a major expense item in our electricity business, can therefore be affected by fluctuations in import prices and foreign exchange rates, among other factors. However, within a certain range, the effect of fuel price fluctuations on performance is alleviated because such fluctuations can be reflected in electricity rates under the fuel cost adjustment system.

In addition, performance may be affected if we become unable to smoothly procure fuel due to changes in fuel demand trends, the occurrence of trouble in the facilities or operations of fuel suppliers, changes in the political situation of fuel supplying countries, or readjustments made to the values paid to purchase fuel in accordance with changes in the market environment.

### Fluctuations in interest rates, etc

Interest payments represent another major factor in the group's expenses, and these expenses are subject to change with fluctuations in market interest rates. As of the end of March 2009, outstanding interest-bearing debt stood at ¥2,789.0 billion, corresponding to 51.0% of the group's total assets. However, 77.8% of the group's outstanding interest bearing debt comprises long-term liabilities such as bonds and long-term loans, and the interest rates of the majority of these are fixed. We therefore consider interest rate fluctuations to have a limited effect on operating performance.

In addition, performance may be affected by fluctuations in the actual value of some corporate pension assets, etc., held by the Chubu Electric Power Group, caused by fluctuating share prices and interest rates, etc.

## Risks Surrounding Chubu Electric Power Group Business Activities

### Changes in the electricity business environment

Electric power retailing in Japan has been gradually liberalized, a process that began in March 2000. Recently, discussions for provisions for a competitive environment have come underway, in order to achieve

both stable electrical supply and environmental soundness in an efficient manner, based on the dialogues made for system reform during the meetings of the Electricity Industry Committee (government subcommittee). The intensity of competition is growing beyond traditional boundaries between industrial sectors and business categories - not only within electric power, but with the whole energy market itself.

In this changing environment, the group is expanding its marketing activities to respond to the needs of its customers while seeking to optimize its management efficiency. However, further regulatory reform and the more vigorous competition that it encourages may affect results.

### Strengthening of global environmental protection measures

With regard to the issue of global warming, which has as its cause emissions of carbon dioxide and other greenhouse gases, there is a heightened awareness of this issue being a common global problem which needs to be quickly addressed.

Based on this awareness, the Chubu Electric Power Group has enacted the "Chubu Electric Power Group Environmental Declaration," and we are systematically moving forward with measures to effectively use resources and lessen environmental burdens. In the future, however, developments with regard to the strengthening of environmental regulations may affect results.

### Nuclear back-end costs, etc.

Because nuclear back-end operations are ultra-longterm and subject to uncertainties, the Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations was enacted on October 1, 2005, and accounting regulations for Japanese utility companies have been revised, in order to enable efficient management of nuclear power generation and back-end operations. To prepare for future back-end costs associated with nuclear power, in accordance with the law and the revised accounting regulations, we have established reserve funds and set aside a reserve for the reprocessing of irradiated nuclear fuel.

In addition, with regard to being required to record expenses for the reprocessing of irradiated nuclear fuels at facilities other than the Rokkasho Reprocessing Plant, to provide a temporary measure for the period until specific reprocessing plans can be formulated, within the corporate accounts, so that such expenses could be accounted for as reserves for each fiscal year, the accounting regulations for electric utility companies were revised in March 2007. In accordance with the revised regulations, we have made appropriated a reserve in preparation for the reprocessing of irradiated nuclear fuels in order to meet this financial burden.

However, the costs associated with the nuclear fuel cycle, including back-end costs, will fluctuate with changes to the system, variations in estimates of future expenses both covered and not covered by the system, the operating status of reprocessing facilities, and changes in our nuclear generation plans, and these factors may affect results.

### Businesses other than electric power business

The Chubu Electric Power Group is committed to the effective allocation of management resources, with our electricity business as our core undertaking. In order to achieve this goal, we are active in other energy businesses focusing on power plants, stored fuels, and expertise in the field of energy. Our multi-faceted business activities also include construction related to the development and maintenance of electric utilities facilities, and the manufacture of materials and machinery for these facilities. As competition increases and other changes occur in the business environments surrounding these enterprises, results may differ from group projections, and this may affect group performance.

## Other Risks

### Natural disasters/Operational problems

In order to ensure a stable and economical supply of high-quality electricity through an integrated system from generation to distribution, the group has invested in the construction and maintenance of facilities designed to minimize disruptions from lightning strikes

and other natural phenomena. However, large-scale natural disasters such as earthquakes and typhoons, accidents, or acts of terrorism may damage the company's supply facilities or the supply facilities of other companies from which the group purchases electricity or may cause the long-term shutdown of generation facilities, and this may affect group performance.

### Leaks of information

To ensure appropriate management of important data, in particular personal information, we carefully observe the regulations stipulated by law, then have established internal frameworks and rules for the treatment of information. In addition, we have enhanced the security of our information systems, and we also conduct employee training in this area.

However, any leaks of information may result in direct costs for resolution, and other tangible and intangible losses may occur, such as loss of company credibility.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Chubu Electric Power Company, Incorporated:

We have audited the accompanying consolidated balance sheets of Chubu Electric Power Company, Incorporated (the "Company") and its consolidated subsidiaries as of March 31, 2009 and 2008 and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chubu Electric Power Company, Incorporated and its consolidated subsidiaries as of March 31, 2009 and 2008 and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included translations of yen amounts into U.S. dollar amounts and, in our opinion, the translations were made on the basis described in Note 1 to the consolidated financial statements.

*KPMG AZSA & Co.*

Nagoya, Japan  
June 25, 2009

## CONSOLIDATED BALANCE SHEETS

Chubu Electric Power Company, Incorporated

As of March 31, 2009 and 2008

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
<b>Property, Plant and Equipment:</b>			
Property, plant and equipment	¥12,874,129	¥13,048,207	\$131,061,071
Construction in progress	232,998	230,679	2,371,964
	<u>13,107,127</u>	<u>13,278,886</u>	<u>133,433,035</u>
<b>Less:</b>			
Contributions in aid of construction	(157,312)	(155,244)	(1,601,466)
Accumulated depreciation	(8,993,123)	(8,937,398)	(91,551,695)
	<u>(9,150,435)</u>	<u>(9,092,642)</u>	<u>(93,153,161)</u>
Property, Plant and Equipment, Net (Notes 4 and 6)	<u>3,956,692</u>	<u>4,186,244</u>	<u>40,279,874</u>
<b>Nuclear Fuel:</b>			
Loaded nuclear fuel	27,791	43,880	282,917
Nuclear fuel in processing	219,712	216,110	2,236,710
Total Nuclear Fuel	<u>247,503</u>	<u>259,990</u>	<u>2,519,627</u>
<b>Investments and Other Long-term Assets:</b>			
Long-term investments (Notes 5 and 6)	192,049	232,524	1,955,095
Fund for reprocessing of irradiated nuclear fuel	244,759	245,660	2,491,693
Deferred tax assets (Note 12)	197,383	146,948	2,009,396
Other (Note 5)	82,660	75,925	841,495
Less allowance for doubtful accounts	(2,276)	(1,936)	(23,170)
Total Investments and Other Long-term Assets	<u>714,575</u>	<u>699,121</u>	<u>7,274,509</u>
<b>Current Assets:</b>			
Cash	144,278	86,956	1,468,777
Trade notes and accounts receivable	165,161	179,550	1,681,370
Less allowance for doubtful accounts	(1,143)	(1,126)	(11,636)
Inventories	108,604	109,985	1,105,609
Deferred tax assets (Note 12)	26,672	26,042	271,526
Other (Note 5)	107,787	89,496	1,097,293
Total Current Assets	<u>551,359</u>	<u>490,903</u>	<u>5,612,939</u>
<b>Total Assets</b>	<u>¥5,470,129</u>	<u>¥5,636,258</u>	<u>\$55,686,949</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
<b>Long-term Liabilities:</b>			
Long-term debt (Note 6)	¥1,988,204	¥2,265,254	\$20,240,293
Employee retirement benefit liability (Note 7)	198,430	193,943	2,020,050
Reserve for reprocessing of irradiated nuclear fuel	263,780	264,880	2,685,330
Reserve for preparation for reprocessing of irradiated nuclear fuel	12,054	6,224	122,712
Reserve for decommissioning nuclear power plants	117,930	113,070	1,200,550
Reserve for loss in conjunction with discontinued operations of nuclear power plants	87,009	–	885,768
Other	48,361	41,208	492,324
Total Long-term Liabilities	2,715,768	2,884,579	27,647,032
<b>Current Liabilities:</b>			
Current portion of long-term debt and other (Note 6)	189,395	240,196	1,928,077
Short-term borrowings (Note 6)	323,560	349,910	3,293,902
Commercial paper (Note 6)	294,000	11,000	2,992,976
Trade notes and accounts payable	139,652	207,433	1,421,684
Income taxes payable and other	31,714	56,229	322,855
Other	121,281	134,452	1,234,663
Total Current Liabilities	1,099,602	999,220	11,194,157
Total Liabilities	3,815,370	3,883,799	38,841,189
<b>Commitments and Contingent Liabilities (Note 10)</b>			
<b>Net Assets (Note 11):</b>			
Common stock	430,777	430,777	4,385,391
Capital surplus	70,777	70,777	720,524
Retained earnings	1,096,215	1,161,868	11,159,676
Less treasury stock, at cost	(1,567)	(1,156)	(15,952)
Total Shareholders' Equity	1,596,202	1,662,266	16,249,639
Valuation and translation adjustments	20,453	50,399	208,215
Minority interests	38,104	39,794	387,906
Total Net Assets	1,654,759	1,752,459	16,845,760
<b>Total Liabilities and Net Assets</b>	<b>¥5,470,129</b>	<b>¥5,636,258</b>	<b>\$55,686,949</b>



## CONSOLIDATED STATEMENTS OF OPERATIONS

Chubu Electric Power Company, Incorporated  
For the Years Ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
<b>Operating Revenues:</b>			
Electricity	¥2,298,871	¥2,187,368	\$23,402,942
Other	211,111	245,497	2,149,150
Total Operating Revenues (Note 14)	2,509,982	2,432,865	25,552,092
<b>Operating Expenses:</b>			
Electricity	2,126,285	2,024,822	21,645,984
Other	201,462	240,180	2,050,921
Total Operating Expenses (Note 14)	2,327,747	2,265,002	23,696,905
<b>Operating Income</b>	182,235	167,863	1,855,187
<b>Other (Income) Expenses:</b>			
Interest expense	77,679	54,349	790,787
Loss in conjunction with discontinued operations of Hamaoka Reactors No. 1 and No. 2 (Note 13)	153,698	–	1,564,675
Reserve for decommissioning costs of nuclear power plants for prior periods	–	13,695	–
Other, net	(25,949)	(9,875)	(264,166)
Total Other Expenses, Net	205,428	58,169	2,091,296
<b>(Loss) Income Before Reversal of Reserve for Fluctuation in Water Levels, Income Taxes and Minority Interests</b>	(23,193)	109,694	(236,109)
<b>Reversal of Reserve for Fluctuation in Water Levels</b>	–	(4,006)	–
<b>(Loss) Income Before Income Taxes and Minority Interests</b>	(23,193)	113,700	(236,109)
<b>Income Taxes:</b>			
Current	28,472	53,506	289,850
Deferred	(34,499)	(12,137)	(351,206)
Total Income Taxes	(6,027)	41,369	(61,356)
<b>Minority Interests in Earnings of Subsidiaries</b>	1,802	1,712	18,345
<b>Net (Loss) Income</b>	¥(18,968)	¥70,619	\$(193,098)
			U.S. dollars (Note 1)
	Yen		2009
	2009	2008	
<b>Per Share of Common Stock:</b>			
Net (loss) income:			
Basic	¥(24.37)	¥90.58	\$(0.25)
Cash dividends	60	60	0.61

The accompanying notes to the consolidated financial statements are an integral part of these statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Chubu Electric Power Company, Incorporated

For the Years Ended March 31, 2009 and 2008

	Shareholders' equity					Valuation and translation adjustments					Minority interests	Total net assets
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Net deferred gains on hedging instruments	Foreign currency translation adjustments	Total valuation and translation adjustments		
Millions of yen												
<b>Balance at March 31, 2007</b>	782,153,165	¥430,777	¥74,055	¥1,144,875	¥(855)	¥1,648,852	¥49,924	¥30,971	¥203	¥81,098	¥39,875	¥1,769,825
Net income	-	-	-	70,619	-	70,619	-	-	-	-	-	70,619
Cash dividends	-	-	-	(46,818)	-	(46,818)	-	-	-	-	-	(46,818)
Retirement of treasury stock	(3,148,500)	-	(3,255)	(6,808)	10,063	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	(10,619)	(10,619)	-	-	-	-	-	(10,619)
Disposal of treasury stock	-	-	(23)	-	255	232	-	-	-	-	-	232
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	-
Net changes other than shareholders' equity	-	-	-	-	-	-	(22,911)	(7,964)	176	(30,699)	(81)	(30,780)
<b>Balance at March 31, 2008</b>	779,004,665	¥430,777	¥70,777	¥1,161,868	¥(1,156)	¥1,662,266	¥27,013	¥23,007	¥379	¥50,399	¥39,794	¥1,752,459

	Shareholders' equity					Valuation and translation adjustments					Minority interests	Total net assets
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Net deferred gains on hedging instruments	Foreign currency translation adjustments	Total valuation and translation adjustments		
Millions of yen												
<b>Balance at March 31, 2008</b>	779,004,665	¥430,777	¥70,777	¥1,161,868	¥(1,156)	¥1,662,266	¥27,013	¥23,007	¥379	¥50,399	¥39,794	¥1,752,459
Net loss	-	-	-	(18,968)	-	(18,968)	-	-	-	-	-	(18,968)
Cash dividends	-	-	-	(46,717)	-	(46,717)	-	-	-	-	-	(46,717)
Retirement of treasury stock	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	(750)	(750)	-	-	-	-	-	(750)
Disposal of treasury stock	-	-	-	(59)	339	280	-	-	-	-	-	280
Change in scope of consolidation	-	-	0	91	(0)	91	-	-	-	-	-	91
Net changes other than shareholders' equity	-	-	-	-	-	-	(14,917)	(11,953)	(3,076)	(29,946)	(1,690)	(31,636)
<b>Balance at March 31, 2009</b>	779,004,665	¥430,777	¥70,777	¥1,096,215	¥(1,567)	¥1,596,202	¥12,096	¥11,054	¥(2,697)	¥20,453	¥38,104	¥1,654,759

	Thousands of U.S. dollars (Note 1)										
<b>Balance at March 31, 2008</b>	\$4,385,391	\$720,524	\$11,828,036	\$(11,768)	\$16,922,183	\$274,997	\$234,216	\$3,858	\$513,071	\$405,110	\$17,840,364
Net loss	-	-	(193,098)	-	(193,098)	-	-	-	-	-	(193,098)
Cash dividends	-	-	(475,588)	-	(475,588)	-	-	-	-	-	(475,588)
Retirement of treasury stock	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	(7,635)	(7,635)	-	-	-	-	-	(7,635)
Disposal of treasury stock	-	-	(600)	3,451	2,851	-	-	-	-	-	2,851
Change in scope of consolidation	-	0	926	(0)	926	-	-	-	-	-	926
Net changes other than shareholders' equity	-	-	-	-	-	(151,858)	(121,684)	(31,314)	(304,856)	(17,204)	(322,060)
<b>Balance at March 31, 2009</b>	\$4,385,391	\$720,524	\$11,159,676	\$(15,952)	\$16,249,639	\$123,139	\$112,532	\$(27,456)	\$208,215	\$387,906	\$16,845,760

The accompanying notes to the consolidated financial statements are an integral part of these statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Chubu Electric Power Company, Incorporated  
For the Years Ended March 31, 2009 and 2008

Thousands of  
U.S. dollars  
(Note 1)

	Millions of yen		2009
	2009	2008	
<b>Cash Flows from Operating Activities:</b>			
(Loss) income before income taxes and minority interests	¥(23,193)	¥113,700	\$(236,109)
Adjustments for:			
Depreciation and amortization	312,464	341,567	3,180,943
Impairment loss	30,862	–	314,181
Loss on loaded nuclear fuel	33,769	11,533	343,775
Loss on disposal of property, plant and equipment	7,499	9,846	76,341
Reserve for decommissioning costs of nuclear power plants for prior periods	–	13,695	–
Increase in employee retirement benefit liability	5,532	1,751	56,317
Decrease in reserve for reprocessing of irradiated nuclear fuel	(1,100)	(5,608)	(11,198)
Increase in reserve for preparation for reprocessing of irradiated nuclear fuel	5,830	2,454	59,351
Increase in reserve for decommissioning nuclear power plants	4,860	7,355	49,476
Increase in reserve for loss in conjunction with discontinued operations of nuclear power plants	87,009	–	885,768
Decrease in reserve for fluctuation in water levels	–	(4,006)	–
Interest and dividend income	(8,141)	(7,478)	(82,877)
Interest expense	77,679	54,349	790,787
Decrease (increase) in fund for reprocessing of irradiated nuclear fuel	901	(933)	9,172
Decrease (increase) in trade notes and accounts receivable	12,180	(1,160)	123,995
Increase in inventories	(207)	(6,861)	(2,107)
Decrease (Increase) in trade notes and accounts payable	(67,206)	67,858	(684,170)
Other	1,917	(34,310)	19,514
Subtotal	480,655	563,752	4,893,159
Interest and dividends received	9,098	6,975	92,619
Interest paid	(79,356)	(54,505)	(807,859)
Income taxes paid	(51,517)	(44,264)	(524,453)
<b>Net Cash Provided by Operating Activities</b>	<b>358,880</b>	<b>471,958</b>	<b>3,653,466</b>
<b>Cash Flows from Investing Activities:</b>			
Purchases of property, plant and equipment	(269,810)	(247,720)	(2,746,717)
Increase in investments and other long-term assets	(46,194)	(47,385)	(470,264)
Proceeds from recovery of investments	57,375	18,540	584,088
Proceeds from purchases of subsidiaries' shares, net of cash acquired	–	(986)	–
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation (Note 3)	35,882	–	365,286
Other	7,612	4,809	77,492
<b>Net Cash Used in Investing Activities</b>	<b>(215,135)</b>	<b>(272,742)</b>	<b>(2,190,115)</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from issuance of bonds	59,791	103,599	608,684
Redemption of bonds	(262,855)	(69,825)	(2,675,914)
Proceeds from long-term loans	51,740	46,833	526,723
Repayment of long-term loans	(147,964)	(114,145)	(1,506,302)
Proceeds from short-term borrowings	434,660	445,467	4,424,921
Repayment of short-term borrowings	(460,460)	(419,197)	(4,687,570)
Proceeds from issuance of commercial paper	917,000	665,000	9,335,234
Redemption of commercial paper	(634,000)	(799,000)	(6,454,240)
Purchase of treasury stock	(750)	(10,619)	(7,635)
Dividends paid	(46,672)	(46,747)	(475,130)
Dividends paid to minority shareholders	(462)	(461)	(4,703)
Other	(266)	(836)	(2,708)
<b>Net Cash Used in Financing Activities</b>	<b>(90,238)</b>	<b>(199,931)</b>	<b>(918,640)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(644)</b>	<b>(37)</b>	<b>(6,556)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>52,863</b>	<b>(752)</b>	<b>538,155</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>97,109</b>	<b>97,861</b>	<b>988,588</b>
<b>Decrease in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation</b>	<b>(276)</b>	<b>–</b>	<b>(2,809)</b>
<b>Cash and Cash Equivalents at End of Year (Note 3)</b>	<b>¥149,696</b>	<b>¥97,109</b>	<b>\$1,523,934</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of Consolidated Financial Statements

#### (a) Basis of presenting the consolidated financial statements

The accompanying consolidated financial statements of Chubu Electric Power Company, Incorporated (the "Company") and its subsidiaries (together with the Company, the "Chubu Electric Group") have been prepared in accordance with the provisions set forth in the Japanese Corporate Law, the Financial Instruments and Exchange Law of Japan, and the Japanese Electric Utility Law and on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

These consolidated financial statements are compiled from the original consolidated financial statements in Japanese, prepared by the Company as required by the Financial Instruments and Exchange Law of Japan and submitted to the Director of Kanto Finance Bureau in Japan.

#### (b) U.S. dollar amounts

The Chubu Electric Group maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the accompanying consolidated financial statements and notes thereto present the arithmetic results of translating yen amounts into U.S. dollar amounts on a basis of ¥98.23 to U.S. \$1.00, the rate of exchange prevailing on March 31, 2009. The inclusion of the dollar amounts is solely for convenience of the reader and is not intended to imply that the assets and liabilities originating in yen have been or could readily be converted, realized or settled in dollars at the above rate or at any other rate.

#### (c) Reclassification

Certain comparative figures have been reclassified to conform to the current year's presentation.

### 2. Summary of Significant Accounting Policies

#### (a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. Investments in all affiliates are accounted for by the equity method. The differences between the acquisition cost of investments in subsidiaries and the underlying equity in their net assets adjusted based on the fair value at the time of acquisition are principally deferred and amortized over certain periods within twenty years on a straight-line basis. All significant intercompany transactions and accounts are eliminated on consolidation.

The number of subsidiaries and affiliates for the years ended March 31, 2009 and 2008 was as follows:

	2009	2008
Subsidiaries:		
Domestic	29	32
Overseas	7	7
Affiliates accounted for by the equity method	25	24

The Company's overseas subsidiaries close their books at December 31, three months earlier than the Company and its domestic subsidiaries. The Company consolidated the financial statements of the overseas subsidiaries as of their fiscal year-end. Significant transactions for the period between the subsidiaries' year-end and the Company's year-end are adjusted for on consolidation. The overseas subsidiaries adopt accounting principles generally accepted in their respective countries, and no adjustments to conform to accounting principles generally accepted in Japan have been made to their financial statements on consolidation as allowed under accounting principles and practices generally accepted in Japan.

**(b) Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed by the declining-balance method over the estimated useful life of the asset. Contributions in aid of construction are deducted from the depreciable costs of the assets.

(Accounting Changes)

Following amendments to the corporate tax laws, starting from the year ended March 31, 2008, for depreciable assets acquired on or after April 1, 2007, depreciation is conducted in accordance with the depreciation methods defined by the post-amendment corporate tax laws.

Therefore, for the year ended March 31, 2008, the value of depreciation implemented was ¥1,461 million more and operating income and income before income taxes and minority interests were ¥1,461 million less than they would have been with the previous method.

(Additional Information)

For property, plant and equipment acquired on or before March 31, 2007, depreciation would generally not be conducted once an asset had been depreciated to its allowable limit. However, according to the amended corporate tax laws, from the year ended March 31, 2008, once an asset has reached the allowable depreciation limit, depreciation of the remaining value can be conducted from the following year over a period of 5 years using the straight-line method.

Therefore, for the year ended March 31, 2008, the value of depreciation implemented was ¥18,403 million more, operating income was ¥18,400 million less, and income before income taxes and minority interests was ¥18,403 million less than they would have been with the previous method.

**(c) Nuclear fuel and amortization**

Nuclear fuel is stated at cost less amortization. The amortization of loaded nuclear fuel is computed based on the quantity of energy produced for the generation of electricity in accordance with the provisions prescribed by the regulatory authorities.

**(d) Investments and marketable securities**

The Chubu Electric Group classifies certain investments in debt and equity securities as "held-to-maturity," "trading" or "available-for-sale," the classification of which determines the respective accounting methods to be used to account for the investments, as stipulated by the accounting standard for financial instruments. The Chubu Electric Group had no trading securities in the fiscal years under review. Held-to-maturity securities are stated at amortized cost. Available-for-sale securities with market quotations are stated at fair value, and net unrealized gains or losses on these securities are reported as a component of net assets, net of applicable income taxes. Available-for-sale securities without available market quotations are carried at cost determined by the moving average method. Adjustments in the carrying values of individual securities are charged to income through write-downs when a decline in value is deemed other than temporary. Gains and losses on the disposition of investment securities are computed by the moving average method.

**(e) Hedge accounting**

Derivatives are valued at fair value if hedge accounting is not appropriate or where there is no hedging designation, and the gains and losses on the derivatives are recognized in current earnings. Certain transactions classified as hedging transactions are accounted for under a deferral method, whereby unrealized gains and losses on hedging instruments are carried as net assets on the balance sheet until the gains and losses on the hedged items are realized. Foreign exchange forward contracts are accounted for by translating foreign currency denominated assets and liabilities at contract rates as an interim measure if certain hedging criteria are met. According to the special treatment permitted by the accounting standard for financial instruments, interest rate swaps are accounted for on an accrual basis, and the net amount received or paid is added to or deducted from the interest expense on the hedged items, if certain conditions are met. The Company's derivative transactions are applied only to the assets and liabilities generated through the Company's operations to hedge exposures to fluctuations in exchange rates, interest rates or fuel prices.

**(f) Inventories**

Inventories consisted of fuel, materials, supplies and construction work-in-process. Fuel is stated at cost, determined by the periodic average method (a method that involves reductions in carrying amounts stated on the consolidated balance sheet based on reduced profitability).

**(Accounting Changes)**

The Company has adopted the Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan, Statement No. 9 issued on July 5, 2006), effective from the year ended March 31, 2009. The application of this standard in the year ended March 31, 2009 had no material impact on operating income or loss before income taxes and minority interests.

**(g) Allowance for doubtful accounts**

An allowance for doubtful accounts has been provided for at the aggregate amount of estimated credit loss for doubtful or troubled receivables based on a financial review of certain individual accounts and a general reserve for other receivables based on the historical loss experience for a certain past period.

**(h) Employee retirement benefit liability**

Employees who terminate their employment with the Chubu Electric Group, either voluntarily or upon reaching the mandatory retirement age, are entitled under most circumstances to a severance payment based on the rate of payment at the time of termination, years of service and certain other factors.

In accordance with the accounting standard for employee retirement benefits, the Chubu Electric Group recognizes retirement benefits, including pension cost and related liability, based on the actuarial present value of projected benefit obligation using an actuarial appraisal approach and based on the value pension plan assets available for benefits at the fiscal year-end. Unrecognized prior service cost is amortized using the straight-line method over a certain period within the average remaining service years of employees, such as five to fifteen years, from the year in which they occur. Unrecognized actuarial differences, including changes in the projected benefit obligation or value of pension plan assets, resulting from the actual outcome being different from that assumed and from changes in assumptions themselves are amortized on a straight-line basis over certain periods within the average remaining service years of employees, such as three to fifteen years, from the year following the fiscal year in which they arise.

**(i) Reserve for reprocessing of irradiated nuclear fuel**

Until March 31, 2005, a reserve for the reprocessing of irradiated nuclear fuel was recorded at an amount equal to 60% of the cost that would be required to reprocess all the Company's irradiated nuclear fuel. However, the ministerial ordinance that had regulated reserves for the reprocessing of irradiated nuclear fuel was repealed by the "Ministerial Ordinance to Repeal the Existing Ordinance Set for Reserve for Reprocessing of Irradiated Nuclear Fuel" (Ordinance No. 83 of the Ministry of Economy, Trade and Industry, 2005) and the accounting regulations applicable to electricity business (Ordinance No. 57 of the Ministry of International Trade and Industry, 1965). Subsequently, expenses related to back-end business such as the disposal of equipment installed in reprocessing facilities for which there are no estimations available are provided based on reasonable valuation measures, according to the mid-term report titled "Economic Measures to Deal with Backend Business" (published by the Electric Industry Committee, a subcommittee of the Advisory Committee on Energy and Natural Resources, on August 30, 2004). Accordingly, effective April 1, 2005, the Company adopted the new accounting regulations to determine the reserve for the reprocessing of irradiated nuclear fuel. Pursuant to these regulations, the Company determines and provides the reserve as of the year-end based on the Company's estimates of the cost of reprocessing actually planned.

The difference that has arisen due to the accounting change specified by Article 2 of the supplementary provision in the Ordinance Revising the Accounting Regulations for Japanese Electric Utility Companies (Ministry of Economy, Trade and Industry Ordinance No. 92, 2005), ¥124,568 million, is being allocated on a straight-line basis as operating expense over 15 years from the year ended 31, 2006. The amount determined by Article 2 changed when the Spent Nuclear Fuel Reprocessing Fund Act (Ministry of Economy, Trade and Industry Ordinance No. 84, June 13, 2007) was put into effect in the year ended March 31, 2009. After this change, ¥98,982 million, will be treated as operating expense allocated using the straight line method over a twelve year period starting from fiscal year 2008. The unrecognized difference from this estimate amounted to ¥90,733 million (\$923,679 thousand) at March 31, 2009.

Regarding the difference in estimates for reprocessing costs, the Company provides for the cost estimated for reprocessing spent fuel with a specific reprocessing plan from the next fiscal year throughout the period in which it is generated, following the accounting regulations applicable to the electricity business. The unrecognized difference for this estimate amounted to ¥9,769 million (\$99,450 thousand) and minus ¥1,235 million at March 31, 2009 and 2008, respectively.

#### **(j) Reserve for preparation for reprocessing of irradiated nuclear fuel**

A reserve for preparation for reprocessing of irradiated nuclear fuel is provided as a portion of the estimated costs needed to reprocess the irradiated nuclear fuel without a definite plan of reprocessing. The amount of reserve recorded for a particular year, including the year ended March 31, 2009, is the amount recognized as attributable to that period.

#### **(k) Reserve for decommissioning nuclear power plants**

The Company provides for the costs of decommissioning nuclear power plants based on the amount of electricity supplied by nuclear power generation in accordance with the provisions prescribed by the regulatory authorities.

(Additional Information)

Implementation of the "Law to Amend the Law on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors" (Law No. 44 of 2005), changed the preconditions for establishing large-scale quotations regarding reserves for the decommissioning of nuclear power plants. As a result, the "Subcommittee on Organization of the Nuclear Power Investment Environment," established under the auspices of the Electric Industry Committee, a subcommittee of the Advisory Committee on Energy and Natural Resources, investigated as to whether a deficiency or surplus of allowance existed and issued a report in May 2007 noting the existence of a deficiency.

Based on this report, the "Ministerial Ordinance to Amend the Existing Ordinance for the Setting of Reserves for the Decommissioning of Nuclear Power Plants" (Ordinance No. 20 of the Ministry of Economy, Trade and Industry, March 25, 2008) was implemented, and through amendment of the "Ministerial Ordinance for the Setting of Reserves for the Decommissioning of Nuclear Power Plants" (Ordinance No. 30 of the Ministry of International Trade and Industry, May 25, 1989), from the year ended March 31, 2008, based on post-amendment ordinances, for the calculation of large-scale quotations, the total cost of decommissioning nuclear power plants is based on the amount of electricity supplied by nuclear power generation.

For the year ended March 31, 2008, an increase in allowances in the amount of ¥14,575 million was made with regard to reserves for the decommissioning of nuclear power plants following ordinance amendments shall be calculated as a lump sum. Of this figure, a one-off extraordinary charge of ¥13,695 million was made for the period up until the year ended March 31, 2007 based on electricity supplied.

Therefore, for the year ended March 31, 2008, operating income decreased by ¥880 million, and income before income taxes and minority interests decreased by ¥14,575 million from the previous year.

#### **(l) Reserve for loss in conjunction with discontinued operations of nuclear power plants**

In the year ended March 31, 2009 a reasonable estimate was made as a reserve for possible future expenses and losses related to the decommissioning of electric generating facilities that followed the termination of operations at Hamaoka Reactors No. 1 and No. 2.

(Additional Information)

At a meeting of the Board of Directors held on December 22, 2008, a decision was made on Hamaoka Nuclear Power Station Replacement Plan under which operations at Hamaoka Reactors No. 1 and No. 2 would be terminated and a new reactor, No. 6, would be built. A reasonable estimate was made as a provision for related expenses at the year ended March 31, 2009.

#### **(m) Reserve for fluctuation in water levels**

The Company recognizes reserve at the amount required under the Japanese Electric Utility Law to stabilize its income position for fluctuation in water levels.

#### **(n) Lease transactions**

The Accounting Standard for Lease Transactions (Statement No. 13, issued by the First Committee of Business

Accounting Council of the Accounting Standards Board of Japan on June 17, 1993 and revised on March 30, 2007) and the Implementation Guidance for Accounting Standard for Lease Transactions (Statement No.16, issued by the Accounting Standards Committee of the Japanese Institute of Certified Public Accountants on January 18, 1994 and revised on March 30, 2007) were adopted in the year ended March 31, 2009. Finance lease contracts that commenced on or before March 31, 2008 that are recognized as not transferring ownership of property will continue to be accounted for in the same manner as ordinary operating leases. This change will not have a material impact.

#### (o) Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

#### (p) Research and development costs

Research and development costs included in operating expenses for the years ended 31, 2009 and 2008 amounted to ¥14,049 million (\$143,021 thousand) and ¥14,046 million, respectively.

#### (q) Income taxes

Income taxes are accounted for by the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

#### (r) Translation of foreign currency accounts

Receivables, payables and securities, other than stocks of subsidiaries and certain other securities, are translated into Japanese yen at the prevailing exchange rate at the fiscal year-end. Transactions in foreign currencies are translated based on the prevailing exchange rate on the transaction date. Resulting foreign exchange translation gains and losses are included in the consolidated statements of income.

For financial statement items of overseas subsidiaries, all asset and liability accounts are translated into Japanese yen by applying the exchange rate in effect at the respective fiscal year-end. All income and expense accounts are translated at the average rate of exchange prevailing during the year. Translation differences, after allocating the portion attributable to minority interests, are reported in the consolidated balance sheets as foreign currency translation adjustments in net assets.

#### (s) Per share information

Basic net (loss) income per share is computed by dividing (loss) income available to common shareholders by the weighted average number of shares outstanding during the year. Cash dividends per share shown for each fiscal year in the consolidated statements of operations represents dividends declared as applicable to the respective year.

### 3. Cash and Cash Equivalents

For the consolidated statements of cash flows, reconciliation between cash and cash equivalents and cash balances on the consolidated balance sheets was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Cash	¥ 144,278	¥ 86,956	\$ 1,468,777
Time deposits with an original maturity of more than three months included in cash account	(20,054)	(10,004)	(204,153)
Short-term investments with an original maturity of three months or less included in other current assets account	25,472	20,157	259,310
Cash and cash equivalents	¥ 149,696	¥ 97,109	\$ 1,523,934



Chubu Telecommunications Co., Inc. and Network Support Service Co., Inc. were removed from the scope of consolidation through a sale of stock in the year ended March 31, 2009. The table below shows a breakdown of the assets and liabilities of both companies at the time of sale and the relationship between the sales amount of the stock and the net proceeds from the sale of the stock.

	Millions of yen	Thousands of U.S. dollars
	2009	2009
Property, plant and equipment and other	¥ 90,499	\$ 921,297
Current assets	6,974	70,997
Long-term liabilities	(40,533)	(412,634)
Current liabilities	(15,247)	(155,217)
Investment account after the sale	(8,129)	(82,755)
Decrease in retained earnings caused by change in the scope of consolidation	(7)	(71)
Gain on sale of marketable securities	3,374	34,348
Gain on sale of stock	36,931	375,965
Cash and cash equivalents held by subsidiaries	(1,049)	(10,679)
Proceeds from sales of subsidiaries' shares	¥ 35,882	\$ 365,286

#### 4. Property, Plant and Equipment

The major classifications of property, plant and equipment at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Hydroelectric power production facilities	¥ 292,394	¥ 306,194	\$ 2,976,626
Thermal power production facilities	612,980	595,567	6,240,252
Nuclear power production facilities	272,426	325,734	2,773,348
Transmission facilities	982,729	1,038,336	10,004,367
Transformation facilities	419,407	436,985	4,269,643
Distribution facilities	817,450	784,133	8,321,796
General facilities	127,984	132,052	1,302,901
Other electricity related property, plant and equipment	942	957	9,590
Other property, plant and equipment	197,382	335,607	2,009,387
Construction in progress	232,998	230,679	2,371,964
	¥ 3,956,692	¥ 4,186,244	\$ 40,279,874

Calculated according to the accounting principles and practices generally accepted in Japan, accumulated gains in relation to the receipt of contributions in aid of real property construction deducted from the original acquisition costs amounted to ¥157,312 million (\$1,601,466 thousand) and ¥155,244 million at March 31, 2009 and 2008, respectively.

## 5. Investments and Marketable Securities

At March 31, 2009 and 2008, investments consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Long-term investments:			
Marketable securities:			
Equity securities	¥ 39,488	¥ 64,316	\$ 401,995
Bonds	21,614	21,115	220,035
Other	1,043	1,267	10,618
	<u>62,145</u>	<u>86,698</u>	<u>632,648</u>
Other non-marketable securities	71,853	77,170	731,477
Investments in affiliates	30,002	14,841	305,426
Other	28,049	53,815	285,544
	<u>¥ 192,049</u>	<u>¥ 232,524</u>	<u>\$ 1,955,095</u>
Short-term investments included in other current assets:			
Marketable securities:			
Bonds	¥ 2,472	¥ 399	\$ 25,165
Other	–	1,012	–
	<u>2,472</u>	<u>1,411</u>	<u>25,165</u>
Other non-marketable securities	29,472	28,657	300,031
	<u>¥ 31,944</u>	<u>¥ 30,068</u>	<u>\$ 325,196</u>

At March 31, 2009 and 2008, gross unrealized gains and losses for such marketable securities were as follows:

	Carrying value	Gross unrealized gains	Gross unrealized losses	Fair value
	Millions of yen			
Held-to-maturity debt securities:				
As of March 31, 2009				
National and local government bonds	¥ 6,245	¥ 116	¥ 2	¥ 6,359
Corporate bonds and debentures	5,176	71	12	5,235
Other	4,311	78	200	4,189
	<u>¥ 15,732</u>	<u>¥ 265</u>	<u>¥ 214</u>	<u>¥ 15,783</u>
As of March 31, 2008				
National and local government bonds	¥ 6,030	¥ 145	¥ 0	¥ 6,175
Corporate bonds and debentures	4,645	81	2	4,724
Other	3,664	79	99	3,644
	<u>¥ 14,339</u>	<u>¥ 305</u>	<u>¥ 101</u>	<u>¥ 14,543</u>

	Carrying value	Gross unrealized gains	Gross unrealized losses	Fair value
	Thousands of U.S. dollars			
As of March 31, 2009				
National and local government bonds	\$ 63,575	\$ 1,181	\$ 20	\$ 64,736
Corporate bonds and debentures	52,693	723	122	53,293
Other	43,887	794	2,037	42,645
	<u>\$ 160,155</u>	<u>\$ 2,698</u>	<u>\$ 2,179</u>	<u>\$ 160,674</u>

	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
	Millions of yen			
Available-for-sale securities:				
As of March 31, 2009				
Equity securities	¥ 20,112	¥ 21,105	¥ 1,728	¥ 39,488
Bond:				
Corporate bonds and debentures	5,442	19	42	5,419
Other	3,463	2	531	2,935
Other	1,408	–	365	1,043
	<u>¥ 30,425</u>	<u>¥ 21,126</u>	<u>¥ 2,666</u>	<u>¥ 48,885</u>
As of March 31, 2008				
Equity securities	¥ 20,878	¥ 43,812	¥ 373	¥ 64,316
Bonds:				
Corporate bonds and debentures	3,090	21	12	3,100
Other	4,761	51	737	4,076
Other	2,316	1	38	2,278
	<u>¥ 31,045</u>	<u>¥ 43,885</u>	<u>¥ 1,160</u>	<u>¥ 73,770</u>

	Thousands of U.S. dollars			
As of March 31, 2009				
Equity securities	\$ 204,744	\$ 214,853	\$ 17,591	\$ 401,995
Bonds:				
Corporate bonds and debentures	55,401	193	428	55,166
Other	35,254	21	5,406	29,879
Other	14,333	–	3,715	10,619
	<u>\$ 309,732</u>	<u>\$ 215,067</u>	<u>\$ 27,140</u>	<u>\$ 497,659</u>

During the years ended March 31, 2009 and 2008, the Chubu Electric Group sold available-for-sale securities and recorded gains in the consolidated statements of operations in the amount of ¥78 million (\$794 thousand) and ¥757 million and losses of ¥77 million (\$784 thousand) and ¥24 million, respectively.

The aggregate annual maturities of investments as of March 31, 2009 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Within 1 year	¥ 3,693	\$ 37,595
Over 1 year but within 5 years	6,083	61,926
Over 5 year but within 10 years	9,519	96,905
Over 10 years	3,904	39,744
	<u>¥ 23,199</u>	<u>\$ 236,170</u>

## 6. Long-term Debt and Short-term Borrowings

At March 31, 2009 and 2008, long-term debt and short-term borrowings consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Bonds and notes payable:			
Domestic issue:			
0.73% to 4.0%, maturing serially through 2028	¥ 1,034,072	¥ 1,235,350	\$ 10,527,049
Floating rate, maturing serially through 2013	259,000	259,000	2,636,669
Overseas issue:			
0.76% to 1.036%, maturing serially through 2013 (payable in Euros/yen)	10,000	11,000	101,802
Loans from the Development Bank of Japan, other banks and insurance companies, due through 2026	868,000	996,117	8,836,404
Lease obligations	10,498	-	106,872
Less intercompany elimination	(700)	(800)	(7,126)
Total	<u>2,180,870</u>	2,500,667	<u>22,201,670</u>
Less current portion of long-term debt	<u>(184,111)</u>	(235,413)	<u>(1,874,285)</u>
	<u>¥ 1,996,759</u>	<u>¥ 2,265,254</u>	<u>\$ 20,327,385</u>

At March 31, 2009 and 2008, all assets of the Company were subject to certain statutory preferential rights as collateral for loans from the Development Bank of Japan in the amount of ¥204,328 million (\$2,080,098 thousand) and ¥240,092 million, respectively, and for bonds (including those assigned under debt assumption agreements) of ¥2,000,921 million (\$20,369,755 thousand) and ¥2,204,409 million, respectively.

At March 31, 2009 and 2008, property, plant and equipment, and long-term investments of certain subsidiaries pledged as collateral for long-term debt amounted to ¥35,883 million (\$365,296 thousand) and ¥36,560 million, respectively.

The aggregate annual maturities of long-term debt as of March 31, 2009 are summarized as follows:

Year ended March 31	Millions of yen	Thousands of U.S. dollars
2010	¥ 184,111	\$ 1,874,285
2011	321,790	3,275,883
2012	254,241	2,588,222
2013	241,526	2,458,780
2014	233,023	2,372,218
2015 and thereafter	947,197	9,642,645

Short-term borrowings consisted mainly of bank loans bearing an average interest rate of 0.742% per annum at March 31, 2009. At March 31, 2009, commercial paper bore an average interest rate of 0.277% per annum.

## 7. Employee Retirement Benefits

The Chubu Electric Group has several defined benefit retirement plans, principally consisting of non-contributory pension plans, a welfare pension fund and lump-sum retirement benefit plans.

The following table reconciles the retirement benefit liability and net periodic retirement benefit expense as of and for the years ended March 31, 2009 and 2008:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Projected benefit obligation (Note 1)	¥ 623,106	¥ 615,478	\$ 6,343,337
Less fair value of pension plan assets at end of year	(386,787)	(441,729)	(3,937,565)
	236,319	173,749	2,405,772
Unrecognized actuarial differences	(110,552)	(45,079)	(1,125,440)
Unrecognized prior service cost	1,230	1,938	12,522
Prepaid pension cost	71,433	63,335	727,201
Employee retirement benefit liability	¥ 198,430	¥ 193,943	\$ 2,020,055

Note 1: Projected benefit obligation of certain subsidiaries was calculated using the simplified calculation method permitted by the accounting standard for employee retirement benefits.

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Components of net periodic retirement benefit expense:			
Service cost	¥ 18,115	¥ 18,450	\$ 184,414
Interest cost	12,325	12,301	125,471
Expected return on pension plan assets	(12,981)	(14,857)	(132,149)
Amortization of actuarial differences	(153)	(30,816)	(1,558)
Amortization of prior service cost	(723)	(723)	(7,360)
Net periodic retirement benefit expense	¥ 16,583	¥ (15,645)	\$ 168,818

Major assumptions used in the calculation of the above amounts for the years ended March 31, 2009 and 2008 were as follows:

		2009	2008
Amortization method for projected benefits over periods of services		<b>Straight-line method</b>	Straight-line method
Discount rate	(Company)	2.0%	2.0%
	(Subsidiaries)	2.0, 2.5%	2.0, 2.5%
Expected rate of return on pension plan assets	(Company)	3.0%	3.0%
	(Subsidiaries)	2.0 ~ 6.0%	0.5 ~ 4.0%
Amortization period for prior service cost	(Company)	-	-
	(Subsidiaries)	5, 15 years	5, 15 years
Amortization period for actuarial differences	(Company)	3 years	3 years
	(Subsidiaries)	3, 5, 15 years	3, 5, 15 years

## 8. Lease Transactions

### (a) Lessee

Total lease expenses under finance leases other than those which substantially transfer the risks and benefits of ownership of the assets at the end of the lease term amounted to ¥4,703 million for the year ended March 31, 2008.

Pro forma information on the property leased under these finance leases, including acquisition cost, accumulated depreciation and future minimum lease payments, all of which included imputed interest expense, on an "as if capitalized" basis at March 31, 2008, was as follows:

		Millions of yen
		2008
Acquisition cost	¥	36,725
Accumulated depreciation		(14,093)
Accumulated impairment loss on fixed assets		(120)
Net leased property	¥	22,512
Future minimum lease payments:		
Within 1 year	¥	4,480
Over 1 year		18,200
Total	¥	22,680

Because the corresponding amounts for the year ended March 31, 2009 were immaterial, there is no disclosure for 2009.

Information on future lease payments under non-cancelable operating leases at March 31, 2009 and 2008 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Within 1 year	¥ 82	¥ 75	\$ 835
Over 1 year	334	400	3,400
Total	¥ 416	¥ 475	\$ 4,235

**(b) Lessor**

Revenue under finance leases other than those which substantially transfer the risks and benefits of ownership of the assets at the end of the lease term amounted to ¥2,952 million for the year ended March 31, 2008. The related depreciation expense of ¥2,316 million was recorded on the consolidated statements of income for the year ended March 31, 2008.

Information on the leased property, including acquisition cost, accumulated depreciation and future lease commitments to be received under these finance leases, at March 31, 2008 was as follows:

	Millions of yen
	2008
Acquisition cost	¥ 15,177
Accumulated depreciation	(6,469)
Net leased property	¥ 8,708
Future lease commitments to be received:	
Within 1 year	¥ 2,648
Over 1 year	7,868
Total	¥ 10,516

Because the corresponding amounts for the year ended March 31, 2009 were immaterial, there is no disclosure for 2009.

Information on the future lease commitments to be received under non-cancelable operating leases at March 31, 2009 and 2008 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Within 1 year	¥ 316	¥ 301	\$ 3,217
Over 1 year	2,457	2,474	25,013
Total	¥ 2,773	¥ 2,775	\$ 28,230

## 9. Derivatives

The Chubu Electric Group enters into derivative financial instruments, including interest rate swaps, interest rate options, foreign currency forward contracts, currency swaps, commodity swaps, commodity options and commodity forward contracts. The fair value of the Chubu Electric Group's derivative financial instruments at March 31, 2009 was as follows:

	Contracted amount	Fair value	Unrealized gains or losses
	Millions of yen		
As of March 31, 2009			
Commodity swaps and options contracts			
Receive floating, pay fixed	¥ 2,264	¥ (198)	¥ (198)
Commodity swaps contracts			
Receive floating, pay fixed	21,541	(2,814)	(2,814)
Receive fixed, pay floating	24,377	2,245	2,245
Commodity forward contracts	668	(25)	(25)
Total	¥ 48,850	¥ (792)	¥ (792)
Thousands of U.S. dollars			
As of March 31, 2009			
Commodity swaps and options contracts			
Receive floating, pay fixed	\$ 23,048	\$ (2,016)	\$ (2,016)
Commodity swaps contracts			
Receive floating, pay fixed	219,291	(28,647)	(28,647)
Receive fixed, pay floating	248,163	22,855	22,855
Commodity forward contracts	6,800	(255)	(255)
Total	\$ 497,302	\$ (8,063)	\$ (8,063)

The fair values above are based on prices provided by banking institutions. Derivative financial instruments that qualify for hedge accounting are excluded from the above disclosure.



## 10. Contingent Liabilities

As of March 31, 2009 and 2008, contingent liabilities were as follows:

	Millions of yen		Thousands of
	2009	2008	U.S. dollars
Co-guarantees of loans for others:			2009
Japan Nuclear Fuel Limited	¥ 134,748	¥ 142,097	\$ 1,371,760
Nuclear Fuel Transport Co., Ltd. and other companies	6,832	1,318	69,551
Guarantees of housing and other loans for employees	103,209	103,317	1,050,687
Guarantees relating to electricity purchase agreements for affiliates	9,074	1,498	92,375
Recourse under debt assumption agreements	698,435	699,723	7,110,201

## 11. Net Assets

The authorized number of shares of common stock without par value is 1,190 million. At both March 31, 2009 and 2008, the number of shares of common stock issued was 779,004,665. At March 31, 2009 and 2008, respectively, the number of treasury stock held by the Chubu Electric Group was 616,893 and 434,034 shares.

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Code, companies were required to set aside an amount equal to at least 10% of the aggregate amount of cash dividends and other cash appropriations as legal earnings reserve until the total of legal earnings reserve and additional paid-in capital equaled 25% of common stock.

Under the Code, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting or could be capitalized by a resolution of the Board of Directors. Under the Law, both of these appropriations generally require a resolution of the shareholders' meeting.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Code, however, on condition that the total amount of legal earnings reserve and additional paid-in capital remained equal to or exceeded 25% of common stock, they were available for distribution by resolution of the shareholders' meeting. Under the Law, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the annual shareholders' meeting held on June 25, 2009, the shareholders approved cash dividends amounting to ¥23,354 million (\$237,748 thousand). The appropriation was not accrued in the consolidated financial statements as of March 31, 2009. Such appropriations are recognized in the period in which they are approved by the shareholders.

## 12. Income Taxes

The tax effects on temporary differences that give rise to deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Employee retirement benefit liability	¥ 72,958	¥ 71,299	\$ 742,726
Depreciation	37,278	33,966	379,497
Reserve for loss in conjunction with discontinued operations of nuclear power plants	31,062	–	316,217
Intercompany profits	18,872	18,239	192,121
Amortization of deferred charges	13,499	16,632	137,422
Impairment loss on fixed assets	23,151	16,352	235,682
Reserve for reprocessing of irradiated nuclear fuel	12,693	13,196	129,217
Reserve for decommissioning nuclear power plant	12,556	12,556	127,823
Depreciation of easement rights	12,180	–	123,995
Accrued bonuses to employees	10,956	11,310	111,534
Other	51,404	69,470	523,302
Total gross deferred tax assets	296,609	263,020	3,019,536
Less valuation allowance	(34,608)	(38,456)	(352,316)
Total deferred tax assets	262,001	224,564	2,667,220
Deferred tax liabilities:			
Prepaid pension cost	25,440	22,545	258,984
Deferred gains on hedging instruments	6,774	14,654	68,961
Net unrealized gains on available-for-sale securities	4,695	13,424	47,796
Other	1,038	954	10,567
Total deferred tax liabilities	37,947	51,577	386,308
Net deferred tax assets	¥ 224,054	¥ 172,987	\$ 2,280,912

At March 31, 2009 and 2008, deferred tax assets and liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Noncurrent	¥ 197,383	¥ 146,948	\$ 2,009,396
Current	26,672	26,042	271,526
Deferred tax liabilities:			
Noncurrent	–	–	–
Current	1	3	10

In assessing the realizability of deferred tax assets, management of the Chubu Electric Group considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of the future taxable income during the periods in which those temporary differences become deductible. At March 31, 2007, a valuation allowance was established to reduce the deferred tax assets to the amount that the management of the Chubu Electric Group believed the deferred tax assets were expected to be realized.

A reconciliation of the difference between the statutory income tax rate and the effective income tax rate for the year ended March 31, 2009 is set forth below. Because the difference between the statutory income tax rate and the effective income tax rate for the year ended March 31, 2008 was 5% or less of the statutory income tax rate, the reconciliation for 2008 has been omitted.

	<u>2009</u>
Statutory tax rate	35.7%
Increase due to:	
Amortization of goodwill	3.0
Less valuation allowance	(19.8)
Tax credit	5.0
Permanent nondeductible expenses	(3.8)
Tax effect related to investments in subsidiaries	8.3
Tax rate difference for subsidiaries	(4.1)
Other	1.7
Effective income tax rate	<u>26.0%</u>

### 13. Loss in Conjunction with Discontinued Operations of Hamaoka Reactors No. 1 and No. 2

At a meeting of the Board of Directors held on December 22, 2008, a decision was made on the Hamaoka Nuclear Power Station Replacement Plan under which operations at Hamaoka Reactors No. 1 and No. 2 would be terminated and a new reactor, No. 6, would be built. As a result, there was an extraordinary loss during the consolidated fiscal year for the losses related to electric generating facilities following the termination of operations for Hamaoka Reactors No. 1 and No. 2.

Below is a breakdown of the significant items.

	<u>Millions of yen</u>	<u>Thousands of U.S. dollars</u>
	<u>2009</u>	<u>2009</u>
Loss related to electric generating facilities	¥ 53,625	\$ 545,913
Impairment loss	30,862	314,181
Decommissioning expense for electric generating facilities	48,008	488,731
Loss on and handling expense for nuclear fuel	52,065	530,031

A breakdown of the impairment loss listed above is described below.

### (a) Method for grouping assets

In principle, the Chubu Electric Group organizes assets into groups of assets in order to better assess related income and expenditures. However, significant assets that are dormant or that are scheduled to be disposed and not replaced with alternative assets are organized independently. The principal grouping methods are described below.

#### (1) Electric Power

The assets from electricity to sales are comprised of one network. In order to assess the amount of income and expenditure for the entire business, the entire business, excluding assets that are scheduled for disposal, is classified as one group. There is no indication that the assets in this group will be impaired.

#### (2) Other

In principal, other businesses are organized into groups by the business and location.

### (b) Assets and asset groups in which an impairment loss was recognized

	Millions of yen	Thousands of U.S. dollars
	2009	2009
Electric generating facilities to be disposed of (electricity related property, plant and equipment and construction in progress)	¥ 30,862	\$ 314,181
Buildings	1,396	14,212
Structures	2,996	30,500
Machinery and equipment	25,372	258,292
Other	1,098	11,177

### (c) Reason for recognition of impairment loss

Following the termination of operations for Hamaoka Reactors No. 1 and No. 2, it was determined that it would be difficult to recover the investment in or the carrying value of the facilities described above. This decrease in value, including the loss related to termination of operations for Hamaoka Reactors No. 1 and No. 2, was to be treated as an impairment loss and a one-off extraordinary loss of ¥30,862 million (\$314,181 thousand) was posted.

### (d) Calculation method for recoverable amount

Net sales price was used to determine the recoverable amount. Because it would have been difficult to sell or use the assets for other purposes, the net sales price of the assets was considered to be zero.

## 14. Segment Information

The Chubu Electric Group's operations are classified into four segments: the electric power business, energy business, construction business and other business segments. The electric power segment involves the electric power supply business. The energy business segment involves gas supply. The construction business segment consists of business related to the construction, maintenance and repair of power generation, transmission and transformation facilities, etc. The other business segment consists of business related to telecommunications and information software and services and the leasing and management of real estate, etc. Information by industry segment for years ended March 31, 2009 and 2008 was as follows:

	Electric power	Energy	Construction	Others	Total	Elimination	Consolidated
Millions of yen							
Year ended March 31, 2009							
Operating revenues:							
External customers	¥ 2,298,871	¥ 42,633	¥ 137,375	¥ 31,103	¥ 2,509,982	¥ –	¥ 2,509,982
Intersegment	1,762	6,305	156,996	136,414	301,477	(301,477)	–
Total	2,300,633	48,938	294,371	167,517	2,811,459	(301,477)	2,509,982
Operating expenses	2,136,821	49,194	282,092	158,869	2,626,976	(299,229)	2,327,747
Operating income	¥ 163,812	¥ (256)	¥ 12,279	¥ 8,648	¥ 184,483	¥ (2,248)	¥ 182,235
Total assets	¥ 5,012,202	¥ 67,802	¥ 274,652	¥ 218,479	¥ 5,573,135	¥ (103,006)	¥ 5,470,129
Depreciation and amortization	300,180	4,702	3,954	7,287	316,123	(3,659)	312,464
Impairment loss	30,862	–	–	–	30,862	–	30,862
Capital expenditures	248,558	8,731	7,775	10,794	275,858	(5,192)	270,666
Year ended March 31, 2008							
Operating revenues:							
External customers	¥ 2,187,368	¥ 34,795	¥ 146,920	¥ 63,782	¥ 2,432,865	¥ –	¥ 2,432,865
Intersegment	6,059	5,851	164,397	114,668	290,975	(290,975)	–
Total	2,193,427	40,646	311,317	178,450	2,723,840	(290,975)	2,432,865
Operating expenses	2,037,369	43,090	297,435	176,867	2,554,761	(289,759)	2,265,002
Operating income	¥ 156,058	¥ (2,444)	¥ 13,882	¥ 1,583	¥ 169,079	¥ (1,216)	¥ 167,863
Total assets	¥ 5,068,059	¥ 64,541	¥ 285,200	¥ 329,791	¥ 5,747,591	¥ (111,333)	¥ 5,636,258
Depreciation and amortization	301,089	4,528	5,674	33,817	345,108	(3,541)	341,567
Capital expenditures	204,695	8,498	8,371	34,127	255,691	(5,066)	250,625
Thousands of U.S. dollars							
Year ended March 31, 2009							
Operating revenues:							
External customers	\$ 23,402,942	\$ 434,012	\$ 1,398,504	\$ 316,634	\$ 25,552,092	\$ –	\$ 25,552,092
Intersegment	17,937	64,186	1,598,249	1,388,721	3,069,093	(3,069,093)	–
Total	23,420,879	498,198	2,996,753	1,705,355	28,621,185	(3,069,093)	25,552,092
Operating expenses	21,753,242	500,804	2,871,750	1,617,317	26,743,113	(3,046,208)	23,696,905
Operating income	\$ 1,667,637	\$ (2,606)	\$ 125,003	\$ 88,038	\$ 1,878,072	\$ (22,885)	\$ 1,855,187
Total assets	\$ 51,025,165	\$ 690,237	\$ 2,796,009	\$ 2,224,159	\$ 56,735,570	\$ (1,048,621)	\$ 55,686,949
Depreciation and amortization	3,055,889	47,867	40,253	74,183	3,218,192	(37,249)	3,180,943
Impairment loss	314,181	–	–	–	314,181	–	314,181
Capital expenditures	2,530,368	88,883	79,151	109,885	2,808,287	(52,856)	2,755,431

Note: As of March 31, 2008 the Group had classified its businesses into five segments: the electric power business, energy business, IT and telecommunication business, construction business and other businesses segments. As of March 31, 2009, the classification has been changed into four segments: the electric power business, energy business, construction business, and other businesses segments. This is due to the fact the amounts related to the IT and telecommunication business became less significant after the equity method was applied to a principal subsidiary in the IT and telecommunication business segment, Chubu Telecommunications Co., Inc. through a partial transfer of stock. Segment information for the year ended March 31, 2008 disclosed above was reclassified to conform to year ended March 31, 2009 classifications for comparative purposes.

Geographic segment information is not shown, as operating revenues of the overseas subsidiaries were not material. Information on overseas sales is not disclosed because such sales were not material.

## 15. Financial Information of Chubu Electric Power Company, Incorporated

Presented below are the non-consolidated balance sheets, and non-consolidated statements of operations of Chubu Electric Power Company, Incorporated.

### NON-CONSOLIDATED BALANCE SHEETS

Chubu Electric Power Company, Incorporated  
As of March 31, 2009 and 2008

ASSETS	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>Property, Plant and Equipment:</b>			
Property, plant and equipment	¥12,502,639	¥12,342,016	\$127,279,232
Construction in progress	228,095	222,525	2,322,051
	<u>12,730,734</u>	<u>12,564,541</u>	<u>129,601,283</u>
Less:			
Contributions in aid of construction	(150,242)	(147,824)	(1,529,492)
Accumulated depreciation	(8,744,995)	(8,494,961)	(89,025,705)
	<u>(8,895,237)</u>	<u>(8,642,785)</u>	<u>(90,555,197)</u>
Property, Plant and Equipment, Net	<u>3,835,497</u>	<u>3,921,756</u>	<u>39,046,086</u>
<b>Nuclear Fuel:</b>			
Loaded nuclear fuel	27,791	43,880	282,917
Nuclear fuel in processing	219,712	216,110	2,236,710
Total Nuclear Fuel	<u>247,503</u>	<u>259,990</u>	<u>2,519,627</u>
<b>Investments and Other Long-term Assets:</b>			
Long-term investments	197,241	335,087	2,007,951
Deferred tax assets	160,109	111,164	1,629,940
Fund for reprocessing of irradiated nuclear fuel	244,759	245,660	2,491,693
Other	82,917	72,431	844,111
Less allowance for doubtful accounts	(420)	(445)	(4,276)
Total Investments and Other Long-term Assets	<u>684,606</u>	<u>763,897</u>	<u>6,969,419</u>
<b>Current Assets:</b>			
Cash	73,820	25,459	751,502
Trade notes and accounts receivable	116,495	116,677	1,185,941
Less allowance for doubtful accounts	(687)	(672)	(6,994)
Inventories	84,874	83,670	864,033
Deferred tax assets	21,028	22,158	214,069
Other	47,277	45,612	481,289
Total Current Assets	<u>342,807</u>	<u>292,904</u>	<u>3,489,840</u>
<b>Total Assets</b>	<u>¥5,110,413</u>	<u>¥5,238,547</u>	<u>\$52,024,972</u>

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>Long-term Liabilities:</b>			
Long-term debt	¥1,964,157	¥2,222,069	\$19,995,490
Employee retirement benefit liability	148,671	141,666	1,513,499
Reserve for reprocessing of irradiated nuclear fuel	263,780	264,880	2,685,330
Reserve for preparation for reprocessing of irradiated nuclear fuel	12,054	6,224	122,712
Reserve for decommissioning nuclear power plants	117,930	113,070	1,200,550
Reserve for loss in conjunction with discontinued operations of nuclear power plants	87,009	–	885,768
Other long-term liabilities	41,324	32,402	420,686
Total Long-term Liabilities	2,634,925	2,780,311	26,824,035
<b>Current Liabilities:</b>			
Current portion of long-term debt and other	177,516	222,030	1,807,146
Short-term borrowings	314,400	339,400	3,200,652
Commercial paper	294,000	11,000	2,992,976
Trade notes and accounts payable	88,311	146,622	899,023
Income taxes payable	–	19,273	–
Other	148,403	159,130	1,510,770
Total Current Liabilities	1,022,630	897,455	10,410,567
Total Liabilities	3,657,555	3,677,766	37,234,602
<b>Net Assets:</b>			
Common stock	430,777	430,777	4,385,391
Capital surplus	70,690	70,690	719,638
Retained earnings	928,224	1,011,631	9,449,496
Less treasury stock, at cost	(1,512)	(1,100)	(15,392)
Total Shareholders' Equity	1,428,179	1,511,998	14,539,133
Valuation and translation adjustments	24,679	48,783	251,237
Total Net Assets	1,452,858	1,560,781	14,790,370
<b>Total Liabilities and Net Assets</b>	<b>¥5,110,413</b>	<b>¥5,238,547</b>	<b>\$52,024,972</b>

## NON-CONSOLIDATED STATEMENTS OF OPERATIONS

Chubu Electric Power Company, Incorporated

For the Years Ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>Operating Revenues</b>	<b>¥2,335,193</b>	<b>¥2,222,182</b>	<b>\$23,772,707</b>
<b>Operating Expenses:</b>			
Fuel	862,755	828,229	8,783,009
Salaries and employee benefits	188,931	154,838	1,923,353
Purchased Power	213,411	164,671	2,172,564
Maintenance	184,198	189,116	1,875,171
Depreciation	299,732	300,774	3,051,329
Taxes other than income taxes	127,939	132,314	1,302,443
Other	294,543	297,545	2,998,504
Total Operating Expenses	2,171,509	2,067,487	22,106,373
<b>Operating Income</b>	<b>163,684</b>	<b>154,695</b>	<b>1,666,334</b>
<b>Other (Income)Expenses:</b>			
Interest expense	77,257	53,023	786,491
Loss in conjunction with discontinued operations of Hamaoka Reactors No. 1 and No. 2	153,698	–	1,564,675
Reserve for decommissioning costs of nuclear power plants for prior periods	–	13,695	–
Other, net	(14,910)	(7,668)	(151,787)
Total Other Expenses, Net	216,045	59,050	2,199,379
<b>(Loss) Income before Reversal of Reserve for Fluctuation in Water levels and Income Taxes</b>	<b>(52,361)</b>	<b>95,645</b>	<b>(533,045)</b>
<b>Reversal of Reserve for Fluctuation in Water Levels</b>	<b>–</b>	<b>(4,006)</b>	<b>–</b>
<b>(Loss) Income before Income Taxes</b>	<b>(52,361)</b>	<b>99,651</b>	<b>(533,045)</b>
<b>Income Taxes:</b>			
Current	18,730	43,608	190,675
Deferred	(34,459)	(10,168)	(350,799)
Total Income Taxes	(15,729)	33,440	(160,124)
<b>Net (Loss) Income</b>	<b>¥(36,632)</b>	<b>¥66,211</b>	<b>\$(372,921)</b>
		Yen	U.S. dollars
	2009	2008	2009
<b>Per Share of Common Stock:</b>			
Net (loss) income:			
Basic	¥(47.05)	¥84.91	\$(0.48)
Cash dividends	60	60	0.61



# Corporate Data

(As of March 31, 2009)

## Chubu Electric Power Co., Inc.

### HEADQUARTERS

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URL: www.chuden.co.jp/english

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tel: 020-7409-0142 fax: 020-7408-0801

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tel: 02-654-0688 fax: 02-654-0689

Doha Office  
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P.O.Box 22470, Doha-Qatar  
tel: 974-4836-830 fax: 974-4834-841

### DATE OF ESTABLISHMENT

May 1st, 1951

### CAPITAL

¥430,777,362,600

### AUTHORIZED NUMBER OF SHARES

1,190,000,000

### NUMBER OF ISSUED SHARES

779,004,665

### NUMBER OF SHAREHOLDERS

351,211

### SECURITIES TRADED

Tokyo Stock Exchange  
Osaka Securities Exchange  
Nagoya Stock Exchange

### Manager of Shareholder List

Mitsubishi UFJ Trust and Banking Corporation  
4-5, Marunouchi 1-chome, Chiyoda-ku  
Tokyo 100-8212, Japan

### GENERAL MEETING OF SHAREHOLDERS

June

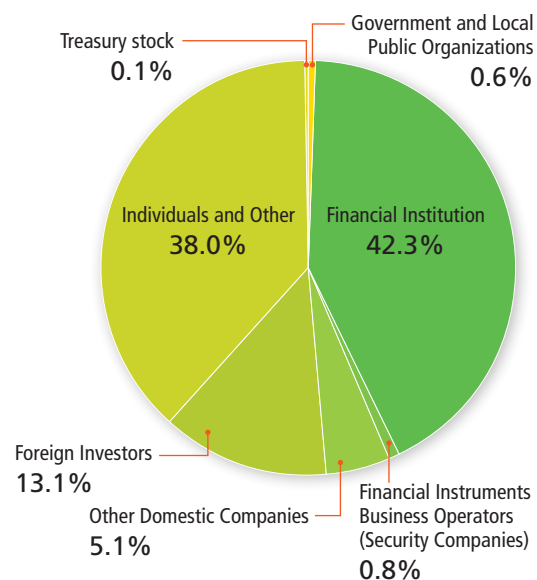
### AUDITORS

KPMG AZSA & Co.

## PRINCIPAL SHAREHOLDERS

Name	Number of Shares (thousands)	Percentage of Total Shares in Issue (%)
Japan Trustee Services Bank, Ltd.	69,315	8.90
The Master Trust Bank of Japan, Ltd.	44,917	5.77
Meiji Yasuda Life Insurance Company	42,662	5.48
Nippon Life Insurance Company	34,440	4.42
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	19,104	2.45
Sumitomo Mitsui Banking Corporation	14,943	1.92
Mizuho Corporate Bank, Ltd.	14,064	1.81
Trust & Custody Services Bank, Ltd.	11,782	1.51
Chubu Electric Employees' Shareholders Association	11,370	1.46
The Dai-ichi Mutual Life Insurance Company	10,000	1.28

## COMPOSITION OF SHAREHOLDERS



## **Chubu Electric Power Co.,Inc.**

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