CHUBU
Electric Power

Chubu Electric Power Company Group

Annual Report 2015

The sentiment contained in this year's cover

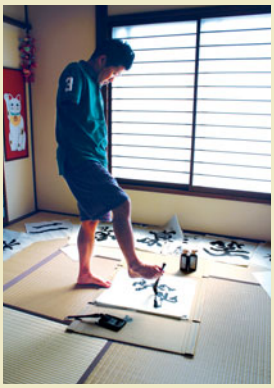
This year's cover features the Japanese character for "create," depicted in bold calligraphic strokes. "Let's create a new Chubu Electric Power Group that evolves with strength and agility in this new era" is the sentiment contained therein.

Starting something new on one's own requires a great deal of hard work. But the aggregate power generated when each and every person performs their role to their level best is a power that enables infinite creation. We made this design reflect the image of the new value that all these "people" will go on to create.

Calligrapher: Hiroshi Tsuzuki

Born in 1979 with congenital upper limb deficiency, Hiroshi Tsuzuki joined the Chubu Electric Power subsidiary Chuden Wing Co., Ltd. in 2003. He is currently in charge of design at Chuden Wing. The special feature of his design work is the calligraphic characters that he paints using his feet and then uploads to his computer and touches up. He will represent Japan at the International Abilympics 2016 in France, in the English language DTP* category.

* Desktop publishing, which is the computer-based editing, design and printing of publishing material.



Regarding the information contained in this report

The report contains signs like this ➡ See page 00 which will guide you to other relevant information.

http://www.chuden.co.jp/english/

Editorial policy

This Annual Report provides comprehensive coverage of both financial and non-financial information in order that we can obtain the understanding of all stakeholders with regard to the entire range of the Chubu Electric Power Group's business activities.

This 2015 edition has been edited to reflect the opinions that we have received from a great many of our stakeholders.

- We illustrate the 'top commitment,' our answer to how the Chubu Electric Power Group can grow over the medium term in the midst of a greatly changing environment.
- We have provided special feature articles on topics that are vital to the company and of great interest to all our readers, such as the initiatives regarding Hamaoka Nuclear Power Station.
- In order to further deepen understanding of the Chubu Electric Power Group's business activities in their entirety, the 'Business Activities' section reports on the flow of the process from the procurement of fuel through to the delivery of electricity to our customers.
- Throughout the report, our employees themselves introduce their work and activities, and we have made an effort to create pages that will give readers a sense of immediacy and be easily comprehensible.

Date of publication

August 2015
(Next report: scheduled for August 2016; previous report: August 2014)

Organizations covered by the scope of the report

Chubu Electric Power Co., Inc. and Group Companies

Reporting period covered

Fiscal year 2014 (April 2014 through March 2015)

This report also includes information regarding some important events and activities that occurred outside the above period.

<Guidelines used as references>

GRI, Sustainability Reporting Guidelines (4 Version)

Ministry of the Environment, Environmental Reporting Guidelines (2012 Version)

ISO 26000

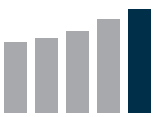
IIRC, International Integrated Reporting Framework

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 risks and uncertainty. Therefore, actual performance or business developments in the future may differ from those described.

Examples of potential risks or uncertainty include changes in the economic or competitive circumstances affecting a business sector, fluctuations in fuel prices, or modifications of laws or regulations.

CONTENTS



Chubu Electric Power Group's Corporate Data

Corporate Profile

Corporate name: Chubu Electric Power Co., Inc.

Headquarters: 1 Higashi-shincho, Higashi-ku, Nagoya, Aichi 461-8680, Japan
Phone: +81-52-951-8211 (Main)

President & Director: Satoru Katsuno

Date of establishment: May 1st, 1951

Business Data (As of fiscal 2014 or March 31, 2015)

Capital: ¥430,777,362,600

Number of employees: 17,782

Number of customers: Lighting ..... 9,587 thousand
Power ..... 1,060 thousand
Total ..... 10,647 thousand

Electric energy sold: 124.1 TWh

Total operating revenues: Consolidated..... 3,103.6 billion yen
Non-consolidated2,899.0 billion yen

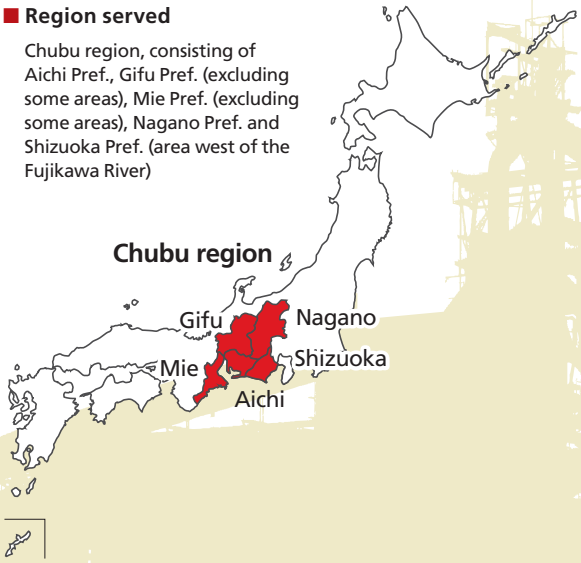
Ordinary income (loss): Consolidated.....60.2 billion yen
Non-consolidated....41.9 billion yen

Features of the Chubu Region (region served)

Chubu Electric Power serves an area known as one of Japan's leading manufacturing regions, and many world-class Japanese industries, including manufacturers of automobiles, machine tools, electric components, aircraft, and new materials, are centered here.

Region served

Chubu region, consisting of Aichi Pref., Gifu Pref. (excluding some areas), Mie Pref. (excluding some areas), Nagano Pref. and Shizuoka Pref. (area west of the Fujikawa River)



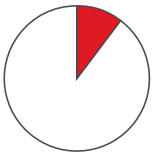
Population served

approx. **16** million people

12.5% of total in Japan

Area served

approx. **39,000** km²



10.5% of total in Japan

GDP (Real) of the Chubu region

(FY 2012)

approx. ¥**79** trillion

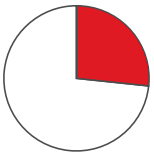
14.8% of total in Japan

* Source: Annual Reports on Prefectural Accounts/Japan, Cabinet Office
* Chubu Region: Aichi Pref., Gifu Pref., Mie Pref., Shizuoka Pref. and Nagano Pref.

Amount of manufactured goods shipped from the Chubu region

(2014)

approx. ¥**77** trillion

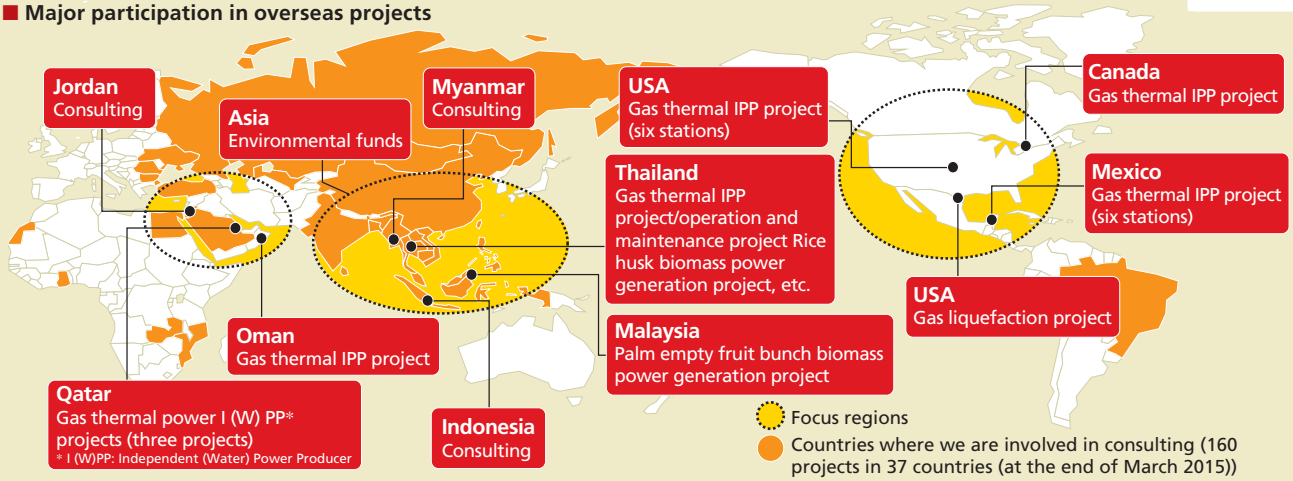


26.9% of total in Japan

* Source: Census of Manufactures/Japan, METI
* Chubu Region: Aichi Pref., Gifu Pref., Mie Pref., Shizuoka Pref. and Nagano Pref.

Expand Overseas Energy Projects

Major participation in overseas projects



➡ See pages 33 and 44

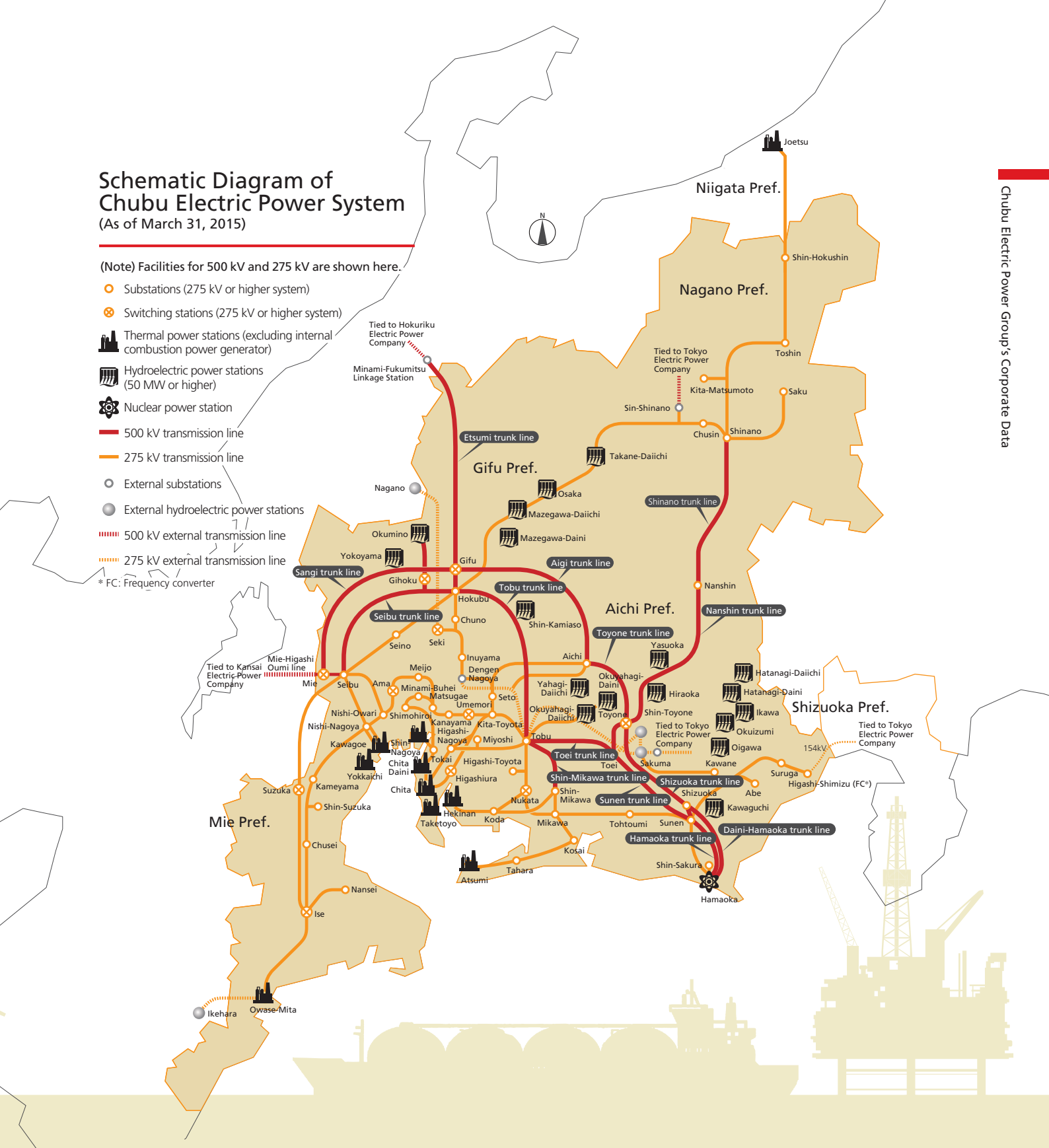
Schematic Diagram of Chubu Electric Power System

(As of March 31, 2015)

(Note) Facilities for 500 kV and 275 kV are shown here.

- Substations (275 kV or higher system)
- Switching stations (275 kV or higher system)
- Thermal power stations (excluding internal combustion power generator)
- Hydroelectric power stations (50 MW or higher)
- Nuclear power station
- 500 kV transmission line
- 275 kV transmission line
- External substations
- External hydroelectric power stations
- 500 kV external transmission line
- 275 kV external transmission line

* FC: Frequency converter



Summary of Facilities (As of March 31, 2015)

Power generation facilities:

Thermal	25,082 MW	(11 locations)*1
Hydroelectric	5,320 MW	(189 locations)
Nuclear	3,617 MW	(1 location)
Renewable energy	39 MW	(4 locations)
Total	34,058 MW	(205 locations)

*1 Including internal combustion power station

Transmission facilities:

Transmission line ..... 12,254 km
Route length

Transformation facilities:

Number of substations ..... 939 locations
Capacity ..... 124.849 million kVA
300 MW*2
Linkage station ..... 1 location
Capacity ..... 300 MW

Distribution facilities:

Distribution line length ..... 132,916 km

*2 Frequency conversion facilities listed separately

Chubu Electric Power Group's Business

● 51 consolidated subsidiaries ◎ 45 affiliates accounted for under the equity method Total 96 (As of April 30, 2015)

Fuel and Power Generation Business 1 in total

◎ JERA Co., Inc.

Energy Business 4 in total

● C ENERGY CO., INC.
◎ Minami Enshu Pipeline Co., Ltd.
◎ Nakao Geothermal Power Company, Incorporated
◎ Aichi Clean Energy Co., Ltd.

Overseas Energy Businesses 27 in total

● Chubu Electric Power Company International B.V.
● Chubu Electric Power Company U.S.A. Inc.
● Chubu Electric Power (Thailand) Co.,Ltd.
● Chubu Electric Power Goreway B.V.
● Chubu Electric Power Falcon B.V.
● Chubu Electric Power Thailand SPP B.V.
● Chubu Electric Power Sur B.V.
● Chubu Electric Power Korat B.V.
● Chubu Electric Power Gem B.V.
● Chubu Electric Power Qatar Facility D B.V.
● CEPT Engineering Co., Ltd.
◎ Compañia de Generación Valladolid, S. de R.L. de C.V.
◎ Compania de Operacion Y Mantenimiento Valladolid, S. de R.L. de C.V.
◎ TC Generation, LLC
◎ Chubu Ratchaburi Electric Services Co.,Ltd.
◎ A.T. Biopower Co.,Ltd.
◎ Goreway Power Station Holdings Inc.
◎ Chubu TT Energy Management Inc.
◎ MT Falcon Holdings Company, S.A.P.I. de C.V.
◎ First Korat Wind Co.,Ltd.
◎ K.R. Two Co.,Ltd.
◎ Phoenix Power Company SAOC
◎ Phoenix Operation and Maintenance Company LLC
◎ TAC Energy Co.,Ltd.
◎ Gunkul Chubu Powergen Co., Ltd.
◎ J Cricket Holdings, LLC
◎ Carroll County Energy Holdings LLC

IT/Telecommunications 5 in total

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

Construction 7 in total

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

Manufacturing 6 in total

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

Transportation 2 in total

● Chuden Transportation Service Co., Ltd.
◎ SHIN-NIHON HELICOPTER Co., Ltd.

Real Estate 1 in total

● Chuden Real Estate Co., Ltd.

Services and Others 43 in total

● Chuden Auto Lease Co., Ltd.
● Chubu Cryogenics Co., Ltd.
● Chuden Wing Co., Ltd.
● CHUDEN BUSINESS SUPPORT Co., Ltd.
● Chuden Haiden Support Co., Ltd.
● Chubu Energy Trading, Inc.
● Chita L.N.G. Co., Ltd.
● Techno Chubu Co., Ltd.
● Chuden Disaster Prevention Co., Ltd.
● CHUDENKOGYO Co., Ltd.
● Chita Berth Co., Inc.
● AOYAMA-KOGEN WIND FARM CO., LTD.
● FILLTECH CORPORATION
● Saku Ohisama Solar Power Limited Business Partnership
● Hitachinaka Generation Co., Inc.
● Diamond Power Corporation
● Chubu Eco Solution LLC.
● Chubu Energy Trading Singapore Pte. Ltd.
● Chubu Electric Power Australia Pty Ltd.
● Chubu Electric Power Company Global Resources B.V.
● Chubu Electric Power Gorgon Pty.Ltd.
● Chubu Electric Power Integra Pty Ltd.
● Chubu Electric Power Cordova Gas Ltd.
● Chubu Electric Power Ichthys Pty Ltd.
● Chubu Electric Power Exploration Pty Ltd.
● Chubu US Energy Inc.
● Chubu US Gas Trading LLC
● Chubu Electric Power Company Freeport, Inc.
◎ Nagoya City Energy Co., Ltd.
◎ e-Kurashi Co. Ltd.
◎ Aichi Kinuura Bio K.K.
◎ Hamamatsu D.H.C. Co., Ltd.
◎ Nagoya Energy Service Co., Ltd.
◎ Centrair Energy Supply Co., Ltd.
◎ KASUMI BERTH CO., INC.
◎ Ogaki School Lunch Support Co., Inc.
◎ PFI Toyokawa Hoisaijyo Co., Ltd.
◎ Tahara Solar Co., Ltd.
◎ the Camberwell Coal Joint Venture
◎ RHA Pastoral Company Pty Ltd.
◎ Trans Pacific Shipping 1 Ltd.
◎ Trans Pacific Shipping 2 Ltd.
◎ FLIQ1 Holdings, LLC

Consolidated Financial Highlights

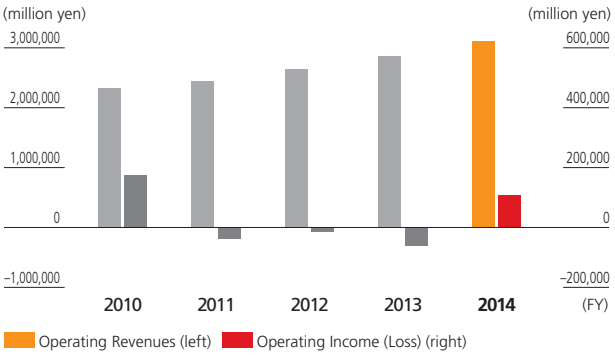
(Consolidated, the company's fiscal year (FY) is from April 1 to March 31 of the following year in this report.)

(Millions of yen)

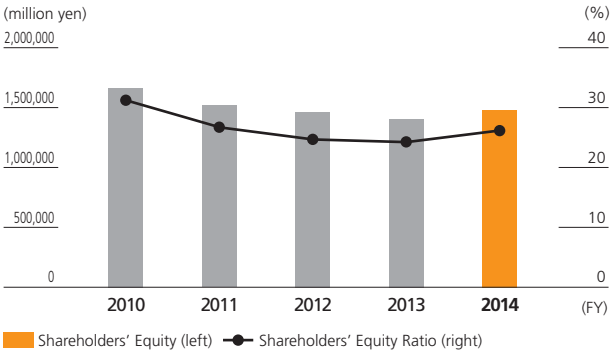
	FY 2010	FY 2011	FY 2012	FY 2013	**FY 2014**
For the year ended March 31:					
Operating Revenues	2,330,891	2,449,283	2,648,994	2,842,186	**3,103,603**
Operating Income (Loss)	174,237	(37,667)	(14,483)	(60,651)	**107,168**
Ordinary Income (Loss)	146,274	(67,857)	(43,542)	(92,627)	**60,206**
Net Income (Loss)	84,598	(92,195)	(32,161)	(65,327)	**38,795**
Cash Flows from Operating Activities	449,755	176,844	227,613	203,742	**476,845**
Cash Flows from Investing Activities	(336,055)	(247,073)	(330,603)	(266,619)	**(282,781)**
Cash Flows from Financing Activities	(105,088)	422,007	249,560	(23,905)	**(344,088)**
At the end of the year ended March 31:					
Total Assets	5,331,966	5,647,169	5,882,775	5,782,180	**5,631,968**
Shareholders' Equity*	1,660,130	1,511,259	1,453,782	1,401,066	**1,468,917**
Outstanding Interest-Bearing Debt	2,495,125	2,965,876	3,260,525	3,260,075	**2,918,928**
Per Share of Common Stock (Yen):					
Net Income (Loss)—Basic	110.97	(121.67)	(42.45)	(86.23)	**51.21**
Cash Dividends	60	60	50	0	**10**

* Shareholders' Equity = Total Net Assets – Minority interests

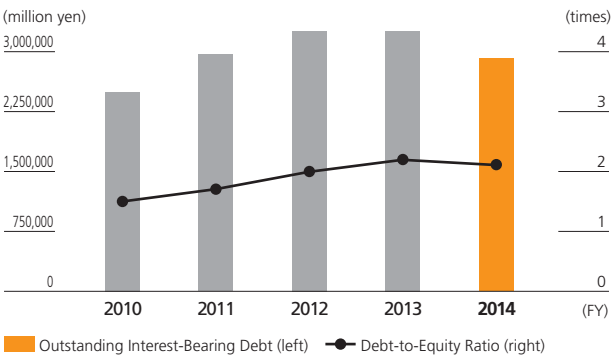
Operating Revenues/Operating Income (Loss)



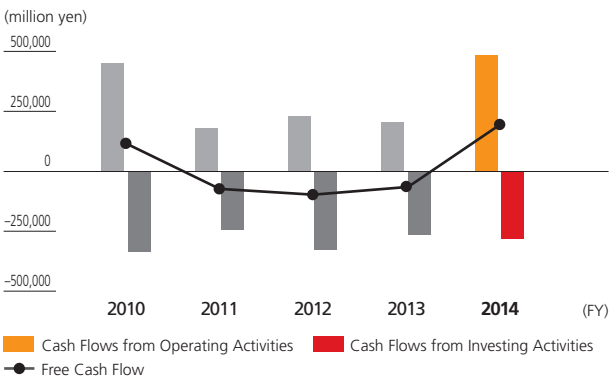
Shareholders' Equity/Shareholders' Equity Ratio



Outstanding Interest-Bearing Debt/ Debt-to-Equity Ratio



Cash Flows from Operating Activities/ Cash Flows from Investing Activities/Free Cash Flow



We will earn our stakeholders' trust and meet their expectations by implementing the Chubu Electric Power Group's corporate philosophy under the new management system.

Chubu Electric Power Group Corporate Philosophy

Chubu Electric Power Group delivers the energy that is indispensable for people's lives and so contributes to the development of society.

Sincere and Sustained Effort	We make a constant and sincere effort to fulfill our changing mission and earn the trust of our customers and society.
Creativity and Spirit of Challenge	We continually act with creativity and an enthusiasm for new challenges in order to pursue excellence in our services and meet the expectations of our customers and society.
Independence and Cooperation	We work together as individuals showing respect for one another to create a vibrant and dynamic corporate culture.

First of all, thank you very much for the support you offer our Group on a daily basis.

Following the annual shareholders' meeting held in June 2015, Chubu Electric Power launched a new management system. Under this system, I am serving as chairman, with Satoru Katsuno becoming the new president of the company.

The five years during which I served as president of the company were indeed a period of dramatic change. In the first year of that period, the government asked us to suspend operation of the Hamaoka Nuclear Power Station. In response, we held a series of careful discussions on the issue and finally decided to suspend the operation of all the reactors. Since then we have been continuously striving to ensure a stable supply of electricity amid surging fuel costs and very challenging conditions. I would like to express anew my gratitude to all stakeholders who have kindly supported us in this struggle.

With the progress of the government-led electricity and gas system reforms, the business environment surrounding us is substantially changing. Specifically, we will soon face the full liberalization of the retailing of electricity and gas to consumers, including general households, as well as the legal unbundling of the power transmission/distribution sector. Regarding these changes as opportunities for further development, we have been preparing measures to achieve growth. Rather than being trapped in the conventional business framework, we are instead determined to undergo the required transformation.

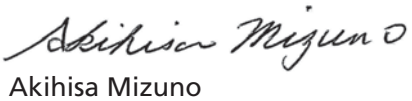
On the other hand, our public mission, expressed as "Chubu Electric Power Group delivers the energy that is indispensable for people's lives and so contributes to the development of society," encapsulates our corporate DNA and has thus been passed down for generations since the foundation of the company. We must continue to fulfill this mission regardless of changes in the business environment.

Going forward, we will implement the prepared measures to achieve specific results. Under the leadership of President Katsuno, we will continue to implement the growth strategies even more forcefully, with a view to becoming a steadfast winner in this fiercely competitive age.

In my capacity as chairman of the board, I will also make an all-out effort to help Chubu Electric Power and the entire Group achieve further growth.

I would ask for your continued support and advice.

July 2015



Akihisa Mizuno
Chairman of the Board of Directors

Seeing major changes in the business environment as opportunities, we will create a new Chubu Electric Power Group for a new age and transform the company into a “total energy service corporation.”

I am Satoru Katsuno, the new president of the company.

In my previous positions, I have largely been engaged in transmission, transformation and corporate strategies. While in the power distribution departments, I mainly worked on the planning, maintenance and management of power generation and substation facilities. While leading the Corporate Planning & Strategy Division as general manager, I was involved with the development of management plans, measures to increase the safety of the Hamaoka Nuclear Power Station, responses to the electricity system reform, and other issues. Also, as the general manager of the Okazaki Regional Office, I worked at the frontline, contacting local customers on a daily basis. As the general manager of the Tokyo Office, I experienced central support work as well.

Japan’s energy industry is now facing dynamic change: discussions are being conducted on the restart of nuclear power stations and on the energy mix while at the same time the government is pushing through electricity and gas system reforms.

Taking these changes as opportunities, I will make an all-out effort to transform the company into a “total energy service corporation,” thereby earning our stakeholders’ trust and meeting their expectations.

Satoru Katsuno

President & Director

Personal profile

Satoru Katsuno
Born in Aichi Prefecture.
Earned a bachelor’s degree in electrical engineering from Keio University.
Joined Chubu Electric Power in 1977 and served as manager of Hydro Power & Substations Section of the Electrical Engineering Department, general manager of the Okazaki Regional Office, and general manager of the Tokyo Office.
Became director, senior managing executive officer, and general manager of the Corporate Planning & Strategy Division in 2010.
Became representative director and executive vice president in 2013, while continuing to head the Corporate Planning & Strategy Division.
Has been in the present position since June 2015.
Values integrity as his credo.

Results and Summary of Fiscal 2014

We moved into the black for the first time in four years thanks to the support of all stakeholders.

In fiscal 2014 (year ended March 31, 2015), we were able to achieve a surplus for the first time in four years.

Looking back over the past few years, we suspended operation of the Hamaoka Nuclear Power Station upon request from the government following the Great East Japan Earthquake in 2011. This caused a substantial increase in our thermal fuel cost and put us in an even more challenging management situation.

Although striving to increase our management efficiency across the board, we posted a deficit for three years in a row and had to raise our electricity rates, while also suspending the payment of dividends to our shareholders.

For the first time in four years, we have finally posted a surplus, for which I would like to thank all our stakeholders including our shareholders, who gave us their kind understanding and support. I would like to implement more measures to further increase our management efficiency and thereby remain in the black going forward.

Priority Measures to Be Taken

We will implement four priority measures across the Group, including measures to increase the safety of the Hamaoka Nuclear Power Station.

Four priority measures

- ❶ **Measures to increase the safety of the Hamaoka Nuclear Power Station**
- ❷ **Measures to ensure stable power supply**
- ❸ **Measures to improve management efficiency**
- ❹ **Measures to adapt changes in the business environment**

In order to fulfill our most important mission of ensuring the safe and stable supply of electricity, we will implement measures to increase the safety of the Hamaoka Nuclear Power Station—our top priority issue—with all our strength.

In addition, we will promptly and appropriately respond to major changes in the business environment, including the electricity and gas system reforms that will lead to the full liberalization of retailing to consumers including residential customers, and the unbundling of the power transmission/distribution sector. In addition we will regard these changes as opportunities, and will implement Group-wide measures

to survive in the competition and achieve the further growth of the Chubu Electric Power Group.

❶ Measures to increase the safety of the Hamaoka Nuclear Power Station

We have been constantly incorporating the latest findings into our measures to increase the safety of the Hamaoka Nuclear Power Station, including countermeasures against earthquakes, tsunamis and other serious accidents. Reactors No. 3 and No. 4 are now under examination by the Nuclear Regulation Authority to ensure their compliance with the new regulatory standards. We will cooperate sincerely with the examination so as to ensure that the reactors are confirmed as complying with the standards as soon as possible.

Also, regarding emergency measures to be taken by employees, we have enhanced the disaster management system and emergency drills, while strengthening cooperation with local governments to increase the effectiveness of the measures.

In order to prevent the reoccurrence of serious accidents, we need to increase nuclear safety autonomously and continuously, rather than simply meeting the national regulatory standards. To this end, we will foster safety measures, focusing on the enhancement of governance, risk management, and risk communication.

Moreover, we will fully strive to develop broader public understanding of these measures by detailing their contents to both local residents and society as a whole.

❷ Measures to ensure stable power supply

Since the operation of the Hamaoka Nuclear Power Station was suspended, we have been implementing all possible measures to ensure the stable supply of electricity in the Chubu region while also asking local customers to conserve electricity. Specifically, we have introduced new power sources, including the Joetsu Thermal Power Station and the Tokuyama Hydroelectric Power Station, and continued the operation of old thermal power generation facilities. Moreover, we have contributed to the

stable supply of electricity across Japan by supplying exported power to other utilities. In the summer of 2015, we will steadily ensure the stable supply of electricity in the Chubu region by implementing necessary supply measures.

❸ Measures to improve management efficiency

The entire Chubu Electric Power Group is making efforts to achieve the efficiency target of 191.5 billion yen (average for three years from fiscal 2014 to fiscal 2016), which we incorporated into the calculation of the power supply cost to gain the government's approval for the electricity rates.

In fiscal 2014, we were able to improve management efficiency by 216.6 billion yen, up 25.1 billion yen from the initial target.

	Improvements made in FY 2014	Estimates incorporated into the cost calculation (average for fiscal 2014 to 2016)
Fuel and electricity purchase cost	103.9 billion yen	76.5 billion yen
Capital investment-related cost	10.2 billion yen	9.9 billion yen
Repair cost	32.2 billion yen	35.7 billion yen
Personnel cost	45 billion yen	46.2 billion yen
Other cost	25.3 billion yen	23.1 billion yen
Total	216.6 billion yen	191.5 billion yen*

* The sum of the items may not equal the total due to rounding.

In and after fiscal 2015, we will continue to improve management efficiency as much as possible while ensuring both the stable supply of power and public security, despite the predicted increase in material and labor costs.

❹ Measures to adapt changes in the business environment

In order to further develop the Chubu Electric Power Group by responding appropriately to changes in the business environment, we will foster measures focusing on enhancing our competitiveness, expanding profit-making opportunities, and responding to changes in the government's energy policies.

In April 2015, we established a new company named JERA Co., Inc. jointly with Tokyo Electric Power Company, Inc. to form a comprehensive alliance covering the entire supply chain, from upstream investments and fuel procurement through to thermal power generation.

By operating this new company, we will supply energy in a stable and internationally competitive manner while further increasing our corporate value.

Future Business Environment and "What We Aim For"

Regarding changes in the business environment as opportunities to transform and enhance our Group, we will work to achieve "What We Aim For."

Chubu Electric Power Group: "What We Aim For"

"To be a corporate group that satisfies all energy-related needs and keeps growing"

The Organization for Cross-regional Coordination of Transmission Operators, JAPAN was established in April 2015 to foster the stable supply of electricity across the country after electricity system reforms. In line with this, the electricity retail market will be fully liberalized in April 2016. Also, in order to ensure the neutrality of the power transmission/distribution sector, the draft revision of the Electricity Business Act was passed by the Diet, and the national government is conducting detailed examinations to achieve the legal unbundling of the sector from the power generation sector, by 2020.

We have never experienced such drastic changes since the foundation of the company in 1951 and are indeed coming to a historical turning point.

I, however, see these changes as opportunities for us to achieve outstanding growth. While competing with other companies, we will continue to work hard to provide customers largely in the Chubu region with an even better electricity system and to become a company preferred by customers and society. To this end, we will conduct more activities to achieve "What We Aim For."

■ Implementation of power system reform

Stage 1	April 2015	Establishment of the Organization for Cross-regional Coordination of Transmission Operators, JAPAN
Stage 2	April 2016	Full retail competition (including household sector)
Stage 3	April 2020	Further securing of neutrality of the transmission/distribution sector through the legal unbundling

Toward the Achievement of "What We Aim For"

To achieve "What We Aim For," we will implement the following four initiatives proactively.

- ❶ Ensure stable supply of high-quality energy at reasonable prices
- ❷ Evolve into a total energy service corporation
- ❸ Expand overseas energy projects
- ❹ Ensure business continuity in the event of a large disaster

❶ Ensure stable supply of high-quality energy at reasonable prices

We will continue to ensure the stable supply of electricity by combining a range of power sources in a well-balanced manner. Also, to remain competitive and reduce our CO_2 emissions, we will develop leading-edge thermal power generation technologies and introduce renewable energy in a proactive manner.

To make fuel procurement more stable and economical and to enhance flexibility to make prompt and appropriate responses to changes in the supply and demand balance, we will sequentially transfer fuel procurement and other related operations (upstream, transportation and trading operations) to JERA Co., Inc.

❷ Evolve into a total energy service corporation

Regarding the full liberalization of the electricity and gas markets as an environmental change that provides us with an opportunity to expand sales, we will create services carefully tailored to the diverse needs of customers.

For corporate customers, we will cooperate with C Energy Co., Inc. and others to provide optimal energy services beyond the framework of the electricity and gas businesses.

For general household customers, we will deliver a range of services satisfactory to them based on the web-based membership service "KatEne" launched in fiscal 2014, and also by using smart meters in the future.

Moreover, to enhance the foundation of future profitability, we are also aggressively engaging in the sale of electricity and power generation outside the Chubu region, including through the acquisition of new subsidiary Diamond Power Corporation, a power producer and supplier that has a track record of selling electricity in the Tokyo metropolitan area.

❸ Expand overseas energy projects

For sustainable corporate growth into the future, we are also fostering power generation and consulting businesses outside Japan, utilizing the know-how, human resources, and other managerial resources that we have accumulated in Japan.

In the future, we will sequentially transfer these businesses to JERA Co., Inc., which will combine the assets and know-how of the two electric power companies for further business development.

❹ Ensure business continuity in the event of a large disaster

As a corporate group that is responsible for the lifeline energy service in the Chubu region, we have been implementing equipment measures, including ensuring the prompt recovery of our supply capabilities and public security in the event of a disaster.

Further, in consideration of the results of the reviews made by the national and local governments about the Nankai Trough Megaquake and disaster control measures, we are verifying the effectiveness of our business continuity measures to establish a robust recovery system for the entire Chubu Electric Power Group.

To Our Stakeholders

We will create a new Chubu Electric Power Group for a new age, thereby earning your trust and meeting your expectations.

I believe that fiscal 2015 is a year in which our company should take strenuous measures. During this term, we will aggressively make all necessary preparations and implement measures to deal with the full liberalization of the electricity retail market slated for April 2016. I would like to make the company one in which each employee recognizes his/her own role, and thinks and takes actions with agility and courage under the adroit leadership of executives who can present a compelling future corporate vision.

Amid great shifts in the business environment, all employees will be expected to regard the changes as opportunities for self-directed reform and will be committed to making the Chubu Electric Group a total energy service provider by infusing the Group with new ideas.

I would like to share the achievements made through such efforts widely with all our stakeholders.

We will value dialogue with you all, listen to what you have to say, and work to earn your trust and meet your expectations on an ongoing basis.

I ask for your continued kind support and understanding.

July 2015

Satoru Katsuno

Satoru Katsuno
President & Director

Our Group posted profits in operating income, ordinary income, and net income for the first time in four years after FY 2010.

We saw our financial position remain extremely fragile, since we posted losses for three consecutive years after we suspended operation of all nuclear reactors at the Hamaoka Nuclear Power Station. To continue safe and stable power supply, our most important mission, we raised electricity rates in April 2014 (for the liberalized segment) and May 2014 (for the regulated segment).

In these circumstances, we managed to return our Group to profitability on a consolidated basis in FY 2014 for the first time in four years, with an operating income of 107.1 billion yen, an ordinary income of 60.2 billion yen, and a net income of 38.7 billion yen. This was mainly due to our Group's unified efforts to exhaustively improve our management efficiency in addition to an increase in electricity sales revenues due to the electricity rate increase, despite a rise in fuel costs due to rise of fuel prices.

Consequently, we decided to resume paying 10 yen per share as the year-end dividend in FY 2014.

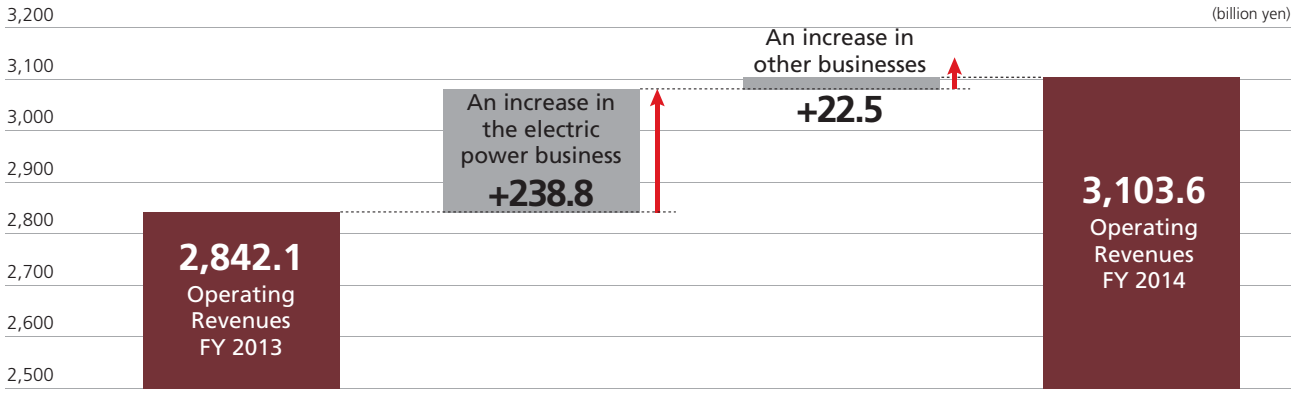
With our business environment expected to change in the future, including full liberalization of the electricity retail market, we will steadily implement measures to expand our earnings base by taking such changes as an opportunity and make further cost reduction efforts to ensure that we can continue to post profits. Furthermore, we will strive to meet expectations of shareholders and investors by raising our Group's corporate value and realizing a stable return to shareholders including a stable dividend payment.

Kazuhiro Matsubara
Director
Executive Vice President

Consolidated Operating Revenues

Operating revenues increased by ¥261.4 billion from the previous fiscal year to ¥3,103.6 billion, mainly due to an increase in electricity sales revenues resulting from an electricity rate increase and a rise in the fuel cost adjustment charge as well as growth of energy business revenue in other businesses, and in spite of a decrease in electricity sales volume in the electric power business.

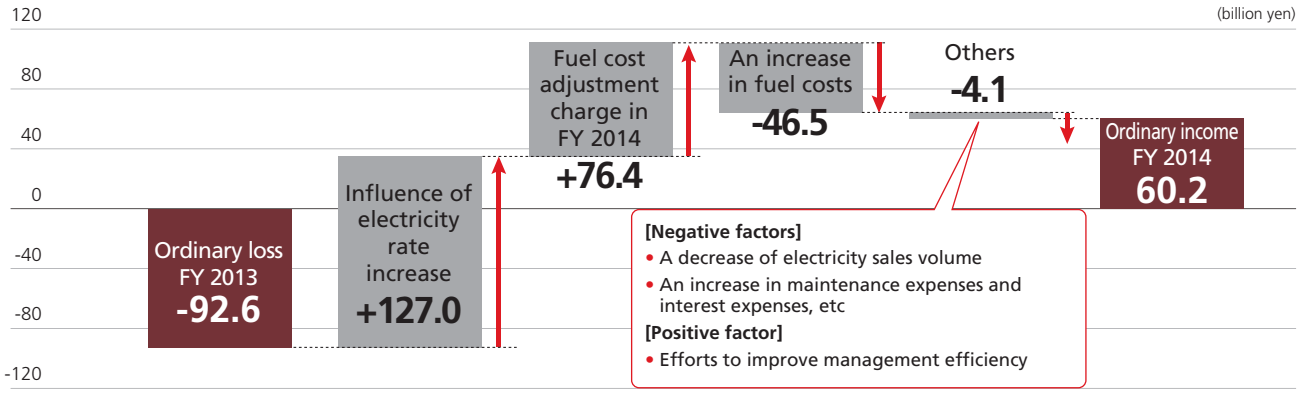
■ Factors contributing to change in consolidated operating revenues



Consolidated Ordinary Income (Loss)

As for ordinary income and loss, we posted ordinary income of ¥60.2 billion, a ¥152.8 billion improvement from the previous fiscal year. This was because operating revenues grew in the electric power business due to such factors as an electricity rate increase and a rise in the fuel cost adjustment charge, in spite of an increase of fuel costs due to a rise in fuel prices.

■ Factors contributing to change in consolidated ordinary income (loss)



Opinions and Questions from Shareholders and Investors

Q1 The Group finally returned to profitability in FY 2014. I hope the Group will continue seeking to improve management efficiency in order to further improve earnings.

A1 We believe it is indispensable for us to strengthen and continue to improve management efficiency to ensure that we can keep posting profits in the current business environment (in which the suspension of operation of all reactors at the Hamaoka Nuclear Power Station continues). We will strive to meet expectations of shareholders and investors by making Group-wide efforts to exhaustively improve management efficiency in the future.

Q2 What is the Group's forecast for the level of dividends in the future as a key part of the return to shareholders?

A2 With full liberalization of the electricity retail market nearing, we need to strengthen our damaged balance sheet so that we can raise our competitiveness and capability to cope with risks. Accordingly, we will continue trying to improve management efficiency. We would like to decide the level of dividends by comprehensively taking into account our financial position (including the progress of improvement of our management efficiency) and business environment.

Recognition of the Management Environment and Future Policies

In fiscal 2014, we were able to post a surplus as a result of raising electricity rates and implementing drastic measures for higher management efficiency. We, however, anticipate that our difficult financial situation will continue due to the suspended operation of the Hamaoka Nuclear Power Station.

We will be sure to fulfill our primary mission, which is to ensure safe and stable power supply, by implementing measures including those to further improve the safety of the nuclear power plant. We will also pursue higher management efficiency to strengthen our financial position.

At the same time, to ensure sustained growth in the future, we will respond to changes in the business environment in a prompt manner and accelerate measures to achieve further business growth and development, while meeting the expectations of our customers and shareholders.

Indispensable Investments for a Safe and Stable Electricity Supply

We will promptly and steadily implement safety improvement measures for our facilities, including the Hamaoka Nuclear Power Station. We will also continue to build facilities that are indispensable for the stable supply of electricity, and be thorough with regard to optimization when we make investments.

Strategic Investments for Business Growth and Development

To build a stronger foundation for sustainable growth in the future, we will make strategic investments for business growth and prosperity as necessary, while managing the associated risks appropriately.

Shareholder Return

Our Policy on Shareholder Return, effective July 30, 2012, is as follows:

> The company will work to maintain stable dividends after taking account of financial conditions and other factors, while continuously investing in construction and operation of facilities that are essential for a safe and stable supply of electricity.

In fiscal 2014 we raised electricity rates, while striving for higher management efficiency. As a result, we posted a surplus. As for year-end dividends, we have decided to pay 10 yen per share based on the aforementioned principle and on the prerequisite that we will work to further increase our management efficiency.

For fiscal 2015, we expect an increase in profits due to a sharp decline in fuel prices. In consideration of this outlook, the medium- to long-term financial situation, and the management environment, we plan to pay 20 yen per share on an annual basis for the year.

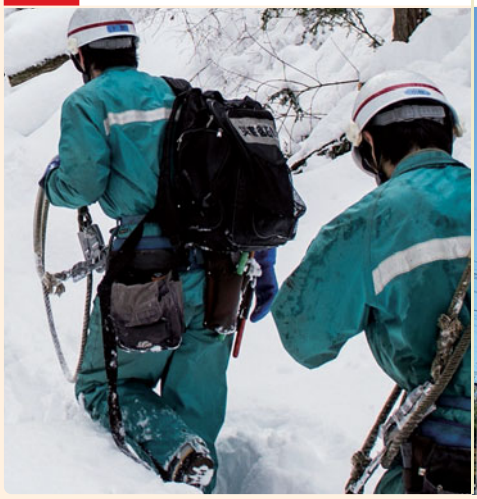
Feature Articles

1 Measures for the Hamaoka Nuclear Power Station

➡ page 17

2 Disaster Recovery Measures and Drills

➡ page 23



3 Responses to Changes in the Business Environment

➡ page 25

TEPCO

CHUBU Electric Power

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Feature Article 1 Measures for the Hamaoka Nuclear Power Station

We will pursue the safety of nuclear power generation, which is essential for Japan, in dialogue with citizens.

Masatoshi Sakaguchi
Director
Executive Vice President,
and General Manager of Nuclear Power Division

▲ Executive Vice President Sakaguchi exchanging opinions with the power station staff

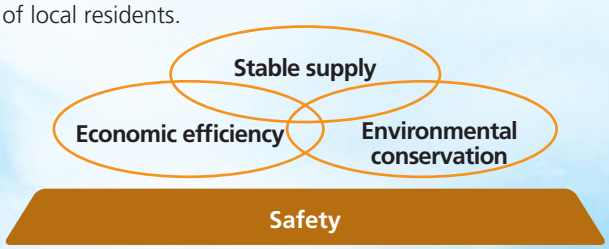
▼ Advisory Board

Necessity of nuclear power generation

For stable supply, economic efficiency, and environmental conservation

As stated in the basic energy plan issued by the Cabinet in April 2014, the Japanese government regards nuclear power as an important base-load power source that contributes to the stability of the energy demand-supply structure. Chubu Electric Power also believes that nuclear power provides a critical power source for Japan, which has scarce energy resources, to foster energy security and price stability, ensure stable power supply on a long-term basis, and to solve global environmental issues.

We deem it necessary to continue utilizing nuclear power generation, and to this end we will implement drastic measures against tsunamis and severe accidents, giving first priority to ensuring safety and earning the trust of local residents.



Taking more voluntary and continuous measures for higher safety

Risk-based enhancement of governance

Chubu Electric Power has long been pursuing safety beyond the national safety standards by setting higher targets based on the latest findings, including voluntary reinforcement work against earthquakes.

In July 2013, the national government enforced new regulatory standards based on lessons learned from the accident at the Fukushima Daiichi Nuclear Station. In order to further increase safety voluntarily and continuously, in July 2014 Chubu Electric Power formulated a roadmap focusing on the enhancement of (1) governance, (2) risk management and (3) risk communication; the roadmap summarizes the company's relevant measures and schedules.

As stated in the roadmap, we formulated the Chubu Electric Power Group Nuclear Safety Charter to show our commitment to and concept of nuclear safety and renewed our determination to prevent the recurrence of a nuclear disaster similar to the Fukushima Daiichi accident.

We also established a system to implement the roadmap, including the organization of the Nuclear Safety Improvement Committee to evaluate nuclear risks and countermeasures, as well as the Advisory Board to ask for the opinions and advice of external experts.

In addition, we established the Communication Promotion Group to give risk and other related information to local residents and society at large in an easy to understand manner, and also to foster interactive communication with them, earnestly listening to understand their anxieties and sincerely answering their questions.

While steadily implementing measures to make the Hamaoka Nuclear Power Station even safer for all stakeholders, we will make a concerted effort across the Chubu Electric Power Group to gain understanding about our measures from as many people as possible.

Taking more voluntary and continuous measures for higher safety

With a view to increasing the safety of the power station

Enhancement of governance

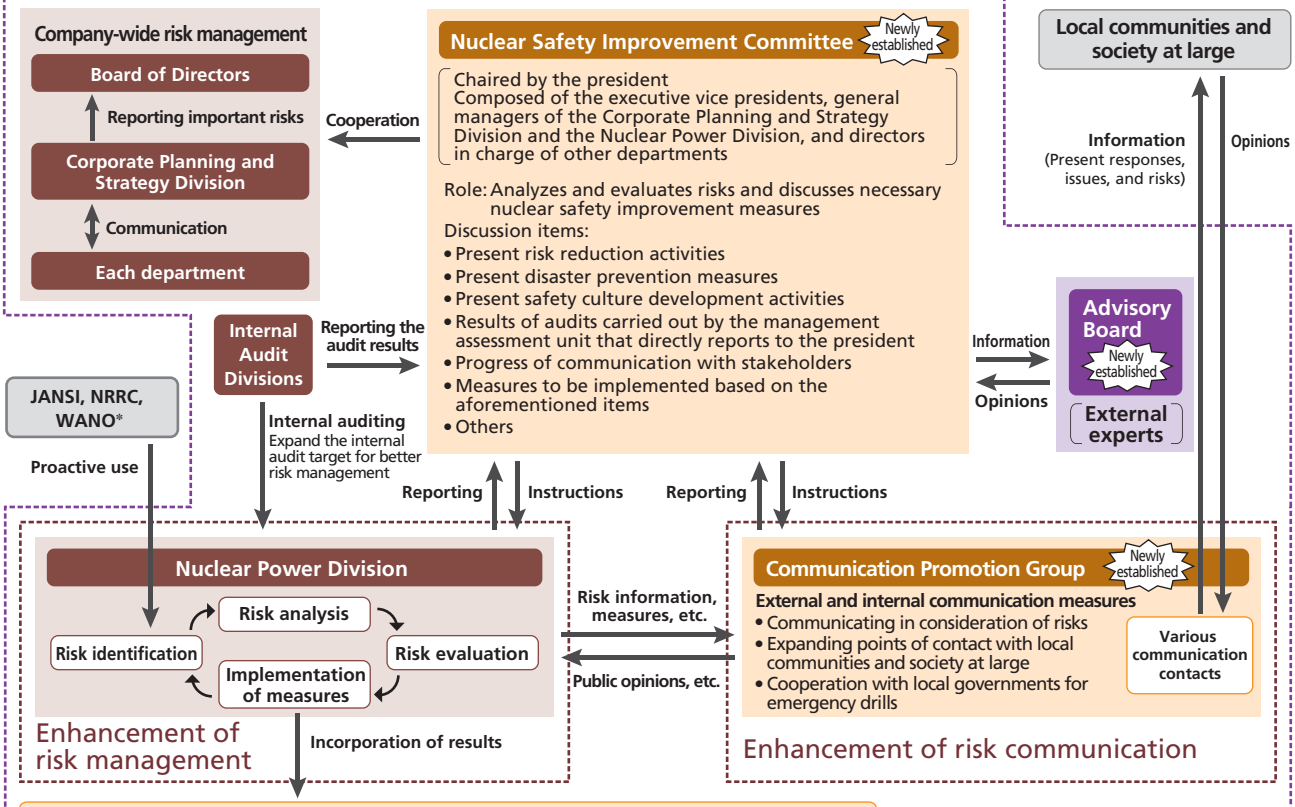
Chubu Electric Power Group Nuclear Safety Charter (formulated on July 1, 2014)

Learning lessons from the unprecedented nuclear disaster that happened at the Fukushima Daiichi Nuclear Power Station, we are strongly committed to preventing any similar accidents from occurring, and will make a concerted effort across the Group to make our nuclear power station the safest one in the world, which will give peace of mind to local residents and society at large.

Safety first ..... We will straightforwardly deal with risks, deeming it our top management priority to ensure safety.

Ceaseless pursuit of safety ..... We will constantly incorporate both external and internal knowledge and findings at our workplaces for higher safety, and never be satisfied with whatever the present safety level is.

Hand in hand with stakeholders ... We will share information widely with local residents and society at large by closely communicating with them.



* JANSI: Japan Nuclear Safety Institute, NRRC: Nuclear Risk Research Center, WANO: World Association of Nuclear Operators

Advisory Board

Purpose of establishing the advisory board for the president:
To receive advice and recommendations from external experts regarding Chubu Electric Power Group's nuclear safety improvement measures, and incorporate their opinions in the group's safety improvement activities.

Frequency of meetings: About twice a year in principle

Past meetings: Held on Dec. 1, 2014 and Apr. 1 and Jun. 19, 2015

External members: Empowered by the president (in alphabetical order of their family names)

Noriko Hattori	General Manager, Shizuoka Center for Climate Change Actions
Hiroyuki Kobayashi	Expert in risk management and aviation critic
Yushu Matsushita	Trustee and Vice President, Nagoya University
Sumi Yokoyama	Associate Professor, Faculty of Radiological Technology, School of Health Sciences, Fujita Health University
Naotoshi Yoshikawa	Executive Vice President, Central Japan Railway Company. In charge of the Shinkansen Conventional Lines Operations Division and in charge of controlling the Transportation and Transportation Safety Section

Internal members:
President, executive vice presidents, and general managers of the Corporate Planning & Strategy Division and the Nuclear Power Division (five in total)

<Opinions given by members>

- The visit to the Hamaoka Nuclear Power Station has made it clear that the onsite equipment measures are being fostered, but safety can be ensured only when the following four types of measures are taken: equipment, operational, personnel, and social (information) measures. In addition to the equipment measures, the other three types should also be implemented more steadily.

Feature Article 1 Measures for the Hamaoka Nuclear Power Station

We will gather our strength to implement safety improvement measures and foster sincere dialogue with local residents.

Chiyoji Kurata
Director
Senior Managing Executive Officer & General Manager of Hamaoka Central Administration Office

▼ General Manager Kurata guiding visitors at the power station ▶

Measures for higher safety

Learning lessons from the Fukushima Daiichi accident

Chubu Electric Power designed and constructed the Hamaoka Nuclear Power Station in a manner to ensure its high seismic resistance in consideration of the fact that the power plant is located within the epicentral area of the predicted Tokai Earthquake. With regard to the triple-interrelated Tokai, Tonankai and Nankai Earthquakes, we have long been implementing anti-seismic measures based on the latest findings, including conducting reinforcement work to further increase the seismic resistance of the facilities.

Since the occurrence of the Great East Japan Earthquake, we have been voluntarily fostering countermeasures against tsunamis and severe accidents, learning lessons from the Fukushima Daiichi accident, while implementing additional measures to comply with the new regulatory standards and further increase safety. Moreover we are enhancing disaster control measures to be taken if a severe accident should occur.

We filed applications for safety reviews by the Nuclear Regulation Authority for the Hamaoka Nuclear Power Station's Reactor No. 4 in February 2014 and for Reactor No. 3 in June 2015, and the examinations are now underway to ensure that the reactors comply with the new regulatory standards.

We will continue to respond to the safety review sincerely and do our best to ensure the reactors are deemed compliant with the new regulatory standards as soon as possible. We will also preemptively implement measures based on the latest findings, such as those that result from the review, thereby accelerating the completion of all the necessary reinforcement work.

Communication with local residents

To gain their understanding about our measures

We have been proactively disclosing information about our safety improvement activities and fostering communication with local residents and other stakeholders by inviting them to onsite tours and visiting them to engage in dialogue.

We will continue to enhance our direct communication activities, including sincerely explaining the risk measures we are taking to local residents and society at large.

Our decision

Making the power station a facility with world-class safety

We aim to make the Hamaoka Nuclear Power Station a facility known for world-class safety. To that end, all members, including those of our partner companies, are making a concerted effort to further increase the safety of the power station.

Chubu Electric Power will continue to do its best with unswerving belief and commitment, and thoroughly complete all the safety improvement measures we are currently working on.

Implementing equipment measures in consideration of new findings and new regulations

Learning lessons from the accident at the Fukushima Daiichi Nuclear Power Station

How the Fukushima Daiichi accident occured

○ Success ✕ Failure

Occurrence of a large earthquake

Automatic shutdown of the reactor

• Shutdown

○

The reactors sensed massive seismic ground motions and automatically shut down.

Loss of the external power source

Startup of the emergency power source

• Cooling

○

The emergency diesel power generator began to be operated to continue supplying cooling water to the reactors.

About 40 minutes after being impacted by the earthquake

Hit by a tsunami

Loss of all power sources

Loss of the cooling function

✕

The premises and the buildings were flooded, causing the loss of the functions of important equipment, including the diesel power generator, and the supply of cooling water to the reactors was suspended.

Damage to the reactor core

Occurrence of a severe accident

The fuel began to melt due to failure to cool the reactors.

Leakage of radioactive substances to the reactor building due to damage to the containment vessel

Hydrogen explosion in the reactor building

• Containment

✕

The containment vessel was broken and the reactor buildings were also damaged by a hydrogen explosion.

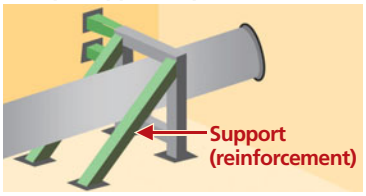
Release of large amounts of radioactive substances

Safety improvement measures taken at the Hamaoka Nuclear Power Station (examples)

Measures against earthquakes

For higher seismic resistance, we voluntarily conducted reinforcement work, including conventional pipe support improvement work and ground improvement work done in areas surrounding the seawater (cooling water) intake ponds.

▼ Pipe support improvement work



Measures against tsunamis

A breakwater (22 m above sea level in height and about 1.6 km in total length) is under construction to prevent a tsunami from entering the premises. Moreover, we are replacing waterproof doors with watertight doors and establishing a double tsunami prevention structure with reinforced doors to prevent a tsunami from flooding the inside of the buildings even if it floods the premises.

▼ Breakwater

▼ Reinforced door

Measures against severe accidents

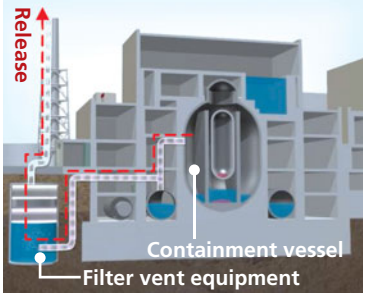
To prevent the reactor core from being damaged as the result of a severe accident, we are planning and implementing measures including deploying portable water filling equipment that can supply water directly to the reactors from outside the reactor buildings and installing a gas turbine generator as the backup power source for the cooling pumps at places as high as 40 m above sea level.

▼ Portable water filling equipment

▼ Building housing the generator

We will implement additional measures, including installing filter vent equipment to prevent damage to the containment vessel and reduce the release of cesium and other radioactive substances below 1/1,000, as well as equipment to release hydrogen gas from the reactor building to prevent a hydrogen explosion.

▼ Filter vent equipment



Feature Article 1 Measures for the Hamaoka Nuclear Power Station

Continuous enhancement of disaster management measures

Maintaining and improving onsite response to disasters

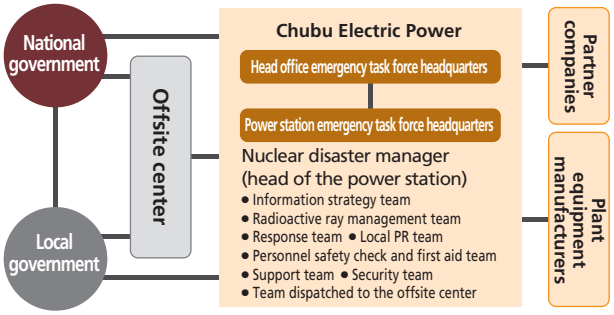
In order to prevent the abnormal release of radioactive substances in the event of a nuclear incident and to suppress and mitigate their influence even if these substances are released, we are improving the disaster management system and procedures and securing necessary materials.

Disaster management system

To strengthen the disaster management system, we established the risk management department at the nuclear power plant in July 2014. Further, recognizing the importance of making appropriate initial responses to an accident as learned from the Fukushima Daiichi accident, we decided to form and station a rapid reaction team of highly experienced members at the power plant, who will make initial responses as experts in the event of an accident, all around the clock and all around the year. We are now making preparations for the operation of this team.

For the prompt handling of an accident, we also have established a system to give rear-area support to the nuclear power plant from a support center established outside the plant site.

■ **Disaster management system**



Preparation of necessary manuals

We are preparing additional manuals on necessary disaster countermeasures, including those to be newly added, while continuing to increase the effectiveness of these manuals through verification in drills.

Securing equipment and materials

We store materials required in the event of disasters, including radiation meters and food, at the place to serve as an emergency response center. We are also securing portable devices in the form of vehicles and a place to store them for use in emergencies while ensuring the emergency access routes, aiming for smooth transportation of necessary materials to the affected area in case of a serious disaster.

▲ Preparation of necessary materials, including radiation meters

Education and drills

To ensure the effectiveness of disaster control measures, it is critical to improve the responses made by onsite employees. Accordingly, we are continuously educating them on disaster response procedures and providing them with both individual training on equipment to be newly introduced and comprehensive training, such as company-wide emergency drills.

For individual training, we are working to improve the quality and cover a wide range of items, such as the operation of heavy machines and emergency communication methods. We also conduct comprehensive training by assuming very severe conditions that are very low in likelihood. In the training we execute the plan-do-check-act (PDCA) cycle for further improvement of onsite emergency responses.

In order to implement measures in cooperation with local communities if a nuclear disaster should happen to occur, we are improving the communication system and proactively participating in the disaster control drills held by local municipalities to strengthen local cooperation.

◀ Comprehensive training

The fiscal 2014 company-wide disaster control training was held with the participation of about 800 employees, including those working at the Hamaoka Nuclear Power Station and the head office.

The photo at left shows training on information collection and disaster response held at the place to serve as an emergency response center of the nuclear power plant.

Individual training ▶

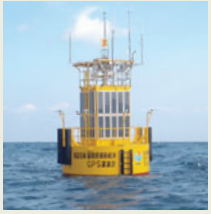
In fiscal 2014, individual training sessions were held about 700 times in total, including the one shown in the photo at right (training to use a movable transformer in the event of loss of external power sources).

◀ Participation in drills held by local municipalities

We participated in a drill held by Shizuoka Prefecture every year. The photo to the left shows the screening of radioactive substances attached to the clothes of evacuees conducted in the drill.

Topics Development of a tsunami monitoring system

Our Nuclear Power Safety Technology Research Center is working on the development of a tsunami monitoring system, which will help make appropriate initial responses and recovery in the event of a tsunami. By using a GPS wave recorder, DONET*, a marine radar, a highly sensitive camera, and various other observation technologies, the system will make an early detection of a tsunami and predict its arrival time, height, and how long it will take until the tsunami recedes.



GPS wave recorder ▶
(off the coast of Omaezaki)
(Photo provided by the Chubu Regional Bureau, Ministry of Land, Infrastructure, Transport and Tourism)

* DONET: Dense Oceanfloor Network system for Earthquakes and Tsunamis developed by the Japan Agency for Marine-Earth Science and Technology

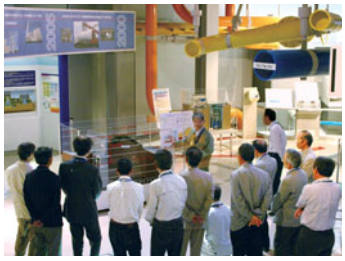
Enhancing communication including the dispatch of risk information

For deeper relationships built on trust

Tours of the Power Station and the Exhibition Center

We invite people living near the Hamaoka Nuclear Power Station to the facilities, and in fiscal 2014 introduced our breakwater initiative and other safety improvement measures to about 26,000 people.

Also at the Hamaoka Nuclear Power Station Exhibition Center, we display a mockup of the breakwater to show its large size directly to visitors as part of our effort to provide easy-to-understand explanations about our safety improvement measures. In fiscal 2014, roughly 200,000 people visited the Exhibition Center.

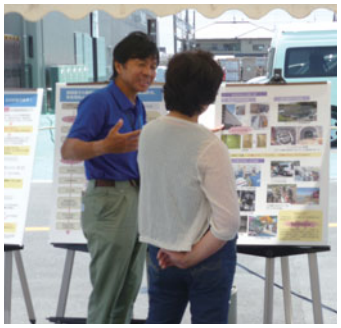


<Opinions given by visitors>

- I was impressed by the fact that various measures are being taken in preparation fo a range of contingencies. Energy is a fundamental issue for the country and I expect that the company will continue to make efforts in the field.

Caravan team of the Power Station

The caravan team visits shopping centers and other facilities in the vicinity of the power plant to communicate the necessity of nuclear power generation and progress of the safety improvement measures about once a month.



Visiting local residents to take part in dialogue

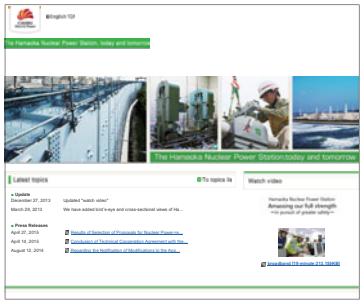
We send direct mailings to people living in the vicinity of the Hamaoka Nuclear Power Station to give relevant information to them, and visit them to directly respond to their requests and questions if they wish.

In fiscal 2014, we also began sending the power plant staff regularly to customers' houses to ask for their opinions. In the past year, staff visited about 20,000 households and engaged in dialogue with them.

Information dispatch via a range of media

We dispatch information about the reinforcement and other work done at the Hamaoka Nuclear Power Station for higher safety, and also broadcast a TV commercial in which actual staff of the power plant appear, aiming to make people feel closer to the plant.

▼ **Special website: "The Hamaoka Nuclear Power Station, today and tomorrow"**



http://hamaoka.chuden.jp/english/
You can view photos, illustrated explanations of safety measures, and videos communicating the efforts and commitment made by those involved.

Topics Handling of spent fuel at the Hamaoka Nuclear Power Station

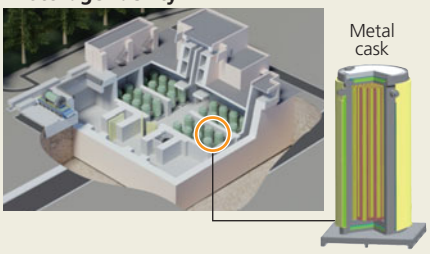
● Construction of a spent fuel dry storage facility

On January 26, 2015, we filed an application to obtain approval from the Nuclear Regulation Authority for the changes to be made to the reactor facilities for the construction of a spent fuel dry storage facility at the nuclear power plant.

The spent fuel dry storage facility will store radiation shielding containers called "metal casks," which contain spent fuel that has been cooled for over ten years in the fuel pool. The casks are cooled in the facility with natural air circulation until they are moved to a reprocessing facility.

We will steadily foster the construction of this facility aiming to start operation in fiscal 2018.

▼ **Sketch of the spent fuel dry storage facility**



Related information:

Treatment of high-level radioactive waste

High-level radioactive waste produced in the process of reprocessing spent fuel is to be buried for a long time in strata located deep underground in a safe and steady manner so that the fuel will have no impact on the living environment. In Japan, the Nuclear Waste Management Organization of Japan (NUMO) is leading the implementation of this project.

The basic policies on the final disposal of the waste decided by the Cabinet in May 2015 state that the government will take the initiative to bury the waste, and accordingly necessary examinations will be made by a working group formed by the national government. Subsequently, a decision on the candidate place for the burial of the waste will be made based on scientific assessments and announced to the public.

Chubu Electric Power will support the government's and NUMO's activities as a producer of the waste and strive to gain the public's understanding of the project to bury the waste far beneath the surface of the ground.

Feature Article 2 Disaster Recovery Measures and Drills
—For Prompt Resumption of Power Supply

▲ Recovery measures will be implemented around the clock in the event of a disaster

▼ Reaching the site by passing through snow in some cases

▲ Repeating drills in preparation for a disaster

Recovery

It is our mission to supply electricity in a stable manner to each of our customers. In the event of a blackout due to a disaster or other incident, we will implement recovery measures around the clock. In fiscal 2014, the Chubu region was frequently hit by typhoons. Below we will introduce an example of the recovery measures we took in the past year.

Recovery of equipment lost due to mudslide caused by Typhoon No. 8

In July 2014, Typhoon No. 8 hit the service region of Chubu Electric Power and caused damage to local communities. We apologize to 5,700 households for the very troublesome blackout caused by the typhoon.

Particularly in Nagiso Town in Nagano Prefecture, the mudslide that occurred on the evening of July 9 caused the loss of our equipment. Worse yet, the road was blocked by the disaster and it took much more time for the recovery of the equipment, for which all those involved, including support members dispatched from the Group companies, made a concerted effort day and night.

▲ Damage caused by mudslide to Nagiso Town, Nagano Prefecture

Voice from onsite staff

Working hard to supply electricity

Seiji Kasuga
Kisofukushima Sales Office
Nagano Branch
Toenec Corporation

Upon request from Chubu Electric Power, I left for the affected site at around 10:00 p.m. on July 9. At the site, I saw power poles that had fallen to the ground near the river and thought it would take much time for recovery. However, I worked hard with other members to supply electricity as early as possible to the elementary school where local citizens were sheltered, and completed the emergency recovery work at 2:00 p.m. on July 10. On and after the next day, additional support members came to the site from our company and we worked for the full recovery of the equipment with members of Chubu Electric Power for about a week.

I would like to continue making efforts to ensure the prompt supply of electricity to customers based on our technologies.

Voice from onsite staff

Wanting to address the concerns of customers as soon as possible

Takayuki Hotaka
Kisofukushima Branch
Nagano Regional Office
Chubu Electric Power Co., Inc.

It took time for me to reach the site, because the mudslide caused the fragmentation of the road and the mud was piled up to the height of my waist. After arriving at the devastated site, I made examinations to decide on the measures to resume power supply as early as possible, and cooperated with Toenec staff for the recovery work and the preparation of the power generator vehicle. I wanted to supply electricity as soon as possible to relieve the victims' and evacuees' worries. I still remember the smiles I saw on customers' faces when the power was restored.

I will continuously work to ensure the stable supply and prompt transmission of power so that our customers can use electricity with peace of mind.

Disaster management and early recovery systems

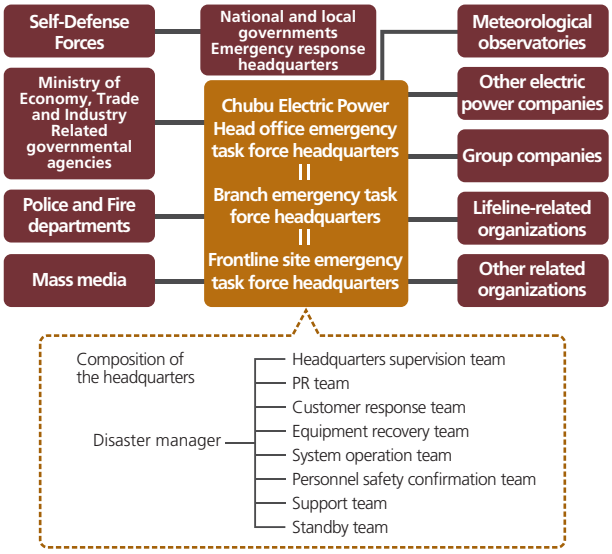
Throughout our power supply process, we are enhancing the disaster resistance of our facilities and establishing a disaster management system for early recovery in the event of a disaster, so that our customers can constantly use electricity with peace of mind.

In the event of a disaster or if the occurrence of a disaster is predicted, we will quickly announce the shift to our emergency system and establish the emergency task force headquarters at each of our business sites.

Natural disasters for which we established the emergency task force headquarters in fiscal 2014

Date	Disaster	Date	Disaster
Jul. 2014	Typhoon No. 8	Oct. 2014	Typhoon No. 19
Aug. 2014	Typhoon No. 11	Nov. 2014	Earthquake that hit the northern part of Nagano
Sep. 2014	Eruption of Mt. Ontake	Dec. 2014	Damage caused by snow
Oct. 2014	Typhoon No. 18	Mar. 2015	Damage caused by snow and ice (Nagano)

Disaster management system



Drills

By repeating disaster control and recovery work drills, we are enhancing our readiness against disasters. Below we introduce a hands-on drill conducted against a large earthquake from among the drills held in fiscal 2014.

Conducting a hands-on drill against a large earthquake

➡See page 21

Chubu Electric Power conducted a hands-on emergency response drill jointly with its Group companies and Tokyo Electric Power from May 20 to May 22, 2014, with a view to improving responses to damage that might be caused by large earthquakes and nuclear disasters.

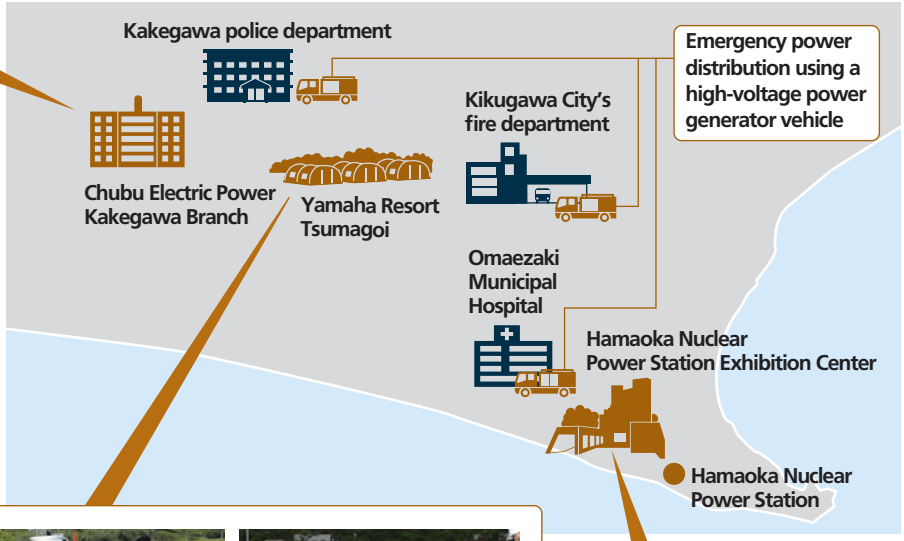
In the drill, the following scenario was assumed: a megaquake* had occurred centering around the Tokai area and the power distribution equipment located in the service area of the Kakegawa Branch was severely damaged by the earthquake and a subsequent tsunami. Moreover the external power sources had been lost at the Hamaoka Nuclear Power Station and a request for external power source recovery was made by the power plant.

* An earthquake with seismic intensity of 7 was assumed to hit the Kakegawa Branch, which is to dispatch staff to the Hamaoka Nuclear Power Station in the event of a nuclear disaster.

Emergency task force headquarters (Kakegawa Branch)

Formulation of the recovery policies

Will collect information about the damage caused to the power distribution equipment and lead the recovery work.



Forward base (1) Yamaha Resort Tsumagoi

Base for recovery of the power distribution equipment

We had concluded an agreement to use land and a building located within Yamaha Resort Tsumagoi, and in the drill we established a forward base on the premises, to which support members were dispatched from other regional offices, Group companies and Tokyo Electric Power for the recovery of the power distribution equipment in the Kakegawa Branch's service area.

▲ Patrolling by helicopter

▲ Establishment of an air tent

Forward base (2) Hamaoka Nuclear Power Station Exhibition Center

Base for recovery of external power sources

We established a forward base within the Exhibition Center for the recovery of external power sources.

Feature Article 3 Responses to Changes in the Business Environment

We will achieve the further growth of the Chubu Electric Power Group by making appropriate responses to changes in the business environment.

Yoshinori Masuda
Director
Executive Vice President
General Manager of
Corporate Planning &
Strategy Division

▲ Exploitation of oil and natural gas
Image of completed offshore platform
(Ichthys Project in Australia)

▼ Liquefied natural gas (LNG) carrier

The business environment surrounding our Group is dramatically changing, triggered by changes in the national government's energy policies, including the promotion of the electricity and gas system reforms.

To respond appropriately to these changes and become a total energy service corporation, we have been implementing measures in each of the power generation, transmission and distribution, and retailing businesses, focusing on enhancing competitiveness, expanding profit-making opportunities, and responding to changes in the government's energy policies. Specifically, we have formed an alliance with Tokyo Electric Power, developed competitive power sources, purchased a power producer and supplier (PPS), and acquired upstream interests in fuel.

We will continue to provide customers with a range of better-than-expected services and contract types based on their viewpoints, thereby more firmly fulfilling our public mission of supplying energy at reasonable prices and in a safe and stable manner for further growth of the Group.

■ Measures to respond to changes in the business environment

Enhancing competitiveness

Supply high-quality energy at reasonable prices in preparation for the full liberalization of the retail market.

- Enhance the fuel procurement ability by using the comprehensive alliance formed with Tokyo Electric Power.
- Develop low fuel-cost coal thermal power generation/highly efficient LNG thermal power generation systems to increase the competitiveness of our power sources.
- Increase management efficiency as planned based on an estimation of the power supply cost and on an even higher level to deliver energy at more reasonable prices, thereby increasing customer satisfaction.

Expanding profit-making opportunities

Aim to achieve further growth by providing diversified services and expanding business domains.

- Sell electricity and gas in combination to meet customer needs and foster sales in areas outside the Chubu region
- Find new customer needs and examine potential diversification of our services based on the relationships that the Group has built with local customers in delivering energy to them.
- Expand the upstream fuel business and overseas power generation projects based on the comprehensive alliance formed with Tokyo Electric Power.

Response to changes in the national energy policies

Meet social needs and prepare for more changes to be made in the future.

- Respond appropriately to a range of issues facing entire facilities due to the unbundling of the power transmission/distribution sector and the large-scale introduction of renewable energy, thereby ensuring stable power supply.

Major initiative ❶ Establishment of a new company for a comprehensive alliance with Tokyo Electric Power

Chubu Electric Power, as part of its growth strategy, formed a comprehensive alliance with Tokyo Electric Power and established the joint venture company JERA Co., Inc. in April 2015. The alliance covers the entire supply chain from upstream investments and fuel procurement through thermal power generation.

Through this alliance, we aim to achieve our public mission of ensuring stable energy supply in an internationally competitive manner and expand our business spheres to increase our corporate value.

The new company will begin its operations in areas that have high impact and are easier to undertake. Specifically, it will focus on starting new upstream investment and fuel procurement projects, establishing and replacing thermal power plants in Japan, and implementing new overseas power generation projects. Moreover, its two investor companies will integrate their existing fuel procurement and other fuel-related businesses and overseas power generation projects to JERA sequentially.

Tokyo Electric Power — Investment ratio 50:50 — Chubu Electric Power

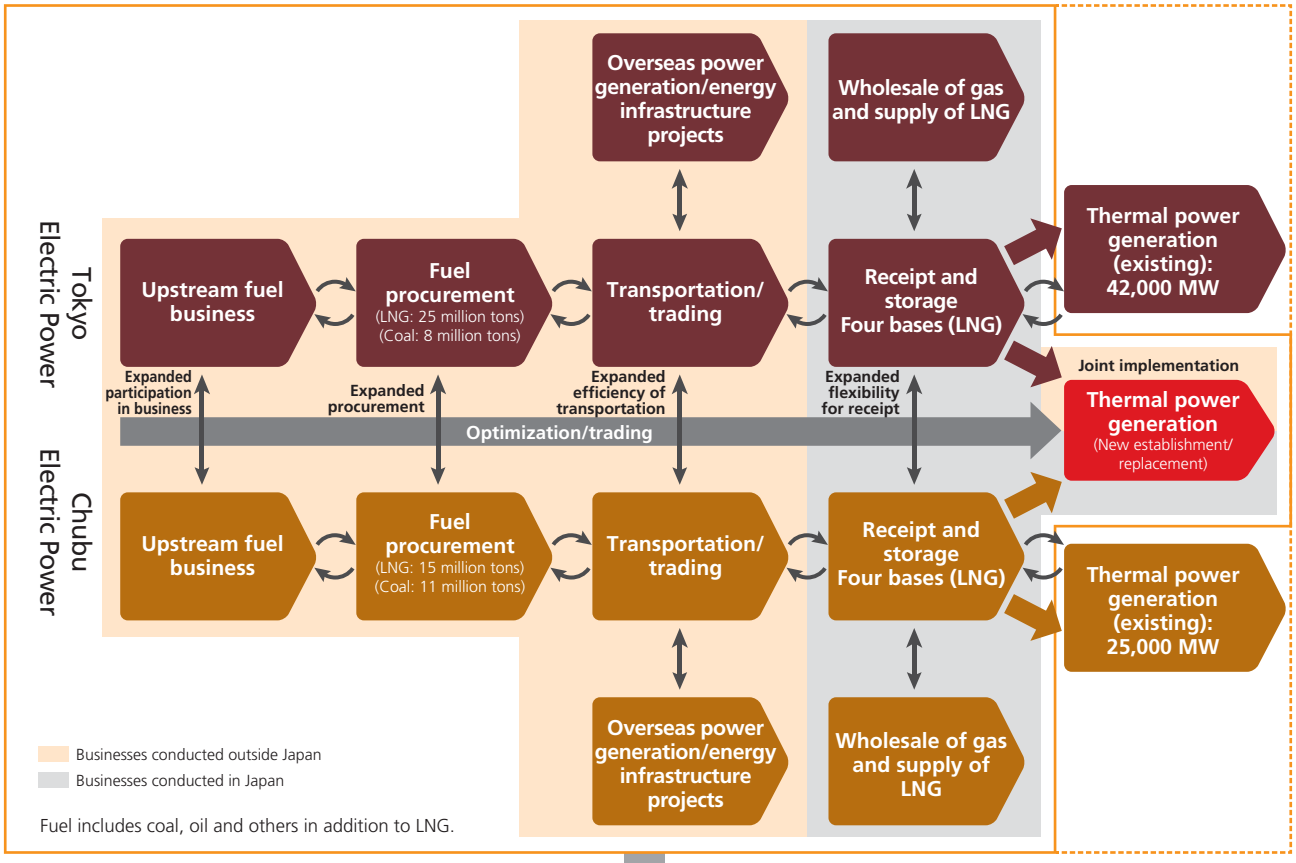
JERA Co., Inc.

The company is named "JERA" by combining "Japan," "Energy," and "Era," as it is intended to become an international energy company that leads a new age.

Establishment of the new company and roadmap for the expansion of the business

Apr. 2015	Established the new company Started new upstream investment and fuel procurement projects, developed overseas power generation projects, and established and replaced thermal power plants in Japan.
Oct.1, 2015 (planned)	Will integrate the fuel transportation and trading businesses into the new company.
Around year-end 2015	Will conclude an agreement to integrate the existing fuel businesses (upstream business, procurement, fuel receipt and storage, and gas transportation) as well as the existing overseas power generation and energy infrastructure businesses into the new company. (Actual integration slated for the summer of 2016, following the introduction of the holding company system by Tokyo Electric Power)
Around spring 2017	Will make a management decision on the integration of the existing thermal power generation business into the new company. (Target)

Expected effects of the comprehensive alliance



We will offer more value to customers in the Chubu region and other areas by increasing our competitiveness in energy supply and enhancing our corporate value.

Feature Article 3 Responses to Changes in the Business Environment

Major initiative ❷ Improving customer services and operational efficiency by smart meters

A smart meter is a next-generation power meter that provides a function to measure the use of electricity, a function to switch on and off, and also a remote communication function for meter reading and other purposes.

Using the smart meter data, which is measured every thirty minutes, not only electric power companies but also PPSs can provide a wider range of services.

In October 2014, Chubu Electric Power began installing smart meters targeting customers in a specified area, including residential costomers. We will complete the installation of the smart meters for all customers by March 2023.

Enhancing the "KatEne" online membership service for households, aiming to be selected by customers once the retail market is fully liberalized

Chubu Electric Power began the online membership service "KatEne" for residential customers in 2014, and will enhance it by the use of smart meters starting in July 2015.

For example, smart meters will "visualize" the daily and hourly use of electricity and help customers receive effective advice based on their actual power use. Further, the meters will enable customers to make detailed simulations to change their contract types and to get information useful for power saving and their daily lives.

The full liberalization of the retail electricity market planned for April 2016 will mark the true beginning of an age in which customers choose from which company to buy electricity. Aiming to be selected by customers continuing into this new age, Chubu Electric Power will use the functions of smart meters to propose flexible contract types and make the use of electricity more visible, eventually providing customers with energy consulting services tailored to their individual lifestyles.

■ **Homepage of the "KatEne" membership service**

Improvement of operational efficiency through the introduction of smart meters

Introduction of smart meters will allow us to automate meter reading, switch on/off electricity, and change the contract capacity by remote control, eliminating the need to work onsite. We will make use of these smart meter functions for higher operational efficiency, while also optimizing pole transformer capacity to reduce the amount of capital investment.

In procuring smart meters, we will standardize the specifications and procure them through competitive bidding. Also for the procurement of smart meter-related systems, we will make full use of external knowledge and the existing infrastructure of other electric power companies for cost reduction, pursue both higher functions and higher quality, and reduce the procurement cost by competitive bidding.

■ **Functions and benefits of smart meters**

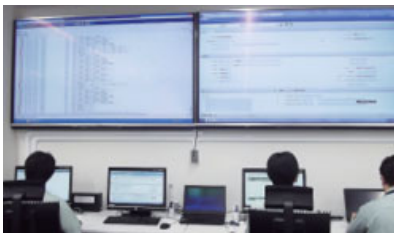
Major functions	Major benefits
Measurement	• Can automate meter reading • Can switch on/off electricity by remote control • Can change the contract capacity by remote control • Can optimize pole transformer capacity to reduce capital investment
Communication	• Can diversify contract types and suppress demand
Switching	• Can provide consulting services to help customers save power and choose the optimal contract type • Can show the use of electricity by customers

Voice from onsite staff **Aiming for stable operation of the entire smart meter system**

Naoaki Ikegami
Smart Meter Control Management Center

We are monitoring the entire smart meter system around the clock every day, aiming to improve customer service and operational efficiency through the use of smart meters.

Because we handle sensitive information including electricity usage by customers, we are implementing security measures against the threat of illegal access and other risks.



Major initiative ❸ Sales of electricity and power generation in areas outside the Chubu region

Chubu Electric Power is proactively fostering the sale of electricity and power generation in areas outside the Chubu region to enhance its foundation for profitability in the future. We will increase our Group's corporate value by securing power sources and enhancing the system for sales promotion outside the Chubu region, which we believe will also be beneficial to local customers in the region.

Securing power sources

Establishment of Suzukawa Energy Center Ltd.

- In September 2013, Chubu Electric Power, Mitsubishi Corporation, and Nippon Paper Industries Co., Ltd. established a joint venture named "Suzukawa Energy Center Ltd." (Chubu Electric Power holds 10% of shares in the company.)
- A coal thermal power plant with an output of 100 MW will be constructed in Fuji City, Shizuoka Prefecture, and the electricity produced by the plant will be sold to Diamond Power Corporation.

Establishment of Hitachinaka Generation Co., Inc.

- Chubu Electric Power established a joint venture named "Hitachinaka Generation Co., Ltd." with Tokyo Electric Power in December 2013. (Chubu Electric Power holds 96.55% of shares in the company.)
- A coal thermal power plant with an output of 650 MW will be completed in Tokai Village, Naka-gun, Ibaraki Prefecture for the start of operation in fiscal 2020.

Use of comprehensive alliance with Tokyo Electric Power

- JERA Co., Inc. will participate in the 10,000 MW thermal power plant replacement project planned by Tokyo Electric Power, through which we aim to develop a highly competitive power source in the Tokyo metropolitan area.

▲ Coal thermal power plant under construction by Suzukawa Energy Center ▶

Enhancing the sales system

Purchase of Diamond Power

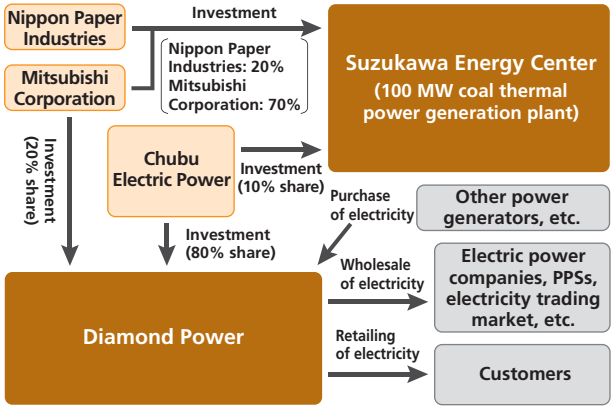
- In October 2013, we acquired an 80% interest in Diamond Power Corporation, which has a track record as a PPS, from Mitsubishi Corporation to make it a subsidiary.
- Through this company, we will effectively acquire the know-how and infrastructure (power source, customer base, and power supply-demand management method) necessary for the electricity sales business in the 50 Hz zones* located in the Tokyo metropolitan area.

Registration of C Energy as a PPS

- In June 2014 C Energy Co., Inc. which is our subsidiary engaged in the sales of LNG and onsite energy service, was registered as a PPS to start the electricity retail business.
- The company will promote the sales of electricity through its sales channels in cooperation with Diamond Power.

* Japan is divided at around the Fuji River in Shizuoka Prefecture and the Itoigawa River in Niigata Prefecture into the 60 Hz zones located on the west side, including the service area of Chubu Electric Power, and the 50 Hz zones located on the east side, due to differences in the power frequency (hertz or Hz; the rate at which electric currents oscillate back and forth).

■ Business scheme for Diamond Power and Suzukawa Energy Center



Voice from a PPS

We will foster the wholesale and retailing of electricity also in the 50 Hz zones

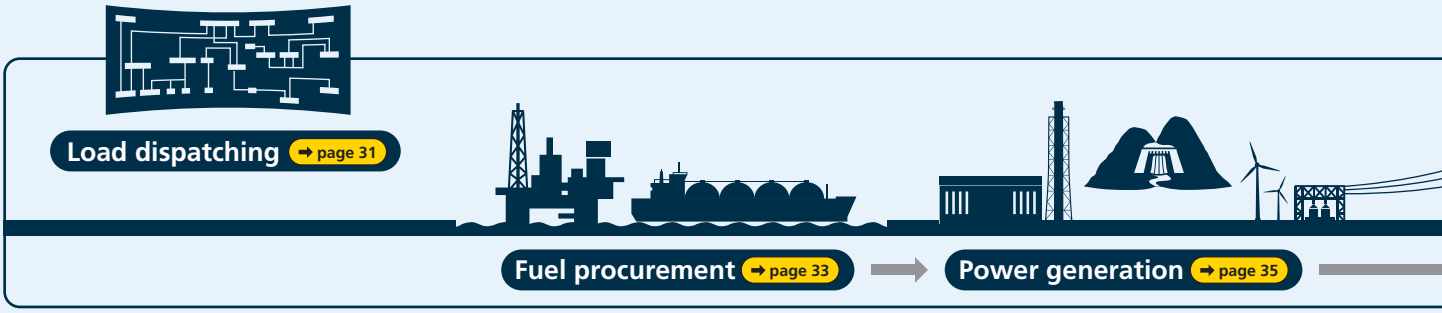
Takashi Ueda
Sales Group Leader
Diamond Power Corporation

Diamond Power formulated a voluntary environmental action plan jointly with other PPSs. Based on the plan, we procure electricity from facilities with low environmental impact, such as natural gas thermal power stations and biomass, wind and other renewable energy power plants. As both a wholesaler and retailer, we sell the electricity thus procured at extra-high and high voltage to customers, including office buildings, large stores, hotels, hospitals and other business facilities and also to industrial facilities such as factories.

Outline of Diamond Power

- **Established:** March 15, 2000
- **Capital:** 120 million yen
- **Representative:** President Shinji Ozu
- **Business:** PPS
- **Per-unit CO_2 emissions in fiscal 2013:** 0.402 kg-CO_2/kWh

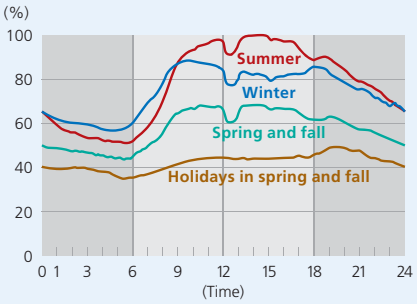
We will introduce a summary view of the business activities to supply energy to customers at reasonable prices and in a safe and stable manner on a long-term basis to support their daily lives.



Electricity control

We are controlling and monitoring the entire power network that connects power plants to customers 24 hours a day, every day for the supply of high-quality electricity at reasonable prices.

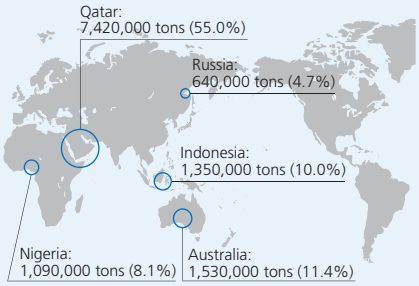
■ Daily use of electricity by season



Procurement from around the world

We procure fuel for power generation (LNG, coal, crude oil and others) from supplier countries (Qatar, Australia, Indonesia and others) in a stable and economic manner.

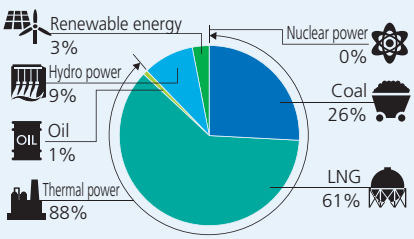
■ Major countries from which we procure LNG



Centering around thermal power generation

In addition to thermal and nuclear power, we use renewable energy such as hydro, solar and wind power to produce electricity.

■ Energy mix for power generation (at the generating end)



Nuclear power ➡ page 17
Renewable energy ➡ page 67

Features

Stable and economical supply-demand management according to changes in demand

We control the flow of electricity by balancing the ever-changing amount of electricity used by customers (demand) and the amount of power generation (supply).

Fuel procurement amount is equivalent to about 200 LNG tankers per year

The LNG transported from Qatar by the world's largest 120,000 ton-class carrier, which takes two to three weeks to reach Japan, is used up in only 3.5 days.

Thermal power plants account for about 90% of output

While the operation of the Hamaoka Nuclear Power Station continues to be suspended, we are reducing the regular inspection time of our thermal power plant and adjusting their inspection timing to ensure stable power supply; thermal power plants account for about 90% of the output.

Major initiatives

- Ensure the supply capability and maintain the appropriate frequency and voltage for stable power supply
- Formulate an economical power generation plan and adjust the output of power generators

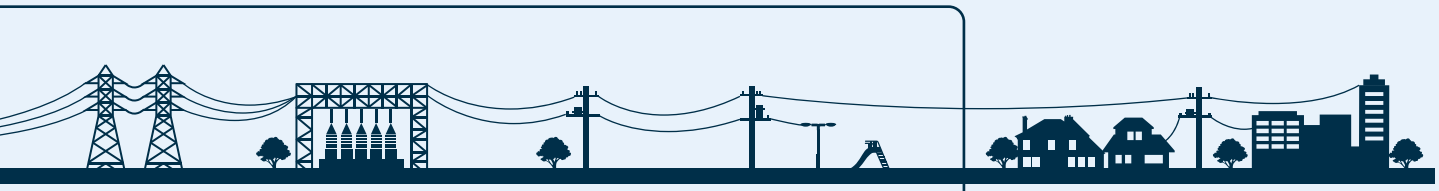
- Improve stability, economic efficiency and flexibility in fuel procurement
- Will start importing LNG from the U.S. in 2018
- Secure LNG carriers for exclusive use by the company

- Develop the Nishi-Nagoya Thermal Power Station No. 7 and the Taketoyo Thermal Power Station Unit No. 5
- Reduce fuel consumption and CO_2 emissions by improving the gross thermal efficiency of the thermal power plants

Overseas energy business ➡ page 43

Implementing overseas energy projects

Capitalizing on managerial resources accumulated in Japan, such as know-how and human resources, we are fostering power generation and consulting businesses outside Japan.

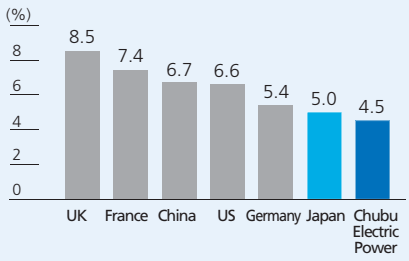


Power transmission and transformation ➡ page 37 → Power distribution ➡ page 39 → Total energy service ➡ page 41

Power transmission

We transmit electricity from the power plants to substations via transmission lines. For large factories, we supply electricity directly via transmission lines.

■ Comparison of our transmission/distribution loss rate with those of major countries



Source: Overseas Electric Power Industry Statistic for 2014 provided by Japan Electric Power Information Center, Inc. and other material
The figure for Chubu Electric Power shows FY 2014 data; for Japan, FY 2013 data; and for other countries, FY 2012 data.

Power transmission and transformation distance of 12,254 km with 939 substations

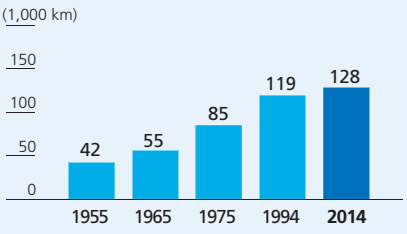
We transmit a vast amount of electricity via transmission lines that exceed 12,000 km in total length, with 939 substations controlling increases and decreases of electric voltage and electric flow.

- Carry out inspection patrols for equipment to ensure stable supply and public security
- Update older equipment without fail

Transmission to households and factories

We deliver power from our substations to our customers, such as residential customers and factories, via distribution lines.

■ Distribution line length (excluding underground lines)



The figure shows end of fiscal year data.

Distribution lines with a total length three times the circumference of the Earth

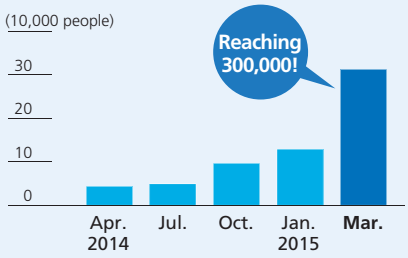
We deliver electricity to each household via distribution lines that extend a total of about 130,000 km (three times the circumference of the Earth), and which are supported by about 2.8 million power poles.

- Start/stop the supply of electricity, as well as design and install distribution equipment in response to customers' request
- Conduct inspection patrols for equipment to ensure safety for customers
- Update equipment to ensure stable power supply
- Introduce smart meters

To meet the needs of all customers

We are working to offer high-quality, satisfactory, and reliable services to both households and corporate customers, aiming to meet a range of customer needs.

■ Number of members of the KatEne online membership service for general households



Aiming to be a company selected by customers

We are improving and diversifying our services to be selected also by customers living outside the Chubu region.

- Provide customers with services that are useful for their lives
- Propose energy solution services
- Sell gas and LNG and provide onsite energy service

Monitoring and Controlling the Entire Electric Power System around the Clock, 365 Days a Year

Central Load Dispatching Center

Electric Power Supply and Demand Outlook for Summer 2015

For this summer, peak load (one-time peak load on a level similar to that during the 2013 heat wave) is estimated to reach 25,970 MW. The calculation of this peak load takes the impacts of heat waves into account, while estimating that the possible amount of energy saved this summer will be about 1,320 MW and assuming that the annual peak load (three-day average) will be up to 24,750 MW.

Meanwhile, Chubu Electric Power's supply capacity is estimated to be 27,150 MW in August 2015. This estimate incorporates the exported power of 490 MW*1, which we will supply to other electric power companies facing supply shortages at their request.

Throughout the summer of 2015, we will be able to meet the reserve margin that is the measure of stable supply.

■ Power supply-demand balance in August 2015 (Generating end)

	Annual peak load (three-day average; temperatures of typical years)	One-time peak load (level similar to that during the 2013 heat wave)
Peak load (A)	24,750 MW	25,970 MW
Supply capacity (B)	27,020 MW	27,150 MW
Reserve capacity (B-A)	2,270 MW	1,180 MW*2
Reserve margin (%)	9.2%	4.5%

*1 Exported power during weekday daytime hours in August 2015

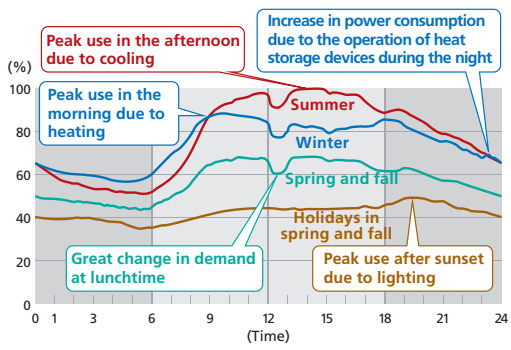
*2 Includes emergency increase in thermal power output.

Daily Use of Electricity

People constantly use electricity not only during the daytime but also during the quiet night hours for lifeline services including for hospitals, factories and convenience stores operated during the night, household refrigerators and others.

The consumption of electricity varies by season and weather and is influenced by social trends, and tends to increase in summer and winter compared with spring and fall because of the frequent use of air conditioners and heaters. There is also a large difference in the amount used between daytime during which people are active and nighttime during which they sleep. The amount also fluctuates in early morning, when factories and offices open, and also at lunchtime.

■ Daily use of electricity by season

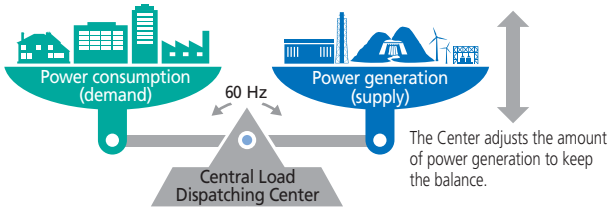


Supply and Demand Management

Unlike other forms of energy, electricity cannot be stored. The Central Load Dispatching Center therefore adjusts the output of power generators and stabilizes the power frequency to keep a balance between the ever-changing amount of use (demand) and the amount of power generation (supply).

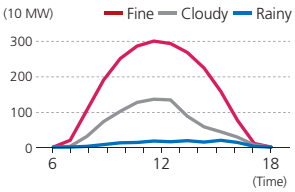
As for solar power generation, the use of which has rapidly expanded recently, the output largely depends on the weather, and the difference in output between a fine day and a rainy day could be equivalent to the output of three to four large thermal power generation units owned by the company. The Central Load Dispatching Center has developed a system to predict and calculate the output of solar power generation and uses the system to make power generation plans for stable and efficient supply-demand management.

Illustrative image of supply-demand balance



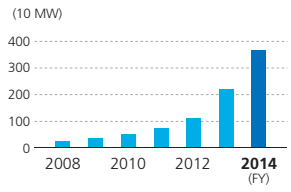
Daily output of solar power generation by weather

(Example in March 2015)



Use of solar power generation facilities

(for supply by Chubu Electric Power, year-end data)



Power System Operation

To supply electricity from the power plants to customers in a stable manner via transmission lines, the load dispatching control center monitors and controls the voltage and amount of electricity transmitted via the lines 24 hours a day, every day.

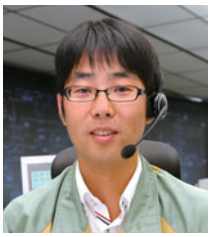
The center operates switches for the inspection and repair of electricity equipment and conducts recovery work in a safe, steady and prompt manner in the event of a power system failure. The center also cooperates with the Central Load Dispatching Center for stable power supply and efficient management of equipment.

▲ Drill to handle a power system failure

Voice from onsite staff

We are working to balance supply and demand at all times

Makoto Maruyama
Load Dispatching Section I, Central Load Dispatching Center
Power System Operations Department, Power System Division



At the Central Load Dispatching Center, we are making power generation plans to minimize the fuel cost and to increase economic efficiency, and also with consideration to risks such as abnormal weather and power generator failures. Based on these plans, we adjust the power generator output to meet demand, while making prompt and steady responses to any problems, thereby keeping a good supply-demand balance at all times.

As an employee engaged in supply-demand management, I work day and night, committed to constantly delivering high-quality electricity to customers at reasonable prices.

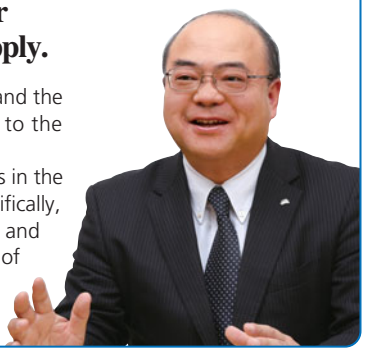
Message from General Manager of Power System Operations Department

Yoshiro Hiraiwa
Executive Officer and General Manager of Power System Operations Department, Power System Division

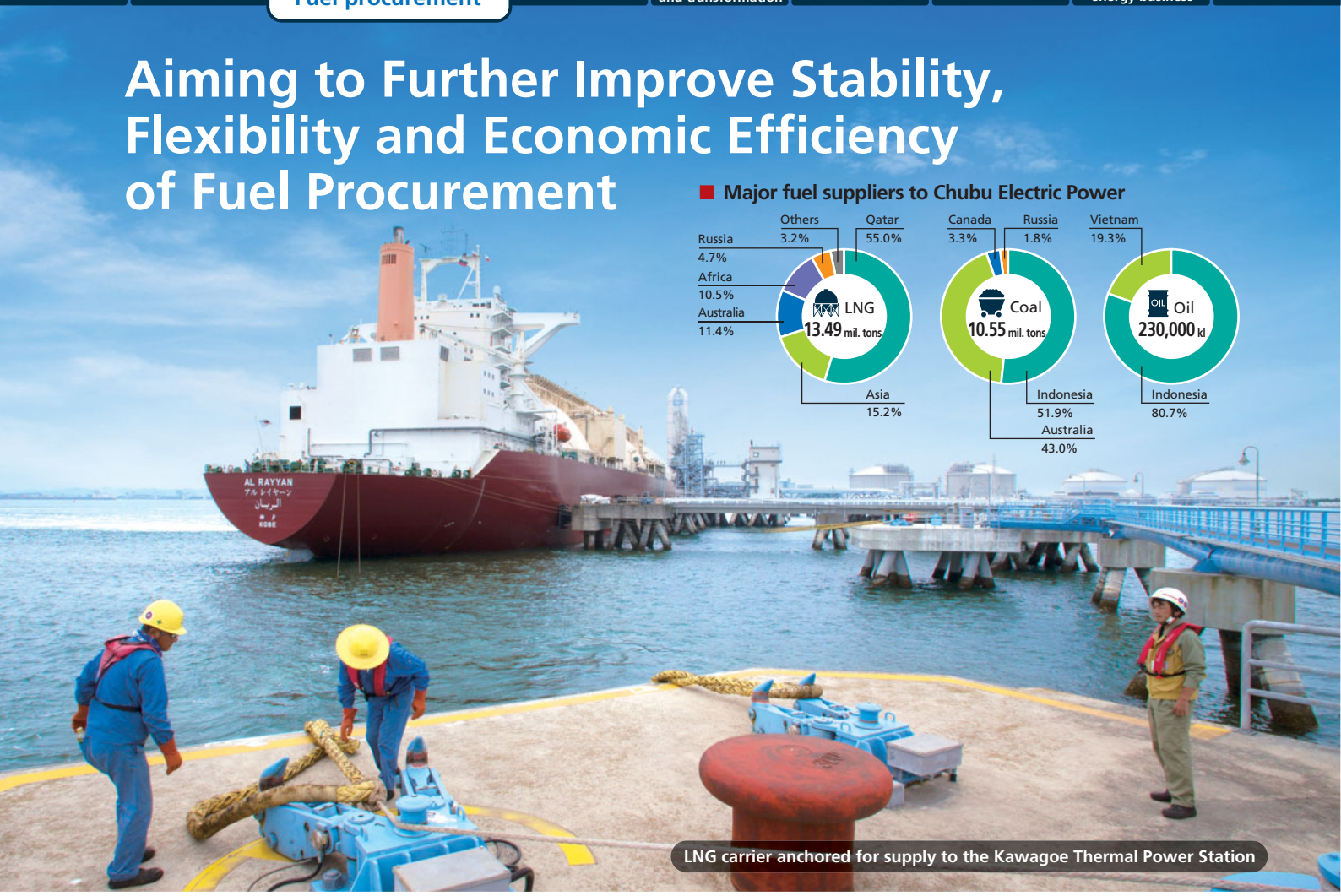
We will respond steadily to changes in the operational environment, including the electricity system reforms and the large-scale introduction of solar power generation, while always fulfilling our public mission of stable power supply.

The electricity system reforms will result in the full liberalization of the retail market in April 2016 and the introduction of a licensing system. The supply-demand structure is also greatly changing due to the expanded use of solar power generation.

The power system operations department is making preparations to steadily respond to changes in the operational environment, while fulfilling its unchanging public mission of stable power supply. Specifically, we are working to improve the operational structure, renew the supply-demand planning system, and secure the ability to maintain a good supply-demand balance. In the predicted expansion of the use of the entire power supply network, we will steadily conduct the wheeling service-related operations and work to reduce the cost of wheeling by fostering efficiency improvement measures.



Aiming to Further Improve Stability, Flexibility and Economic Efficiency of Fuel Procurement



LNG carrier anchored for supply to the Kawagoe Thermal Power Station

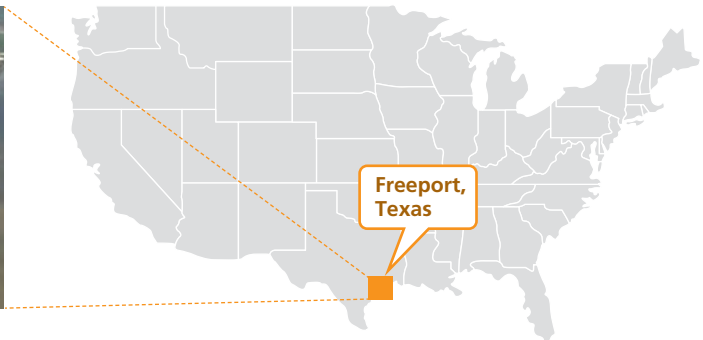
■ Major fuel suppliers to Chubu Electric Power

Procurement of Liquefied Natural Gas (LNG)

Procurement of LNG from the United States

Through participation in the US Freeport LNG project, we will be able to start importing LNG produced in the country to Japan in 2018. By securing a new supplier and also becoming a producer for LNG ourselves in the United States, we can transport LNG to any destination, thereby increasing procurement stability and flexibility. Also, by introducing a new LNG price indicator linked with the US gas prices to the Asian market, we can diversify the pricing system, which will help us to procure fuel at better prices.

■ US Freeport LNG base

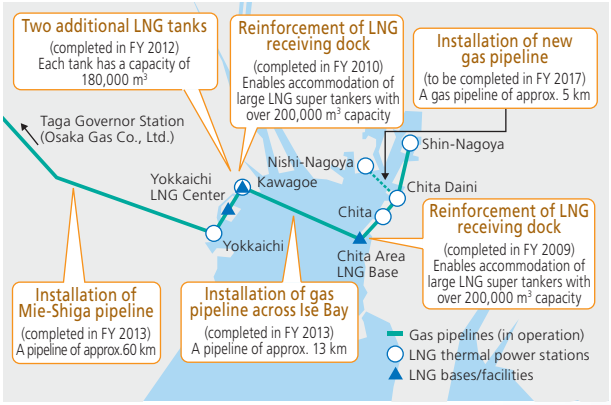


Development of LNG-related infrastructure

For the reliable supply of LNG, Chubu Electric Power works to enhance its LNG-related infrastructure mainly in the Ise Bay area, which is home to major LNG thermal power stations.

Following the completion of the pipeline extending across Ise Bay and the Mie-Shiga Line in fiscal 2013, we have established a collaborative network among the LNG bases in and around Ise Bay, thereby achieving greater reliability, economic efficiency and flexibility for our LNG procurement and supply. We will install a new gas pipeline to supply LNG to Nishi-Nagoya Thermal Power Station Unit No. 7, a highly efficient power generation facility.

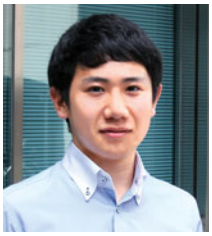
■ LNG-related infrastructure around Ise Bay area



Voice from onsite staff

We are procuring LNG carriers for exclusive use by the company

Yutaro Hori
LNG Group, Fuels Department



We have been procuring LNG carriers for exclusive use by our company, aiming to reduce the transportation cost and increase the flexibility of LNG procurement. We plan to procure a total of eight LNG carriers, of which two were completed last year.

I am in charge of concluding LNG carrier-related agreements, and negotiate with shipbuilding companies and other related parties regarding the ship specifications, ship chartering, and financing conditions.

Cooperating closely with the related departments and companies, I will support the procurement of LNG by building up an optimal carrier operation system.

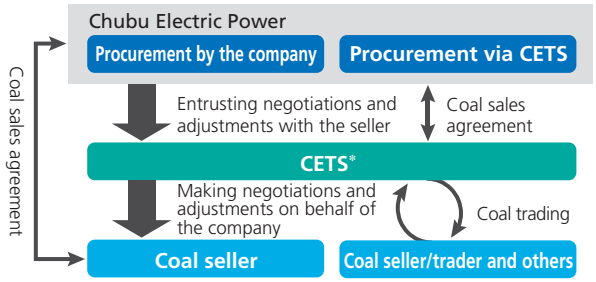
Procurement of Coal

Strengthening coal procurement capabilities

Chubu Electric Power established Chubu Energy Trading, Inc. (present CETS) in partnership with EDF Trading Limited, the fuel procurement division of the French state-owned electric power company EDF, and has been procuring coal via this trading company since 2008.

In 2012, we transferred the trading base to Singapore, which is a center for coal trading in Asia, with a view to making our coal procurement more agile and economical. We will continue to improve our trading skills while enhancing procurement ability.

■ Scheme for coal procurement



* Chubu Energy Trading Singapore (CETS) engages in coal trading through a JV with EDF Trading Singapore, a subsidiary of EDF Trading.

Message from General Manager of Fuels Department

Toshimi Tsuchiya
Executive Officer and General Manager of Fuels Department

We will bravely take on challenges in the greatly changing environment.

It is our unchanging mission to deliver energy to customers at reasonable prices and in a stable manner, but we cannot fulfill this mission without the courage to take on challenges in the dramatically changing environment.

Fuels account for about a half of the ordinary expenses, and we must ensure the stability and flexibility of fuel procurement to meet dramatically changing demand. It is therefore not an exaggeration to say that the successful fulfillment of our mission depends on successful fuel procurement.

Against this backdrop, Chubu Electric Power launched a new company (JERA) by forming a comprehensive alliance with Tokyo Electric Power, thereby taking a preparatory step to implement more aggressive measures to establish an energy supply system that helps us to survive fiercer competition in the international market. The Fuels Department will play a core role in this context and make an all-out effort to fulfill its mission of procuring fuel in a stable and flexible manner at lower prices.

Generating High-Quality Electricity in a Stable Manner

Nuclear power generation ➡ See pages 17 to 22
Hydroelectric power generation ➡ See page 67
Renewable energy ➡ See page 67

Joetsu Thermal Power Station

Power Generation Facilities of Chubu Electric Power

Generating a total of 34,058 MW electricity at 205 locations

In order to supply electricity in a stable manner, Chubu Electric Power has 205 power generation facilities that can produce a total of 34,058 MW of electricity, including nuclear, coal, LNG and oil plants, and those using renewable energy.

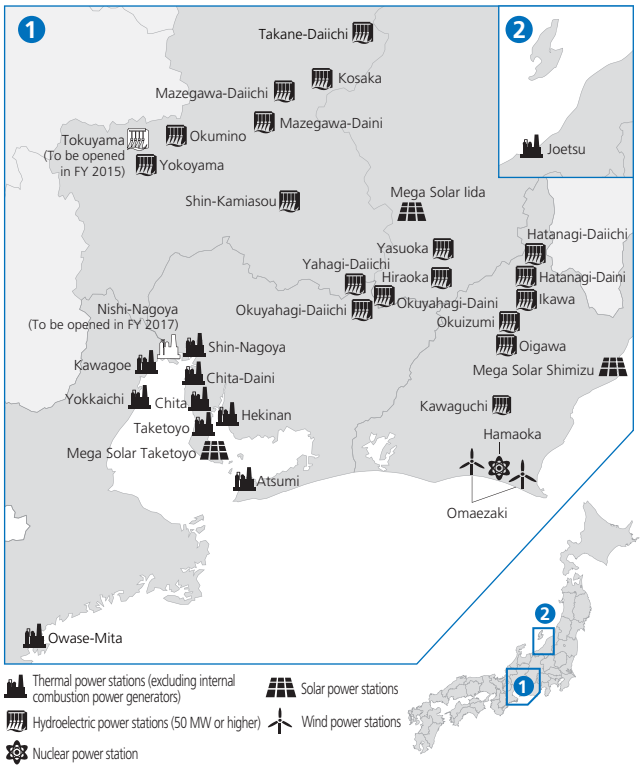
We steadily maintain, inspect and repair these facilities to ensure a stable power supply.

We rely heavily on thermal power for power generation and are proactively reducing fuel consumption and CO_2 emissions by measures such as introducing leading-edge, high-efficiency LNG-fired combined cycle power generation.

■ **Capacity of our power generation facilities (as of March 31, 2015)**

Thermal	11 locations*	25,082 MW
Hydroelectric	189 locations	5,320 MW
Nuclear	1 location	3,617 MW
Renewable energy	4 locations	39 MW
Total	**205 locations**	**34,058 MW**

* Including internal combustion power generators



Thermal Power Generation

Total capacity of 25,082 MW at 11 locations

We can respond flexibly to changes in demand through thermal power generation. Chubu Electric Power owns 11 thermal power plants, which can generate a total of 25,082 MW electricity (as of March 31, 2015).

At the Joetsu Thermal Power Station, where all four units began commercial operation in May 2014 for the full-scale operation of the plant, we have introduced a leading-edge, high-efficiency LNG-fired combined cycle power generation system to further reduce both fuel costs and CO_2 emissions. We are now developing the Nishi-Nagoya Thermal Power Station Unit No. 7 as a top-class unit in the world in terms of thermal efficiency, while steadily working on the Taketoyo Thermal Power Station Unit No. 5, which is a coal thermal power generator with excellent economic efficiency and fuel procurement stability.

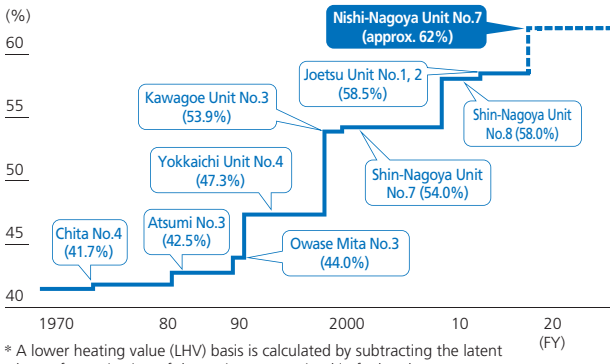
Increasing the thermal efficiency of the thermal power plants and gross thermal efficiency

Thermal efficiency shows the percentage of energy that can be actually transmitted as electricity out of the total thermal energy generated by fuel consumption, and provides an indicator for the efficiency of thermal power plants.

Chubu Electric Power is improving the thermal efficiency of its plants by introducing high-efficiency LNG-fired combined cycle power generation and by effectively operating high-efficiency thermal power plants. As a result, the gross thermal efficiency of our plants reached a level that is high both in Japan and anywhere else in the world, recording 47.73% (on an LHV basis*) in fiscal 2014.

▲ Shin-Nagoya Thermal Power Station (in Shiomi-cho, Minato-ku, Nagoya City)

Thermal efficiency of thermal power generation facilities (LHV basis*)



* A lower heating value (LHV) basis is calculated by subtracting the latent heat of vaporization of the moisture contained in fuel and water generated by combustion from the higher heating value.

Power Generation

Voice from onsite staff

Giving first priority to safety in the management of operations

Norihiko Tsutsumi
Operation & Maintenance Section, Kawagoe Thermal Power Station
Thermal Power Administration Center, Power Generation Division

The Kawagoe Thermal Power Station is the largest thermal power plant among those possessed by Chubu Electric Power, and has a total thermal power generation capacity of 4,802 MW and an LNG fuel supply base. The plant has as many as 14 high-efficiency combined cycle power generation units, and we inspect them both individually and collectively throughout the year, giving first priority to safety in managing operations. We will maintain the power facilities with strong commitment and in cooperation with Group companies, thereby continuing to supply electricity to customers at reasonable prices and in a safe and stable manner.

Message from General Manager of Thermal Power Department

Akira Kuriyama
Executive Officer, General Manager of Thermal Power Department
Power Generation Division

We are aiming to become the No. 1 in the thermal power generation business.

It is expected that competition among power generators will intensify as the electricity system reforms progress.

However, we should continue to supply electricity at reasonable prices and in a safe and stable manner into the future. While working to fulfill this unchanging mission, we should create new value for customers by providing them with more diversified services based on a highly competitive power source portfolio so that we can continue to be a company selected by customers.

To this end, we will increase staff productivity and reduce repair costs in an accelerated manner while ensuring stable power supply. At the same time, we will make strategic investments based on appropriate risk management to ensure our sustainable growth in the future, and become the No. 1 company in the thermal power generation business.

Ensuring the Stable Supply of High-Quality Electricity at Reasonable Prices and Public Security

500,000-volt Sunen Substation

Power Transmission

Transmitting electricity from power stations

Electricity generated at power stations is transmitted to distributing substations. The power transmission facilities are composed of transmission lines as well as transmission line towers and other support structures.

To ensure a stable power supply, we have been appropriately designing and building facilities with enough resistance against natural threats, such as lightning and snow, while introducing technologies to prevent equipment failures.

We are also appropriately and steadily updating the older facilities, which are increasing in number, thereby ensuring stable supply and public security.

Transmission facilities
Transmission line route length: 12,254 km
Number of support structures: 36,341 units

▲ Assembly of a transmission line tower

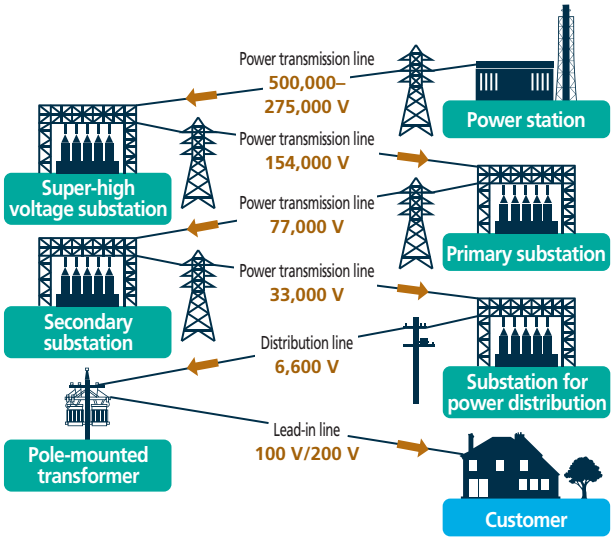
Power Transformation

Changing voltage for easier use

Electricity transmitted by transmission lines is "transformed" to make its voltage suitable for the specific usage.

Electricity is transmitted at high voltage to mitigate loss caused by electric resistance, and the voltage is gradually lowered at substations for delivery to households, factories and other customers. Substations are composed of a range of devices, including transformers, and the voltage range extends from 6,600 to 500,000 volts. We monitor and inspect each of the devices to ensure stable power supply and public security on a daily basis.

Transformation facilities
Number of substations: 939 locations



Voice from onsite staff

Updating the older transmission facilities without fail

Mika Asano
Transmission Lines Group, Electrical Engineering Department
Gifu Regional Office

I am in charge of designing and managing the construction work related to transmission facilities.

To ensure a stable power supply, we need to update the older transmission facilities, which are increasing in number, without fail. Since these older transmission line towers and lines were constructed, great changes have been made to the surrounding environment. In updating the facilities, we must design and choose the optimal method in consideration of the current local environment. I am giving first priority to the reliability and safety of the updating work, aiming to foster the harmony of the facilities with the local communities.


▲ Work on a transmission line tower

Voice from onsite staff

Protecting the substations through the enhancement of technologies

Kazuki Ito
Hydro Power & Substations Maintenance Section
Ueda Local Maintenance Office, Nagano Regional Office

At the Ueda Local Maintenance Office, which is located in the east of Nagano Prefecture, we are making a concerted effort to supervise and manage the power generation, transformation and transmission facilities located in the Ueda and Saku areas.

I am in charge of the maintenance and management of various power generation and transformation facilities, including the Toshin Substation (super-high voltage substation) and distributing substations. The Toshin Substation is linked with the Joetsu Thermal Power Station located on the Japan Sea side and equipped with a static VAR compensator (SVC) to stabilize the power system. I am constantly working to improve the maintenance level through careful patrols and inspections and by promptly responding to equipment problems.


▲ Toshin Substation

Message from General Manager of Electrical Engineering Department

Ichiro Ogi
Executive Officer and General Manager of Electrical Engineering Department, Power System Division

All of us are working to maintain the soundness of the power system, and making a commitment to ensuring a stable power supply.

We have a vast amount of transmission and transformation facilities that were built in the high economic growth period. They are now becoming old after being used for years. We need to update these facilities one after another and maintain them in a sound manner from a long-term view.

To this end, we are planning optimal updating plans, striving to minimize the cost by devising various measures to increase both the efficiency and safety of the updating work. We will steadily maintain the updated equipment and prevent their failure, while also increasing our technological capabilities and improving operational efficiency. Each of us will continuously commit ourselves to stably supplying high-quality electricity at reasonable prices, taking pride in the job.

For More Convenient and Safe Use of Electricity

Removal of a crow's nest (In 2014 we removed about 17,000 nests.)

Construction and Operation of a Power Distribution Network

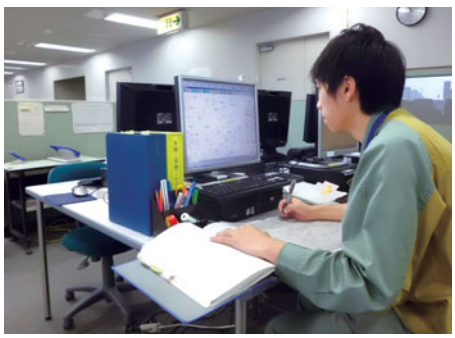
Delivering electricity at reasonable prices and in a safe manner

The power distribution sector is tasked with steadily delivering the electricity transmitted from the substations via transmission lines to customers.

We have been designing and arranging the construction of power distribution facilities to supply electricity to each customer by the deadline set by the customer based on their contract details, including the contract capacity.

The power distribution facilities are designed to achieve high efficiency, for which we take the future local demand into consideration.

Our power distribution facilities, including electric poles and wires, are located in the living environment of customers and we patrol the facilities on a regular basis to ensure that they pose no risks to customers. We also carry out inspections to prevent blackouts from being caused by defective equipment.



◀ Designing power distribution facilities

◀ Patrolling the power distribution facilities

Capitalizing on Reliable Technologies

Widely conducting activities as representatives of Chubu Electric Power

Service engineers (SEs) belonging to the customer service offices are engaged in operations including the following across their respective service areas: starting/ending the supply of electricity to customers who move to a new residence, visiting customers to change the contract capacity, and conducting surveys to identify the cause of a blackout/power leakage and take temporary measures.

To prevent blackouts, SEs also regularly patrol the facilities, remove crow's nests from spring to early summer, remove any snow covering the facilities, and conduct various other activities by season and according to the local features.

SEs are working day and night as representatives of Chubu Electric Power to ensure a stable power supply for customers.

▲ Removing snow covering the facilities

Early recovery from blackouts

The customer service offices are ready to dispatch their SEs to deal with blackouts around the clock.

In the event of a blackout, SEs will visit the site to restore service day or night. Also at each branch, a distribution automation control system is used to change the electricity flow to minimize the blackout area.

To prepare for a blackout, the SEs are trained to maintain and improve the skills required for early recovery.

The power distribution sector is thus committed to ensuring a stable power supply and public security 24 hours a day, regarding itself as the technological department closest to customers. ➡ See page 23

▲ Command center for recovery

Voice from onsite staff

We will do our best to ensure a stable power supply

Mitsuhiro Yamaguchi
Igawa Satellite Service Office
Shizuoka Customer Service Office, Shizuoka Regional Office

The Igawa Satellite Service Office (SS) is located at the entrance to the Minami Alps in Shizuoka Prefecture. Although Shizuoka as a whole has a mild climate, it sometimes snows in this nature-rich area. I live in the SS with my family to engage in the patrolling and inspection of the distribution lines and to respond to changes in demand. In case of a blackout, I do my best as the only representative of the company until a recovery support team arrives at the SS from the Shizuoka Customer Service Office, driving two hours from their workplace. I am strongly committed to ensuring a stable power supply so that local customers in the Igawa district can lead their lives with peace of mind.

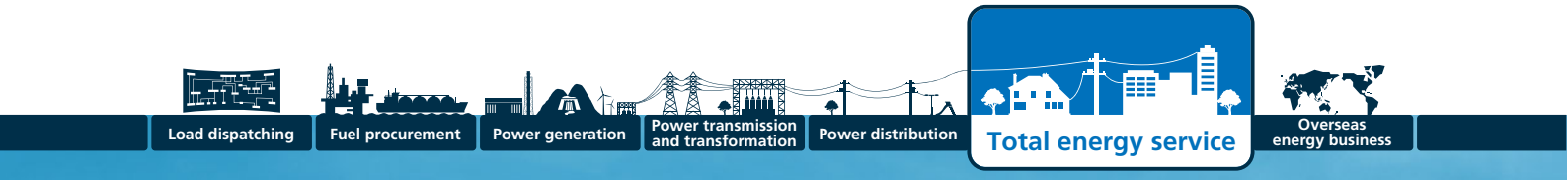
Message from General Manager of Power Distribution Department

Hiroya Komichi
General Manager of Distribution Department
Customer Service Division

We will ensure stable power supply, honing the technologies, skills and ambitions of personnel to fulfill this mission.

The power distribution sector has four missions: ensuring pubic security, maintaining the quality of electricity, steadily building and maintaining power distribution facilities, and providing customers with reliable engineering services. To fulfill these missions for a stable power supply, we need to work on the development of human resources on a continual basis. Accordingly, we are providing employees with on-the-job training and fostering technological transfer from experienced to young employees to hone our technologies, skills and ambitions.

We have suffered damage caused by natural disasters recently. Based on the recognition that disaster measures are one of the top priorities for our company, we will continue making efforts for the earliest possible delivery of electricity to customers.



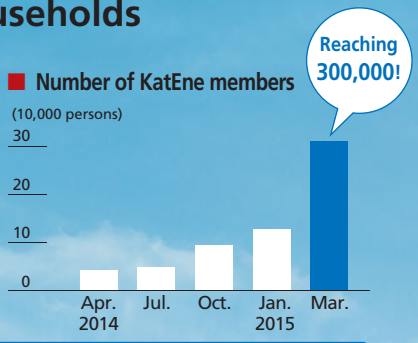
Providing Customers with a Range of Useful Services

"KatEne" online membership service for general households

カテエネ

Club KatEne

New "KatEne" character
"KATEENEKO(cat)"



4 benefits for customers

1. Can understand how to save power
2. Can get interesting information that is useful for your daily life
3. Can get KatEne points
4. Can easily take necessary procedures when you move to a new residence and in other cases

"BizEne" online membership service for corporate customers

ビジエネ

BizEne members can:

Check electricity charges
You can easily check the details of your power use over the past 24 months and the electricity charges.

Compare the contract types
You can compare the contract types to choose the type that suits you best.

Get notifications
You can get information about lightning strikes, blackouts and earthquakes by e-mail.

View useful information
You can view improvement examples regarding power saving, cost reduction, and operational efficiency.

For Households—Offering information that is useful for their daily lives

Chubu Electric Power renewed its "KatEne" online membership service for general households. Specifically, we improved the service to give members advice for power saving and help them check their actual use of electricity; began providing useful information about home electric appliances, food and housing; and launched a new service to give members points that can be converted to the points provided by our partners. As of the end of March 2015, about 310,000 customers are using this membership service. In the future we will use smart meters to provide each member with the optimal service. ➡ See page 27

We also established e-kurashi Co., Ltd. jointly with Sanyo Homes Corporation to offer house cleaning and other housework services to customers to whom we supply electricity, aiming to give more support to their daily lives based on the ties we have built up through the power supply business.

Life support service

e-暮らし

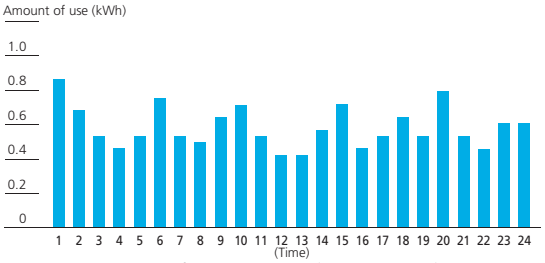
Voice from onsite staff

Spreading the use of "KatEne" to more customers

Kazuhiko Nagaya
Retail Sales Group, Customer Service Division

"KatEne" is a service tool for us to give customers useful daily life information. By using this tool, we help customers check their actual use of electricity and also provide them with a point program, information about home electric appliances, and various other benefits.

The introduction of smart meters will further expand the service possibilities. I will continue to expand the scope of the membership service and introduce it to more people, thereby increasing the number of members and earning it a good name.



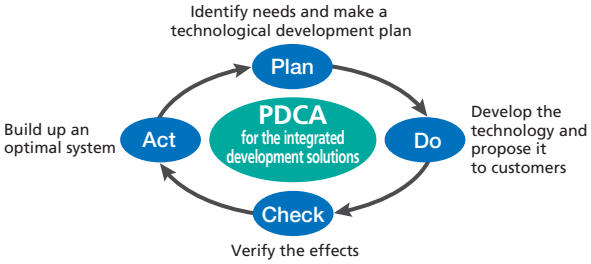
Graphs showing the use of electricity by hour (illustrative image)
(The service will be offered to customers when they are equipped with smart meter communication devices.)

For Corporate Customers—Proposing energy solutions

The needs of corporate customers are increasingly diversified and sophisticated. Chubu Electric Power is meeting these needs by cooperating with customers to solve their problems. Specifically, in addition to helping them save energy and reduce costs and CO_2 emissions, we work to meet the need of "higher productivity" for the industrial use of electricity and for the need of "more disaster-resistant energy systems" for business use at offices, hospitals and others.

In the industrial field where we cannot solve problems by the application of existing technologies, the sales sector and the R&D sector are cooperating to address "integrated development solutions" for customers. In order to meet the needs of customers who want to achieve both higher productivity and more energy conservation, we have recently been focusing on "washing," "heating," and "melting" as our priority themes in our pursuit of "integrated development solutions" in consideration of customers' production processes.

PDCA for the integrated development solutions



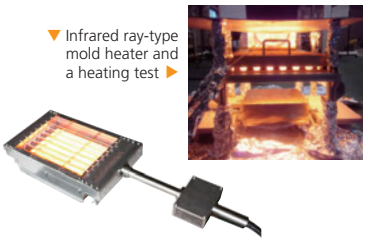
Example **Development of an infrared ray-type mold heater**

The Sagara Plant of Suzuki Motor Corporation mainly produces molded engine components, and wanted to save energy and shorten the time required for the mold heating process.

Chubu Electric Power developed an infrared ray-type heating system in cooperation with Suzuki Motor and Metro Denki Kogyo Co., Ltd., repeatedly tested and improved the system, and finally delivered it to the Sagara Plant.

We made multiple improvements to this high-output carbon heater-based device to meet the onsite needs. We have reduced its energy use by 50% relative to a gas combustion-type heater, while also reducing the time required for heating by 44%, thereby helping increase the plant's productivity.

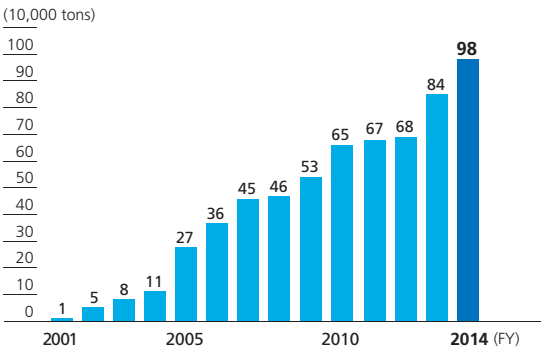
▼ Infrared ray-type mold heater and a heating test ▶



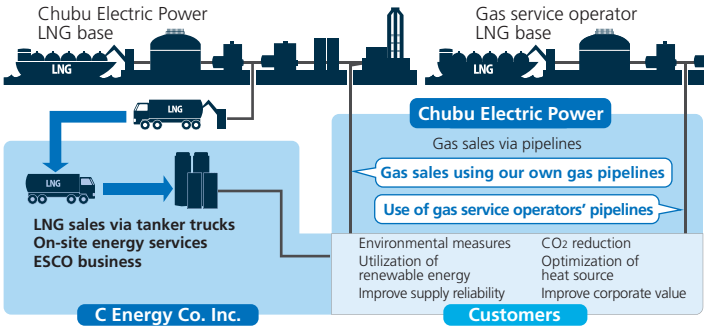
Supplying Gas, LNG and On-Site Energy

The entire Chubu Electric Power Group, including Cenergy Co., will offer energy services that combine gas, LNG and on-site energy to business customers. We aim to support their goals to build a highly reliable energy supply system while cutting energy consumption, CO_2 emissions and operating costs.

Sales of gas and LNG



Illustrative image of an integrated energy solution in collaboration with the Group companies



Message from General Manager of Customer Service Division

Shigenobu Shimizu
Director, Senior Managing Executive Officer
General Manager of Customer Service Division

Deeming changes in the business environment as opportunities, we will work to improve and diversify our services.

The electricity retail market will be fully liberalized in April 2016, and then be followed by the full liberalization of the gas retail market by 2017. This will allow us to provide customers, including household customers in and outside the Chubu region, with optimal services beyond the regional and energy boundaries.

Our Group will take these changes in the business environment as growth opportunities and work more to improve and diversify our services as a total energy service corporation that can meet the diversified needs of customers.

Achieving Sustainable Growth by Participating in Overseas Energy Projects

■ Change in total output contribution*2 from overseas energy projects

■ Overseas energy projects at the end of FY 2014

Total cumulative investment*1	Approx. 100 billion yen
Total output contribution*2	Approx. 3,260 MW

*1 Including investments which have already been committed to but not yet paid
*2 Output attributable to Chubu Electric Power in total output from all projects


Gas thermal power station in Canada

Thermal Power Generation

Making more investments with a focus on gas thermal power generation

Focusing on gas thermal power generation, which provides a wealth of business opportunities and for which we can make effective use of the Group's know-how, we will expand the size of investments to stably generate revenue on a long-term basis. As part of this effort, we participated in a natural gas thermal power generation project implemented in Ohio, United States in April 2015.

We will steadily operate the projects in which we have already invested in order to enhance our revenue foundation.

Renewable Energy Power Generation

Continuing investments in wind, solar, hydroelectric and biomass power generation

We participate in power generation projects using renewable energy sources such as wind, solar, hydro and biomass energies. As we participate in this globally spreading power generation enterprise, we pay careful attention to the investment effects to ensure financial profits, while making the largest contribution to reducing CO_2 emissions on a global scale.

Consulting Business

Contributing to the development of countries based on electricity technologies

We are conducting overseas consulting business in consideration of its synergies with the energy projects we are conducting in Japan and abroad, aiming to foster the maintenance and transfer of technological capability, international contributions, and relationships with fuel suppliers. For example, we have been engaged in a preparatory survey for a project to improve power distribution in major local cities in Myanmar since 2014.

Major participation in overseas projects

Focus regions ● Consulting ● Power generation

Countries where we have conducted the consulting business
(37 countries, 160 projects as of the end of FY 2014)
Providing consulting services for the planning of power development; design, construction and management of power facilities; and other aspects mainly for developing countries in Asia and Africa.

USA
Gas thermal IPP project
Five stations, 4,780 MW
(Participation began in 2010, in operation)
700 MW (one station)
(Participation in 2015, under construction)

Canada
Gas thermal IPP project
875 MW
(Participation began in 2009, in operation)
(Additional interests acquired in 2011)

Mexico
Gas thermal IPP project
525.8 MW (one station)
(Operation started in 2006)
Five stations, 2,233 MW
(Participation began in 2010, in operation)

Jordan
Consulting
Electricity sector master plan formulation project

Asia
Environmental funds
Investing in several small-scale projects

Thailand
Gas thermal IPP project/operation and maintenance project
1,400 MW (Operation started in 2008)
Rice husk biomass power generation project
20 MW (Operation started in 2005)
Cogeneration project in industrial areas
Two stations, 360 MW (Participation began in 2011, under construction)
Wind power generation project
Two locations, 90 MW (Operation started in 2012 to 2013)
Solar power generation project
Six locations, 30.9 MW (Operation started in 2011 to 2013)

Myanmar
Consulting
Preparatory survey for a project to improve power distribution in major local cities

Malaysia
Palm empty fruit bunch biomass power generation project
10 MW x two locations
(Operation started in 2009)

Qatar
Gas thermal power I (W) PP* projects (three projects)
1,025 MW, 2,007 MW, 2,730 MW
(Operation started in 2008 to 2011)
* I (W)PP: Independent (Water) Power Producer

Oman
Gas thermal IPP project
2,000 MW
(Operation started in 2014)


▲ Gas thermal power generation project in Oman

Indonesia
Consulting
Work management project on the Keramasan Thermal Power Station Expansion Project

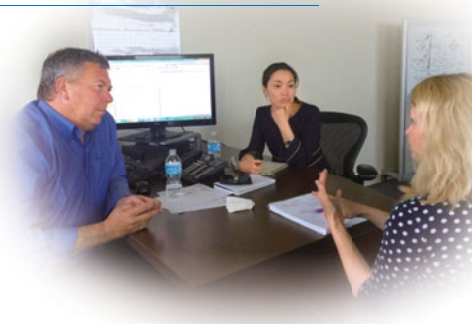

▲ Wind power generation project in Thailand

Voice from onsite staff

Being engaged in the thermal power generation business in North America

Mineko Matsunaga
Management Group, International Business Department

I am engaged in the management of the thermal power facilities under commercial operation in North America. The onsite engineers contribute to improving the reliability of the equipment by using the skills they have acquired in Japan, while back office members including myself are involved in management, such as financial affairs and internal control, aiming to increase the profitability of the entire project in cooperation with local staff. In a workplace where members have different values, I would like to develop myself with the growth of the project in my pursuit of optimal solutions.



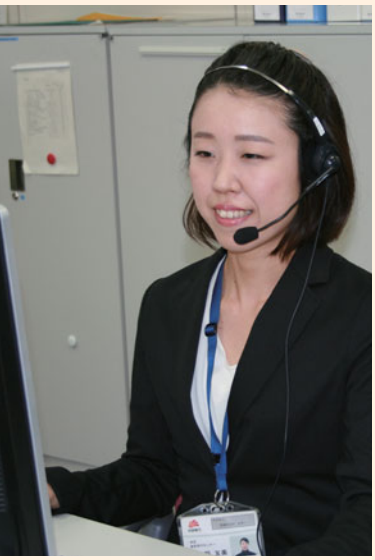
Message from General Manager of International Business Department

Tatsunori Miwada
Executive Officer and General Manager of International Business Department

We are expanding our overseas business to ensure sustained growth in the future.

Chubu Electric Power is expanding its overseas business to achieve revenue growth for the sustainable development of the company. Regarding Asia, North and Central America, and the Middle East as "focus regions," we will make investments mainly in thermal power and renewable energy power generation projects, while also conducting the consulting business to foster international contributions and the maintenance and transfer of technological capability. In the future, we will transfer the overseas projects to JERA Co., Inc. in sequence, and integrate the related assets and know-how into this joint venture formed with Tokyo Electric Power. We will promote the use of the findings made outside Japan for the domestic business, thereby further enhancing our energy services.






CSR

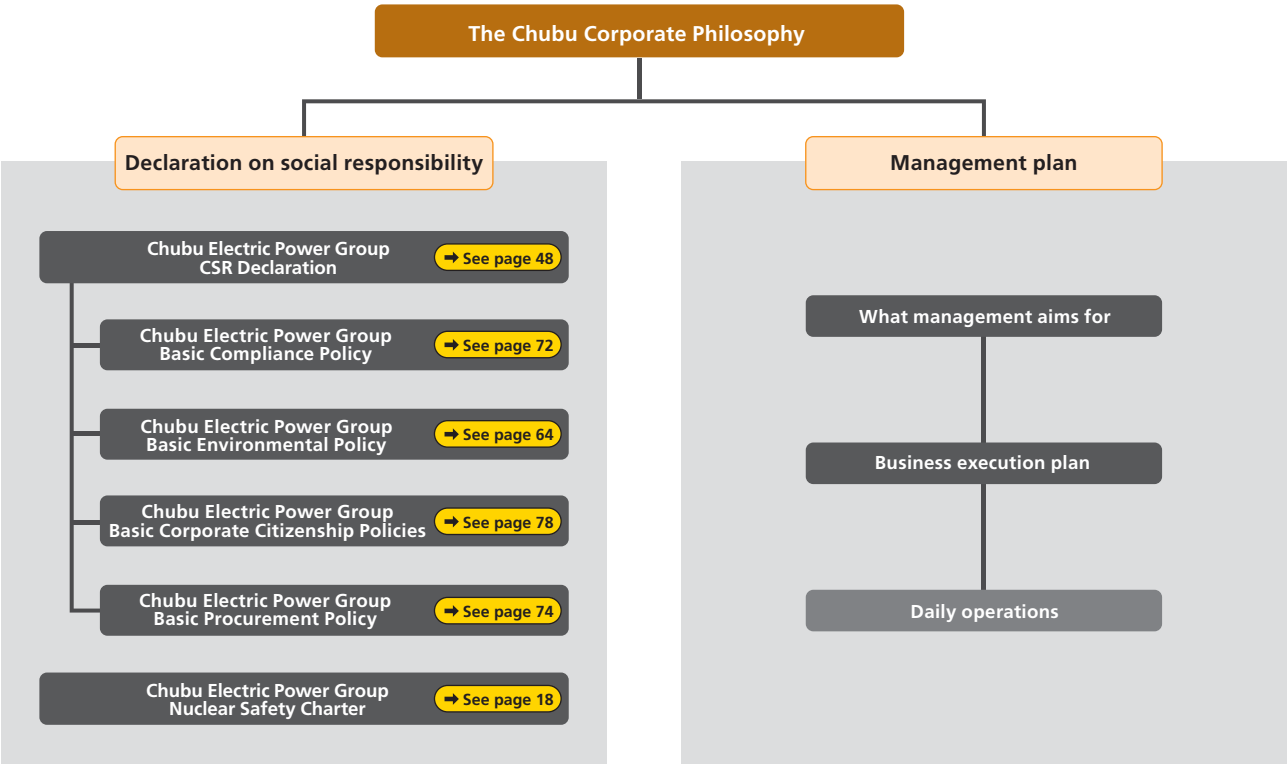
Our corporate social responsibility (CSR) efforts are based on the core subjects* of ISO 26000, the international guidance on social responsibility.

*The core subjects of ISO 26000 are shown at the top of each left-hand page in the CSR section.

Framework for the Chubu Electric Power Company Group Corporate Philosophy

We believe that the Chubu Electric Power Group can fulfill its social responsibility only when each employee understands the Chubu Corporate Philosophy ➡page 08 established in February 2011 and puts it into practice in their everyday work.

In order to facilitate employees' understanding of the Philosophy, its relationship with daily operations and its position in relation to the CSR Declaration and each basic policy are clarified in a systematic manner as shown below.



Stakeholder Dialogue

Executive Caravan—Direct Dialogue between Management and Employees

Chubu Electric Power's management team conducted the annual Executive Caravan program from April to June 2015, visiting about 140 business sites to exchange opinions directly with employees. Topics discussed during the latest visits include: the Company's initiatives for safety measures at the Hamaoka Nuclear Power Station, responses to the government's Electricity System Reform, and the comprehensive alliance with Tokyo Electric Power Company.

The management's direct communication with frontline employees regarding the business environment and the intended management direction of the Company promotes shared understanding of current challenges and better motivation among employees.

▲At an Executive Caravan led by Vice President Ohno (Nakamura Customer Service Office)

<Opinions expressed by employees during the Executive Caravan>

- To earn support and understanding for our business from customers and communities, efforts to build and maintain relationships with them on an everyday basis are indispensable.
- The planned separation of the power transmission/distribution unit should be implemented in a way that will not cause any trouble with our response to inquiries on disaster recovery from customers or with other services and capabilities.
- Our frontline operations are anticipated to become more complicated when the government's electric system reforms progress. To prepare ourselves for this, I keep telling my team to think, act, and change for the better by themselves.
- Although I was anxious about the outlook of the Company's future before the visit, receiving direct explanations from executives allowed me to gain a good understanding of the issues that the Company needs to address.

CSR Management

Through the development of an effective CSR system and active communication with stakeholders, including customers, shareholders and investors, local communities, business partners, and employees, Chubu Electric Power strives for continuous improvement of its CSR activities.

▲ Launch of the official Facebook page for Chubu Electric Power

Find us on Facebook to learn about behind-the-scenes stories, electricity and energy-related issues, and other topics from our virtual guide Ms. Nakabe.

Scan the QR code to the left to visit our Facebook page:
URL: https://www.facebook.com/chuden.jp (in Japanese)

Visit the website

▼ Holding of an Executive CSR seminar

Professor Scott Trevor Davis of the College of Business, Rikkyo University was invited to an Executive CSR seminar titled "CSR is the basic principle of corporate management: Taking a fresh look at social responsibilities and missions electric power companies are expected to fulfill," which was held for executives of Chubu Electric Power and its group companies.

■ Major activities in fiscal 2014 and goals and plans for 2015

	Goals and plans for FY 2014	Major activities for FY 2014	Evaluation	Goals and plans for FY 2015
Implementing CSR Activities ➡ page 48	● Conduct the Executive Caravan program for direct dialogues between executives and employees. ● Promote the Corporate Philosophy through various training programs.	● The program was held at all operation sites and executives and employees shared their understanding of Chubu Electric Power's business environment and challenges. ● Activities were conducted through training and internal publications.	○	● Continue the Executive Caravan program for direct dialogues between executives and employees. ● Continue promoting the Corporate Philosophy through various training programs.
Communication with Stakeholders ➡ page 48	● Further promote interactive communication with stakeholders. ● Implement dialogues with a diverse array of stakeholders.	● Dialogue with stakeholders was implemented across the Company to discuss energy issues. ● Dialogue with a diverse array of stakeholders, such as opinion exchanges with Mie University and consumer affairs specialists, was implemented.	○	● Further promote interactive communication with stakeholders. ● Continue implementing dialogue with a diverse array of stakeholders.

Evaluation Criteria: ○ : The measure was implemented as planned, achieving satisfactory results.
△ : The measure was implemented as planned, but the goal was not achieved or unresolved issues remain.
× : The measure was not implemented as planned.

Implementing CSR Activities

Chubu Electric Power CSR Declaration

Fulfilling our responsibilities and meeting public expectations

Chubu Electric Power Group, as a group of sustainably growing businesses meeting a wide range of energy needs, contributes to the development of a sustainable society by giving top priority to safety and striving to both provide a stable supply of energy and protect the global environment. We aim to accomplish these goals by allowing the individuality of group companies to be fully expressed while achieving group synergy in enterprises within our core competence in energy.

We manage our businesses in a fair and sincere manner by observing national and international laws, regulations and social rules and by respecting corporate ethics and giving priority to dialogue with all our stakeholders and maintaining high levels of transparency and openness in our business activities.

Customers	We are committed to providing our customers with safe, reliable, convenient and affordable energy services, as well as other services of value that meet their needs.
Shareholders and Investors	We are striving to maintain and increase profits for our shareholders and investors through efficient management and effective investment.
Local Communities	We are determined to contribute to sustainable local development in partnership with local communities.
Business Partners	We promise to deal fairly with our suppliers as equal business partners.
Employees	We respect individuals and are endeavoring to create a cheerful and motivating workplace.

System for Implementing CSR Activities

At Chubu Electric Power, important CSR concerns are deliberated on by the CSR Promotion Council, which comprises the heads of all Company divisions, and the results are reported to the Senior Executive Committee. The CSR & Business Reform Promotion Group has also been established in the Corporate Planning & Strategy Division to promote CSR activities.

The Company is also in close collaboration with its Group companies and shares information regularly for promoting CSR.

Communication with Stakeholders

In order to maintain its accountability, Chubu Electric Power discloses information in a timely and appropriate manner through means such as regular press conferences with the president and press releases on the Chubu website.

Furthermore, in order to gain a deeper understanding with regard to electric power systems and the Company's business activities, we publicize information about domestic and overseas energy topics and our initiatives on our website and in information magazines, and also use these tools to enrich communication with our stakeholders.

Stakeholder Dialogue

Exchanging Opinions with Mie University

As a part of its industry-academia collaboration initiatives, and in order to promote pioneering work regarding the environment, Chubu Electric Power holds a meeting each year to exchange opinions with Mie University, a national institution enthusiastic about university social responsibility (USR).

<Feedback received on Annual Report 2014 and Chubu Electric Power's response>

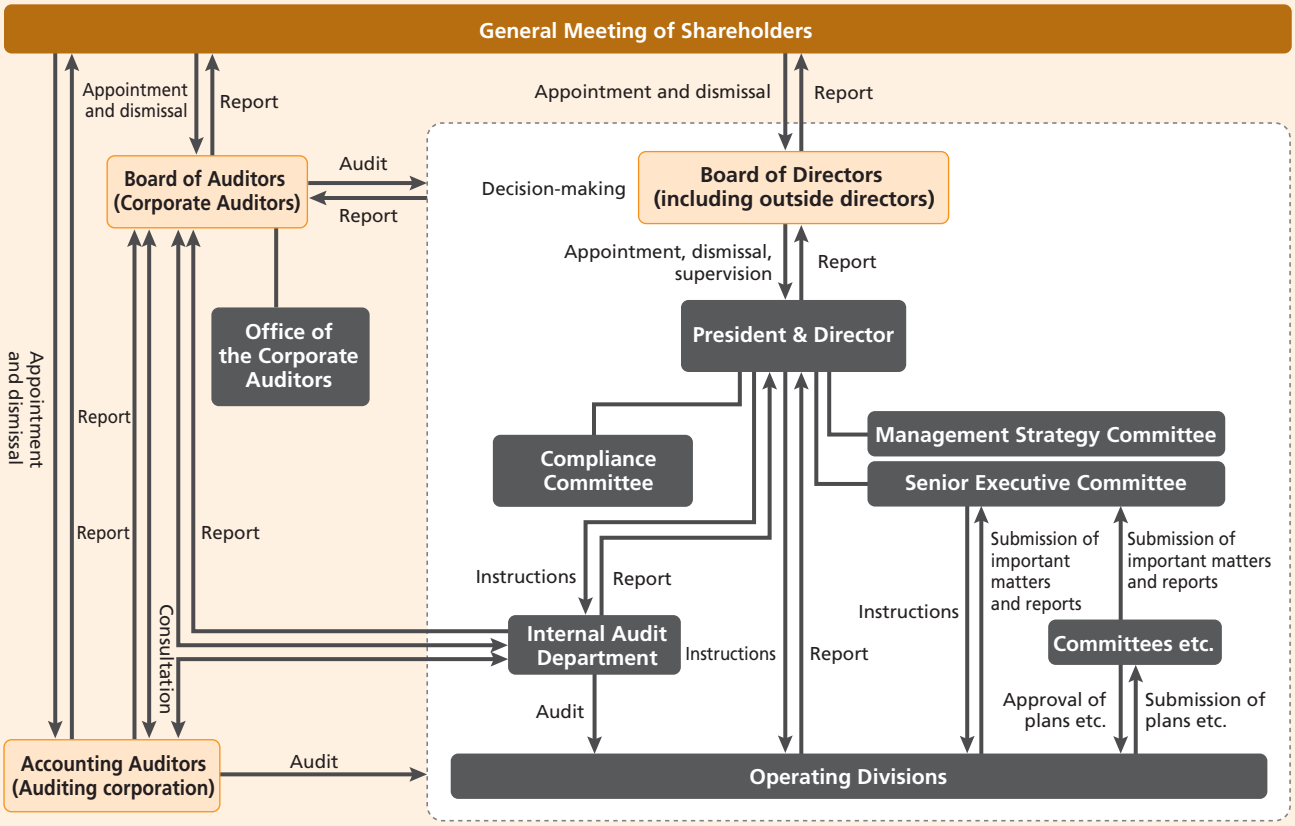
- What is good about the report is that it includes many messages and comments from staff involved, which adds a personal touch.
- The report, which covers a wide variety of initiatives, will become even more interactive if it includes more comments and feedback from participants of those initiatives.
  (Chubu Electric Power's response)
  In our 2015 report comments of participants in training and other programs were included.

▲Participants actively exchanging opinions at Mie University

Corporate Governance

Aspiring to earn the continued trust and confidence of shareholders, investors, and other stakeholders, Chubu Electric Power strives to take its corporate governance to an even higher level, espousing fairness and transparency as central to its business.

■ Chubu Electric Power's corporate governance framework



■ Major activities in fiscal 2014 and goals and plans for 2015

	Goals and plans for FY 2014	Major activities for FY 2014	Evaluation	Goals and plans for FY 2015
Improving Corporate Governance ➡ page 53	• Preparation and operation of the internal control system based on the Companies Act. • Conduct proper internal controls over financial reporting.	• Internal audits were conducted for Group companies in and outside Japan to enhance internal control across the Group. • Each department conducted self-inspections and internal audits for each financial report.	○	• Continue preparation and operation of the internal control system based on the Companies Act. • Conduct proper internal controls over financial reporting.
Risk Management ➡ page 55	• Continue implementing the risk management flow in the management plan development process. • Strengthen BCP measures and promote BCM.	• Proper risk management was implemented at the Corporate Planning & Strategy Division and other divisions, and included measures such as the identification of important risks and the introduction of countermeasures against each risk. • Group-wide BCPs were established and regular monitoring was conducted following the BCM scheme.	○	• Continue implementing the risk management flow in the management plan development process. • Strengthen BCP measures and promote BCM.
Information Management ➡ page 55	• Continue systematic information management.	• To ensure strict information management, inspections were carried out at major operation sites and Group companies to check how information is managed and related training and awareness raising tools were provided.	○	• Continue systematic information management.

Evaluation Criteria: ○ : The measure was implemented as planned, achieving satisfactory results.
△ : The measure was implemented as planned, but the goal was not achieved or unresolved issues remain.
× : The measure was not implemented as planned.

Corporate Governance Structure

Our Approach to Corporate Governance

The foundation of our corporate governance system and practices is our determination to strive to take our corporate governance to an even higher level, espousing fairness and transparency as central to our business, so as to earn the trust and confidence of shareholders, investors and other stakeholders and remain as their electric power company of choice.

Board of Directors

The Board of Directors meets monthly in principle 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 as they execute their duties. Additionally, outside directors have been appointed in order to enhance monitoring functions.

Board of Auditors and Corporate Auditors

The Board of Auditors works to allocate the roles of the Corporate Auditors and share 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 of duties by the Directors, for which purpose they deepen their understanding of the Directors, the internal audit divisions, and operating divisions, attend meetings of the Board of Directors and other important meetings, hear from the Directors regarding the performance of their duties, and examine the circumstances of the Company's operations and finances. They also perform their duties for the purpose of thoroughly monitoring and verifying resolutions made by the Board of Directors regarding establishment of systems to ensure the quality of corporate administration and the operating status of the system (internal control) developed by such resolutions.

With regard to group companies, we maintain communication and share information with their directors and auditors, and keep ourselves informed of their business activities whenever necessary.

Senior Executive Committee and Management Strategy Committee

The Senior Executive Committee, comprised of the President, Vice Presidents, General Managers and other executive officers, meets once a week in principle for preliminary deliberation of items on the agenda of the Board of Directors and to discuss other important business matters.

Meanwhile, the Management Strategy Committee consisting of representative directors and other officers discusses the direction of the Company's business in the medium- to long-term.

Internal Audits

The Internal Audit Department, which is under the direct control of the president and independent of the operating divisions, is responsible for internal audits. It performs audits on the activities of the operating divisions such as quality control for safety at nuclear power plants, basing its perspective on internal control system (including internal controls over financial reporting) effectiveness and CSR. The results of each of these initiatives are reported to the president and presented as advisory admonishments to relevant divisions to encourage continuous improvement.

The scope of internal audits by the department includes group companies. To help improve internal control systems and practices across the Group, the Internal Audit Department also shares information with internal audit functions of group companies and provides other support.

Appointment and Other Matters Related to Directors and Corporate Auditors

To ensure fair and transparent appointment of our directors, corporate auditors, managing executive officers and executive officers, candidates who are recommended to the Board of Directors are determined by the president after discussion by all representative directors. To ensure the independence of corporate auditors, corporate auditor candidates are discussed by all representative directors as well as the senior corporate auditor.

Compensation of directors, managing executive officers and executive officers is also determined by the president after discussion by all representative directors. Compensation of corporate auditors is discussed by all corporate auditors and determined by the Board of Auditors.

Directors and Corporate Auditors (as of July 1, 2015)

Chairman of the Board of Directors

Akihisa Mizuno

President & Director

Satoru Katsuno

Director, Executive Vice President

Masatoshi Sakaguchi
General Manager of Nuclear Power Division

Kazuhiro Matsubara
General Manager of Legal Affairs Dept.
General Affairs Dept.
Finance & Accounting Dept.
Purchasing & Contracting Dept.
and Information Systems Dept.

Tomohiko Ohno
General Manager of Secretarial Services Dept.
Corporate Communication Dept.
Personnel Dept.
and Affiliated Business Management & Development Dept.

Yoshinori Masuda
General Manager of Corporate Planning & Strategy Division

Director, Senior Managing Executive Officer

Masanori Matsuura	General Manager of Land Affairs Dept., Telecommunications Engineering Dept., and General Manager of Power System Division
Chiyoji Kurata	General Manager of Hamaoka Central Administration Office and affiliated with Environmental Affairs & Plant Siting Division
Kozo Ban	General Manager of Fuels Department and International Business Department, and General Manager of Power Generation Division
Shigenobu Shimizu	General Manger of Energy Department and General Manager of Customer Service Division

Outside Directors

Hideko Katsumata
Executive Director and Chief Operating Officer
Japan Center for International Exchange (JCIE)

Yoshifumi Iwata
Honorary Advisor
IBIDEN Co., Ltd.

Senior Corporate Auditor (full-time)

Hidetaka Tomita

Corporate Auditors (full-time)

Hideki Ogawa

Outside Corporate Auditors

Shigehisa Sao
Lawyer

Tokuichi Okaya
President
Okaya & Co., Ltd.

Michinari Hamaguchi
Professor
Nagoya University Graduate School of Medicine

Outside Directors and Outside Corporate Auditors

At Chubu Electric Power, two outside directors and three outside corporate auditors have been appointed. There is no risk of these outside officers having any conflict of interest with shareholders, and they are responsible for supervising or auditing the management of the Company independently of the Company's executives and based on their own experiences and insight acquired through their respective careers. The outside officers are registered as independent directors/auditors in all the financial instruments exchanges on which the Company is listed.

Reason for Appointment and Activity Status of Outside Directors

Name	Reason for appointment	Activity status in fiscal 2014
Hideko Katsumata	Ms. Hideko Katsumata has the personality and insight suitable for the post of outside director, and is expected to fulfill her management supervision functions based on her wealth of experience and acumen regarding international political, economic and social issues, which she has acquired through her long career with the Japan Center for International Exchange (JCIE).	Attendance at the Board of Directors meetings 13 out of 15 meetings
Yoshifumi Iwata	Mr. Yoshifumi Iwata has the personality and insight suitable for the post of outside director, and is expected, as a business management expert, to fulfill his management supervision functions based on his wealth of experience and acumen acquired through his long career in the management of IBIDEN Co., Ltd.	Attendance at the Board of Directors meetings 13 out of 15 meetings

Reason for Appointment and Activity Status of Outside Corporate Auditors

Name	Reason for appointment	Activity status in fiscal 2014
Shigehisa Sao	Mr. Shigehisa Sao has the personality and insight suitable for the post of outside corporate auditor and, as a lawyer, possesses broad legal knowledge and experience. He is expected to fulfill his auditing function based on his wealth of professional experience and acumen acquired through his long career in the field of law.	Attendance at the Board of Directors meetings All 15 meetings Attendance at the Board of Auditors All 13 meetings
Tokuichi Okaya	Mr. Tokuichi Okaya has the personality and insight suitable for the post of outside corporate auditor, and is expected, as a business management expert, to fulfill his auditing function based on his wealth of experience and acumen acquired through his long career in the management of Okaya & Co., Ltd.	Attendance at the Board of Directors meetings 12 out of 15 meetings Attendance at the Board of Auditors 11 out of 13 meetings
Michinari Hamaguchi	Professor Michinari Hamaguchi has the personality and insight suitable for the post of outside corporate auditor, and is expected to fulfill his auditing function based on his wealth of management experience and acumen acquired during his presidency of Nagoya University.	—

Our Efforts to Improve Corporate Governance

	Major actions
FY 2005	1. Reduction of the maximum number of directors from 32 to 20 2. Adoption of an executive officer system and the delegation of authority to general managers An executive officer system was introduced and a substantial part of the president's authority was delegated to general managers (executive officers). 3. Reduction of directors' term of office and the establishment of the retirement age of directors and other positions The term of office of directors and executive officers was reduced to one year. A mandatory retirement age was also established. 4. Clarification of the procedures for the appointment of, and compensation decisions for, directors, corporate auditors, and executive officers Proposed candidates are determined by the president after discussion by all representative directors. Discussion on corporate auditor candidates is conducted by all representative directors and the senior corporate auditor. Compensation of directors and executive director is also determined by the president after discussion by all representative directors. 5. Establishment of the Advisory Board*1 The Advisory Board was established as a consultative body to the president, consisting of a number of representatives from the academic, business, labor, and consumer communities. 6. Revision of executive appointments of affiliated companies In addition to revising retirement ages of executives at affiliates, measures to promote personnel exchanges between Chubu Electric Power and its affiliates were taken. 7. Regular opinion exchange meetings for representative directors and all corporate auditors*2 Representative directors and all corporate auditors, including outside auditors, began to meet regularly to exchange opinions. 8. Delegation of authority and the strengthening of internal control and check systems After a review, a substantial part of the approval authority of the president was delegated to general managers (executive officers). The reporting system on matters approved was improved and other necessary measures were taken to establish a fair and efficient business execution system.
FY 2006	In response to the enforcement of the Companies Act, the Board of Directors adopted the Systems for Ensuring Proper Conduct of Business Operations as the basic principles for developing the Company's internal control system.
FY 2007	1. Introduction of outside directors 2. Reconstruction of the executive officer system The number of position levels of directors was reduced, while position levels for executive officers were introduced according to their authorities and responsibilities.

*1 Discontinued in FY 2006 due to the adoption of outside directors.
*2 From FY 2007 and onward, outside directors also join the meeting.

Message from an Executive

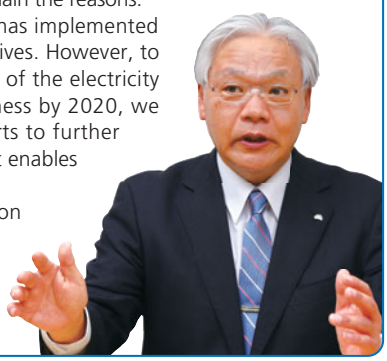
Yoshinori Masuda
Director, Executive Vice President
General Manager of Corporate Planning & Strategy Division

Accelerating our corporate governance efforts to achieve sustainable corporate growth.

To comply with the Corporate Governance Code, which came into effect recently, we are required to present how we intend to increase our corporate value in the medium- and long-term. To this end, in addition to traditional corporate governance measures taken as part of our internal control system, we must examine our current situation and historical efforts regarding a wide range of principles specified in the Code, including principles on business strategy and business plans, examine the effectiveness of the Board of Directors, and determine whether or not to comply with each principle of the Code. If we select not to comply, we must explain the reasons.

Committed to continuous improvement of corporate governance, Chubu Electric Power has implemented management system reforms, introduced outside directors, and conducted various other initiatives. However, to address anticipated significant change in our business environment, such as full liberalization of the electricity retail market by April 2016 and the separation of the power transmission/distribution business by 2020, we cannot afford to be complacent about exiting efforts: We must accelerate our reform efforts to further improve fairness and transparency in our business and build a corporate governance system that enables prompt and appropriate decision-making.

Recognizing this, we will continue our tireless governance efforts and active communication with shareholders and other stakeholders to clearly present our policy. Through these efforts, we will establish excellent corporate governance, which can help realize our sustainable growth and greater corporate value in the medium- and long-term so that Chubu Electric Power will be selected by customers as their power company of choice.



Management System Reform for Separation of Management from Business Operations and Strengthening of Management Oversight

Chubu Electric Power has taken various measures to reform its overall management systems to allow the Company to operate in a fair and transparent manner, the fundamental policy of its business operations, and thereby continue to earn trust and confidence from stakeholders, as well as to create a powerful corporate group by improving its operational efficiency even further across the Group.

In FY 2005, we implemented a major management system reform, including the reduction of the number of directors for more effective discussion and faster decision-making by the Board of Directors, the introduction of an executive officer system to ensure the separation of management's decision-making and supervision duties from the execution side and to help accelerate execution, and the delegation of substantial authority of the president to general managers. In FY 2007, we started to put outside directors on the Board to strengthen the Board's oversight of the management.

In FY 2006, when the Companies Act came into effect, the Board of Directors decided upon the Systems for Ensuring Proper Conduct of Business Operations as the basic principles for developing the Company's internal control system. The results of reviews of the performance of such systems are reported to the Board periodically and revisions are made whenever necessary.

Compliance with Japan's Corporate Governance Code

The Corporate Governance Code became applicable on June 1, 2015 and the Tokyo Stock Exchange's securities listing regulations and other applicable rules have been revised accordingly.

To comply with the updated requirements, Chubu Electric Power is required to explain to shareholders and other stakeholders whether or not the Company will implement each of the general principles, principles and supplementary principles of the Code and reasons for the decision not to implement certain principles, if any, and what related efforts the Company is and will be making.

After thorough discussion on our changing business environment and our vision of what we aim to be, we will disclose and explain our response to the Corporate Governance Code in our corporate governance report within six months after our annual shareholders' meeting this year. Working together with our shareholders and other stakeholders, we will continue to improve our corporate governance and increase our corporate value in the medium- and long-term.

General principles of the Corporate Governance Code

General Principle 1	Securing the rights and equal treatment of shareholders
General Principle 2	Appropriate cooperation with stakeholders other than shareholders
General Principle 3	Ensuring appropriate information disclosure and transparency
General Principle 4	Responsibilities of the board
General Principle 5	Dialogue with shareholders

Message from an Outsider Director

Yoshifumi Iwata Honorary Advisor, IBIDEN Co., Ltd.

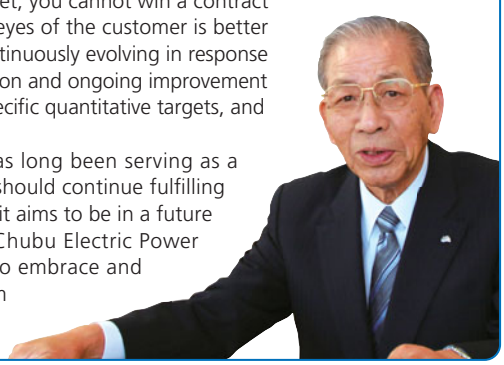
Discussion for realizing the Company's future vision and maintaining the stable supply of electricity.

In the electric power industry, which is facing ongoing and significant changes in its business environment, such as the full liberalization of the retail market, the separation of power transmission/distribution arms, and a decline in power demand due to a low birthrate and an aging population, Chubu Electric Power is aggressively expanding its business into the greater Tokyo area and overseas markets, which I find commendable. I would like to support the Company's efforts in my capacity as an outside director, leveraging my experience in conducting business in the fiercely competitive market.

The Company is seriously committed to developing an effective internal control system and fulfilling its social responsibilities. Regarding its attitude toward the Board, I find the Company gives due consideration; for instance, I can have meeting documents explained to me prior to a board meeting. To enable the Company to use the experience and knowledge of outside directors even more effectively, I hope that, when appropriate, more explanation will be provided in advance regarding certain agenda items, such as the background and process of discussion.

From my experience, I can say that in a fully deregulated and competitive market, you cannot win a contract with a customer unless you can demonstrate a competitive strength which in the eyes of the customer is better than that of any other competitor in the industry. When your business format is continuously evolving in response to the changing business environment, satisfaction with the status quo is not an option and ongoing improvement is indispensable. You will also need to establish objective performance indicators, specific quantitative targets, and other appropriate criteria.

Ensuring the stable supply of electricity, of which Chubu Electric Power has long been serving as a steward in the region, is a significantly important societal mission. The company should continue fulfilling this mission. At the same time, the Company should also design and present what it aims to be in a future competitive environment. To successfully adapt to upcoming major changes, Chubu Electric Power should hold substantial discussions regarding which values it should continue to embrace and what strategy it should implement in the new environment, and communicate them with confidence.



Risk Management

Preparation and Operation of Internal Control System

Chubu Electric Power established the Systems for Ensuring Proper Conduct of Business Operations as its basic philosophy regarding the development of an internal control system. The Systems are reviewed whenever changes in our business environment dictate it necessary, while at the same time reports are made to the Board of Directors each year regarding how the systems are being maintained and operated.

To ensure appropriate internal controls across the Group, we have established a dedicated department to support our Group companies in developing and operating their internal control systems. Specifically, the department formulates and manages business strategies and policies applicable to the entire Group, conducts internal audits, and takes other necessary measures. In compliance with internal control requirements under the Financial Instruments and Exchange Act, we have a system in place to visualize, confirm, and evaluate important business processes related to financial reporting.

Management of Risks That Could Have a Serious Impact on the Company

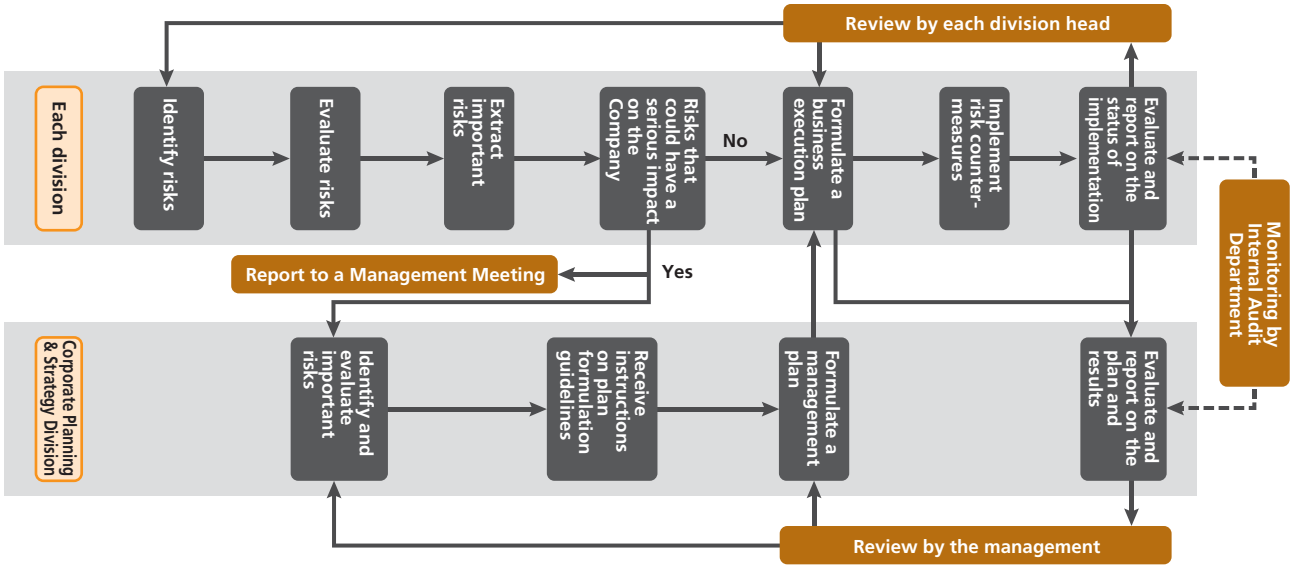
Chubu Electric Power seeks to prevent risks for the Company as a whole as well as for each of its divisions, and has organizations, authorities and internal regulations in place to ensure prior transfer of risks as well as to mitigate risks after their occurrence.

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

➡ See page 87

Risks associated with Group companies are identified and assessed by the relevant companies. Group companies will discuss risks with a potential serious impact on their business with Chubu Electric Power annually, together with their management policies.

■ **Risk management flow in the management plan development process**



Systematic Management

In compliance with the Act on the Protection of Personal Information, Chubu Electric Power has formulated its basic policy on the protection of personal information, which it follows to manage personal information appropriately.

To ensure rigorous and thorough information management in the organization, we have established a dedicated department which is responsible for developing information management regulations, offering related training and awareness-raising programs, and conducting other necessary initiatives.

As we place a particular focus on the management of electronic information, we have introduced technologies to protect digital information from leakage and taken other measures to ensure the security of the entire information system.

We inspect the information management of, and provide awareness-raising programs for, major Group companies to ensure appropriate information management across the entire Group. We also established the Chubu Electric Power Group IT Promotion Council as part of our efforts to strengthen the information security systems of the entire Group.

We are also considering how best our information security and management systems should respond to the adoption of the Social Security and Tax Number System in October 2015.

Ensure Business Continuity in the Event of a Large Disaster

Maintenance and Improvement of Emergency Response Capabilities

Basic Ideas of Business Continuity at the Chubu Electric Power Group

To achieve its public mission of ensuring a safe and stable supply of energy to its customers, the Chubu Electric Power Group ensures public security and maintains facilities. Even in the event of a large earthquake, the group will make the utmost efforts to minimize impacts of the disaster and recover as early as possible in order to continue business.

1. The Group designs facilities to be highly disaster-resistant and carries out appropriate maintenance.
2. The Group develops a disaster management system to promote restoration of service and ensure public security, while maintaining and improving response capabilities through drills.
3. The Group makes appropriate use of new findings in its constant improvement efforts for a safer and more stable energy supply.

As a group of companies that provides the lifeline service of electricity in the Chubu area, the Chubu Electric Power Group is committed to ensuring business continuity even in the event of a catastrophic disaster. To this end, we have formulated a business continuity plan (BCP), and maintained and improved our emergency response capabilities by using the mechanism of business continuity management (BCM) for continuous improvement.

Development of a Disaster Management System

In the event that a natural disaster occurs or is anticipated to occur shortly, an emergency will be declared immediately and an emergency task force will be set up at each workplace. ➡ See page 24

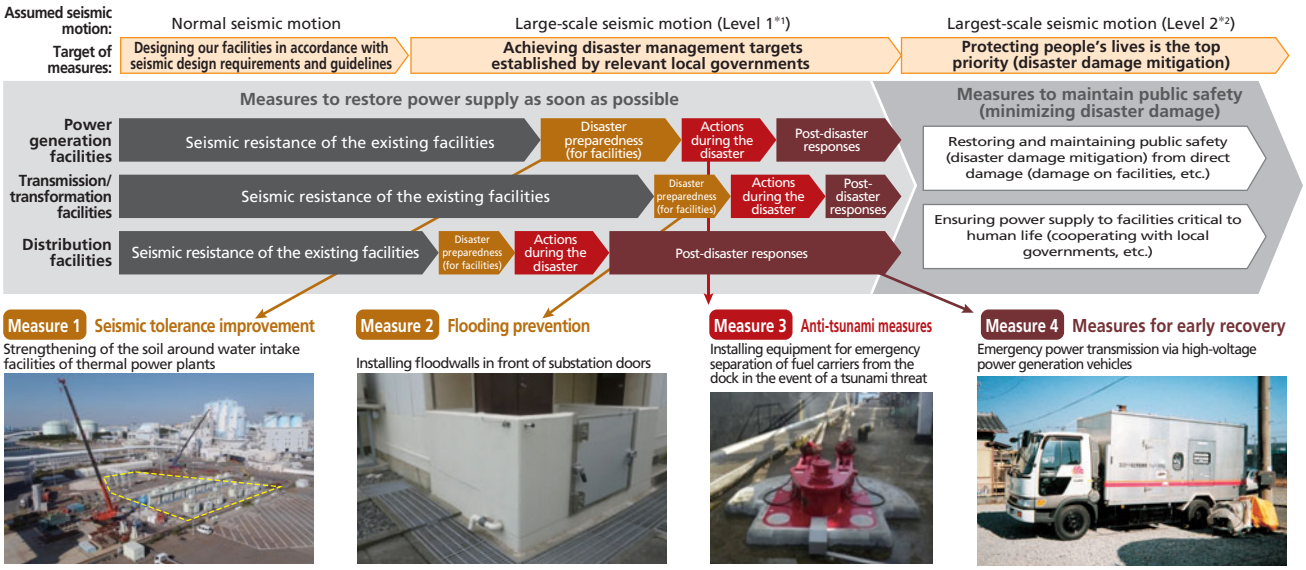
We also seek close collaboration with national and regional public service groups, police and fire departments and other agencies on a regular basis in order to be prepared for any disaster, and have established mutual cooperative systems with other power companies.

Furthermore, we have a helicopter that can be used to transport materials, equipment and personnel, as well as a means of information communication via satellite communication networks in the event of a disaster. To aid in the supply of emergency power, we also maintain special power-generation and mobile-transformer vehicles at main business locations.

Disaster Management Measures for Facilities

To ensure power supply and public safety can be restored as soon as possible in the event of a major disaster, we have improved and upgraded our facilities appropriately by incorporating the latest related information available, such as the government's distribution estimate for the seismic intensity of the triple-interrelated earthquakes.

While we will continue to take necessary actions and measures, we are currently examining our existing measures taking into consideration revised and updated disaster management plans made by the national and local governments, including those for a Nankai Trough Megaquake.



*1 Earthquakes and tsunamis with a magnitude that are likely to occur once in several decades or more than a century
*2 Earthquakes and tsunamis with a scientifically possible maximum magnitude, but an extremely low probability

Respecting Human Rights and Building a Great Place to Work

Chubu Electric Power works to create a culture and work environment where the ability and aptitude of each employee is respected and diverse employees can fully display their individuality. We also continue to improve systems for creating and maintaining a workplace that allows employees to work in a healthy, safe, and worry-free manner.

▲ Chuden Wing employees who will participate in the ninth International Abilympics 2016 (in France)

Self-help training for older employees to review their careers so that they can continue leading an active career life even after reaching 60 years of age ▶

◀ Vice President Ohno at a training session for empowering female employees

Chubu Electric Power is Named among the Fiscal 2014 Diversity Management Selection 100 Companies

Chubu Electric Power became the first in the industry to be included in the Diversity Management Selection 100 (METI Minister Award). We believe this selection reflects the ministry's recognition of our diversity promotion efforts as one of our top management priorities, including empowering female employees, establishing Chuden Wing Co., Ltd., a special subsidiary for employees with disabilities, to employ a larger number of challenged individuals, collaborating with public organizations and local businesses to promote workforce diversity in the Chubu region, and making various other efforts.

We will continue to promote workforce diversity so that our employees with various backgrounds, regardless of gender, age, or disabilities, etc. can fully utilize their individual capabilities.

➡ See page 59

■ Major activities in fiscal 2014 and goals and plans for 2015

	Goals and plans for FY 2014	Major activities for FY 2014	Evaluation	Goals and plans for FY 2015
Respect for Human Rights ➡ page 58	• Provide employee education for human rights awareness and harassment prevention and hold seminars on human rights.	• Employee education to promote human rights awareness and prevent harassment was conducted, and seminars on human rights were held. (Total participants: 1,590)	○	• Continue employee education to promote human rights awareness and seminars on human rights. • Educate and train to prevent harassment and improve the quality of the harassment consultation desk's service.
Promotion of Workforce Diversity ➡ page 59	• Develop a corporate culture where all employees regardless of gender, age, disabilities, etc. can fully utilize their individual capabilities. • Promote work-life balance.	• Training sessions were provided for female employees, and site visits were conducted for awareness-raising development. • Support for employees in balancing their professional and parental duties and promotion of more efficient and productive working practices (Seminars were targeted not only at female employees but managers and male employees).	○	• Develop a corporate culture where all employees regardless of gender, age, disabilities, etc. can fully utilize their individual capabilities (Greater efforts to educate managers). • Support employees in balancing their professional, parental, and nursing care duties and promote a more efficient and productive work style.
Development of Human Resources ➡ page 61	• Continue to conduct training for specific positions (e.g., new employees, managers) and optional training for those recommended by supervisors. • Support employees' voluntary efforts for self-development	• Training was implemented for newcomers, new senior staff, prospective managerial employees, and other levels of employees. • 174 employees took part in external correspondence courses, and 188 employees were supported to acquire new qualifications.	○	• Provide systematic training for specific positions (e.g., new employees, managers) and strategic employees. • Support employees' voluntary efforts for self-development.
Occupational Health and Safety and Health Management ➡ page 62	• Prevent traffic and industrial accidents. • Conduct measures to promote mental health care and prevent health problems associated with overwork.	• Traffic safety education and safety patrols were conducted based on the Corporate Labor Safety and Well-Being Campaign Policies. • Extra medical checkups and continuous mental health education were conducted for applicable employees with longer work hours.	○	• Prevent traffic and industrial accidents through safety measures carefully tailored to different age groups. • Continue measures to promote mental health care and address lifestyle diseases and other health problems.

Evaluation Criteria: ○ : The measure was implemented as planned, achieving satisfactory results.
△ : The measure was implemented as planned, but the goal was not achieved or unresolved issues remain.
× : The measure was not implemented as planned.

Respect for Human Rights

Measures to Build Workplaces Free of Discrimination or Harassment

In order to fulfill its corporate social responsibility to build a society in which all human rights are respected, Chubu Electric Power has formulated a Human Rights Awareness and Education Policy, and set up Individual Rights Awareness Promotion Committees at the Head Office and regional offices.

Guided by the promotion plan approved by the Individual Rights Awareness Promotion Committees, we provide employees—new employees and managers alike—with education in the spheres of human rights awareness and harassment prevention. We also organize lecture meetings for executives and managers throughout the Group. Harassment consultation desks accessible to all employees have also been established within the Company and at a specialist organization outside the Company, which carefully deal with the problems consulted.

Human Rights Awareness and Education Policy

1. We conduct initiatives to deepen correct understanding and awareness among employees, etc., in regards to problems of human rights (e.g., problems of social integration and discrimination based on disability, nationality, gender, etc.).
2. We perform awareness-raising initiatives on problems of social integration, understanding this to be an important part of human rights issues.
3. Our awareness-raising initiatives are systematic and continuous.

Favorable Labor-Management Relations

Maintaining a Favorable Labor-Management Relations and Employment Statistics

A union shop system is adopted at Chubu Electric Power, and all employees except for managers are members of the Chubu Electric Power Workers Union. As equal partners whose relationships are built upon equality, trust, and mutual respect, the management and the union hold Joint Management Council Meetings as needed to discuss management plans and important policies, and exchange opinions regularly through other opportunities to maintain favorable relations.

■ Employment statistics

	Men	Women
Number of employees	15,911 (89%)	1,871 (11%)
Average age	42	38
Average years of service	22	17
Numbers in managerial positions	6,081 (98%)	109 (2%)
Persons newly hired	341 (85%)	61 (15%)

Note: The figures are as of March 31, 2015. "Persons newly hired" are those who joined the Company in April 2015.
The numbers of employees above represent the number of employees on our payroll.

Message from General Manager of Personnel Department

Toshiharu Nakagawa
Executive Officer
General Manager of Personnel Department

Creating a positive and fulfilling workplace

We recognize that facilitating the realization of the full potential of our diverse employees and thereby increasing our corporate competitiveness is a key driver of our continued growth and development in the midst of a dramatically changing business environment.

We therefore promote workforce diversity as one of our top management priorities and offer a range of training and awareness-raising programs to encourage employees to take on a bold challenge with an innovative approach.

While maintaining a sound corporate culture where human rights are fully respected, we will continue to create a positive and fulfilling workplace, which can fully secure the safety and health of employees and allow our diverse employees to respect each other, cooperate with each other, and realize their individual capabilities.

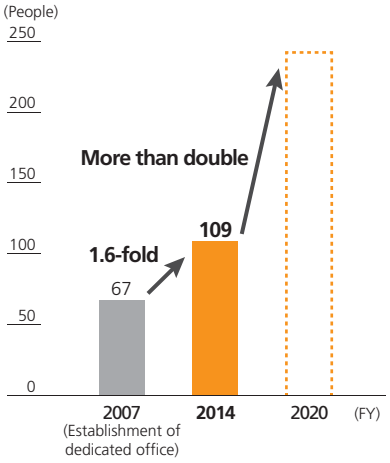
Promotion of Workforce Diversity

Chubu Electric Power recognizes that realizing the full potential of its diverse employees and thereby increasing its corporate competitiveness holds the key to stay competitive in a changing societal environment typified by Japan's aging and shrinking population and decreasing working-age population as well as diversifying customer needs, and in the new competitive landscape resulting from the governmental reforms of electric power system. This recognition has led us to establish diversity promotion as one of our top priorities. As the first step, we have focused on the empowerment of female employees as a key management priority. In 2007, we established the Female Activities Promotion Office to start a range of related initiatives in earnest, which evolved into the Diversity Promotion Office in 2013 to expand support for more diverse employees, including senior and challenged employees.

Empowering Female Employees

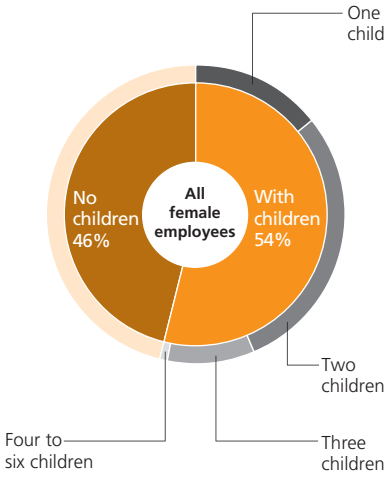
With improving retention rates of female employees, Chubu Electric Power is currently focusing its efforts on the career development of women by offering various training programs according to trainees' ages, position levels, etc. as well as training for those with young children. In addition to the improvement of training programs, we will also help accelerate the professional growth of female employees through job assignment, appointments and provide related training for all managers. Through those initiatives as well as the planned introduction of HR systems designed for more flexible work styles, a training program for male and female employees with young children to dispel a stereotyped view on gender roles, and many other efforts, we will aim to double the number of female managers by fiscal 2020 from the fiscal 2014 level.

Historical numbers and future target for female managers



Average years of service

Female employees with children



Hiring More Challenged People

Chubu Electric Power has been actively working to hire more challenged people. As part of such initiatives, we established Chuden Wing Co., Ltd. in 2001 to promote the employment of people with severe physical or intellectual disabilities, an underrepresented group in the Japanese workforce. This fully-owned subsidiary of Chubu Electric Power, which operates under its business philosophy of "coexistence" and "respect for people," has 43 employees with minor disabilities and 20 employees with severe disabilities (as of June 2015).

To promote the employment of mentally challenged individuals, a Business Support Team (BST) was established in our head office in 2013. The BST staff of eight employees with developmental or other challenges is engaged in various tasks such as data entry and document filing. As its operations started to expand and become successful, operations of the BST were transferred to Chuden Wing in April 2015. As the next step, preparation for establishing BSTs in regional offices is now underway.

Hiring Seniors

In order to make wide and effective use of the excellent capabilities of people at retirement age, the Company has a "senior staff system" for rehiring employees who have reached mandatory retirement age. As of fiscal 2014 there were 201 rehired employees at the Company. We also hold training (Self-help training) for older employees to review their careers and help them to re-acknowledge their own abilities and strengths so that they can maintain motivation and skills and work vigorously, even after they reach 60 years of age.

Measures for Promoting Work-Life Balance

Measures	Specific programs to implement the measures
Achieving work-life balance	● A work system is in place which allows employees to designate which days of the next month they will work, the hours they will work, and which days they will take off. ● Life-Support Leave is provided for employees who participate in volunteer activities and social commitments, recover from illness or injury, care for their family, or take part in school events. ● To promote a more efficient, productive work style, a "No overtime day" has been introduced and awareness-raising seminars are offered.
Support system for childcare and nursing care	● The childcare leave system allows employees to take leave until the day their child turns two and reduces their contract work hours until the last day of the fiscal year in which their child is a first grader in elementary school. ● The Nursing Care Leave System lets employees take time off for two years or work shorter hours.

Topics Efficient Work Style Seminar

Exploring together a work style allowing men and women to easily balance their work and life

Chubu Electric Power actively promotes an efficient, productive work style. In fiscal 2014, we offered seminars for female employees with young children, male employees, and managers to help them improve the employees' productivity in their respective regional offices and create a family-friendly workplace.

VOICE Yusuke Nakamura

Transmission Lines Section
Kanie Local Maintenance Office
Nagoya Regional Office

Raising children has a positive effect on my work

I took a one-month childcare leave when my third child was born. Taking care of the newborn and household matters and spending more time with my children more closely during the leave allowed me to improve my time management and communication skills. Those experiences also give me a truly helpful insight to my job.

Although my childcare leave is over, my children and their growth continue to motivate me to work better and more efficiently.

Promoting Diversity across the Group

Chubu Electric Power actively promotes workforce diversity across the Group. In fiscal 2013, we started to offer the Chubu Electric Power Group Diversity Promotion Training for female employees and their managers, a program designed to help create a more female-friendly workplace. Many participants in the program expressed positive, forward-looking feedback stating in effect that they were able to recognize much room for improvement to balance career and child-raising and that the program facilitated mutual understanding among female employees and their managers.

Career Counseling Desk

To help employees develop and demonstrate their own capabilities and lead a fulfilling career, we have been offering counseling services at the Career Counseling Desk since fiscal year 2006. Staff with appropriate qualifications such as career consultants have provided advice on more than 3,000 cases to date.

Collaboration with Local Communities

In collaboration with other companies in the Chubu region, the Chubu Diversity Net was established in 2007 to share diversity-related information and their own experiences and practices. Consisting of 88 member companies and organizations (as of March 31, 2015), this business coalition organizes lecture events and opinion-exchange meetings for senior management and diversity champions, training for female workers, and other programs.

Through the activities of the Chubu Diversity Net, we also work together with governmental and economic organizations to contribute to the advancement of diversity across the region.

External Recognition

By whom	Fiscal year	Award name
Ministry of Health, Labour and Welfare	2010	Acquired the "Kurumin" certification under the Act on Advancement of Measures to Support Raising Next-Generation Children
	2013	
	2013	Received the Aichi Labor Bureau Director Award for Excellence, the Corporation Awards for the Promotion of Gender Equality and Good Work-Life Balance (category of gender equality)
Ministry of Economy, Trade and Industry	2014	Selected among the Diversity Management Selection 100 companies
Aichi Prefecture	2010	Registered as a Family-Friendly Company
Nagoya City	2009	Received the Award for Excellence of Childcare Support Company
	2010	Received the Female-Friendly Company Award

Development of Human Resources

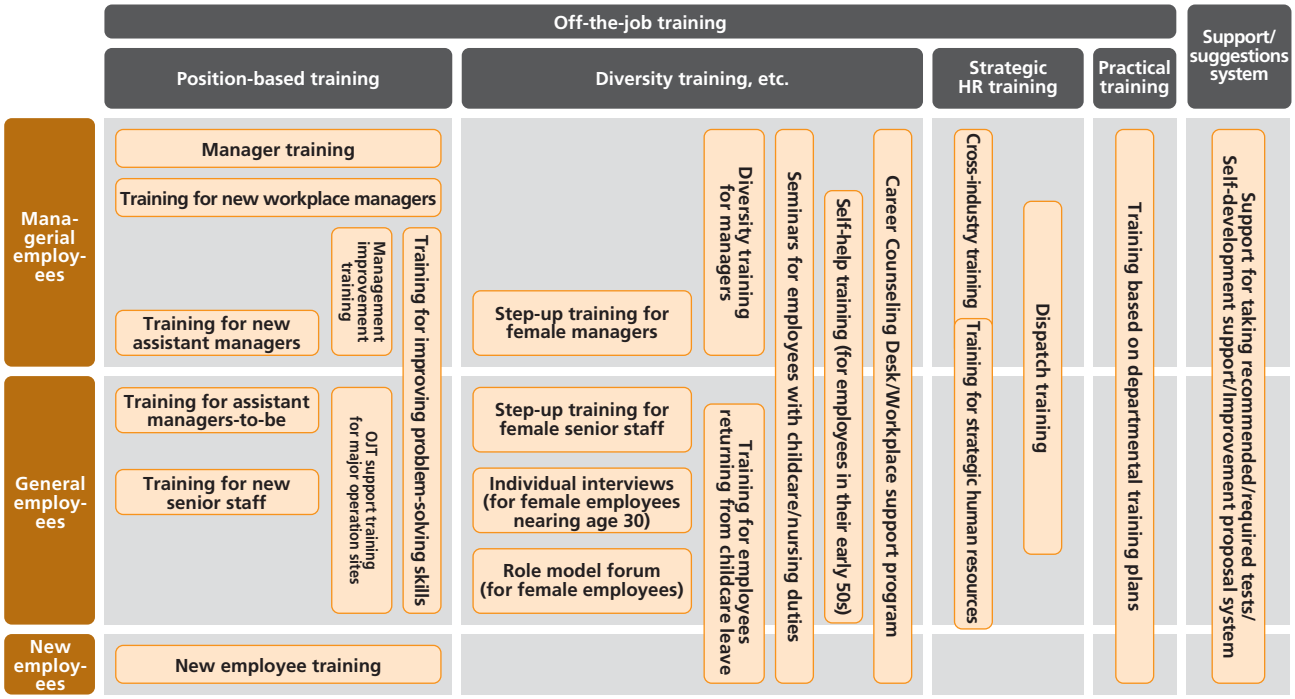
Training and Education Programs

Chubu Electric Power is committed to developing human resources who can contribute to the development of society by fulfilling the Company's operational mission of safe and stable supply of electricity.

Toward this end, our supervisors train their teams in the course of their day-to-day operations and hold interviews with individual employees semiannually to set targets and identify room for improvement for the purpose of developing the next generation of human resources.

We also offer systematic training programs, ranging from practical training regarding specialized knowledge and skills to training by position level (e.g., new employees, managers), and to management and leadership training for personnel nominated by their superiors.

■ **Overview of HR development programs**



Support for Self Development

To encourage employees' active, voluntary efforts toward self-development, we offer support programs for those who take external correspondence courses or aim to acquire qualifications.

Many employees use those support programs to voluntarily acquire necessary knowledge and skills and further improve their capabilities to acquire qualifications.

Collaboration among Group Companies

To promote human resources development across the entire Group, we have established the Chubu Electric Power Group Education Promotion Council. Through joint training programs, lecture events and other initiatives, the Council consolidates collaboration among Group companies to make our education system even more effective.

VOICE Takuma Hayashi

Transmission Lines Group
Electrical Engineering Department
Power System Division

Using knowledge and skills learned from Strategic HR training

I am in charge of developing strategies for my division based on the results of technical examinations conducted by our overhead power transmission unit. Recognizing the importance of logical thinking in solving problems and in turn developing strategies for the division, I took the Strategic HR training programs.

Through the programs, I was able to gain experience in the entire process of strategy development from raising issues to developing solutions and acquired skills to develop logical, compelling strategies capable of convincing the instructor and other participants.

With the knowledge and skills learned from the training, I will develop logical strategies that can be agreed upon and accepted by stakeholders from various different backgrounds.

Occupational Health and Safety and Health Management

Labor Safety and Well-Being Campaign Policies

The importance of the safety and health of employees can never be overemphasized. To ensure and comprehensively promote health and safety management across the organization, Chubu Electric Power holds the Corporate Labor Safety and Well-Being Campaign Policies Meeting.

In the annual meeting, our Corporate Labor Safety and Well-Being Campaign Policies are established after an analysis of accident occurrence trends, a review of employees' health management, and an assessment of safety and health management activity performance.

Based on such company-wide policies, regional offices and operational sites develop their own health and safety policies and health and safety activity plans, and carry out various effective measures.

Efforts to Achieve Zero Industrial Accidents

To prevent the occurrence of any industrial accidents, we focus on accident prevention measures for young and senior employees, who statistically tend to be more susceptible to accidents, as well as traditional safety activities to promote compliance with basic rules.

For road traffic safety, staff in charge of instructing safe driving in their respective workplaces work together with safety management units to offer various training programs for safe driving.

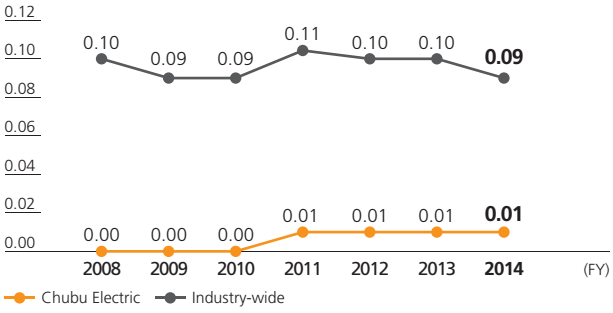
To ensure operational safety, construction work units and safety management units work closely to make Chubu Electric Power free from accidents by, for instance, conducting risk assessments to minimize accident risks, performing regular safety patrols and sharing the resulting findings and the subsequent improvements made.

Industrial accident frequency and accident severity

Accident frequency*1

*1 Accident frequency: Numbers of persons killed or seriously injured (with at least one day of leave) by industrial accidents per million working hours

Accident severity*2



*2 Accident severity: Numbers of days of work lost by industrial accidents per 1,000 working hours (figures less than 0.005 are recorded as 0.00.)

Promoting Mental Health

To ensure the early detection and treatment of employees' mental and physical health problems, we offer related services by our industrial health care staff and outside counselors, provide training and education to managers, and conduct other necessary measures.

We also facilitate a smooth return to work for employees who have been absent from work due to illness or injury through a follow-up system, which monitors and support those employee's recovery and readiness for returning to a working environment. After their return to work, they are assigned jobs in a phased manner in accordance with a return-to-work support program individually prepared for specific employees. Performance of those employees is carefully monitored and an appropriate reinstatement support program is created and provided for each employee.

Promoting Physical Health

We provide employees with health and nutritional advice and information to help them make lifestyle changes that will prevent metabolic syndrome and other lifestyle diseases, and maintain and improve their physical health. We also make sure that all applicable employees receive face-to-face advice from occupational physicians to prevent harm to their health from overwork and offer training and information to raise the health consciousness of employees.

To encourage employees to check and manage their health conditions voluntarily, a PC-based heath management system is now available to allow employees to access their historical annual checkup results, and monitor their blood pressure, weight, and stress levels anytime on their own computers.

Commitment to Environmental Conservation

The responsibility of Chubu Electric Power is to achieve S (Safety) + 3E's (Energy security, Economy, Environmental conservation) simultaneously during the process of delivering energy.

▲ A forest activity program for university students in the Uchigatani Forest (Gujo City, Gifu Prefecture) owned by Chubu Electric Power

▲ A circulating waterway in the Eco Park located adjacent to the Hekinan Thermal Power Station (Hekinan City, Aichi Prefecture)

◀ Mega Solar Shimizu (Shizuoka City, Shizuoka Prefecture) put into operation in January 2015

■ Major activities in fiscal 2014 and goals and plans for 2015

	Goals and plans for FY 2014	Major activities for FY 2014	Evaluation	Goals and plans for FY 2015
Building a Low-Carbon Society ➡ pages 66, 67	• Continue to combat global warming with comprehensive measures.	• Increase gross thermal efficiency of thermal power plants to 47.73% (LHV basis). • Promote renewable energy. • Strictly implement measures to enhance safety at the Hamaoka Nuclear Power Station.	○	• Continue to combat global warming with comprehensive measures.
Creating a Recycling Society ➡ page 68	• Reduce the external landfill disposal amount. (Reduce to less than 1% of the total waste.) • Ensure that the use of equipment containing PCBs is thoroughly controlled and promote the treatment of such equipment.	• External landfill waste ratio: 1.2% • Amount of insulation oil containing low-level PCBs treated: 7,085 kℓ Number of pieces of electric equipment containing low-level PCBs treated: 123,015	△	• Promote the 3Rs in consideration of the economy to achieve an external landfill waste ratio of less than 1%. • Ensure that the use of equipment containing PCBs is thoroughly controlled and promote the proper treatment of such equipment.
Interacting with Local Communities ➡ pages 69, 70	• Develop human resources capable of spontaneously acting in eco-friendly ways.	• The ECO Points program was implemented across the Chubu Electric Power Group to support the social action programs of six NPOs and other organizations. • Employees were encouraged to become Chuden Foresters. Total number as of this report: 210 • Employees were encouraged to become Chuden Interpreters. Total number as of this report: 114	○	• Continue to implement the ECO Points program across the Chubu Electric Power Group. • Encourage employees to become Chuden Foresters and Chuden Interpreters, and engage in activities.
	• Enhance education on energy and the environment in collaboration with local communities. • Conduct environmental activities actively for local communities.	• Classes and a course on energy and the environment were provided in collaboration with universities. • 79 companies participated in the Morino Chonai-Kai initiative and people were invited to visit a forest where tree thinning was underway.	○	• Enhance education on energy and the environment in collaboration with local communities. • Conduct environmental activities actively for local communities.

Evaluation Criteria: ○ : The measure was implemented as planned, achieving satisfactory results.
△ : The measure was implemented as planned, but the goal was not achieved or unresolved issues remain.
× : The measure was not implemented as planned.

Promoting Environmental Management

Chubu Electric Power Group Basic Environmental Policy and Regime for Protecting the Global Environment

Chubu Electric Power considers environment protection to be one of the Group's most important issues, and established the Chubu Electric Power Group Environmental Declaration in April 2004. This declaration was reviewed in March 2011 when the Corporate Philosophy was established, and reissued as the Chubu Electric Power Group Basic Environmental Policy.

Based on this policy, we formulated an Action Plan of our specific activity goals and are striving to promote activities for the protection of the global environment.

Chubu Electric Power Group Basic Environmental Policy

As a member of the energy industry, the Chubu Electric Power Group practices responsible environmental management and contributes to the development of a sustainable society by working to protect the global environment with employees who act on their own initiative.

1. We aim to achieve a low carbon society.
We promote nuclear power with the highest priority given to ensuring the safety of, and building trust with, local citizens, as well as renewable energy.
We promote the efficient use of resources and energy.

2. We endeavor to coexist with nature.
In our business activities, we are conscientious regarding diverse ecosystems.

3. We aim to achieve a recycling society.
We practice the 3Rs (reduce, reuse, recycle) to minimize our burden on the environment.

4. We strengthen our connections to local communities and the world.
We contribute to society by fostering human resources capable of spontaneously acting in eco-friendly ways.
We endeavor to deepen communication concerning the environment and energy and to raise environmental awareness.

■ Regime for protecting the global environment

Environmental Measures Support Council

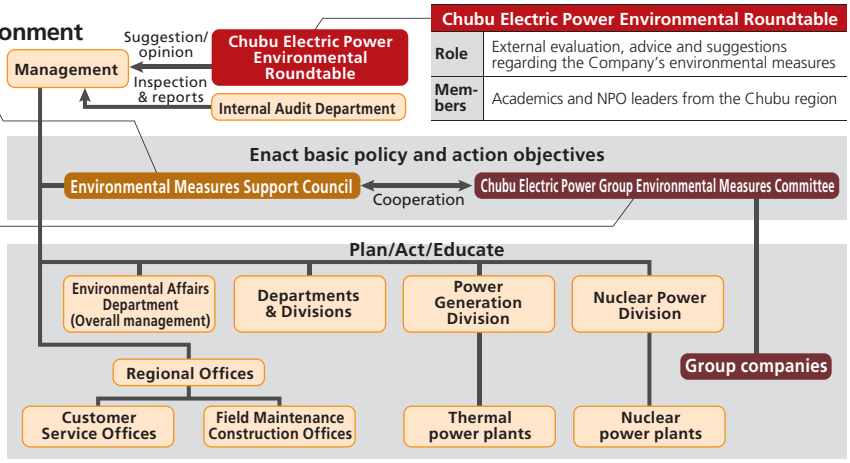
Role	Deliberation on the Company's environmental policy and action objectives, and concrete measures
Members	Chair: General manager of Environmental Affairs & Plant Siting Division Vice chair: General manager of Corporate Planning & Strategy Division Committee members: Departmental managers or equivalent nominated by the Chair

Chubu Electric Power Group Environmental Measures Committee

Role	Exchange of opinions and deliberation in order to promote Group-wide environmental management
Members	27 Supporting Group companies * Setup in fiscal 2014 Chair: Aichi Electric Vice chair: C-TECH, ChudenCTI Advisor: General manager of Chubu Electric Power's Environmental Affairs Department

Chubu Electric Power Environmental Roundtable

Role	External evaluation, advice and suggestions regarding the Company's environmental measures
Members	Academics and NPO leaders from the Chubu region



Stakeholder Dialogue

Chubu Electric Power Environmental Roundtable

The Company established the Chubu Electric Power Environmental Roundtable in order to receive expert advice and suggestions on its planned and implemented environmental measures. In the 14th roundtable held in March 2015, after visiting the Central Load Dispatching Center, committee members discussed the issue of the stabilization of an electric power system and the large-scale deployment of renewable energies, and provided us with their opinions.

▲ Committee members visiting the Central Load Dispatching Center

<Major comments from members>

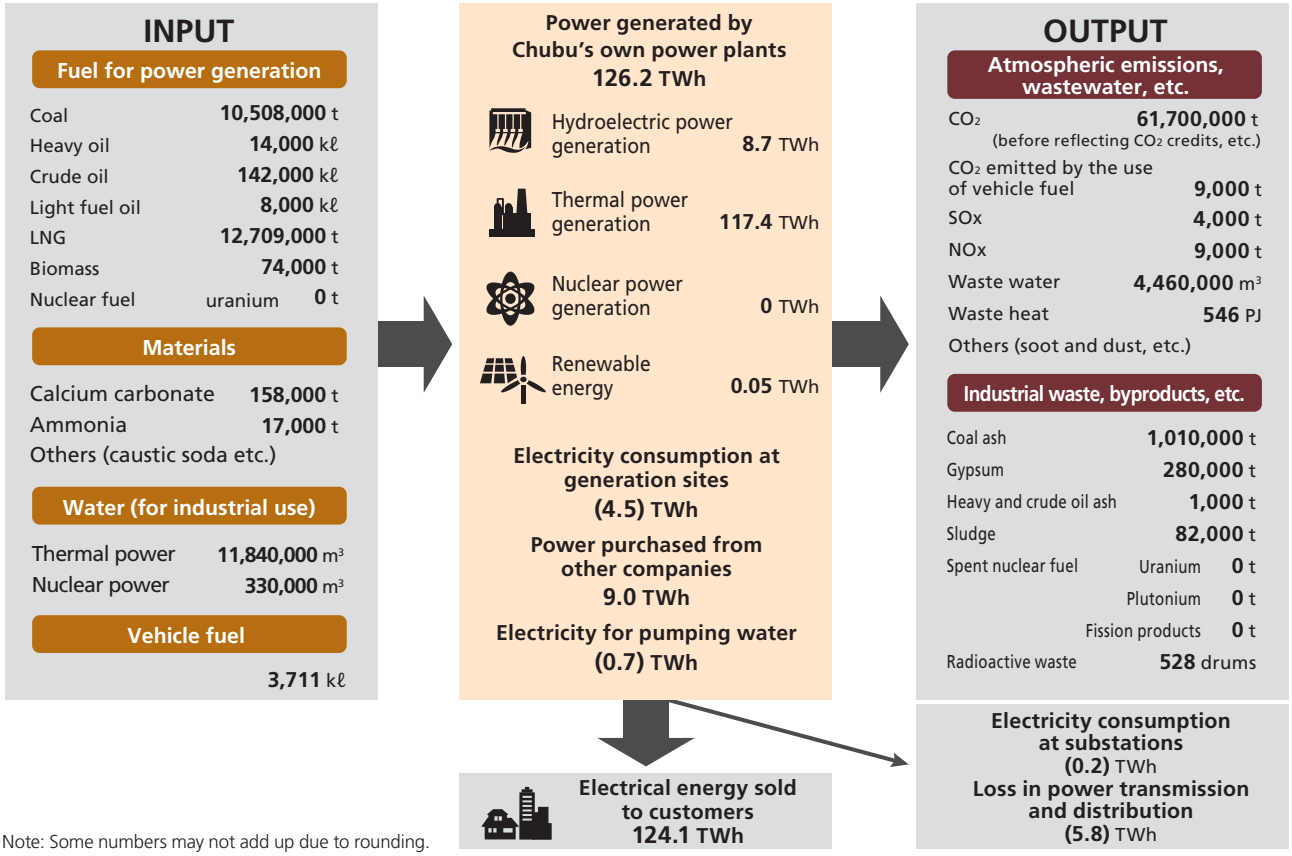
- By visiting the site, I understood very well that when renewable energies such as solar power are to be deployed on a large scale, an electric power company needs to be able to adjust power supplies according to supply and demand conditions and create stability.
- The general public doesn't know what efforts and measures are taken by Chubu Electric Power. This information need to be publicized more.
- More energy will be generated and consumed locally in the future due to the decentralization of power sources. Chubu Electric Power needs to discuss how the company will address this trend.

Members of the Chubu Electric Power Environmental Roundtable (honorifics omitted, in no particular order)

Ichiro Yamamoto (Chair)	Advisor of the President, Professor of School of Human Care Studies, Nagoya University of Arts and Sciences
Tadashi Aburaya	Honorary Advisor, Mie Prefecture Environmental Conservation Agency
Masayo Kishida	President, NPO Partnership Support Center
Toshihiro Kitada	Principal, Gifu National College of Technology
Keiko Kunimura	Director, Nagoya City Waterside Research Group
Noriyuki Kobayashi	Associate Professor, Graduate School of Engineering, Nagoya University
Atsuko Hayakawa	NPO Weather Caster Network
Susumu Hayashi	Professor Emeritus, Gifu University

Environmental Inputs and Outputs across Our Business

Chubu Electric Power assesses fuel and materials inputs related to its business as well as the entire environmental impact stemming from business activities in a number of forms including CO_2, effluents and waste, and always strives to establish targets and reduce their environmental impact.



Note: Some numbers may not add up due to rounding.

Environmental Accounting

We are continually working to improve our environmental accounting as a way to achieve both efficient management and environmental conservation, while disclosing the accounting results within and outside the Company to communicate our efforts to protect the environment and the specific activities we have undertaken.

* Bases of environmental accounting
Please refer to the 2005 edition of the Environmental Accounting Guidelines (issued by the Ministry of the Environment)
Target period: Fiscal 2014
Scope of calculations: All operation sites of Chubu Electric Power

Economic benefit associated with environmental conservation activities

Item	FY 2014 (in 100 millions of yen)
Fuel cost reductions due to change in gross thermal efficiency of thermal power plants, etc.	83
Cost reductions due to the reuse of transformers and other equipment, etc.	113

Environmental conservation costs

Category	Item	FY 2014 (in 100 millions of yen) Investment	Expenses
Preserving the global environment	Preventing global warming and preserving the ozone layer	150	4
Preserving regional environmental quality	Preventing air pollution, water pollution, etc.	55	43
Resource recycling	Resource conservation, measures for industrial waste and radioactive material	36	346
Social programs	International cooperation, landscape protection, greening, preserving the natural environment, etc.	188	2
Others	Research and development, countermeasures against environmental damage, etc.	6	55
Total		434	450
Percentage of total capital investment		20.0%	–

Note: Expenses do not include depreciation.
The totals may not match because figures are rounded off to the nearest 100 million yen.

Environmental Management

Chubu Electric Power implements environmental management activities based on the ISO 14001 (2004) standards. Hamaoka Nuclear Power Station has been externally accredited to the international certification criteria and other operating sites pursue their own self-declared environmental management activities adapted to each type of business. For these activities, third-party inspections are performed as necessary.

In addition, as a way to ensure thoroughness of its environmental management, the Company has established an environmental education system designed to provide training to all employees through the environmental education trainers appointed each year by the head of each operation site.

Building a Low-Carbon Society

Reduction of CO_2 Emissions

Chubu Electric Power is committed to combating global warming by taking a holistic approach, which includes the utilization of nuclear power with the highest priority placed on ensuring the safety of, and building trust with, local communities, the development of high-efficiency thermal power generators, and the exploitation of renewable energy sources.

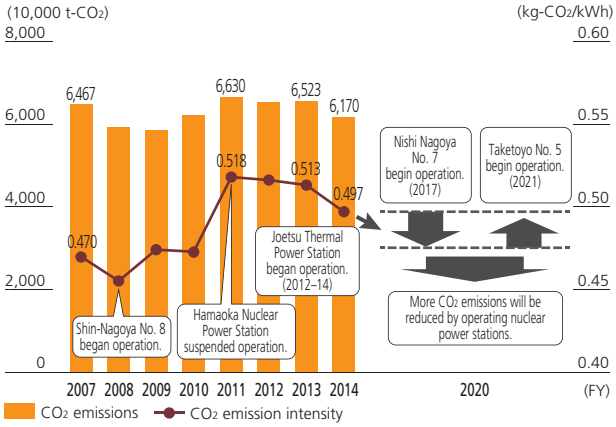
Our CO_2 emission intensity (CO_2 emissions per kWh of electricity produced) in fiscal 2014 was 0.497 kg-CO_2/kWh (actual emission intensity*).

CO_2 emissions from Chubu Electric Power are still higher than before the Great East Japan Earthquake. This is due to the significant increase in thermal power generation caused by the suspension of operation of the Hamaoka Nuclear Power Station in fiscal 2011. However, CO_2 emission intensity in fiscal 2014 decreased by 3% compared to fiscal 2013 due to the commencement of full commercial operation of the Joetsu Thermal Power Station with high thermal efficiency, greater use of renewable energies, and other factors.

Our future plans include the installation of the LNG-fired Unit No. 7 of the Nishi-Nagoya Thermal Power Station (currently under consruction) with the world's highest efficiency level, as well as the coal-fired Taketoyo Thermal Power Station Unit 5 with leading-edge power generation facilities (currently in the planning stage), both of which are expected to play an important role in curbing CO_2 emissions. Through these and other plans, we will continue to strive to reduce the CO_2 emission intensity of the Company as a whole even further.

*The CO_2 emission intensities that reflect credits obtained from the methods stipulated in the Act on Promotion of Global Warming Countermeasures and that are adjusted based on the feed-in tariff scheme are yet to be determined. The data will be announced at the earliest possible opportunity after it is established.

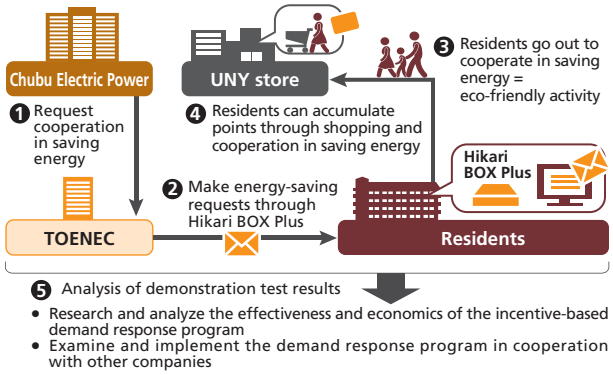
Trends and outlook of CO_2 emissions and CO_2 emission intensity (actual emission basis)



Support for Energy Conservation (Demand Response Demonstration Test)

In cooperation with TOENEC CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (NTT West), and UNY Group Holdings Co., Ltd. (UNY), Chubu Electric Power is conducting a demand response demonstration test using the energy-saving system of "EneTOC," electric power management services for apartment buildings offered by TOENEC.

The test is targeted at residents of apartment buildings to which TOENEC's high-voltage power collective receiving system has been introduced as part of the EneTOC services. When a need to save electricity arises, Chubu Electric Power uses NTT West's energy management system Hikari BOX Plus to display on the TV screen a request for residents' cooperation in saving energy. As an incentive for their cooperation, residents who meet this request and go to a store operated by UNY in the neighborhood receive extra U points (Uniko points) if they make a purchase. The test, which is conducted between January and August 2015, is aimed at examining how effective this demand response program is with regard to energy conservation. Through cooperation among different industries—electricity, construction, telecommunications, and retailing—we will build a new incentive-based demand response model.



Reduction of CO_2 Emissions in the Area of Logistics (New LNG Carrier)

Chubu Electric Power is actively introducing LNG carriers with high fuel efficiency. Seishumaru and Esshumaru, which were completed in September and December 2014, respectively, are equipped with a pea-pod-shaped shell covering spherical tank, which is integral to the hull. This unique style makes the ships lighter and more aerodynamic, and along with the high thermal efficiency engine, helps to improve fuel efficiency. This results in about a 25% reduction in CO_2 emissions per unit load compared to existing ships.

▲ A new LNG carrier with a pea-pod-shaped shell

Promoting Renewable Energies

Efforts by the Chubu Electric Power Group

Renewable energies are low-carbon and precious domestic energy sources for a country like Japan that has a very low rate of energy self-sufficiency.

Aiming to expand use of renewable energies, the Chubu Electric Power Group will step up development activities and cost-cutting efforts while purchasing renewable energy power primarily based on the national feed-in tariff scheme.

Solar power Wind power	• Mega Solar Shimizu, Chubu Electric Power's third solar power plant, started operation in January 2015. • Several plants are currently being developed by a Group company.
Hydroelectric power	• Conventional and regular water-flow release* hydroelectric power plants are developed continuously. • Regular water-flow release hydroelectric power plants are currently being developed by a Group company as well.
Biomass power	• Wood biomass is co-fired with carbonized sludge in the Hekinan Thermal Power Station. • A pilot project for power generation using only wood biomass as fuel is currently being implemented by a Group company.
Geothermal power	• A feasibility study is currently being conducted by a Group company.

* A type of hydroelectric power generation that utilizes water discharged from a dam for maintenance of the riverine environment at the downstream toe of the dam

Solar- and wind-powered electricity supply capacity (as of the end of fiscal 2014)

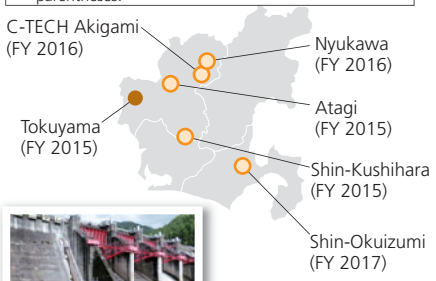
	Group total development*	Purchase by the Company
Solar power	174 MW	3,668 MW
Wind power	100 MW	212 MW

* Total including the entire capacity for joint projects

Ongoing hydroelectric power development projects

- The total hydroelectric power generation capacity of Chubu Electric Power is 5,320 MW as of the end of fiscal 2014.
- Additional development projects are underway to expand the generation capacity, as illustrated below.

● Conventional hydroelectric power station
○ Regular water-flow release hydroelectric power station
Scheduled start of commercial operation is indicated in parentheses.



* Two other projects are planned in addition to the above.

▲ Shin-Kushihara Hydroelectric Power Station

Measures Taken for the Large-scale Deployment of Renewable Energy

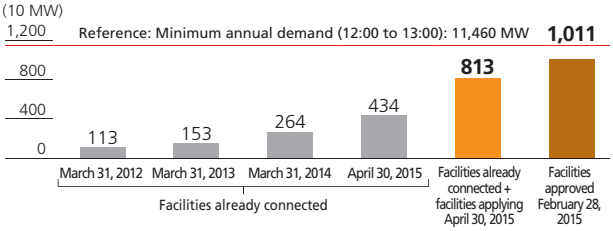
Presently, the majority of renewable energy deployed is either solar or wind power, which have varied output levels depending on weather conditions. Solar power in particular makes up about 90% of grid connection applications, and as the number of connections increases, their impact on power supply and demand control also rises.

The Central Load Dispatching Center has developed a solar power generation output forecasting system that is capable of both forecasting future daily output and monitoring current output, and uses this system for power supply and demand control.

For the system's function of monitoring current output, because measuring and compiling output for each of the dispersed solar power facilities is too time-consuming and costly, we have adopted a new approach that measures the amount of solar radiation in each location on a real-time basis to estimate the total output of each wider area.

We will continue implementing various measures to deal with the deployment of renewable energy, which is expected to progress rapidly.

Grid connection applications for renewable energy within the region served by Chubu Electric Power



Note: The minimum annual demand (11,460 MW) is the actual figure recorded between 12:00 and 13:00 on Sunday, May 12, 2013, and does not represent the amount of renewable power that can be connected to the grid within Chubu Electric Power's service area. The figure for "Facilities approved" is that of Chubu Electric Power's service area extracted from the data published by the Agency for Natural Resources and Energy.

VOICE Kazutoshi Miyashita

Planning & Administration Section
Central Load Dispatching Center
Power Systems Operations Department
Power System Division

Responding swiftly to changes in our environment

Solar power generation facilities have been constructed at a much faster pace than initially expected, posing a concern that power supply and demand control may become more difficult as a result. The solar power generation output forecasting system has been developed to address this concern. We as power systems operators took the initiative so that our needs would be reflected in the system, and due to our direct involvement in the project, the system was developed in less than a year.

Responding to changes in our environment swiftly and flexibly like this is an important issue for the entire Company. We wish to continue to proactively address changes.

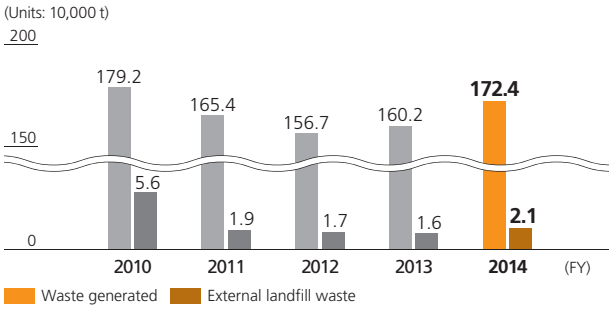
Creating a Recycling Society

Promoting the 3Rs (Reduce, Reuse, Recycle)

With a target of reducing the amount of our waste that has to be sent for landfill disposal outside of the company to less than 1 percent, we are working on 3R initiatives to reduce, reuse and recycle.

Waste generated by the Chubu Electric Power Group amounted to 1,724,000 tons in fiscal 2014, 21,000 tons of which was disposed of in external landfills.

Industrial waste, waste by-products and external landfill waste



Industrial waste, waste by-products and amount recycled (FY 2014)

(Units: 10,000 t)

	Amount generated	Amount recycled	External landfill waste
Coal ash	101.0	101.0	0.0
Heavy and crude oil ash	0.1	0.1	0.0
Gypsum	28.0	28.0	0.0
Sludge (including solidified sludge)*1	8.5	6.6	0.2
Waste plastic	0.6	0.2	0.3
Metal scrap	8.3	8.3	0.0
Glass and ceramic scrap	0.5	0.1	0.4
Construction debris	22.8	21.8	1.0
Other*2	2.4	2.1	0.1
Total	172.4	168.2	2.1

*1 In-house landfill waste (used as fill): 18,000 t
*2 Industrial waste specified as toxic, waste oil, etc.
Note: The totals may not match because the figures have been rounded off. The figures above indicate the total value for member companies of the Chubu Electric Power Group Environmental Measures Committee.

Promoting Green Procurement

Chubu Electric Power started its green procurement initiative in fiscal 2003, and has expanded it to include office supplies and electric power equipment and materials. The green procurement ratio for office supplies for the Chubu Electric Power Group in fiscal 2014 was 95.8%. We will continue these efforts throughout the Group with the aim of building a recycling society.

Chemical Substances Management

Control of Substances Designated in the Pollutant Release and Transfer Register (PRTR)*

Chubu Electric Power monitors the volume of specific chemical substances (PRTR-designated substances) released and transferred in accordance with the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof ("PRTR Law"), while ensuring that these substances are under proper control within the Company according to appropriate manuals and other documentation.

* Pollutant Release and Transfer Register (PRTR): A system in which data on harmful chemical substances are monitored, compiled, and published. These data include the sources and amounts of harmful chemical substances released into the environment, as well as the amounts of these chemical substances transferred outside the enterprise in the form of waste.

Preventing Soil Pollution

Chubu Electric Power is working on preventing soil pollution according to the Soil Pollution Prevention Guidelines established by the Company. In addition to making sure that our actions comply with relevant laws, regulations, and ordinances, we also deal with any problems that are not subject to legislation, when they are identified clearly as soil pollution, based on the appropriate legislation.

Treatment of PCB

Since PCBs became a serious social issue, Chubu Electric Power has been advancing the treatment of equipment that uses insulation oil containing high-levels of PCBs through Japan Environmental Safety Corporation (JESCO).

As for equipment containing trace-level PCBs, we decontaminate pole-mounted transformers mainly at our Insulation Oil Recycling Center in Nagoya City and Transformer Recycling Center in Tobishima Village, Aichi Prefecture, while commissioning the treatment of other devices to outside organizations accredited by the Company. One such organization is Chubu Eco Solution LLC., a company that was established by three Chubu Electric Power Group companies in May 2014. Using the heated forced-circulation cleansing method approved by the Minister of the Environment in March 2015, the company detoxifies low-level PCBs contained in large equipment possessed by the Company.

Asbestos Usage

At Chubu Electric Power, spray-on coatings containing asbestos used in some of our buildings as soundproofing, insulation and fireproofing materials are removed systematically. Products containing asbestos used in some of our generator facilities' sealing and other materials are also being gradually replaced by asbestos-free products during periodical inspections and repair.

Protecting Biodiversity

Commitment to the Protection of Biodiversity

Chubu Electric Power endeavors to protect biodiversity by implementing a range of initiatives that include developing relevant technologies, taking measures to protect the ecosystem during facility construction, developing and maintaining greenery that is in harmony with local vegetation at the sites of power plants, and supporting the protection of forests.

Protection of endangered species	For conserving endangered plant species, including *sarumenebine* (*Calanthe tricarinata*, a variety of orchid), *kyomarushakunage* (*Rhododendron japonoheptamerum*, a rhododendron found only in Japan), and *tadesumire* (*Viola thibaudieri*, a type of violet), that have been identified on the Company's land and areas surrounding our electric power facilities, we have clarified the physiology and ecology of these scarce plants and established technologies for their reproduction.
Protection of birds of prey	To protect birds of prey identified on and around the construction site of the Tokuyama Hydroelectric Power Station and transmission lines, we are conducting construction work in a manner that does not affect the life of the birds or their habitat, following instructions from experts mainly from the Japan Falconiformes Center.
Eco Park of the Hekinan Thermal Power Station	The Hekinan Thermal Power Station is located close to the estuary of the Yahagi River in Aichi Prefecture, to which sandpipers and plovers migrate. The Eco Park, created adjacent to the power plant, has a pond for wild birds and a circulating waterway that prevents the entry of predators to the park and contributes to the conservation of the habitats of wild birds in the area.
Ballast water management of new LNG carriers	Our new LNG carriers, Seishumaru and Esshumaru, are equipped with a ballast water* treatment system to reduce the risk of transfer of non-indigenous aquatic organisms, which may adversely affect the ecosystems of other waters.
Cooperation with Chita Peninsula and Atsumi Peninsula Ecological Network Councils	The Chita Thermal Power Station has been participating in the Chita Peninsula Ecological Network Council, an initiative taken by the Aichi Prefectural Government where local residents, NPOs, universities, corporations, and other local governments work together to create and protect the habitats of wild animals and plants on the peninsula. In January 2015, the Atsumi Thermal Power Station also joined the activities of the Atsumi Peninsula Ecological Network Council.

* Ballast water: Seawater pumped into tanks aboard a ship to serve as a weight to stabilize the vessel. Foreign organisms contained in ballast water can adversely affect the ecosystems of other waters after ballast water is discharged, thus posing a serious environmental problem.

Morino Chonai-Kai—Thinning the Forest

Supporting the Morino Chonai-Kai forest conservation initiative, which promotes forest thinning through funds collected from the sale of paper, Chubu Electric Power acts as the secretariat for the Chubu region. Under this initiative, forest thinning is currently underway in Komagane City, Nagano Prefecture, in cooperation with 79 companies. In November 2014, people were invited to observe the site where thinning was being conducted and discuss issues with a forestry cooperative.

Participants at the thinning site ▶

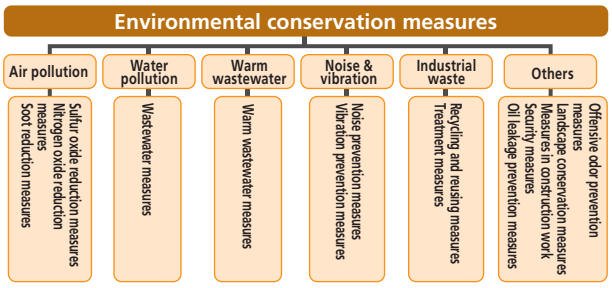
Conserving the Local Environment

Local Environmental Conservation Measures

For conserving the environment of the surrounding areas, Chubu Electric Power implements a variety of measures based on agreements with local governments for environmental preservation and pollution control. We also conduct monitoring surveys of the surrounding areas, verifying that there is no ongoing impact on the local environment resulting from our operation.

For compliance with environmental laws and regulations, no violation was identified in the Chubu Electric Power Group during fiscal 2014. We will continue environmental conservation efforts, appropriately observing relevant laws and regulations.

■ **Classification of environmental conservation measures**

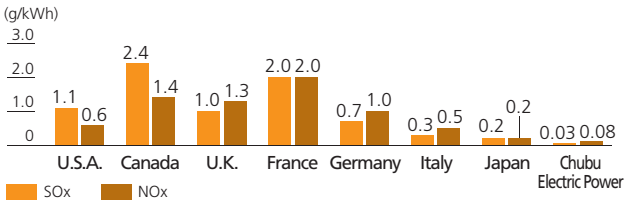


Air Pollution Measures for Thermal Power Stations

Our thermal power stations adopt various measures to prevent air pollution, including the expanded use of LNG, which does not generate sulfur oxide (SOx) upon combustion; use of low-sulfur fuels; installation of flue gas desulfurization and denitrification systems; and adoption of burners for low nitrous oxide (NOx) emissions.

As a result of these efforts, SOx and NOx emissions per kWh of electricity generated by Chubu Electric Power's thermal plants are now at the lowest levels in the world. Soot emissions have also been reduced to a minimum through the use of high-efficiency soot collection systems.

■ **SOx and NOx emissions per kWh of electricity generated by thermal plants (international comparison) (Countries except Japan: 2012 data; Japan: FY 2013 data; Chubu Electric Power: FY 2014 data)**



Source: Calculated based on OECD. Stat Extracts and Energy Balances of OECD Countries, 2014 Edition. Figures for Japan are based on research from the Federation of Electric Power Companies of Japan.

Interacting with Local Communities

Chuden Forester and Chuden Interpreter Programs

These programs were launched in fiscal 2005 and fiscal 2006, respectively, to nurture Chuden Foresters and Chuden Interpreters from among Group company employees by making use of Chubu Electric Power's own forests. Chuden Foresters are those who have acquired skills and knowledge necessary to thin artificial forests, while Chuden Interpreters are those who possess communication skills to share the joy of nature with visitors. As of fiscal 2014, there were 210 Foresters and 114 Interpreters taking part in volunteer thinning projects and providing forest activity programs for visitors.

Forest activity program provided by an Interpreter ▶

Chubu Electric Power Group ECO Points Program

The Chubu Electric Power Group ECO Points program was launched in fiscal 2006 to encourage Group company employees to voluntarily take part in environmental activities by providing points for each activity performed at home and in local communities. Accumulated ECO points are utilized to financially support the social action programs of NPOs and other organizations. In fiscal 2014, we supported six NPOs and other organizations—not only financially but also through our employees and their families, who voluntarily participated in related activities.

Environmental education for Filipino children ▶

Energy and Environment Education in Partnership with Mie University

Chubu Electric Power has offered education programs on the theme of energy and the environment since fiscal 2007 in cooperation with two scholars at Mie University, namely, Prof. Hye-Sook Park of the Faculty of Humanities, Law and Economics and Prof. Mamoru Matsuoka of the Faculty of Education. In fiscal 2014, we provided energy and the environment education to local university students and environmental activists, and led a curriculum development project in which a total of nine elementary and junior high school teachers developed energy and environment-themed classes within the existing subject categories (natural sciences, social studies, living environment studies, Japanese language, and arts and crafts, among others).

Results reporting meeting at Mie University ▶

Courses Open to the Community at Nagoya Open University of the Environment

In fiscal 2014, we offered two courses open to the community as a partner of Nagoya Open University of the Environment, a local community-business-government collaborative education project. One of them was an energy and the environment education course targeted at university students, which has been organized by the Environmental Affairs Department of Chubu Electric Power each year since fiscal 2004. In fiscal 2014, 46 students participated in the course, visiting thermal, nuclear, and mega solar power stations and exchanging opinions. The other course was planned by the Nagoya Regional Office as a new course for the general public, in which 31 people participated and visited thermal and mega solar power stations to learn what efforts are being made at these stations to ensure the stable supply of electricity and protection of the environment.

Energy and the environment education course ▶

Environmental Partnership Organizing Club (EPOC)

EPOC is an organization aimed at enhancing environmental awareness and promoting environmental action among corporations and the public, and was established in 2000 by Chubu Electric Power and 14 other local companies. The current number of member companies totals about 270. For the purpose of building a "recycling- oriented economic society," member companies plan and operate seminars, inspection tours, and other events, and actively carry out various activities. Chubu Electric Power is a Vice-Chairman company of the organization.

General Assembly of EPOC ▶

Ensuring Compliance Management

The Chubu Electric Power Group is committed to compliance with laws and regulations, internal rules, and corporate ethics to gain the trust and support of society.

▲ During new employee training at a Group company (ChudenCTI Co., Ltd.), new employees learned the basics of compliance and held case study discussions.

■ Major activities in fiscal 2014 and goals and plans for 2015

	Goals and plans for FY 2014	Major activities for FY 2014	Evaluation	Goals and plans for FY 2015
Compliance ➡ page 72	● Enhance compliance awareness throughout the Group. ● Continue providing employees with education to raise awareness and combat insider trading.	● Training for employees at each site of Group companies was conducted, and discussions were held between Group company employees and Chubu Electric Power employees. ● Survey was conducted among Group company employees. ● Bribery prevention systems, including the Foreign Official Bribery Prevention Committee, were established. ● Online training is provided to employees working in the departments that deal with critical management information.	△*	● Take early and appropriate measures for potential problems that may become apparent. ● Continue providing employees with education to raise awareness and combat insider trading.
Intellectual Property ➡ page 73	● Continue activities to enhance knowledge and awareness of intellectual property.	● Intellectual property seminars were provided at 10 locations of Chubu Electric Power, including the Head Office and regional offices (total participants including those using Internet sessions: approx. 750). ● Online training on the basics of intellectual property was provided to all employees.	○	● Continue enhancing knowledge and awareness of intellectual property.
Fair and Equitable Transactions ➡ page 74	● Promote procurement activities according to the Chubu Electric Power Group Basic Procurement Policy. ● Ensure sufficient interactive communication with business partners.	● New business partners were provided with an explanation on the Chubu Electric Power Group Basic Procurement Policy, and requested to practice CSR. ● Procurement overview briefing sessions were held to build a stronger partnership with business partners (550 participants from 309 companies).	○	● Promote procurement activities according to the Chubu Electric Power Group Basic Procurement Policy. ● Ensure sufficient interactive communication with business partners.

Evaluation Criteria: ○ : The measure was implemented as planned, achieving satisfactory results.
△ : The measure was implemented as planned, but the goal was not achieved or unresolved issues remain.
× : The measure was not implemented as planned.

* Although various efforts to ensure compliance were made as planned, the evaluation result was "△" due to the occurrence of misconduct.

Compliance

Chubu Electric Power Group Basic Compliance Policy

Based on the Chubu Electric Power Group CSR Declaration, the following Basic Compliance Policy was established.

The continued existence and development of an enterprise depends most of all on winning the trust of society, including customers, shareholders and the community. Understanding that "without compliance there is no trust, and without trust there is no growth," the Chubu Electric Power Group fosters a corporate culture of action with compliance, and aims to be a "good corporate citizen" trusted and supported by society. To achieve this, we act in accordance with the following principles.

- **Thorough Compliance**
  We comply with the law, internal rules and corporate ethics.
- **Fair and Sincere Corporate Activities**
  We treat our customers, business partners and local communities fairly.
- **Proper Information Management and Disclosure**
  We handle information strictly and make timely information disclosures.
- **Establishing a Sound Corporate Culture**
  We respect human rights and provide for a sound business culture.
- **Maintaining a Healthy Relationship with the Government and Authorities**
  We are careful to refrain from activities that would cast doubt on the propriety of our business activities.
- **Proper Management and Utilization of Assets**
  We administer and use our assets in a proper fashion and as intended.
- **Environmental Conservation**
  We strive to protect the global environment.
- **Assuring Safety, Hygiene and Security**
  We strive to maintain a safe, healthy and secure work environment.

Compliance Promotion System

In December 2002 Chubu Electric Power established a company-wide compliance promotion system under the direction of the Compliance Committee chaired by the Company's President. Furthermore, we conduct a wide variety of activities to firmly establish the need for compliance in our employees' minds.

Part of these activities are carried out by each division to raise the employees' awareness of compliance, with a view to preventing insider trading and workplace harassment and promoting proper information management.

Enhancement of Group Compliance

Under the Chubu Electric Power Group Compliance Council (organized in April 2003), which is a supervisory body comprised of the presidents of Group companies, the Chubu Electric Power Group established a compliance promotion system at each Group company and has been engaged in various activities to raise employees' awareness of the importance of compliance.

Despite these efforts, however, billing for falsely-claimed completion of construction work, falsification of documents, and other acts of misconduct were recently found to have been committed by Group companies. As a result, Chubu Electric Power is currently making even greater efforts to support each Group company to enhance their compliance management.

Specific support actions include holding discussions between Group companies and Chubu Electric Power employees and providing training to employees at major operation sites. In addition to these activities aimed at raising employees' compliance awareness, the Company is also supporting all other aspects of compliance promotion at each Group company.

In April 2015, Chubu Electric Power's president requested the presidents of all Group companies to ensure thorough legal, regulatory, and ethical compliance by inspecting and reviewing operational processes as well as through other actions, as part of our efforts to enhance our group compliance management.

VOICE Kazunori Morita
Administrative & HR Development Group
Chuden Haiden Support Co., Ltd.

"Attentive work and a sincere response" is the key phrase for our compliance practices.

The main task of Chuden Haiden Support is to undertake negotiations to acquire land for power lines on commission from Chubu Electric Power. Therefore, for our business, gaining the understanding and cooperation of land owners and trust from local communities is indispensable. However, in April 2014, falsification of government permission for road occupancy required to install power supply equipment and other acts of misconduct were found to have been committed by the company, which shook the very foundation of our business.

Our president visited all of the company's business sites immediately after the incident and talked with all employees to share the company's determination of never allowing such misconduct to occur again. The company also conducted an employee awareness survey and introduced 22 recurrence prevention measures. In the course of these investigations and discussions, we felt strongly about the importance of doing what is expected in the proper manner.

We will rebuild our compliance culture in fiscal 2015 and 2016 as the highest priority issue. In April, which has been designated as Compliance Month, each one of us makes a "compliance declaration" every year. We will work diligently together across the company to achieve and maintain compliance. "Attentive work and a sincere response" is the key phrase for our compliance practices.

Helplines—Points of Contact for Compliance Queries

We operate a Helpline for Chubu Electric Power and a Joint Helpline for Group companies to prevent illegal, unfair, and unethical acts and ensure compliance. Both serve as points of contact for employees, temporary workers, and business partners with concerns about compliance issues. The Helpline for Chubu Electric Power is established both in and outside the Company at the Compliance Promotion Office and at a law office, respectively. To ensure effective operation of the Helpline, appropriate measures are taken to protect inquirers and respect their requests regarding the queries.

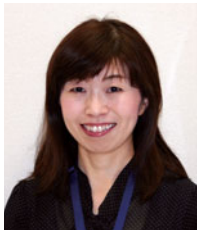
In fiscal 2014, our helplines received 53 queries in total.

Commitment to Prevent Bribes Being Offered to Foreign Public Officials

Chubu Electric Power and Group companies have developed systems to prevent involvement in bribery of foreign officials. Key functions include rules established in February 2013 by the Company to prohibit bribery of foreign officials and others, as well as the Foreign Official Bribery Prevention Committee organized under the Compliance Committee in April 2013.

VOICE Mayumi Kenjo Compliance Committee Secretariat

We are earnestly supporting the compliance practices of each employee



Compliance must be practiced both at the workplace level and at the individual level. At Chubu Electric Power and its Group companies, each workplace and each employee is working diligently to maintain compliance by trying everything to solve or mitigate various issues they face on a daily basis.

The main mission of the secretariat is to support workplaces that are working rigorously and employees who don't know what to do to, to address compliance issues. Compliance may sound like something difficult and some employees may feel unfamiliar with the secretariat. This is why we are working hard to become a place that employees feel more at ease in relying on by earnestly listening to concerns they express, putting ourselves in their shoes, and trying to give effective proposals and advice. It is our hope that each of us at the secretariat will become the first person who employees will remember and talk to for advice whenever necessary. We keep in mind that creating an atmosphere and climate that make workplaces and employees feel comfortable accessing for consultation rather than being at a loss or alone when confronted with difficult problems is essential in promoting compliance.

Intellectual Property

With regard to intellectual property, Chubu Electric Power focuses on the priority actions (enumerated in the box at right) to protect the Company's competitiveness, avoid any restriction being imposed on the Company's business by rights exercised by other parties, and respect other parties' intellectual property rights.

1. Properly manage intellectual property rights created by technological research and development or improvement of business operations
2. Search for and monitor intellectual property rights owned by others
3. Improve knowledge and awareness of intellectual property
4. Increase the strength of the Group's collective intellectual property

Intellectual Property Seminar

Intellectual property seminars are provided for employees as a means of enhancing their knowledge of intellectual property and their awareness of the importance of not infringing on others' rights. In fiscal 2014, seminars were held at 10 locations including regional offices, and about 750 employees in total took part in the seminars and in our internal online seminars.

Group-wide Efforts to Safeguard Intellectual Property

To strengthen the ability to deal with intellectual property issues across the Group, Chubu Electric Power and its Group companies regularly meet to study various aspects of, and share information on, intellectual property.

Chubu Electric Power also has a support system for Group companies to help them solve problems concerning intellectual property.

Fair and Equitable Transactions

Chubu Electric Power Group Basic Procurement Policy

Based on the Chubu Electric Power Group CSR Declaration, the following Basic Procurement Policy has been established.

1. Total Compliance
   (1) We perform our work duties in strict compliance with all laws, rules and corporate ethics.
   (2) We practice respect for human rights (prohibit child labor and forced and compulsory labor, avoid discrimination, etc.), carefully manage personal and confidential information, protect intellectual property rights, and so on.
2. Safety Assurance
   Understanding that safety takes priority over all else, we endeavor to prevent occupational accidents and injuries and ensure public health and safety.
3. Mitigate Environmental Burden
   Cooperating with our suppliers, we work to mitigate environmental burden by practicing green procurement, among other measures, and help to build and establish a recycling society.
4. Open Door Policy
   We provide access to both Japanese and foreign companies, based on our open door policy, so that we may do business with suppliers with superior technical expertise who can provide quality products and satisfactory service.
5. Fair and Honest Procurement
   We transact fair and honest business in the procurement of materials, equipment and so on, basing our decisions on economic rationality while assessing each supplier comprehensively for its prices, product quality, performance, safety, ability to meet delivery and construction deadlines, after-sale service, technical expertise, production capacity, business administration, safety management system and stance on corporate social responsibility (CSR), among others.
6. Work in Partnership
   (1) At Chubu Electric, we regard each of our suppliers as an important partner with whom we seek mutual growth.
   (2) Through open communication and fair and sincere transactions with our partner suppliers, we form stronger trust-based relationships and seek to cooperate with our suppliers to contribute to the sustainable development of society.

Chubu Electric Power Group Basic Procurement Policy

The Chubu Electric Power Group has established a Basic Procurement Policy in order to promote CSR-conscious procurement and to ensure that the procured products and services are of high quality and at a reasonable cost.

When starting transactions with a new business partner, Chubu Electric Power explains its procurement policy and makes clear that our partners will be required to fulfill their CSR obligations so that both parties can achieve continuous growth in partnership.

Our website also provides details in Japanese and English on our procurement procedures, supplier registration process, and other information in an easy-to-understand manner.

Enhancing Communication with Business Partners

We actively share information and maintain good communications with our business partners so that both sides can develop and grow together.

At the start of each year, we hold a procurement overview briefing session to explain our management plans and CSR practices, including compliance promotion activities, and offer information on our procurement plans. The fiscal 2015 briefing was attended by 550 persons from 309 companies.

We also take careful note of the opinions of business partners through surveys conducted at the briefings and a permanent inquiry desk that offers support for procurement transactions, and work to resolve any issues raised to develop a stronger relationship of trust.

▲ Executive Vice President Matsubara giving explanations at the procurement overview briefing session

Aiming to Be Customer-friendly

Chubu Electric Power holds customers' opinions and requests in high regard, and strives to offer superior services that will meet the diverse needs of our customers.

▲ Call Center

■ Example of improvement based on customer feedback

Simplification of the online member information service "KatEne" registration form ➡ See page 41

Customer feedback Registration for KatEne takes too much time. The procedure should be simplified.

Improvement Customers previously needed to obtain their KatEne ID and register their contract information separately. Now, the registration form has been simplified so that customers can proceed to the registration of their contract information seamlessly after obtaining KatEne ID.

Extension of available hours of the online low-voltage work application system used by electric constructors

Customer feedback The available hours are too limited (weekdays: 7:30 to 24:00; weekends and national holidays: 7:30 to 21:00).

Improvement The available hours have been extended (weekdays: 6:00 to 24:00 and 1:30 to 6:00 the following morning; Saturdays: 6:00 to 5:00 the following morning; Sundays and national holidays: 6:00 to 6:00 the following morning).

■ Major activities in fiscal 2014 and goals and plans for 2015

	Goals and plans for FY 2014	Major activities for FY 2014	Evaluation	Goals and plans for FY 2015
Aiming to Be Customer-friendly	• Continue improving our business operations by reflecting customer feedback. • Continue customer service improvement measures.	• Operational improvement was implemented after customer feedback was discussed at Customer Feedback Working Group meetings held regularly. • Customer services were improved, including the extension of Call Center service hours to 24 hours a day.	○	• Continue improving our business operations by reflecting customer feedback. • Continue customer service improvement measures.

Evaluation Criteria: ○ : The measure was implemented as planned, achieving satisfactory results.
△ : The measure was implemented as planned, but the goal was not achieved or unresolved issues remain.
× : The measure was not implemented as planned.

Working for Customer Satisfaction

Utilization of Customer Feedback

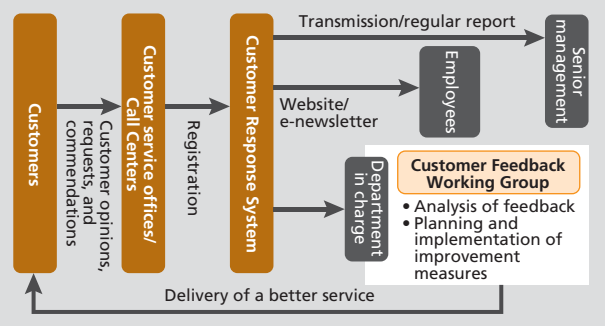
To provide our customers with more satisfying service, customer comments and opinions received at customer service offices and Call Centers are entered in our Customer Response System and the information is shared with all employees.

Comments registered from customers are discussed at regularly held meetings of the Customer Feedback Working Group made up mainly of department managers of the Customer Service Division, so that the feedback will lead to improvements in operations and customer services.

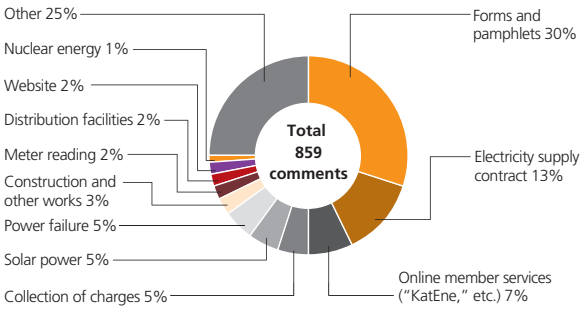
A total of 859 customer comments were registered in fiscal 2014. Feedback on forms and pamphlets made up a large part of them, and the number of registered comments on the online member information service "KatEne" increased compared to fiscal 2013. All these comments were examined carefully and reflected in our commitment to continuous improvement of our business operations and services.

We will continue to listen to customers' voices and work toward enhancing our services.

Flow for utilizing customer feedback



Breakdown of customer feedback by type (FY 2014)



Stakeholder Dialogue

Exchanging Opinions with Consumer Affairs Specialists

We organized a meeting with members of the Chubu Branch of the Japan Association of Consumer Affairs Specialists in June 2015. Because electricity retailing will be fully liberalized in April 2016 to allow households to choose electricity suppliers of their liking, the topic was how retail services should be provided.

▲ Exchanging opinions with consumer affairs specialists

<Major opinions of participants>

- Many consumers don't know what the full liberalization of electricity retailing is, so Chubu Electric Power should explain its details.
- Only advantages, such as diversified tariff menu and better services, have been emphasized, and disadvantages are not communicated to consumers sufficiently. Chubu Electric Power should make clear both advantages and disadvantages for the public.
- Cleaning and other housekeeping and life support services provided by e-Kurashi Co., Ltd. are very attractive. Chubu Electric Power should publicize the services more vigorously by taking advantage of its brand power.

VOICE Jitsuko Takai

Nagoya Call Center, Customer Service & Sales Department, Customer Service Division

Catering to customers' requests on the phone even at night and on holidays

The main task of Call Centers is to receive various requests and respond to inquiries from customers on the phone. We operators at Call Centers located in Nagoya and Gifu meet customers' requests to, for example, start/stop the use of electricity at the time of house-moving and answer inquiries about electricity charges and usage.

The total number of inbound calls received at the two Call Centers in fiscal 2014 was about 2.2 million. In March alone, the peak month of house-moving, the number of inbound calls reached about 250,000. The operators are therefore trained intensively to be able to meet customers' requests accurately and promptly. We are also working hard to raise the level of service by, among other things, maintaining a high response rate. The Call Centers also started 24-hour operations in July 2014 including nighttime and holidays. Because customer inquiries are expected to become increasingly diversified, we will work even harder to meet an even wider range of customer needs.

Fulfilling Our Role as a Member of Local Communities

The Chubu Electric Power Group values communication with local residents and strives to meet their expectations, and engages in a variety of activities as a member of society to contribute to the sustainable development of communities.

▲ **Electrical experiment class provided as part of the Nagoya Saturday School Program**

Chubu Electric Power supported the Nagoya Saturday School Program organized by the Nagoya City Board of Education for elementary school children by offering an electrical experiment class. Children have learned how hard it is to generate electricity and the importance of saving energy.

▼ **Tour of the Okuyahagi Daiichi Hydroelectric Power Station**

After receiving a briefing about the power station conducted using panel displays, children of the Tajimi City Shonen Shojo Hatsumei Club (Invention and Innovation Children's Club) toured around the power station to see a generator and other facilities and learn how electricity is generated.

Traveling Classes and Study Tours

Chubu Electric Power offers "traveling classes" at elementary and junior high schools with its employees serving as instructors. These classes include those designed to study the mechanisms of power generation through electrical experiments, clarify questions concerning radiation, and learn the importance of energy and environmental conservation. The classes have earned a good reputation for being inspiring and easy to understand.

We also offer study tours to customer service offices, power plants, substations, and other facilities to introduce various activities and roles undertaken by the Company.

➡ See page 80

Traveling Classes	499 classes	21,111 participants
Study Tours	546 tours	15,755 participants

■ Major activities in fiscal 2014 and goals and plans for 2015

	Goals and plans for FY 2014	Major activities for FY 2014	Evaluation	Goals and plans for FY 2015
Fulfilling Our Role as a Member of Local Communities	Continue social contribution according to the Basic Corporate Citizenship Policies of the Chubu Electric Power Group.	Various activities were carried out centering around the key areas of "Ensuring Local Welfare and Peace of Mind," "Environmental Conservation," "Educating the Next Generation," and "Cultural and Sports Activities."	○	Continue social contribution according to the Basic Corporate Citizenship Policies of the Chubu Electric Power Group.

Evaluation Criteria: ○ : The measure was implemented as planned, achieving satisfactory results.
△ : The measure was implemented as planned, but the goal was not achieved or unresolved issues remain.
× : The measure was not implemented as planned.

1 Checking of electrical facilities at elderly care centers (implemented by the Chubu Electrical Safety Services Foundation)

2 A utility pole with a sign directing to an evacuation site

3 Pamphlet of the school parents' network service "Kizuna Net"

Basic Corporate Citizenship Policies of the Chubu Electric Power Group

Based on the Chubu Electric Power Group CSR Declaration, the following Basic Corporate Citizenship Policies have been established.

The Chubu Electric Power Group will fulfill its responsibilities as a good corporate citizen by actively contributing to the sustainable development of local communities.

1. Value dialogue and partnership as we contribute to building better communities and society.
2. Take the initiative in support, not only through social contribution as a corporate group but also by respecting the voluntary efforts of employees.
3. Make the details of our corporate citizenship activities widely known and work for ongoing improvements.

<Key Areas>

● Ensuring local welfare and peace of mind ● Environmental conservation ● Education of the next generation ● Cultural and sports activities

Ensuring Local Welfare and Peace of Mind

Campaign on the Safe Use of Electricity

➡ Photo 1

During the "Safe Use of Electric Power Month" in August and the nationwide "Autumn Fire Prevention Campaign" in November, Chubu Electric Power's customer service offices and the Chubu Electrical Safety Services Foundation check electrical facilities at various cultural assets and electrical wiring at senior people's residences to prevent electric shocks, fires, secondary accidents, or other serious accidents from occurring.

Installation of Signs Directing to Evacuation Sites

➡ Photo 2

Since May 2011, CHUDENKOGYO Co., Ltd. has been installing signs directing people to nearby evacuation sites or tsunami evacuation buildings on utility poles with the approval of local governments and companies.

■ Number of signs installed (as of the end of March 2015)

Aichi Pref.	1,171	**Gifu Pref.**	249
Shizuoka Pref.	199	**Nagano Pref.**	772
Mie Pref.	594	**Total**	2,985

Security and Safety Information Services

➡ Photo 3

By capitalizing on its IT resources, Chubu Electric Power offers a spectrum of e-mail information services to deliver security and safety notices or warnings to local residents. Smart phone apps are also available. We will continue to improve and expand services even further.

■ "Kizuna Net" services Kizuna Net site: http://kizuna.chuden.jp

Service	Description	Number of users/service areas
School parents' network	Information on suspicious persons, notices on issuance of warnings that require children to leave school earlier than usual, and other emergency information are sent to parents of children in kindergarten and elementary, junior high, and senior high schools by mobile phone e-mail.	● Number of service user schools: approx. 1,000 ● Number of individual users: approx. 510,000
Disaster prevention	Evacuation advisory and evacuation preparation information issued within Nagoya City are sent by mobile phone e-mail.	● Number of individual users: approx. 39,000
Weather	Weather forecast, warnings on typhoons, heavy rains, and other abnormal weather conditions, and other weather-related information for regions including Aichi Pref., Gifu Pref., Mie Pref., Shizuoka Pref., and Nagano Pref. are sent by mobile phone e-mail.	● Number of individual users: approx. 37,000
Suspicious persons	Information on suspicious persons based on warnings from local governments and boards of education is sent by mobile phone e-mail.	● Service areas: Chiryu City, Ama City, Nishio City, and Tobishima Village in Aichi Prefecture; and Kawagoe Town and Tamaki Town in Mie Prefecture

4 A "green curtain" grown at Gifu Prefectural Gifu Sogo Gakuen High School

5 Tree-planting on the top of Mt. Gozaishodake (Komono Town, Mie Prefecture)

6 Sowing seeds on the grounds of the Central Japan International Airport

Environmental Conservation

Green Curtain ➡ Photo 4

Chubu Electric Power has been conducting a Green Curtain Campaign by giving away seeds for morning glory, bitter gourds, and other climbing plants to our customers at regional offices and PR exhibition facilities and encouraging customers to grow the plants to shade windows of their houses to keep the interior cool. These "green curtains" thus help reduce the use of energy in mid-summer.

The campaign, launched in 1992, has spread across the country and been adopted mainly for government facilities and schools. The objective of the campaign has also expanded beyond saving energy and become diversified to include, among others, creating opportunities for environmental education for the coming generations.

Memorial Tree-Planting Vouchers ➡ Photo 5

Since 2001, Chubu Electric Power has presented memorial tree-planting vouchers to the winning entrants of a lottery, in exchange for which they can receive a sapling on their designated memorial day. The objective of this activity is to encourage more and more people to develop a respect for nature through planting a tree and act in consideration of the environment.

The winners can choose from one of three options: (1) receiving a sapling for themselves; (2) giving a sapling to someone important to them; or (3) donating a sapling to a Japanese/overseas tree-planting organization. From fiscal 2013, an organization engaging in planting trees in the Hamadori area in Fukushima Prefecture and Rikuzentakata City in Iwate Prefecture, a city known for its "miracle lone pine tree" which survived the 2011 tsunami disaster, has been added to option (3) above as a means of supporting the reconstruction of the Tohoku region.

Participation in a Flower Bed Art Project Promoted by Aichi Prefectural Government ➡ Photo 6

Chuden Real Estate Co., Inc. takes part in a project to create a huge flowerbed artwork in the Central Japan International Airport. The project is planned and implemented by the NPO "Hana to Midori to Kenko no Machidukuri Forum" and subsidized by the Aichi Prefectural Government. Chuden Real Estate plays various roles in the project, such as providing guidance about wild flower landscaping techniques, organizing seed sowing events, and engaging in weeding.

The objective of the project is to draw a picture of a giant dragon with a line of flowers (one meter in width and 620 meters in total length) on the premises of the airport. A dragon has been chosen as the motif in connection with the Dragon Route project* currently underway. People can enjoy a view of the dragon drawn with flowers, which will bloom around autumn.

* A project developed through a public-private partnership in nine prefectures in the Chubu and Hokuriku regions with the aim of attracting foreign visitors to those regions

Stakeholder Dialogue

Exchanging Opinions with Female Customer Monitors and Female Engineering/Science Students

In order to maintain and enhance communication with female consumers, Chubu Electric Power plans and implements dialog sessions, tours of the Company's facilities, and other events specifically for women to share information on the Company's business and energy plans and listen to their opinions and requests.

In a dialog session with female customer monitors held in July 2014, we explained to 69 participants Japan's energy policies and the progress of our efforts to enhance the safety of the Hamaoka Nuclear Power Station. Many opinions were voiced, such as: "We want to know more about how workers on the site act (details of the chain of command, etc.) at the time of a disaster to maintain safety" and "Use plainer words, rather than technical terms, in PR activities."

▲ Exchanging opinions with engineering/ science students of the Tokyo City University

In December, we invited engineering/science students of the Tokyo City University to the Hamaoka Nuclear Power Station. After a tour of the power station, they exchanged opinions with employees working at the power station (see the above photo) and expressed how much their impressions of nuclear power changed. The students made comments such as: "I thought nuclear power was something difficult to understand and frightening, but my impression changed after gaining correct knowledge" and "I have learned how female workers in the power station work and live their lives." The active discussion between students and employees continued with topics expanding to include the employees' enthusiasm about working in nuclear energy and the way female workers work in the power station.

7 *Denki Kodomo* Series (wall newspaper)

8 Guidance on welding techniques for technical high school students

9 Participation in the Chikara Mochi Kotaro Fire Festival

Educating the Next Generation

Publication of a School Wall Newspaper, the *Denki Kodomo* (Electricity and Children) Series

➡ Photo 7

Since its foundation in 1951, Chubu Electric Power has been publishing a science-themed wall newspaper on a monthly basis and distributing it mainly to elementary schools, hoping to inspire interest among young students in learning about energy and other science topics. The monthly publication is designed to introduce various fields of natural science, using familiar scientific observations to capture children's interest and providing easy-to-understand descriptions combined with photos and illustrations.

Distributed to:
- Approximately 2,400 public elementary schools in the prefectures of Aichi, Gifu, Mie, Nagano and Shizuoka (western side of the Fujikawa River); and
- Approximately 700 local education boards, libraries and foster homes

Total: approx. 3,100 schools and facilities

VOICE Takuya Matsumoto — Teacher, Nagoya City Noda Elementary School

The theme of each issue is very interesting

At Noda Elementary School, the *Denki Kodomo* Series wall newspapers are put up on the walls of classrooms and hallways and talked about during morning classroom meetings and other occasions. The theme of each issue, which concerns each season and class subject, and the layout and design, which are attractive in the eyes of children, stimulate interest among children of different grades. We will continue to make use of the *Denki Kodomo* Series in classes and other activities.

Guidance on Welding Techniques for Technical High School Students

➡ Photo 8

In response to a request from the Aichi Welding Engineering Society (AWES), Chubu Plant Service Co., Ltd. provides guidance on welding techniques for students at technical high schools every year. In the sixth Aichi Prefecture Technical High School Student Welding Competition held on October 25, 2014, students for whom the guidance was given by employees of Chubu Plant Service won the first place in the category of shielded metal arc welding and first and second places in the category of CO_2-gas semi-automatic arc welding.

Partnerships with Universities

Chubu Electric Power is collaborating with universities to conduct research and various other projects that will assist local sustainable development.

University	Outline of partnership
Nagoya University	Installed the Funded Research Division of Energy Systems (1996 to March 2018) within the EcoTopia Science Institute. Also installed the Disaster Prevention in the Energy Supply Area Endowed Research Division (April 2012 to March 2017) within the Disaster Mitigation Research Center, to which two specialists needed for the research are on loan from the Company.
Mie University	Signed a comprehensive partnership agreement in fiscal 2005 as part of industry-academia collaboration to connect the university's education and research results and our business activities.
Aichi University of Education	Signed a memorandum concerning the establishment of partnership courses in fiscal 2006 with a view to enhancing educational activities on energy and the environment and assisting local sustainable development, mainly in Aichi Prefecture.
Shizuoka Sangyo University	Established a course in 2009 to provide the students of future generations with education on the conservation of energy and the global environment.
Shizuoka University University of Shizuoka Hamamatsu University School of Medicine	Signed a research partnership agreement in fiscal 2014 as part of an industry-academia collaboration with a view to contributing to the development of local communities and technological advancement for future electric power business based on the expertise and knowledge of each university, which span engineering, science, medicine, and other fields. The research partnership is also aimed at providing new value to local communities and electric power business.

Cultural and Sports Activities

Participation in the Local Chikara Mochi Kotaro Fire Festival in Summer

➡ Photo 9

Chubu Electric Power Hida Field Maintenance Construction Office has taken part in the Hida Chikara Mochi Kotaro Fire Festival in Osaka Town, Gero City, every year since it started based on a legend passed down through many generations in the town. The 36th festival in fiscal 2014 once again enlivened the town.

We will continue to actively participate in local events to strengthen our bonds with local communities and play a leading role in their vitalization.

Third-Party Review

Chubu Electric Power Company Group's Stance and Commitment toward Social Responsibility as Seen from the Viewpoint of the "Readability*" of its Annual Report 2015

Hidekazu Kurimoto
Doctor of Engineering, Vice Director, Planning & Evaluation Office
Professor, Institute of Liberal Arts and Sciences (ILAS). Also holding an appointment as Professor at the Graduate School of Environmental Studies and the School of Informatics and Sciences
Nagoya University
Chairman, Steering Committee, Chubu Quality Award Council

Integrated annual reports are an information medium indispensable for the assessment of a corporation's commitment to social responsibility. The reports disclose information on a corporation's activities. This is not limited to the corporation's financial activities, on which it tends to focus more, but also covers non-financial activities, functioning as an important means for the corporation to develop and maintain communication with citizens and society as a whole. For this reason, a corporation is required to disclose—in a form that is easy to understand for readers—how the activities and stance adopted by the corporation and other relevant entities within the corporation's group meet the expectations of its stakeholders, and deliver this information to stakeholders in an appropriate manner.

Chubu Electric Power implements (1) a survey on readers' comments on its reports; (2) research on best CSR practices of other organizations; (3) interviews with employees and workers of each regional office, field maintenance and construction office, and power plant; and (4) opinion exchanges with professors, securities analysts, auditing corporations, and other external experts. From this it is evident that the Company attaches importance to dialogue with customers, the market, employees, and local communities as its basic stance. It also clearly pursues the achievement of four core values for higher quality management activities including CSR practices: Customer First, Distinctive Capability, Emphasis on Employees, and Harmony with Society. This is praiseworthy, and the selection of the Company for the first time among electric power companies as one of the winners for the "Diversity Management Selection 100" program established by Japan's Ministry of Economy, Trade and Industry is one example of how well the Company is recognized by society.

To meet a diversity of expectations and requests from within and outside the Company, Chubu Electric Power clarifies in this report (1) major operational flows that constitute the foundation of the Company's energy business in order to provide an overall picture of the business activities; (2) where responsibility lies for major operations in a convincing way by introducing persons in charge and others engaging in the operations; and (3) the connection between the Company's CSR activities and the seven core subjects of ISO 26000 as well as the management cycle of "Goals and plans for FY 2014" → "Major activities for FY 2014" → "Evaluation" → "Goals and plans for FY 2015." It is apparent that the Company is continuously working earnestly to improve the readability of the report for all potential stakeholder readers.

Electric power generation is a social infrastructure business with a highly public nature and stakeholders include the general public, who has a variety of values and ways of thinking. This report is well-thought-out, with articles structured and activities organized with an order of priorities that reflects people's level of interest and the level of social importance. It also incorporates many ideas and helpful devices to enhance at-a-glance understandability and readability, such as the use of tables and figures, icons, easy-to-read fonts, and a clear color scheme. Descriptions of the historical background and the circumstances that have led to activities are also effective in demonstrating that Chubu Electric Power is a company that has grown with local communities.

The report accurately and clearly outlines the Company's corporate philosophy, issues it faces, and policies on how to address them in order to maintain safe and secure energy management, realize compliance which meets society's expectations for stable energy supply, and create a governance system for achieving consensus-building and decision-making under the government's energy policy and in the ever-changing electric power business environment. However, one issue for the future is how to make a reality of these philosophies and policies in each workplace. To do this requires the concerted efforts of the entire organization to add value that creates a competitive advantage.

The source of this capability should be diverse human resources. It is these which will lead to the creation of new value and sound growth, so I suggest that the Company focuses more on the development and use of such human resources. I also hope that the Company will continue to pursue and fulfill its social mission through its CSR activities.

* Readability means ease of reading (legibility) in the narrow sense. But in this article, readability is used as meaning ideas and helpful devices to make the content of the report easy to understand (easy to distinguish, easy to visually recognize, etc.) for stakeholder readers.

In response to the third party opinions

We are very grateful to have received the invaluable opinions of Professor Kurimoto. We are pleased that our efforts to continuously improve the readability of the report are evaluated highly. At the same time, it is pointed out that CSR management—such as the development and utilization of diverse human resources and the practice of the Company's Corporate Philosophy in the daily operations—is becoming even more important for us to achieve sustainable growth in the ever-changing business environment. We will take these opinions seriously and promote CSR activities even harder while carefully listening to the voices of stakeholders.

Hitoshi Mizutani
Executive Officer
General Manager of Corporate Planning & Strategy
Chubu Electric Power Co., Inc.

CSR Performance Indicators

				Units	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
CSR Management	Communication with Stakeholders	Institutional investors/analysts	Company briefing	sessions	2	3	3	2	**2**
			Facility tour	tours	2	2	6	4	**4**
		Private investors	Company briefing	sessions	2	0	3	2	**0**
		Individual shareholders	Facility tour	tours	10	20	15	14	**13**
Corporate Governance	Corporate Governance Structure	Development and operation of internal control		—	Generally developed and operated properly	Generally developed and operated properly	Generally developed and operated properly	Generally developed and operated properly	**Generally developed and operated properly**
Respecting Human Rights and Building a Great Place to Work	Promotion of Workforce Diversity	Hours worked per employee		hours	2,030	2,036	2,027	1,989	**2,009**
		Number of days taken as paid annual leave per person		days	14.5	15.2	14.2	14.4	**14.3**
		Number of persons taking childcare leave	Male	persons	12	11	6	6	**9**
			Female	persons	143	155	172	155	**157**
		Number of persons taking nursing care leave	Male	persons	6	3	1	1	**0**
			Female	persons	2	6	2	1	**3**
		Percentage of employees who are physically/mentally challenged*1		%	1.95	1.95	2.07	2.10	**2.26**
	Occupational Health and Safety and Health Management	Number of industrial accidents (Chubu Electric Power employees)*2		accidents	21	26	85	92	**79**
		Number of industrial accidents (Contractors)		accidents	63	50	50	41	**66**
Commitment to Environmental Conservation	Building a Low-Carbon Society	CO_2 emissions intensity (before reflecting CO_2 credits, etc.) (after reflecting CO_2 credits, etc.)		kg-CO_2/kWh	0.473 0.341	0.518 0.469	0.516 0.373	0.513 0.509	**0.497** *3
	Creating a Recycling Society*4	Amount of waste generated		10 thousand tons	179.2	165.4	156.7	160.2	**172.4**
		Amount of waste recycled		10 thousand tons	167.1	157.1	148.6	152.5	**168.2**
		Amount of external landfill waste		10 thousand tons	5.6	1.9	1.7	1.6	**2.1**
	Conserving the Local Environment	SOx emissions (Thermal power generation)		g/kWh	0.05	0.05	0.03	0.04	**0.03**
		NOx emissions (Thermal power generation)		g/kWh	0.08	0.08	0.08	0.08	**0.08**
Ensuring Compliance Management	Compliance	Number of queries received via the Helpline		queries	50	49	58	48	**53**
	Intellectual Property	Number of patent applications filed		applica-tions	85	52	65	44	**36**
		Number of patents owned		patents	775	776	807	712	**658**
	Fair and Equitable Transactions	Number of participants in procurement overview briefing		persons	430	Cancelled due to the disaster	536	546	**550**
		Number of inquiries received from suppliers		inquiries	93	111	89	95	**97**
Aiming to Be Customer-friendly	Working for Customer Satisfaction	Annual average of failure/outage time per household*5		minutes	3	35	46	13	**18**
		Number of calls received at the Call Center		One thou-sand calls	1,421	1,325	1,445	1,914	**2,191**
		Percentage of calls answered at the Call Center		%	88.1	97.9	97.2	96.8	**96.2**
Fulfilling Our Role as a Member of Local Communities	Educating the Next Generation	Number of traveling classes held		classes	458	418	408	381	**499**
		Number of study tours offered		tours	283	321	306	593	**546**

*1 The figures indicated are those as of June 1 in the next fiscal year.
*2 The definition of "accidents" at Chubu Electric Power was changed in fiscal 2012 from "when an employee receives continuous medical treatment" to "when an employee receives medical treatment."
*3 The CO_2 discharge rates reflecting the credits and so on according to the methods stipulated in the Law Concerning the Promotion of Measures to Cope with Global Warming are currently under calculation, and will be published as soon as they have been compiled.
*4 The figures above indicate the total value for member companies of the Chubu Electric Power Group Environmental Measures Committee.
*5 The number of failure/outage minutes in fiscal 2011 and 2012 are high due to the large number of typhoons that severely affected the region.

Five-Year Operating Statistics

The company's fiscal year (FY) is from April 1 to March 31 of the following year.

(GWh)

Electric Energy Sold			FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Customers Under Regulation		Electric Lighting	37,256	35,872	35,492	35,265	33,858
		Electric Power	6,695	6,359	6,124	5,984	5,667
	Total		43,951	42,231	41,616	41,249	39,525
Customers Under Liberalization		Commercial power	23,627	22,234	22,304	22,305	21,500
		Industrial power, etc.	63,333	63,432	62,632	63,516	63,050
	Total		86,960	85,666	84,936	85,821	84,550
Total Electric Energy Sold			130,911	127,897	126,552	127,070	124,075

Breakdown of Industrial Large-lot Demand Electric Energy Sold							(GWh)
Mining and Industry							
	Mining		47	47	41	42	40
	Manufacturing Industry	Foods	2,657	2,664	2,679	2,749	2,713
		Textiles	1,093	1,046	959	950	868
		Pulps and Papers	1,602	1,631	1,537	1,548	1,438
		Chemicals	2,758	2,898	2,865	2,694	2,688
		Oil and Coal Products	109	127	148	181	158
		Rubber	719	716	676	682	686
		Glass and Ceramics	2,604	2,657	2,519	2,461	2,392
		Steel	6,141	6,554	6,273	6,339	6,396
		Nonferrous Metals	1,530	1,409	1,327	1,334	1,347
		Machinery	20,178	20,250	20,501	21,273	21,509
		Others	5,484	5,447	5,304	5,411	5,360
		Subtotal	44,875	45,399	44,788	45,622	45,555
	Total		44,922	45,446	44,829	45,664	45,595
Others	Railways		2,673	2,633	2,569	2,600	2,604
	Others		3,245	3,245	3,259	3,249	3,059
	Total		5,918	5,878	5,828	5,849	5,663
Grand Total			50,840	51,324	50,657	51,513	51,258

Electric Energy Supplied					(GWh)
Internally-generated Power	123,723	127,965	130,838	128,639	126,175
Hydroelectric	8,776	9,297	7,846	7,828	8,718
Thermal	99,601	115,995	122,936	120,759	117,412
Nuclear	15,318	2,616	—	—	—
Renewable Energy	28	57	56	52	45
Interchanged, Purchased Power (Net)	19,594	12,336	7,465	10,371	9,050
Power Used for Pumped Storage	(978)	(1,336)	(1,163)	(986)	(707)
Total Electric Energy Supplied	142,339	138,965	137,140	138,024	134,518

Generating Capacity					(MW)
Hydroelectric	5,219	5,218	5,225	5,232	5,320
Thermal	23,969	23,969	25,159	24,506	25,082
Nuclear	3,617	3,617	3,617	3,617	3,617
Renewable Energy	23	31	31	31	39
Total Generating Capacity	32,828	32,835	34,032	33,386	34,058
Annual Peak Load (Three-day Average of Generating End)	26,982	25,015	24,574	25,635	23,840

Number of Employees					(number of persons)
Consolidated	29,583	29,774	30,847	30,888	30,848
Non-Consolidated	15,769	15,845	16,723	16,854	16,949

* The number of employee includes temporary employee (excluding limited term employees) from FY 2012.

Five-Year Financial Statistics (Consolidated)

(Millions of Yen)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
For the year ended March 31:					
Operating Revenues	2,330,891	2,449,283	2,648,994	2,842,186	3,103,603
Operating Income (Loss)	174,237	(37,667)	(14,483)	(60,651)	107,168
Ordinary Income (Loss)	146,274	(67,857)	(43,542)	(92,627)	60,206
Net income before taxes	135,138	(84,487)	(32,298)	(80,673)	83,414
Net Income (Loss)	84,598	(92,195)	(32,161)	(65,327)	38,795
Depreciation	284,046	289,451	276,544	278,705	271,849
Capital Investments	276,713	280,581	332,506	273,038	262,693
At the end of the year ended March 31:					
Total Assets	5,331,966	5,647,169	5,882,775	5,782,180	5,631,968
Net Assets	1,698,382	1,548,347	1,491,105	1,437,171	1,507,508
Shareholders' Equity*	1,660,130	1,511,259	1,453,782	1,401,066	1,468,917
Outstanding Interest-Bearing Debt	2,495,125	2,965,876	3,260,525	3,260,075	2,918,928
Per Share of Common Stock (Yen):					
Net Income (Loss)—Basic	111	(122)	(42)	(86)	51
Net Assets	2,191	1,995	1,919	1,849	1,940
Cash Dividends	60	60	50	0	10
Financial Indicators and Cash Flow Data:					
Shareholders' Equity Ratio	31	27	25	24	26
Cash Flows from Operating Activities	449,755	176,844	227,613	203,742	476,845
Cash Flows from Investing Activities	(336,055)	(247,073)	(330,603)	(266,619)	(282,781)
Cash Flows from Financing Activities	(105,088)	422,007	249,560	(23,905)	(344,088)
Cash and Cash Equivalents at End of Period	121,295	473,162	621,937	536,773	390,088

* Shareholders' Equity = Total Net Assets - Minority Interests

Management Discussion and Analysis of Operating Results, Financial Standing, and Cash Flows

Analysis of Operating Results

Electric Power Business

Electricity sales decreased to 124.1TWh, down 2.4% over the previous year, due to a decrease in air conditioning demand by lower temperature in this summer.

On the demand from customers under regulation, demand for electric lighting decreased by 4.0% to 33.9TWh due to a decrease in air conditioning demand by lower temperature in this summer and customers' energy saving effect. Demand for electric power decreased by 5.3% to 5.6TWh, due to a decrease in air conditioning demand by lower temperature.

On the demand from customers under liberalization, demand for commercial power decreased by 3.6% to 21.5 TWh, due to a decrease in air conditioning demand affected by lower temperature. Demand for industrial users decreased by 0.7% to 63.1TWh, because of a fall in production by materials industry, in spite of increase in production by machinery industry in first half of this fiscal year.

Electric Energy Sold (TWh, %)

	FY2014 (A)	FY2013 (B)	Change (A-B)	Change (A-B)/B
Demand from customers under regulation				
Electric lighting	33.9	35.3	(1.4)	(4.0)
Electric power	5.6	6.0	(0.4)	(5.3)
Subtotal	39.5	41.3	(1.8)	(4.2)
Demand from customers under liberalization				
Commercial power	21.5	22.3	(0.8)	(3.6)
Industrial power, etc.	63.1	63.5	(0.4)	(0.7)
Subtotal	84.6	85.8	(1.2)	(1.5)
Total	124.1	127.1	(3.0)	(2.4)

As to electricity power supply, hydroelectric power output increased by 0.9TWh from the previous fiscal year, thanks to higher water flow (flow rate: 104.6% in FY2014; 95.7% in FY2013), while the operation of all reactors at the Hamaoka Nuclear Power Station was suspended.

On the other hand, interchanged power and purchased power decreased by 1.4TWh over the previous fiscal year due to an increase in electricity sales volume to power exchange.

As a result, thermal power output decreased by 3.3TWh over the previous period.

Electric Energy Supplied (TWh, %)

	FY2014 (A)	FY2013 (B)	Change (A-B)	Change (A-B)/B
Internally generated				
Hydroelectric power	8.7	7.8	0.9	11.4
<flow rate>	<104.6>	<95.7>	<8.9>	
Thermal power	117.4	120.7	(3.3)	(2.8)
Nuclear power	–	–	–	–
<utilization rate>	<–>	<–>	<–>	
Renewable energy	0.1	0.1	(0.0)	(14.9)
Interchanged, Purchased power	9.0	10.4	(1.4)	(12.7)
Power used for pumped storage	(0.7)	(1.0)	0.3	(28.3)
Total	134.5	138.0	(3.5)	(2.5)

In terms of revenue, operating revenue increased by 238.9 billion yen to 2,799.3 billion yen over the previous fiscal year, due mainly to an increase in electricity sales revenues resulting from an electricity rate increase and an increase in fuel cost adjustment charge, in spite of decrease of electricity sales volume.

Operating expenses increased by 73.0 billion yen to 2,703.4 billion yen over the previous fiscal year, due mainly to an increase in fuel costs caused by a rise in fuel price.

As a result, we recorded operating income of 95.9 billion yen, a 165.9 billion yen change for the better compared with the previous fiscal year.

Other Businesses

Sales increased by 22.5 billion yen to 304.3 billion yen owning to an increase in sales from energy business.

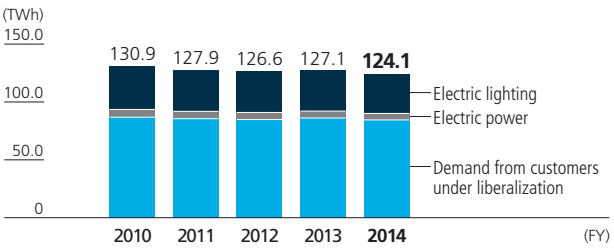
Operating expenses increased by 20.6 billion yen to 293.0 billion yen.

As a result, we recorded operating income of 11.3 billion yen, a 1.9 billion yen improvement compared with the previous fiscal year.

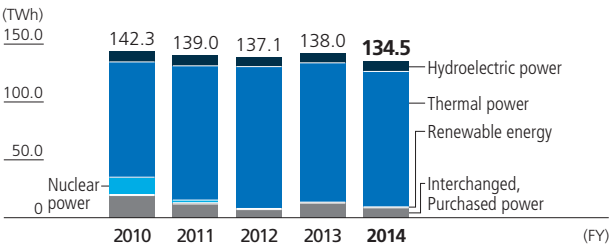
Ordinary Income (Loss)

Non-operating revenue decreased by 4.2 billion yen over the previous fiscal year to 15.9 billion yen. In combination with sales, the ordinary revenue in total increased by 257.2 billion yen over the previous fiscal year, to 3,119.5 billion yen.

Electric Energy Sold



Electric Energy Supplied



Meanwhile, non-operating expenses increased by 10.8 billion yen to 62.9 billion yen. Combined with operating expenses, total ordinary expenses increased by 104.4 billion yen year on year, to 3,059.3 billion yen.

As a result, we recorded ordinary income of 60.2 billion yen, a 152.8 billion yen change for the better compared with the previous fiscal year.

Net Income (Loss)

During this fiscal year, we posted 28.4 billion yen as extraordinary income, resulting from compensation of deficiency of our generation facilities. In addition to above, the reversal of deferred tax assets was reflected in the income tax-deferred as a result of the promulgation of the law concerning a decrease in the corporate tax rate.

For above and other reasons, net income increased by 104.1billion yen over the previous fiscal year to 38.8 billion yen.

Analysis of Financial Standing

(1) Assets

Noncurrent assets decreased to 4,713.1 billion yen, down 65.4 billion yen over the previous year, due to progress of depreciation.

Current assets decreased by 84.8 billion yen to 918.9 billion yen, due to decrease in short-term investments.

As a result of the above, total assets decreased by 150.2 billion yen to 5,632.0 billion yen compared with the previous year end.

(2) Liabilities

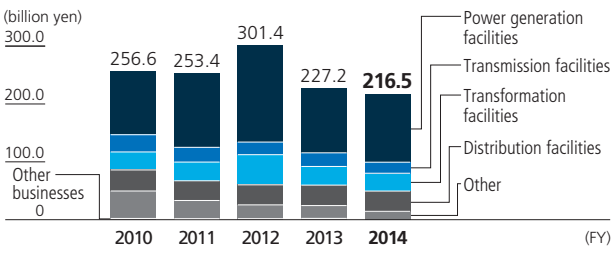
Total liabilities decreased by 220.5 billion yen from the end of the previous fiscal year to 4,124.5 billion yen, due to decrease of interest-bearing debt.

(3) Net Assets

Total net assets decreased by 70.3 billion yen from the end of the previous fiscal year to 1,507.5 billion yen due to such factor as net income.

As a result, the shareholders' equity ratio was 26.1%.

Capital Investments



Analysis of Cash Flows

Cash flow from operating activities increased to 476.8 billion yen, up 273.1 billion yen from the previous year, because of such factors as an increase in electricity sales revenues due to electricity rate increase and fuel cost adjustment charge.

Cash outflow from investment activities increased by 16.2 billion yen over the previous fiscal year to 282.8 billion yen, because payments for investments and other long-term assets exceeded proceed from investments and other long-term assets in the current fiscal year, although purchase of noncurrent assets decreased.

As a result, free cash flow improved by 256.9 billion yen from the previous fiscal year to 194.1 billion yen.

Cash flow from financing activities increased by 320.2 billion yen over the previous fiscal year to -344.1 billion yen due to such factors as a decrease in proceeds from long-term loans payable and an increase in expenses for repayment of long-term loans payable.

Consequently, the amount of cash and cash equivalents at end of fiscal year under review decreased by 146.7 billion yen from the end of previous fiscal year.

Furthermore, total outstanding interest-bearing debt at end of fiscal year under review decreased by 341.1 billion yen from end of previous fiscal year to 2,918.9 billion yen.

Capital Investments

In the electric power business, capital investments amounted to ¥216.6 billion in the fiscal year ended March 31, 2015 as a result of our efforts to pursue a maximum level of management efficiency, including procurement cost reduction by increasing competitive tendering when placing orders, while securing a stable supply of electric power and public security.

Regarding other businesses, capital investment amounted to ¥46.1 billion, including ¥15.5 billion for the energy business and ¥30.6 billion for other businesses. The aggregate amount of capital investments of the Group as a whole totaled ¥262.7 billion.

(Reference)
Fiscal 2014 Capital Investments (Consolidated)

(billion yen)

Item	
Electric power business	
Power Generation Facilities	116.9
Power Transmission Facilities	
Transmission Facilities	19.1
Transformation Facilities	30.9
Distribution Facilities	35.0
Total	85.0
Other	14.7
Total	216.6
Other Businesses	
Energy Business	0
Other	0
Total	0
Grand Total	216.6

* The above figures do not include consumption tax.

Business and Other Risks

Of all the variables affecting the Chubu Electric Group's performance and financial standing, the primary factors most likely to have a major effect on investors' decisions are listed below.

Forward-looking statements in this report are based on facts and conditions as of the date of this report (in July 2015). Actual results may differ, affected by the government's future energy policy and revision of electricity business system.

(1) Risks of the economic environment

<1> Economic and weather conditions

In the electric power business, which is at the core of the Chubu Electric Group's business, the volume of electricity sales fluctuates due to economic and temperature, and consequently, the performance of the Chubu Electric Group could potentially be affected.

In addition, the amount of yearly precipitation affects the amount of hydro electric power output, which impacts our power-generating costs. Chubu Electric, however, has set aside a reserve for fluctuation in water levels, which allows the company to make a certain adjustment against such impact within balance of the reserve, thus limits the effect on performance.

<2> Changes in fuel prices, etc.

As Chubu Electric Group depends on imports of such fuels as liquefied natural gas (LNG), coal and crude oil from overseas, fuel expenses in electricity businsess could be affected by fuel prices and fluctuations in the currency exchange market. However, since the fluctuations of fuel prices within certain range could potentially be reflected in electricity rates under "Fuel-cost Adjustment System", the impact of these factors on performance should be mitigated.

Meanwhile, performance of the Chubu Electric Group could also potentially be affected by the fluctuation in fuel expenses in the cases where: fuel becomes difficult to procure, for example, because of fluctuating supply and demand, supplier facility and/or operational issues, or changes in the political situation.

<3> Changes in interest rates

The balance of interest-bearing debts at the Chubu Electric Group stood at 2,918.9 billion yen at the end of March 2015, an amount equivalent to 51.8% of our total assets. Interest payments on this debt are susceptible to market interest rates, and thus, the group's performance could potentially be affected.

Of these interest-bearing debts, however, 88.0% comes from long-term funds (bonds and long-term loans), and most of these funding were procured at fixed interest rates. So the effect of interest rate changes is considered limited.

Part of the corporate pension plan assets, held by our group, could potentially affect the group's performance as their market value fluctuates in tandem with movements in stock prices and interest rates, among other factors.

(2) Risks associated with Chubu Electric Group business activities

<1> Suspension of electricity generating facilities

The Company has suspended operation of all reactors at the Hamaoka Nuclear Power Station. Based on the new regulatory standards, we have currently been implementing countermeasures steadily, while undergoing the Nuclear Regulation Authority's review to verify compliance with the new regulatory standards for Reactor No. 3 and No.4. The countermeasure work for Reactor No. 4 and No. 3 are estimated to be completed around September 2016 and around September 2017, respectively.

Although there is a possibility that we will be required to take a new look at the countermeasure work or conduct additional work along with the progress of the Nuclear Regulation Authority's review, we will aim for early completion of the countermeasure work by accurately grasping the progress of the Nuclear Regulation Authority's review and the latest knowledge to implement necessary measures in advance. In addition, as for Reactor No. 5, the Company has also continuously been examining all the necessary steps that need to be taken. Furthermore, the Company has enhanced disaster prevention system, put in place disaster prevention equipment, and promoted cooperation with the central government and local governments in which these reactors are located, with the aim of improving the disaster prevention measures further.

The Company is putting all its efforts into ensuring the stable supply of electricity after suspension of operation of all reactors at the Hamaoka Nuclear Power Station. Specifically, we have taken various measures to meet demand, such as continuous operation of aging thermal generators, while requesting our customers to save electricity. Our performance is expected to be affected by a substantial increase in fuel costs due to replacement of nuclear power with thermal power.

Providing the complete power supply system from power generation to distribution, the Chubu Electric Group strives to develop and maintain optimum facilities that ensure stable delivery of high quality electricity economically, while working to establish disaster-resistant systems by taking measures against large-scale earthquakes.

However, if supply facilities of the Company or other power companies from which we receive power supply are shut down because of a large-scale disaster, an accident or

terrorism and an obstacle to fuel procurement, our operational results may be affected.

<2> Nuclear power back-end costs, etc.

The back-end business of nuclear power takes an extremely long time period and has many uncertainties. To prepare for the future backend costs, based on the rules set by the government, Chubu Electric has set aside provision for reprocessing of irradiated nuclear fuel and provision for preparation of the reprocessing of irradiated nuclear fuel.

Even so, the costs of nuclear fuel cycles, including back-end costs, may vary depending on regulatory reform, changes in estimates of future expenses (mandated and voluntary), and the operating status of reprocessing facilities. As a result, company performance may potentially be affected.

<3> Changes in the competitive environment

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

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

Furthermore, Tokyo Electric Power Company, Incorporated ("TEPCO") and Chubu Electric Power Co., Inc. jointly established a new company in April 2015, which implements a comprehensive alliance covering the entire energy supply chain from upstream investments and fuel procurement to power generation. In addition to new fuel procurement and fuel-related businesses, the new company will gradually expand the scope and scale of its businesses, including new construction and replacement of thermal power plants in Japan and new overseas power generation businesses. Meanwhile, both companies will continue examining the integration of their existing thermal power stations into the new company. Since we formed the alliance with the aim to accelerate our conventional growth strategy, we believe the alliance will increase our growth opportunities. However, our business performance may be affected by the specific development of the new company.

<4> Regulatory amendments for global environment protection, etc

Global warming issues have caught more attention from global society. The group has recognized growing importance to contribute to the achievement of "low carbon society" through taking measures actively toward reduction of CO_2 emission in electric power business.

Based on above recognition, the group has established the "Chubu Electric Power Group Basic Environmental Policy". Under its detailed protocol designated as "Action Plan", the group is working systematically to use resources efficiently and reduce the burden on the environment. However, the group's performance could potentially be affected by the future trend of tightening environmental regulations, among other factors.

<5> Businesses other than electric power

The Chubu Electric Group focuses on electricity, gas and on-site energy supply as its core business areas. We are engaged in a wide range of businesses, including overseas energy business, taking advantage of our accumulated know-how in domestic businesses, constructions for expanding and securing electricity-related facilities, and manufacturing of materials and equipment for our core businesses. These businesses are subject to changing business environments, including increasing competition with other enterprises, and could potentially affect performance if they fail to produce the results expected by the Chubu Electric Group.

(3) Other risks

<1> Compliance

The Chubu Electric Group strives for strict compliance by establishing the Chubu Electric Group Compliance Basic Policy, which relates to compliance with laws, regulations and social rules.

If any event against compliance occurs within or in connection with the organization, the reputation of the Chubu Electric Group may be damaged and its operational results may be adversely affected.

<2> Information leaks

The Chubu Electric Group comply with the relevant laws, maintains internal systems and establishes rules on information handling to ensure proper management of personal and other critical information. We have also increased information system security as well as employee training for this purpose.

However, in case information leak occurs and the direct cost of responding to the situation and loss of public trust in the Group arises, the group performance could potentially be affected.

Consolidated Balance Sheets

Chubu Electric Power Company, Incorporated and Subsidiaries as of March 31, 2015 and 2014

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2015	March 31, 2014	March 31, 2015
Property, Plant and Equipment:			
Property, plant and equipment, at cost	¥13,608,876	¥13,448,427	$113,265,718
Construction in progress	269,008	291,894	2,238,935
	13,877,884	13,740,321	115,504,653
Less:			
Contributions in aid of construction	(177,282)	(172,723)	(1,475,506)
Accumulated depreciation	(9,974,651)	(9,809,692)	(83,018,319)
	(10,151,933)	(9,982,415)	(84,493,825)
Total Property, Plant and Equipment, Net (Notes 7 and 11)	3,725,951	3,757,906	31,010,828
Nuclear Fuel :			
Loaded nuclear fuel	40,040	40,040	333,250
Nuclear fuel in processing	199,652	205,057	1,661,690
Total Nuclear Fuel	239,692	245,097	1,994,940
Investments and Other Long-term Assets :			
Long-term investments (Notes 8, 9 and 11)	324,297	288,757	2,699,101
Fund for reprocessing of irradiated nuclear fuel (Note 8)	192,683	204,946	1,603,687
Asset for retirement benefits (Note 12)	26,134	14,721	217,511
Deferred tax assets (Note 18)	191,556	256,580	1,594,307
Other (Note 11)	13,872	11,840	115,456
Allowance for doubtful accounts	(1,121)	(1,363)	(9,330)
Total Investments and Other Long-term Assets	747,421	775,481	6,220,732
Current Assets :			
Cash and deposits (Notes 6, 8 and 11)	160,592	140,574	1,336,596
Trade notes and accounts receivable (Note 8)	249,643	230,210	2,077,761
Allowance for doubtful accounts	(1,216)	(1,294)	(10,121)
Short-term investments (Notes 6 and 9)	250,081	414,091	2,081,407
Inventories (Note 10 and 11)	124,648	120,335	1,037,437
Deferred tax assets (Note 18)	50,336	22,816	418,943
Other (Note 11)	84,820	76,965	705,951
Total Current Assets	918,904	1,003,697	7,647,974
Total Assets (Notes 11 and 23)	¥5,631,968	¥5,782,181	$46,874,474

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)
	March 31, 2015	March 31, 2014	March 31, 2015
Long-term Liabilities :			
Long-term debt (Notes 8 and 11)	¥2,249,514	¥2,621,397	$18,722,547
Reserve for reprocessing of irradiated nuclear fuel	209,746	221,922	1,745,701
Reserve for preparation for reprocessing of irradiated nuclear fuel	16,021	15,405	133,342
Reserve for loss in conjunction with discontinued operations of nuclear power plants	21,663	22,769	180,300
Liability for retirement benefits (Note 12)	194,585	200,456	1,619,517
Asset retirement obligations (Note 14)	194,087	191,255	1,615,372
Other (Notes 11 and 18)	125,286	78,890	1,042,747
Total Long-term Liabilities	3,010,902	3,352,094	25,059,526
Current Liabilities:			
Current portion of long-term debt and other (Notes 8 and 11)	343,565	298,841	2,859,467
Short-term borrowings (Notes 8 and 11)	343,135	342,281	2,855,889
Trade notes and accounts payable (Note 8)	169,598	146,279	1,411,552
Income taxes payable and other	67,242	34,899	559,651
Other (Notes 8 and 14)	179,389	165,206	1,493,042
Total Current Liabilities	1,102,929	987,506	9,179,601
Reserve for Fluctuation in Water Levels	10,629	5,409	88,464
Total Liabilities	4,124,460	4,345,009	34,327,591
Commitments and Contingent Liabilities (Note 16)			
Net Assets (Note 17):			
Common stock	430,777	430,777	3,585,326
Capital surplus	70,777	70,777	589,072
Retained earnings	890,258	854,924	7,409,555
Treasury stock, at cost	(986)	(591)	(8,206)
Total Shareholders' Equity	1,390,826	1,355,887	11,575,747
Accumulated other comprehensive income:			
Net unrealized gains on available-for-sale securities	40,170	27,011	334,332
Net deferred losses on hedging instruments (Note 15)	(14,216)	(3,518)	(118,319)
Foreign currency translation adjustments	34,670	19,048	288,556
Accumulated adjustments for retirement benefits	17,467	2,639	145,377
Total Accumulated Other Comprehensive Income	78,091	45,180	649,946
Minority interests	38,591	36,105	321,190
Total Net Assets	1,507,508	1,437,172	12,546,883
Total Liabilities and Net Assets	¥5,631,968	¥5,782,181	$46,874,474

Consolidated Statements of Operatinons

Chubu Electric Power Company, Incorporated and Subsidiaries for the Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2015	March 31, 2014	March 31, 2015
Operating Revenues :			
Electricity	¥2,799,272	¥2,560,376	$23,298,144
Other	304,332	281,811	2,532,934
Total Operating Revenues (Note 23)	3,103,604	2,842,187	25,831,078
Operating Expenses:			
Electricity (Note 19)	2,703,401	2,630,447	22,500,217
Other	293,034	272,391	2,438,901
Total Operating Expenses	2,996,435	2,902,838	24,939,118
Operating Income (Loss) (Note 23)	107,169	(60,651)	891,960
Other (Income) Expenses :			
Interest expense	50,231	42,236	418,069
Solution received	(28,428)	-	(236,604)
Reversal of reserve for loss in conjunction with discontinued operations of nuclear power plants (Note 20)	-	(6,714)	-
Other, net	(3,268)	(10,259)	(27,200)
Total Other Expenses, Net	18,535	25,263	154,265
Income (Loss) Before Provision of Reserve for Fluctuation in Water Levels, Income Taxes and Minority Interests	88,634	(85,914)	737,695
Provision (Reversal) of Reserve for Fluctuation in Water Levels	5,220	(5,240)	43,446
Income (Loss) Before Income Taxes and Minority Interests	83,414	(80,674)	694,249
Income Taxes:			
Current	11,539	4,626	96,038
Deferred	31,302	(21,510)	260,525
Total Income Taxes	42,841	(16,884)	356,563
Income (Loss) Before Minority Interests	40,573	(63,790)	337,686
Minority Interests in Earnings of Subsidiaries	1,777	1,538	14,790
Net Income (Loss)	¥38,796	¥(65,328)	$322,896

	Yen		U.S. dollars (Note 1)
	March 31, 2015	March 31, 2014	March 31, 2015
Per Share of Common Stock:			
Net income (loss) - basic	¥51.21	¥(86.23)	$0.43
Cash dividends	10.00	0.00	0.08

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

Consolidated Statements of Comprehensive Income

Chubu Electric Power Company, Incorporated and Subsidiaries for the Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2015	March 31, 2014	March 31, 2015
Income (Loss) Before Minority Interests	¥40,573	¥(63,790)	$337,686
Other Comprehensive Income：			
Net changes in unrealized gains on available-for-sale securities	14,025	8,193	116,729
Net changes in deferred (losses) gains on hedging instruments	(3,524)	1,575	(29,330)
Net changes in foreign currency translation adjustments	9,860	8,141	82,064
Adjustments for retirement benefits	16,117	-	134,141
Share of other comprehensive income of affiliates accounted for using equity method	(1,358)	11,906	(11,302)
Total Other Comprehensive Income (Note 21)	35,120	29,815	292,302
Comprehensive Income	¥75,693	¥(33,975)	$629,988
Comprehensive income attributable to:			
Owners of the parent	¥71,779	¥(36,333)	$597,412
Minority interests	3,914	2,358	32,576

Consolidated Statements of Changes in Net Assets

Chubu Electric Power Company, Incorporated and Subsidiaries for the Years Ended March 31, 2015 and 2014

		Shareholders' equity					Accumulated other comprehensive income						
	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 (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	Minority interests	Total net assets
		Millions of yen											
Balance at April 1, 2013	758,000,000	¥430,777	¥70,777	¥939,197	¥(515)	¥1,440,236	¥19,526	¥(8,819)	¥2,840	¥ -	¥13,547	¥37,322	¥1,491,105
Net loss	-	-	-	(65,328)	-	(65,328)	-	-	-	-	-	-	(65328)
Cash dividends	-	-	-	(18,944)	-	(18,944)	-	-	-	-	-	-	(18944)
Purchase of treasury stock	-	-	-	-	(80)	(80)	-	-	-	-	-	-	(80)
Disposal of treasury stock	-	-	-	(1)	4	3	-	-	-	-	-	-	3
Net changes other than shareholders' equity	-	-	-	-	-	-	7,485	5,301	16,208	2,639	31,633	(1,217)	30,416
Balance at March 31, 2014	758,000,000	¥430,777	¥70,777	¥854,924	¥(591)	¥1,355,887	¥27,011	¥(3,518)	¥19,048	¥2,639	¥45,180	¥36,105	¥1,437,172

		Millions of yen											
Balance at April 1, 2014		¥430,777	¥70,777	¥854,924	¥(591)	¥1,355,887	¥27,011	¥(3,518)	¥19,048	¥2,639	¥45,180	¥36,105	¥1,437,172
Cumulative effect of changes in accounting policies		-	-	¥(3,445)	-	¥(3,445)	-	-	-	-	-	¥(953)	¥(4,398)
Balance at April 1, 2014 (Restated Balance)	758,000,000	¥430,777	¥70,777	¥851,479	¥(591)	¥1,352,442	¥27,011	¥(3,518)	¥19,048	¥2,639	¥45,180	¥35,152	¥1,432,774
Net Income	-	-	-	38,796	-	38,796	-	-	-	-	-	-	38,796
Purchase of treasury stock	-	-	-	-	(403)	(403)	-	-	-	-	-	-	(403)
Disposal of treasury stock	-	-	-	(2)	8	6	-	-	-	-	-	-	6
Change in scope of consolidation	-	-	-	(15)	-	(15)	-	-	-	-	-	-	(15)
Net changes other than shareholders' equity	-	-	-	-	-	-	13,159	(10,698)	15,622	14,828	32,911	3,439	36,350
Balance at March 31, 2015	758,000,000	¥430,777	¥70,777	¥890,258	¥(986)	¥1,390,826	¥40,170	¥(14,216)	¥34,670	¥17,467	¥78,091	¥38,591	¥1,507,508

		Thousands of U.S. dollars (Note 1)											
Balance at April 1, 2014		$3,585,326	$589,072	$7,115,473	$(4,919)	$11,284,952	$224,811	$(29,280)	$158,535	$21,964	$376,030	$300,499	$11,961,481
Cumulative effect of changes in accounting policies		-	-	$(28,672)	-	$(28,672)	-	-	-	-	-	$(7,932)	$(36,604)
Balance at April 1, 2014 (Restated Balance)		$3,585,326	$589,072	$7,086,801	$(4,919)	$11,256,280	$224,811	$(29,280)	$158,535	$21,964	$376,030	$292,567	$11,924,877
Net Income		-	-	322,896	-	322,896	-	-	-	-	-	-	322,896
Purchase of treasury stock		-	-	-	(3,354)	(3,354)	-	-	-	-	-	-	(3,354)
Disposal of treasury stock		-	-	(17)	67	50	-	-	-	-	-	-	50
Change in scope of consolidation		-	-	(125)	-	(125)	-	-	-	-	-	-	(125)
Net changes other than shareholders' equity		-	-	-	-	-	109,521	(89,039)	130,021	123,413	273,916	28,623	302,539
Balance at March 31, 2015		$3,585,326	$589,072	$7,409,555	$(8,206)	$11,575,747	$334,332	$(118,319)	$288,556	$145,377	$649,946	$321,190	$12,546,883

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

Consolidated Statement Cash Flows

Chubu Electric Power Company, Incorporated and Subsidiaries for the Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2015	March 31, 2014	March 31, 2015
Cash Flows from Operating Activities :			
Income (loss) before income taxes and minority interests	¥83,414	¥(80,674)	$694,249
Adjustments for:			
Depreciation and amortization	271,850	278,705	2,262,588
Decommissioning costs of nuclear power units	4,546	2,155	37,836
Loss on disposal of property, plant and equipment	8,927	8,243	74,299
Net change in liability and asset for retirement benefits	(1,381)	(5,856)	(11,494)
Decrease in reserve for reprocessing of irradiated nuclear fuel	(12,176)	(13,300)	(101,340)
Increase in reserve for preparation for reprocessing of irradiated nuclear fuel	616	592	5,127
Decrease in reserve for loss in conjunction with discontinued operations of nuclear power plants	(1,106)	(8,356)	(9,205)
Increase (decrease) in reserve for fluctuation in water levels	5,220	(5,240)	43,446
Interest and dividend income	(6,773)	(6,916)	(56,371)
Interest expense	50,231	42,236	418,069
Solution received	(28,428)	-	(236,604)
Decrease in fund for reprocessing of irradiated nuclear fuel	12,263	11,878	102,064
Increase in trade notes and accounts receivable	(19,413)	(28,844)	(161,573)
(Increase) decrease in inventories	(4,334)	12,558	(36,072)
Increase (Decrease) in trade notes and accounts payable	23,323	(18,175)	194,116
Other	107,700	51,286	896,379
Subtotal	494,479	240,292	4,115,514
Interest and dividends received	9,366	9,943	77,952
Interest paid	(51,466)	(42,376)	(428,348)
Solution package received	28,428	-	236,604
Income taxes paid	(3,962)	(4,117)	(32,975)
Net Cash Provided by Operating Activities	476,845	203,742	3,968,747
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	(260,347)	(268,091)	(2,166,849)
Payments for investments and other long-term assets	(126,054)	(235,354)	(1,049,138)
Proceeds from investments and other long-term assets	100,818	243,408	839,101
Proceeds from purchases of investments in subsidiaries resulting in change in scope of consolidation	29	458	241
Proceeds from sales of investments in subsidiaries resulting In change in scope of consolidation	29	-	241
Other	2,744	(7,041)	22,838
Net Cash Used in Investing Activities	(282,781)	(266,620)	(2,353,566)
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds	79,737	19,934	663,645
Redemption of bonds	(282,800)	(166,000)	(2,353,724)
Proceeds from long-term borrowings	49,648	210,322	413,217
Repayment of long-term borrowings	(189,918)	(67,139)	(1,580,674)
Proceeds from short-term borrowings	365,756	369,381	3,044,161
Repayment of short-term borrowings	(363,833)	(367,019)	(3,028,156)
Purchase of treasury stock	(84)	(80)	(699)
Dividends paid	(118)	(18,970)	(982)
Dividends paid to minority shareholders	(578)	(482)	(4,811)
Other	(1,898)	(3,852)	(15,797)
Net Cash Used in Financing Activities	(344,088)	(23,905)	(2,863,820)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,338	1,620	27,782
Net Decrease in Cash and Cash Equivalents	(146,686)	(85,163)	(1,220,857)
Cash and Cash Equivalents at Beginning of the Year	536,774	621,937	4,467,532
Cash and Cash Equivalents at End of the Year(Note 6)	¥390,088	¥536,774	$3,246,675

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 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 as required by the provisions set forth in the Japanese Corporate Law, the Financial Instruments and Exchange Law of Japan, the accounting regulations applicable to the electric power industry 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 ("IFRS").

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 Company maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the consolidated financial statements and notes thereto present the arithmetic results of translating yen amounts into U.S. dollar amounts on a basis of ¥120.15 to U.S. $1.00, the prevailing exchange rate at the fiscal year-end. 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 Japanese yen have been or could readily be converted, realized or settled in U.S dollars at the above rate or at any other rate.

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 affiliates 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 at March 31, 2015 and 2014 was as follows:

	March 31, 2015	March 31, 2014
Subsidiaries:		
Domestic	26	26
Overseas	25	22
Affiliates	44	39

The Company's overseas subsidiaries close their books at December 31, three months earlier than the Company and its domestic subsidiaries. Chubu Energy Trading Singapore Pte. Ltd. closes its books at March 31 for consolidation reporting purposes and the Company consolidates the financial statements at March 31. The Company consolidates the financial statements of the other 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 financial statements of significant overseas subsidiaries are prepared in accordance with either IFRS or U.S. generally accepted accounting principles, with adjustments for the specified five items as required by "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" and "Practical Solution on Unification of Accounting Policies Applied to Affiliates Accounted for by the Equity Method" issued by the Accounting Standards Board of Japan ("ASBJ").

(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.

(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 "trading," "held-to-maturity" 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 and losses on these securities are reported as accumulated other comprehensive income, 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 loss through write-downs when a decline in fair value is deemed other than temporary. The cost of securities is computed by the moving average method.

(e) Derivatives and hedge accounting

Derivatives are valued at fair value if hedge accounting is not appropriate or when 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 the hedging instruments are carried as accumulated other

comprehensive income on the balance sheet and the net changes are recognized as other comprehensive income on the consolidated statements of comprehensive income until the losses and gains 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 in Japan, interest rate swaps are not valued at fair value. Rather, the net amount received or paid is added to or deducted from the interest expense on the hedged items if certain conditions are met. With the exception of a subsidiary engaged in fuel trading, the Chubu Electric Group enters into derivative transactions only with respect to assets and liabilities generated through the Chubu Electric Group's operations and to hedge exposure to fluctuations in exchange rates, interest rates and fuel prices.

(f) Inventories

Inventories consist of fuel, materials, supplies and construction work-in-process. Fuel is stated at the lower of cost, determined principally by the periodic average method or net realizable value.

(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) Reserve for reprocessing of irradiated nuclear fuel

Until March 31, 2005, 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 reserve 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 the electric power industry (Ordinance No. 57 of the Ministry of International Trade and Industry, 1965). Subsequently, expenses related to back-end businesses 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 the reprocessing actually planned.

Because of 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 March 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 is being treated as operating expense allocated using the straight-line method over 12 years from the year ended March 31, 2009. The unrecognized difference from this estimate amounted to ¥41,242 million ($343,258 thousand) and ¥49,491 million at March 31, 2015 and 2014, respectively.

The Company provides for the cost estimated for reprocessing spent fuel with a specific reprocessing plan from the fiscal year following the period in which it is generated, in accordance with the accounting regulations applicable to the electric power industry. The unrecognized difference from this estimate amounted to a debit balance of ¥71,458 million ($594,740 thousand) and a credit balance of ¥10,352 million at March 31, 2015 and 2014, respectively.

(i) 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 for reprocessing. The amount of reserve recorded for a particular year, including the years ended March 31, 2015 and 2014, is the amount recognized as attributable to that period.

(j) Reserve for loss in conjunction with discontinued operations of nuclear power plants

In the years ended March 31, 2015 and 2014, 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.

(k) 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.

(l) Employee retirement benefits

To cover the payment of retirement benefits to employees, the difference between the amount of retirement benefit obligations and the value of plan assets has been recognized as a liability for retirement benefits (an asset for retirement benefits if the value of plan assets exceeds the amount of retirement benefit obligations).

(1) Method of allocation of estimated retirement benefits

To calculate retirement benefit obligations, the benefit formula basis is used to allocate estimated retirement benefits.

(2) Actuarial gains and losses and prior service cost amortized in expenses

Prior service cost is amortized using the straight-line method over certain periods (15 years for subsidiaries), which are within the average of the estimated remaining service years of the employees as of the year in which such cost arises. Actuarial gains and losses are amortized using the straight-line method (some subsidiaries use the declining balance method) over certain periods (3 years for the Company and 3 to 15 years for subsidiaries), which are within the average of the estimated remaining service years of the employees as of the year after such gains and losses arise (the year in which such gains and losses arise for some subsidiaries).

(m) 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.

(n) Research and development costs

Research and development costs included in operating expenses for the years ended March 31, 2015 and 2014 amounted to ¥9,342 million ($77,753 thousand) and ¥9,274 million, respectively.

(o) Income taxes

Income taxes are accounted for by the asset-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 be applied 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 promulgation date of the relevant law.

(p) 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 operations.

For financial statement items of the overseas subsidiaries and affiliates, 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 are reported in the consolidated balance sheets as foreign currency translation adjustments in accumulated other comprehensive income after allocating the portion attributable to minority interests, and the net change is recognized as other comprehensive income on the consolidated statement of comprehensive income.

(q) Per share information

Basic net income per share is computed by dividing 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 represent dividends declared as applicable to the respective year.

3. Changes in Accounting Policies

(a) Effective from the year ended March 31, 2014, the Company and its subsidiaries have applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 of May 17, 2012 (hereinafter, "Statement No. 26")) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 of May 17, 2012 (hereinafter, "Guidance No. 25")), except Article 35 of Statement No. 26 and Article 67 of Guidance No. 25, and actuarial gains and losses and past service costs that were yet to be recognized are recognized and the difference between retirement benefit obligations and plan assets are recognized as a liability for retirement benefits (an asset for retirement benefits if the value of plan assets exceed the amount of retirement benefit obligations).

In accordance with Article 37 of Statement No. 26, the effect of the change in accounting policies arising from the initial application is recognized in accumulated adjustments for retirement benefit in accumulated other comprehensive income. As a result of the application, a liability for retirement benefits in the amount of ¥11,234 million, an asset for retirement benefits in the amount of ¥11,436 million and accumulated other comprehensive income in the amount of ¥2,639 million and have been recognized at the end of the current fiscal year.

(b) The Company and its subsidiaries have applied Article 35 of the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 of May 17, 2012 (hereinafter, "Statement No. 26")) and Article 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 of March 26, 2015 (hereinafter, "Guidance No. 25")) from the current fiscal year, and have changed the determination of retirement benefit obligations and current service costs. In addition, the Company and it subsidiaries have changed the method of attributing expected benefit to periods from the straight-line method (the point based method for some subsidiaries) to the benefit formula basis and determining the discount rates. In accordance with Article 37 of Statement No. 26, the effect of changing the determination of retirement benefit obligations and current service costs has been recognized in retained earnings at the beginning of the current fiscal year. As a result of the application, the liability for retirement benefits decreased by ¥4,870 million ($40,535 thousand), the asset for retirement benefits decreased by ¥11,670 million ($97,134 thousand) and retained earnings decreased by ¥3,445 million ($28,673 thousand) at the beginning of the current fiscal year. In addition, operating income and income before income taxes and minority interests increased by ¥441 million ($3,671 thousand) in the current fiscal year.

4. Changes in Accounting Policies Which Are Difficult to Distinguish from Changes in Accounting Estimates

The asset retirement cost corresponding to the asset retirement obligations in relation to the decommissioning of specified nuclear power plants had been recorded in tangible fixed assets based on the estimated total cost of decommissioning the nuclear power plants and had been expensed based on the amount of electricity supplied by nuclear power generation in accordance with "Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Units" (Ordinance No. 30 of the Ministry of International Trade and Industry, May 25, 1989). However, on October 1, 2013, "Ministerial Ordinance for the Setting of Reserve for Decommissioning of Nuclear Power Units" (Ordinance No. 30 of the Ministry of International Trade and Industry, May 25, 1989) was revised after the enforcement of "Ministerial Ordinance for Partial Revision of the Accounting Rule for the Electricity Business" (Ordinance No. 52 of the Ministry of Economy, Trade and Industry, September 30, 2013). On

enforcement of the Ordinance, the depreciation method was changed from the above-mentioned method to the straight-line method over the period (the operational period plus the safe storage period). Consequently, operating loss, and loss before income taxes and minority interests for the fiscal year ended March 31, 2014 increased by ¥4,050 million compared with amounts that would have been reported under the previous method.

We had estimated the expected operation period to calculate the asset retirement obligations in relation to the decommissioning of specified nuclear power plants with the operational period that provides the basis for determining the estimated total amount of electricity generated. However, on enforcement of the Ordinance, the above-mentioned period was extended to the safe storage period. Consequently, asset retirement obligations and asset value equivalent to the amount of asset retirement obligations included in nuclear generating facilities decreased by ¥29,327 million compared with amounts that would have been reported under the previous method.

5. Additional Information

Following the enforcement of the Ordinance for Partial Revision of the Ordinance on Accounting at Electricity Utilities and Other Provisions (METI Ordinance No. 10 on March 13, 2015) ("Revised Ordinance"), the Ordinance on Accounting at Electricity Utilities and Other Provisions (METI Ordinance No. 57 on June 15, 1965) was revised on March 13, 2015. On and after the enforcement date, we are allowed to transfer or report book values of nuclear power facilities and expenses related to decommissioning of nuclear power stations to a suspense account related to the decommissioning of nuclear power stations, if their application for the decommissioning of a nuclear power station is approved by the METI Minister. After obtaining approval from the METI Minister, we are allowed to record the costs incurred for decommissioning measures as expenses. This change shall not be applied retroactively as provided by the Revised Ordinance. This change has no influence on our Group business performance.

6. 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 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Cash and deposits	¥160,592	¥140,574	$1,336,596
Time deposits with an original maturity of more than three months included in cash and deposits	(18,939)	(16,435)	(157,628)
Short-term investments with an original maturity of three months or less	248,435	412,635	2,067,707
Cash and cash equivalents	¥390,088	¥536,774	$3,246,675

7. Property, Plant and Equipment

The major classifications of property, plant and equipment at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Hydroelectric power production facilities	¥ 304,187	¥ 244,993	$ 2,531,727
Thermal power production facilities	654,724	665,629	5,449,222
Nuclear power production facilities	182,475	194,877	1,518,726
Transmission facilities	780,435	821,194	6,495,506
Transformation facilities	404,491	411,638	3,366,550
Distribution facilities	779,491	784,140	6,487,649
General facilities	112,200	114,339	933,833
Other electricity related to property, plant and equipment	12,664	7,151	105,401
Other property, plant and equipment	226,276	222,051	1,883,279
Construction in progress	269,008	291,894	2,238,935
Total	¥3,725,951	¥3,757,906	$31,010,828

Calculated according to the accounting principles and practices generally accepted in Japan, accumulated gains on the receipt of contributions in aid of real property construction deducted from the original acquisition costs amounted to ¥177,282 million ($1,475,506 thousand) and ¥172,723 million at March 31, 2015 and 2014, respectively.

8. Financial Instruments

(a) Items related to financial instruments

(1) Policy initiatives for financial instruments

The Chubu Electric Group raises funds for the equipment necessary to run its core electric power business through bond issues, bank loans and other means. Short-term working capital is secured principally through short-term borrowing and fund management is restricted to low-risk assets such as certificates of deposit.

Derivative transactions are used to manage risk arising from the Chubu Electric Group's operations and are not used for speculative purposes. A subsidiary engaged in fuel trading may enter into

derivative transactions for the purpose of ensuring a stable fuel supply to the Chubu Electric Group.

(2) Breakdown of financial instruments and associated risks

Short-term and long-term investments include certificates of deposit and shares in domestic companies acquired for aiding business operations or regional development and shares in overseas companies, bond holdings of subsidiaries and other instruments acquired for tapping into new earnings sources and other purposes. These securities, and bonds, etc. are exposed to risks arising from changes in market prices.

Reserve for reprocessing irradiated nuclear fuel comprises funds allocated under provisions of the Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations (Article 48, May 20, 2005).

Trade notes and accounts receivable are exposed to customer credit risks.

Most of the Chubu Electric Group's interest-bearing debt balance consists of bonds and long-term funds holdings from long-term borrowings principally for electric utility plant and equipment funding. However, related interest rate fluctuations have a minimal impact on earnings because most funds are raised at fixed interest rates.

Trade notes and accounts payable for operating debts are almost all due within one year.

Derivative transactions consist of foreign exchange forward contracts for meeting fuel supply obligations, commodity swaps and commodity options for the purpose of avoiding losses from future volatility in currency markets and fuel prices for fuel supplies and currency swaps and interest rate swaps for financial liabilities accompanied by fund raising in order to avoid losses from future volatility in currency markets and interest rates on financial liabilities. Hedging methods and hedging objectives in hedge accounting, hedging policies, effective valuation methods for hedges and other related items are described in Note 2(e), Summary of Significant Accounting Policies - Derivatives and hedge accounting. A subsidiary engaged in fuel trading enters into commodity forward contracts, commodity future contracts and commodity swaps transactions. Some trading positions are exposed to risks arising from fuel price volatility.

(3) Risk management system for financial instruments

1) Credit risk management

For trade accounts receivable arising from electricity bills, due dates and account balances are managed for each customer based on terms and conditions for electricity supply.

For derivative transactions, financial institutions and other enterprises with high credit ratings are selected and credit standing is assessed even after transaction contracts are completed. A subsidiary engaged in fuel trading manages credit risk by regularly assessing the credit information and fair value of the accounts of each counterparty.

2) Market risk management

For marketable securities, the fair value of the securities and the financial and operating conditions of the issuers are regularly assessed. Derivative transactions are enacted and managed based on the Company's internal rules established for authorizing trades and for managing and reporting them. A trade management department independently handles transactions and approves contract amounts (notional and other value) for each transaction by classification. For a subsidiary engaged in fuel trading, a management committee of the Company monitors approved transactions to ensure they are enacted according to agreed upon parameters. In addition, the subsidiary's transactions are strictly managed on a daily basis using Value at Risk (VaR) and other controls, and the subsidiary is in the process of building stronger frameworks for risk management.

3) Volatility risk management in financing

Financing plans are formulated and daily receipts and payments are validated for managing risk.

(4) Supplementary explanation of fair value for financial instruments

The fair value of financial instruments is based on market prices or reasonable alternative assessments if there is no market price. Since some variable factors are used in assessing value, the amounts calculated can change based on different assumptions that are applied. Derivative contract amounts noted below in "(b) Fair value of financial instruments" do not denote the market risk from the derivatives themselves. In addition, fair value and valuation gains and losses are reasonably quoted amounts based on market indicators for valuations and other measures. They are not necessarily amounts that would be received or paid in the future.

(b) Fair value of financial instruments

Differences between the valuation amounts of financial instruments as they appear on the consolidated balance sheets and their fair values as of March 31, 2015 and 2014 are shown below. Items with fair values that were extremely difficult to determine were not included (See Note 2).

As of March 31, 2015	Millions of yen		
	Carrying value	Fair value	Difference
Assets:			
(1) Marketable securities	¥ 345,067	¥ 342,251	¥ (2,816)
(2) Fund for reprocessing of irradiated nuclear fuel	192,683	192,683	–
(3) Cash and deposits	160,592	160,592	–
(4) Trade notes and accounts receivable	249,643	249,643	–
Liabilities:			
(5) Bonds*1	¥ 665,796	¥ 690,821	¥25,025
(6) Long-term borrowings*1	1,901,564	1,971,813	70,249
(7) Short-term borrowings	343,135	343,135	–
(8) Trade notes and accounts payable	169,599	169,599	–
(9) Derivative transactions*2	(3,677)	(3,677)	–

As of March 31, 2014	Millions of yen		
Assets:			
(1) Marketable securities	¥ 493,348	¥ 489,378	¥ (3,970)
(2) Fund for reprocessing of irradiated nuclear fuel	204,946	204,946	–
(3) Cash and deposits	140,574	140,574	–
(4) Trade notes and accounts receivable	230,210	230,210	–
Liabilities:			
(5) Bonds*1	¥ 868,586	¥ 908,716	¥40,130
(6) Long-term borrowings*1	2,041,734	2,097,140	55,406
(7) Short-term borrowings	342,281	342,281	–
(8) Trade notes and accounts payable	146,279	146,279	–
(9) Derivative transactions*2	1,470	1,470	–

As of March 31, 2015	Thousands of U.S. dollars		
Assets:			
(1) Marketable securities	$ 2,871,968	$ 2,848,531	$ (23,437)
(2) Fund for reprocessing of irradiated nuclear fuel	1,603,687	1,603,687	–
(3) Cash and deposits	1,336,596	1,336,596	–
(4) Trade notes and accounts receivable	2,077,761	2,077,761	–
Liabilities:			
(5) Bonds*1	$ 5,541,373	$ 5,749,655	$208,282
(6) Long-term borrowings*1	15,826,583	16,411,261	584,678
(7) Short-term borrowings	2,855,888	2,855,888	–
(8) Trade notes and accounts payable	1,411,561	1,411,561	–
(9) Derivative transactions*2	(30,600)	(30,600)	–

*1 (5) Bonds and (6) Long-term borrowings include scheduled redemptions within one year.
*2 The amounts denote net liabilities and obligations resulting from derivative transactions.

(Note 1) Methods for calculating the fair value of financial instruments, marketable securities and derivative transactions

(1) Marketable securities
The value of equity securities is determined from stock market prices and bonds from their market prices or prices quoted by financial institutions. The fair value of marketable securities settled in the short-term such as certificates of deposit are presented by their book prices because their market prices are almost equal to them. See Note 9, Marketable Securities and Investments Securities, for purposes of retaining holdings.

(2) Fund for reprocessing of irradiated nuclear fuel
Assets are allocated as stipulated under the Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations (Article 48, May 20, 2005). Redemptions must meet requirements under the Ministry of Economy, Trade and Industry's plans for redeeming funds for reprocessing irradiated nuclear fuel. Since the carrying value is based on the current value of assets that are scheduled to be redeemed in the future according to plans at the end of the consolidated accounting period, the fair value is derived from the carrying value.

(3) Cash and deposits and (4) Trade notes and accounts receivable
For cash and deposits, trade notes and accounts receivable, the carrying value is used for fair value because the accounts will be settled in the near future, meaning the fair value is largely equivalent to the carrying value.

(5) Bonds
Bonds with market prices are valued by the market price, and bonds without market prices are valued based on terms projected as if they were being newly issued. Some bonds are subject to special foreign exchange forward contracts in the allocation process. These are valued based on the same terms and conditions applied to derivative transactions.

(6) Long-term borrowings
The value of long-term borrowings is calculated using terms as if the borrowings were new loans. Some borrowings are subject to special foreign exchange forward contracts or interest rate swaps in the allocation process. These are valued based on the same terms and conditions applied to derivative transactions.

(7) Short-term borrowings and (8) Trade notes and accounts payable
For short-term borrowings and trade notes and accounts payable, the carrying value is used for these amounts because the accounts will be settled in the near future, meaning the fair value is largely equivalent to the carrying value.

(9) Derivative transactions
Refer to Note 15, Derivatives.

(Note 2) Financial instruments for which assessing fair value is extremely difficult to determine.

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Unlisted stocks, etc.	¥218,687	¥196,621	$1,820,117

These financial instruments do not have market prices and estimating their future cash flows would require considerable costs. Consequently, these securities are not included in "(1) Marketable securities" above.

(Note 3) Anticipated redemption schedule for monetary instruments and securities with maturity dates subsequent to the fiscal year-end.

	Millions of yen			
As of March 31, 2015:	Within 1 year	Over 1 year through 5 years	Over 5 years through 10 years	Over 10 years
Securities: Held-to-maturity debt securities: National and local government bonds, etc.	¥ 1,100	¥2,000	¥ –	¥ –
Corporate bonds	200	3,300	–	–
Other	–	1,999	400	–
Available-for-sale securities with maturity dates:				
Debt securities: National and local government bonds, etc.	–	–	–	–
Corporate bonds	–	215	107	245
Other	–	202	–	192
Other	247,900	–	–	–
Fund for reprocessing of irradiated nuclear fuel*	24,413	–	–	–
Cash and deposits	160,591	1	–	–
Trade notes and accounts receivable	249,613	30	–	–
Total	¥683,817	¥7,747	¥507	¥437

As of March 31, 2014:	Millions of yen			
Securities: Held-to-maturity debt securities: National and local government bonds, etc.	¥ 600	¥3,099	¥ –	¥ –
Corporate bonds	500	2,400	1,100	–
Other	100	1,998	200	850
Available-for-sale securities with maturity dates:				
Debt securities: National and local government bonds, etc.	–	–	–	–
Corporate bonds	–	–	325	237
Other	2	292	101	370
Other	412,000	–	–	–
Fund for reprocessing of irradiated nuclear fuel*	23,687	–	–	–
Cash and deposits	140,574	–	–	–
Trade notes and accounts receivable	230,203	7	–	–
Total	¥807,666	¥7,796	¥1,726	¥1,457

As of March 31, 2015:	Thousands of U.S. dollars			
Securities: Held-to-maturity debt securities: National and local government bonds, etc.	$ 9,155	$16,646	$ –	$ –
Corporate bonds	1,665	27,466	–	–
Other	–	16,638	3,329	–
Available-for-sale securities with maturity dates:				
Debt securities: National and local government bonds, etc.	–	–	–	–
Corporate bonds	–	1,789	891	2,039
Other	–	1,681	–	1,598
Other	2,063,254	–	–	–
Fund for reprocessing of irradiated nuclear fuel*	203,188	–	–	–
Cash and deposits	1,336,588	8	–	–
Trade notes and accounts receivable	2,077,511	250	–	–
Total	$5,691,361	$64,478	$4,220	$3,637

* Anticipated redemption of the funds for reprocessing of irradiated nuclear fuel over more than one year is not disclosed due to contract requirements and other considerations.

(Note 4) Anticipated redemption schedule for bonds, long-term borrowings and other interest-bearing debt subsequent to the fiscal year-end.

	Millions of yen					
As of March 31, 2015:	Within 1 year	Over 1 year through 2 years	Over 2 years through 3 years	Over 3 years through 4 years	Over 4 years through 5 years	Over 5 years
Bonds	¥110,000	¥124,500	¥ 40,000	¥122,050	¥100,000	¥ 169,260
Long-term borrowings	207,846	271,416	229,439	171,010	174,659	847,193
Short-term borrowings	343,135	–	–	–	–	–
Total	¥660,981	¥395,916	¥269,439	¥293,060	¥274,659	¥1,016,453

As of March 31, 2014:	Millions of yen					
Bonds	¥170,000	¥110,000	¥124,500	¥123,800	¥151,050	¥ 189,260
Long-term borrowings	118,924	206,332	269,902	248,616	205,419	992,541
Short-term borrowings	342,281	–	–	–	–	–
Total	¥631,205	¥316,332	¥394,402	¥372,416	¥356,469	¥1,181,801

As of March 31, 2015	Thousands of U.S. dollars					
Bonds	$ 915,522	$1,036,205	$ 332,917	$1,015,814	$ 832,293	$1,408,739
Long-term borrowings	1,729,888	2,258,976	1,909,605	1,423,304	1,453,675	7,051,128
Short-term borrowings	2,855,888	–	–	–	–	–
Total	$5,501,298	$3,295,181	$2,242,522	$2,439,118	$2,285,968	$8,459,867

9. Marketable Securities and Investments Securities

Held-to-maturity debt securities at March 31, 2015 and 2014 were as follows:

	Millions of yen		
As of March 31, 2015	Carrying value	Fair value	Difference
Securities whose fair value exceeds carrying value:			
National and local government bonds, etc.	¥3,100	¥3,191	¥ 91
Corporate bonds	3,500	3,627	127
Other	2,198	2,320	122
Subtotal	8,798	9,138	340
Securities whose carrying value exceeds fair value:			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	200	196	(4)
Subtotal	200	196	(4)
Total	¥8,998	¥9,334	¥336

As of March 31, 2014	Millions of yen		
Securities whose fair value exceeds carrying value:			
National and local government bonds, etc.	¥ 3,699	¥ 3,837	¥138
Corporate bonds	2,800	2,941	141
Other	2,298	2,422	124
Subtotal	8,797	9,200	403
Securities whose carrying value exceeds fair value:			
National and local government bonds, etc.	–	–	–
Corporate bonds	1,200	1,163	(37)
Other	850	754	(96)
Subtotal	2,050	1,917	(133)
Total	¥10,847	¥11,117	¥270

As of March 31, 2015	Thousands of U.S. dollars		
Securities whose fair value exceeds carrying value:			
National and local government bonds, etc.	$25,801	$26,559	$ 758
Corporate bonds	29,130	30,187	1,057
Other	18,294	19,309	1,015
Subtotal	73,225	76,055	2,830
Securities whose carrying value exceeds fair value:			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	1,665	1,631	(34)
Subtotal	1,665	1,631	(34)
Total	$74,890	$77,686	$2,796

Available-for-sale securities at March 31, 2015 and 2014 were as follows:

	Millions of yen		
As of March 31, 2015	Carrying value	Acquisition cost	Difference
Securities whose carrying value exceeds acquisition cost:			
Stocks	¥ 77,239	¥ 19,223	¥58,016
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	568	500	68
Other	394	367	27
Other	99	72	27
Subtotal	78,300	20,162	58,138
Securities whose acquisition cost exceeds carrying value:			
Stocks	1,095	1,272	(177)
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	248,474	248,478	(4)
Subtotal	249,569	249,750	(181)
Total	¥327,869	¥269,912	¥57,957

	Millions of yen		
As of March 31, 2014			
Securities whose carrying value exceeds acquisition cost:			
Stocks	¥ 58,565	¥ 18,181	¥40,384
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	562	499	63
Other	415	389	26
Other	–	–	–
Subtotal	59,542	19,069	40,473
Securities whose acquisition cost exceeds carrying value:			
Stocks	2,091	2,361	(270)
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	426	440	(14)
Other	412,677	412,685	(8)
Subtotal	415,194	415,486	(292)
Total	¥474,736	¥434,555	¥40,181

	Thousands of U.S. dollars		
As of March 31, 2015			
Securities whose carrying value exceeds acquisition cost:			
Stocks	$ 642,855	$ 159,992	$482,863
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	4,727	4,161	565
Other	3,279	3,055	225
Other	824	599	225
Subtotal	651,685	167,807	483,878
Securities whose acquisition cost exceeds carrying value:			
Stocks	9,114	10,587	(1,473)
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	2,068,032	2,068,065	(33)
Subtotal	2,077,146	2,078,652	(1,506)
Total	$2,728,831	$2,246,459	$482,372

Impairment loss on securities of ¥4,238 million ($35,274 thousand) and ¥15 million was recorded in the years ended March 31, 2015 and 2014, respectively.

10. Inventories

Inventories at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Merchandise and finished products	¥ 2,751	¥ 2,974	$ 22,896
Work-in-process	4,642	4,942	38,636
Raw materials and supplies	117,255	112,419	975,905
Total	¥124,648	¥120,335	$1,037,437

11. Long-term Debt and Short-term Debt

At March 31, 2015 and 2014, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Bonds:			
Domestic issue:			
0.566% to 4.0%, maturing serially through 2028	¥ 665,796	¥ 868,586	$ 5,541,373
Loans from the Development Bank of Japan, other banks and insurance companies, due through 2034	1,901,564	2,041,734	15,826,584
Lease obligations	24,780	14,025	206,242
Subtotal	2,592,140	2,924,345	21,574,198
Less current portion of long-term debt	(320,305)	(290,503)	(2,665,875)
Total	¥2,271,835	¥2,633,842	$18,908,323

At March 31, 2015 and 2014, 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 ¥410,561 million ($3,417,070 thousand) and ¥424,253 million, respectively, and for bonds (including those assigned under debt assumption agreements) of ¥1,245,970 million ($10,370,121 thousand) and ¥1,384,230 million, respectively. At March 31, 2015 and 2014, property, plant and equipment of certain subsidiaries pledged as collateral for some long-term debt amounted to ¥622 million ($5,177 thousand) and ¥701 million, respectively.

At March 31, 2015 and 2014, assets which were pledged as collateral for long-term loans from financial institutions to investees of certain subsidiaries consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Property, plant and equipment	¥ 4,332	¥ 3,774	$ 36,055
Construction in progress	7,283	3,152	60,616
Long-term investments	10,839	9,386	90,212
Other investments	50,003	40,428	416,171
Cash and deposits	2,610	5,056	21,723
Inventories	54	–	449
Other current assets	42	74	350

At March 31, 2015 and 2014, short-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Short-term borrowings	¥343,135	¥342,281	$2,855,889

Short-term borrowings consisted mainly of bank loans bearing an average interest rate of 0.341% per annum at March 31, 2015.

12. Employee Retirement Benefits

The Chubu Electric Group has defined benefit pension plans, lump-sum retirement benefit plans and defined contribution retirement plans. The Company may pay premium severance benefits to its retiring employees.

Employee retirement benefits at March 31, 2015 and 2014 were as follows:

Defined benefit plans

(a) Movement in retirement benefit obligations except for plans applying the simplified method

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Balance at the beginning of current period	¥577,375	¥582,081	$4,805,452
Cumulative effect of changes in accounting policies	6,800	–	56,596
Balance at the beginning of current period (Restated Balance)	584,175	582,081	4,862,048
Service cost	18,098	16,163	150,628
Interest cost	5,465	8,052	45,485
Actuarial loss	1,063	361	8,847
Benefits paid	(27,429)	(29,276)	(228,290)
Other	120	(6)	999
Balance at the end of current period	¥581,492	¥577,375	$4,839,717

(b) Movements in plan assets except for plans applying the simplified method

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Balance at the beginning of current period	¥396,079	¥386,457	$3,296,538
Expected return on plan assets	8,073	7,781	67,191
Actuarial gain	25,441	13,758	211,743
Contributions paid by the employer	9,807	9,925	81,623
Benefits paid	(22,012)	(21,843)	(183,204)
Other	1	1	8
Balance at the end of current period	¥417,389	¥396,079	$3,473,899

(c) Movement in liability for retirement benefits of defined benefit plans applying the simplified method

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Balance at the beginning of current period	¥4,439	¥4,439	$36,946
Retirement benefit costs	757	694	6,300
Benefits paid	(780)	(526)	(6,492)
Contributions paid by the employer	(70)	(167)	(583)
Other	2	(1)	17
Balance at the end of current period	¥4,348	¥4,439	$36,188

(d) Reconciliation from retirement benefit obligations and plan assets to liability (asset) for retirement benefits including plans applying the simplified method

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Funded retirement benefit obligations	¥ 413,800	¥ 401,883	$ 3,444,028
Plan assets	(418,718)	(397,436)	(3,484,960)
	(4,918)	4,447	(40,932)
Unfunded retirement benefit obligations	173,369	181,288	1,442,938
Total net liability for retirement benefits	168,451	185,735	1,402,006
Liability for retirement benefits	194,585	200,456	1,619,517
Asset for retirement benefits	(26,134)	(14,721)	(217,511)
Total net liability for retirement benefits	¥ 168,451	¥ 185,735	$ 1,402,006

(e) Retirement benefit costs

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Service cost	¥18,098	¥ 16,163	$150,628
Interest cost	5,465	8,051	45,485
Expected return on plan assets	(8,073)	(7,781)	(67,191)
Net actuarial gain and loss amortization	(1,517)	5,764	(12,626)
Prior service costs amortization	(35)	(10,684)	(291)
Retirement benefit costs based on the simplified method	758	695	6,309
Other	804	2,137	6,691
Total retirement benefit costs	¥15,500	¥ 14,345	$129,005

(f) Adjustments for retirement benefits

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Prior service costs amortization	¥ (35)	¥–	$ (291)
Net actuarial gain and loss amortization	22,856	–	190,229
Total balance	¥22,821	¥–	$189,938

(g) Accumulated adjustments for retirement benefits

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Past service costs that are yet to be recognized	¥ (176)	¥(210)	$ (1,465)
Actuarial gains and losses that are yet to be recognized	(22,733)	8	(189,205)
Total balance	¥(22,909)	¥(202)	$(190,670)

(h) Plan assets

(1) Plan assets comprises:

	March 31, 2015	March 31, 2014
Bond	54%	54%
General accounts of life insurance companies	27%	29%
Stock	14%	13%
Other	5%	4%
Total	100%	100%

(2) Long-term expected rate of return

Asset allocation, historical returns, operating policy, marketing trends and other have been considered in determining the long-term expected rate of return.

(i) Actuarial assumptions

The principle actuarial assumptions at March 31, 2015 and 2014 were as follows:

		March 31, 2015	March 31, 2014
Discount rate	(Company)	0.9%	1.4%
	(Subsidiaries)	0.7–1.3%	0.7–1.5%
Long-term expected rate of return	(Company)	2.0%	2.0%
	(Subsidiaries)	1.6–2.5%	0.5–2.5%

Defined contribution plans

Contributions to defined contribution plans required by the Company and its subsidiaries amounted to ¥3,274 million ($27,246 thousand) and ¥2,720 million at March 31, 2015 and 2014, respectively.

13. Lease Transactions

(a) Lessee

Future lease payments under non-cancelable operating leases at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Within 1 year	¥13	¥26	$108
Over 1 year	22	35	183
Total	¥35	¥61	$291

(b) Lessor

Future lease commitments to be received under non-cancelable operating leases at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Within 1 year	¥ 285	¥ 286	$ 2,372
Over 1 year	1,117	1,408	9,297
Total	¥1,402	¥1,694	$11,669

14. Asset Retirement Obligations

(a) Overview of Asset Retirement Obligations

Asset retirement obligations are recorded mainly in conjunction with measures to decommission specified nuclear power plants under the "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors" (Act No. 166 of June 10, 1957). The asset retirement cost corresponding to the asset retirement obligations in relation to the decommission of specified nuclear power plants is recorded in tangible fixed assets based on the estimated total cost of decommissioning nuclear power plants and is expensed based on the straight-line method over the period (the operational period plus the safe storage period) in accordance with "Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Plants" (Ordinance No. 30 of the Ministry of International Trade and Industry, May 25, 1989).

The asset retirement cost corresponding to the asset retirement obligations in relation to the decommissioning of specified nuclear power plants had been recorded in tangible fixed assets based on the estimated total cost of decommissioning the nuclear power plants and had been expensed based on the amount of electricity supplied by nuclear power generation in accordance with "Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Units" (Ordinance No. 30 of the Ministry of International Trade and Industry, May 25, 1989). However, on October 1, 2013, "Ministerial Ordinance for the Setting of Reserve for Decommissioning of Nuclear Power Units" (Ordinance No. 30 of the Ministry of International Trade and Industry, May 25, 1989) was revised after the enforcement of "Ministerial Ordinance for Partial Revision of the Accounting Rule for the Electricity Business" (Ordinance No. 52 of the Ministry of Economy, Trade and Industry, September 30, 2013). On enforcement of the Ordinance, the depreciation method was changed from the above-mentioned method to the straight-line method over the period (the operational period plus the safe storage period).

(b) Method for calculating monetary amounts of asset retirement obligations

With regard to the decommission of specified nuclear power plants, the monetary amount of asset retirement obligations is calculated based on a discount rate of 2.3% and the relevant period (the operational period plus the safe storage period) as prescribed by "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). If the monetary amount of asset retirement obligations calculated in accordance with 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) exceeds the monetary amount calculated by the aforementioned method, we will record the monetary amount calculated according to the Ministerial Ordinance as obligations.

(c) Net increase (decrease) in asset retirement obligations for the fiscal year

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Balance at beginning of year	¥191,261	¥221,339	$1,591,852
Reductions due to execution of asset retirement obligations	(2,423)	(3,047)	(20,166)
Amount arising from change in the discount period*	–	(29,327)	–
Other	5,249	2,296	43,687
Balance at end of year	¥194,087	¥191,261	$1,615,373

* Previously, the estimated useful life used for determining asset retirement obligation related to the decommission of specified nuclear power plants was the operating period used as the basis for calculating the estimated total amount of electricity generated. On and after the date of enforcement of the Ordinance regarding Partial Amendments, however, the relevant period has been changed to the operating period plus the additional safety storage period. As a result, the amount corresponding to the relevant impact of this change is stated.

15. Derivatives

The Chubu Electric Group enters into derivative financial instruments, including interest rate swaps, foreign exchange forward contracts, currency swaps, commodity future contracts, commodity swaps, commodity options and commodity forward contracts. The Chubu Electric Group's derivative financial instruments outstanding at March 31, 2015 and 2014 were as follows:

(a) Derivatives for which hedge accounting is not applied

	Millions of yen			
	Contract amount			Unrealized
As of March 31, 2015	Total	More than 1 year	Fair value	gains and losses
Commodity future contracts:				
Long position	¥ –	¥ –	¥ –	¥ –
Commodity swaps and options contracts:				
Receive floating, pay fixed	511	219	59	59
Commodity swaps:				
Receive floating, pay fixed	13,196	912	(1,401)	(1,401)
Receive fixed, pay floating	6,152	72	606	606
Commodity forward contracts:				
Long position	30,275	29,352	(298)	(298)
Short position	3,478	–	685	685
Total	¥ –	¥ –	¥ (349)	¥ (349)

As of March 31, 2014	Millions of yen			
	Contract amount			Unrealized gains and losses
	Total	More than 1 year	Fair value	
Commodity future contracts:				
Long position	¥ 31	¥ –	¥ (1)	¥ (1)
Commodity swaps and options contracts:				
Receive floating, pay fixed	803	511	283	283
Commodity swaps:				
Receive floating, pay fixed	21,326	662	(4,286)	(4,286)
Receive fixed, pay floating	17,621	278	3,214	3,214
Commodity forward contracts:				
Long position	6,377	–	(602)	(602)
Short position	4,459	–	725	725
Total	¥ –	¥ –	¥ (667)	¥ (667)

As of March 31, 2015	Thousands of U.S. dollars			
Commodity future contracts:				
Long position	$ –	$ –	$ –	$ –
Commodity swaps and options contracts:				
Receive floating, pay fixed	4,253	1,823	491	491
Commodity swaps:				
Receive floating, pay fixed	109,829	7,591	(11,661)	(11,661)
Receive fixed, pay floating	51,203	599	5,044	5,044
Commodity forward contracts:				
Long position	251,979	244,301	(2,480)	(2,480)
Short position	28,947	–	5,701	5,701
Total	$ –	$ –	$ (2,905)	$ (2,905)

(b) Derivatives for which hedge accounting is applied

As of March 31, 2015		Millions of yen		
		Contract amount		Fair value
		Total	More than 1 year	
General treatment:	Hedged items			
Foreign exchange forward contracts: Long position	Long-term investments in subsidiaries (forecasted transactions)	¥ 624	¥ –	¥ –
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	378,500	360,500	(7,449)
Receive fixed, pay floating	Long-term debt	50,000	50,000	4,168
Commodity swaps:				
Receive floating, pay fixed	Other operating expenses	5,565	2,742	(47)
Allocation of gain/loss on foreign exchange forward contracts and others:				
Currency swaps	Long-term debt	20,000	20,000	*
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	66,364	60,276	*
Total		¥ –	¥ –	¥ (3,328)

As of March 31, 2014		Millions of yen		
General treatment:	Hedged items			
Foreign exchange forward contracts: Long position	Long-term investments in subsidiaries (forecasted transactions)	¥ –	¥ –	¥ –
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	806,000	302,000	(5,872)
Receive fixed, pay floating	Long-term debt	50,000	50,000	4,926
Commodity swaps:				
Receive floating, pay fixed	Other operating expenses	8,390	5,565	3,083
Allocation of gain/loss on foreign exchange forward contracts and others:				
Currency swaps	Long-term debt	20,225	20,000	*
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	64,252	60,664	*
Total		¥ –	¥ –	¥ 2,137

As of March 31, 2015		Thousands of U.S. dollars		
General treatment:	Hedged items			
Foreign exchange forward contracts: Long position	Long-term investments in subsidiaries (forecasted transactions)	$ 5,194	$ –	$ –
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	3,150,229	3,000,416	(61,998)
Receive fixed, pay floating	Long-term debt	416,146	416,146	34,690
Commodity swaps:				
Receive floating, pay fixed	Other operating expenses	46,317	22,821	(391)
Allocation of gain/loss on foreign exchange forward contracts and others:				
Currency swaps	Long-term debt	166,459	166,459	*
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	552,343	501,673	*
Total		$ –	$ –	$(27,699)

*For the allocation method of currency swaps and special treatment of interest rate swaps, the fair value was included in fair value of the respective hedged items.
(Note) The fair value of derivative transactions is measured at quoted prices obtained from the financial institutions.

16. Contingent Liabilities

As of March 31, 2015 and 2014, contingent liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Guarantees of bonds and loans of companies and others:			
Japan Nuclear Fuel Limited	¥125,827	¥122,532	$1,047,249
Guarantees of housing and other loans for employees	76,240	83,550	634,540
The Japan Atomic Power Company	38,095	38,095	317,062
Other companies	36,113	40,036	300,566
Guarantees related to electricity purchase agreements for affiliates and other companies	9,501	12,506	79,076
The amount borne by other joint and several obligors out of joint and several obligations against the fulfillment of payment obligations associated with connection and supply contracts	1,665	1,894	13,858
Recourse under debt assumption agreements	580,160	515,620	4,828,631

17. Net Assets

The authorized number of shares of common stock without par value is 1,190 million. At both March 31, 2015 and 2014, the number of shares of common stock issued was 758,000,000. At March 31, 2015 and 2014, the number of shares of treasury stock held by the Chubu Electric Group was 667,268 and 385,894, respectively.

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 in which 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 consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. 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 nonconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

Since the Company posted a huge net loss for the year ended March 31, 2014, due mainly to an increase in fuel costs associated with the suspension of operations at all reactors at Hamaoka Nuclear Power, there was no year-end dividend or interim dividend.

At the annual shareholders' meeting held on June 25, 2015, the shareholders approved cash dividends amounting to ¥7,574 million ($63,037 thousand) or ¥10 per share. The appropriation was not recorded in the consolidated financial statements as of March 31, 2015. Such appropriations are recognized in the period in which they are approved by the shareholders.

18. Income Taxes

(a) The tax effects of temporary differences that give rise to deferred tax assets and liabilities at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Deferred tax assets:			
Liability for retirement benefits	¥ 57,029	¥ 63,106	$ 474,648
Tax loss carried forward	47,477	85,734	395,148
Depreciation	34,741	35,353	289,147
Asset retirement obligations	33,057	34,086	275,131
Depreciation of easement rights	24,260	23,325	201,914
Intercompany unrealized profits	18,162	18,460	151,161
Maintenance	17,461	5,113	145,327
Impairment loss on fixed assets	14,533	15,760	120,957
Other	83,501	79,392	694,973
Total gross deferred tax assets	330,221	360,329	2,748,406
Less valuation allowance	(42,056)	(42,859)	(350,029)
Total deferred tax assets	288,165	317,470	2,398,377
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	14,804	10,416	123,213
Asset retirement costs corresponding to asset retirement obligations	7,824	8,067	65,119
Asset for retirement benefits	7,350	4,384	61,173
Market valuation differences on subsidiaries	3,853	4,291	32,068
Reserve for special depriciation	4,236	3,862	35,256
Other	10,443	8,225	86,916
Total deferred tax liabilities	48,510	39,245	403,745
Net deferred tax assets	¥239,655	¥278,225	$1,994,632

At March 31, 2015 and 2014, deferred tax assets and liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Deferred tax assets:			
Noncurrent	¥191,556	¥256,580	$1,594,307
Current	50,336	22,816	418,943
Deferred tax liability:			
Noncurrent	2,238	1,170	18,627

(b) A reconciliation of the difference between the statutory income tax rate and the effective income tax rate for the year ended March 31, 2015 is set forth below.

	March 31, 2015	March 31, 2014
Statutory income tax rate	30.3%	–
Increase (decrease) due to:		
Reduction of deferred tax assets at the end of the period due to a change in tax rate	19.4%	–
Less valuation allowance	4.3%	–
Tax credit	(1.9%)	–
Other	(0.7%)	–
Effective income tax rate	51.4%	–

(Note) A reconciliation for the year ended March 31, 2014 was omitted because loss before income taxes and minority interests was recorded.

(c) Revision of the amount of deferred tax assets and deferred tax liabilities due to a change in income tax rates. Following the promulgation of the Act for Partial Amendment of the Income Tax Act (Act No. 9 on March 31, 2015), etc., the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities at the end of the fiscal year was changed. As a result and compared with the amounts that would have been reported without the change, net deferred tax assets decreased by ¥14,712 million ($122,450 thousand) while income taxes - deferred and other comprehensive income increased by ¥16,145 million ($134,377 thousand) and ¥1,352 million ($11,254 thousand), respectively.

19. Operating Expenses

Operating expenses in the electricity business for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Salaries	¥ 124,071	¥ 135,092	$ 1,032,634
Retirement benefits	12,326	10,293	102,588
Fuel	1,316,403	1,314,105	10,956,330
Maintenance	239,695	202,254	1,994,965
Subcontracting fees	87,928	113,141	731,818
Depreciation	253,825	262,110	2,112,568
Other	675,488	601,287	5,622,039
Subtotal	2,709,736	2,638,282	22,552,942
Adjustment	(6,335)	(7,835)	(52,726)
Total	¥2,703,401	¥2,630,447	$22,500,216

20. Reversal of Reserve for Loss in Conjunction with Discontinued Operations of Nuclear Power Plants

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 2. In the year ended March 31, 2014 , the difference between the estimate and actual amount was recognized as other income in connection with the conclusion of an agreement for processing some of the nuclear fuel.

21. Accounting Standards for Presentation of Comprehensive Income

Amounts reclassified as net loss is the current period that were recognized in other comprehensive income in the current or previous periods and the tax effects for each component of other comprehensive income were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
Net unrealized gains on available-for-sale securities:			
Increase during the year	¥18,350	¥11,746	$152,726
Reclassification adjustments	65	155	541
Subtotal, before tax	18,415	11,901	153,267
Tax expense	(4,390)	(3,708)	(36,538)
Subtotal, net of tax	14,025	8,193	116,729
Net deferred losses on hedging instruments:			
(Decrease) or increase during the year	(4,804)	5,103	(39,984)
Reclassification adjustments	(174)	(2,846)	(1,448)
Subtotal, before tax	(4,978)	2,257	(41,432)
Tax (expense) or benefit	1,454	(682)	12,102
Subtotal, net of tax	(3,524)	1,575	(29,330)
Foreign currency translation adjustments:			
Increase during the year	9,860	8,141	82,064
Subtotal, net of tax	9,860	8,141	82,064
Adjustments for retirement benefits			
Increase during the year	24,560	–	204,411
Reclassification adjustments	(1,739)	–	(14,473)
Subtotal, before tax	22,821	–	189,938
Tax expense	(6,704)	–	(55,797)
Subtotal, net of tax	16,117	–	134,141
Share of other comprehensive income of affiliates accounted for using equity method:			
(Decrease) or increase during the year	(3,093)	9,593	(25,743)
Reclassification adjustments	558	1,314	4,644
Acquisition cost adjustment of assets	1,177	999	9,796
Subtotal, net of tax	(1,358)	11,906	(11,303)
Total other comprehensive income	¥35,120	¥29,815	$292,301

22. Related Party Transactions

Significant transactions of the Company and its subsidiaries with corporate auditors for the years ended March 31, 2015 and 2014 were as follows:

Kenji Matsuo (Corporate Auditor of the Company)

Kenji Matsuo, who was a Corporate auditor of the Company, was concurrently the president of Meiji Yasuda Life Insurance Company. The Company borrowed from Meiji Yasuda Life Insurance Company with an interest rate that was reasonably determined considering the market rate of interest. The amount of the transactions stated herein covers the period up to the date of his resignation on July 19, 2013.

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	**March 31, 2015**
The Company's transactions during the year:			
New borrowings	¥–	¥10,000	$–
Payment of interest	–	1,243	–
Balances at the fiscal year-end:			
Long-term debt	–	–	–

23. Segment Information

The reporting segments are constituent business units of the Chubu Electric Power Group for which separate financial information is obtained and examined regularly by the Board of Directors of the Company to evaluate business performance. The Group's core operations are based on the twin pillars of the Electric power business and the Energy business, which mainly entails the supply of gas and on-site energy. Our business activities also include the application of our know-how (developed in the domestic sector) to energy projects overseas, construction for the development and maintenance of electric utilities-related facilities, and the manufacturing of materials and machinery for these facilities. The Group's reporting segments are classified into "Electric power" and "Energy" based on the areas of operation described above. The Electric power segment covers the supply of electric power. The Energy segment covers energy services such as the sale of gas and liquefied natural gas (LNG) and the provision of co-generation systems, among others. Information by segment for the years ended March 31, 2015 and 2014 was as follows:

	Millions of yen						
Year ended March 31, 2015	Electric power	Energy	Subtotal	Other	Total	Adjustment	Consolidated
Operating revenues:							
External customers	¥2,799,271	¥107,325	¥2,906,596	¥197,008	¥3,103,604	¥ –	¥3,103,604
Intersegment	1,595	2,261	3,856	305,986	309,842	(309,842)	–
Total	2,800,866	109,586	2,910,452	502,994	3,413,446	(309,842)	3,103,604
Operating income	¥ 91,130	¥ 2,591	¥ 93,721	¥ 13,091	¥ 106,812	¥ 357	¥ 107,169
Total assets	¥5,007,243	¥ 88,863	¥5,096,106	¥831,070	¥5,927,176	¥(295,208)	¥5,631,968
Depreciation and amortization	253,944	5,480	259,424	16,425	275,849	(3,999)	271,850
Increase in tangible and intangible fixed assets	216,580	15,481	232,061	30,633	262,694	(4,372)	258,322

Year ended March 31, 2014	Millions of yen						
Operating revenues:							
External customers	¥2,560,376	¥84,923	¥2,645,299	¥196,888	¥2,842,187	¥ –	¥2,842,187
Intersegment	1,653	606	2,259	318,837	321,096	(321,096)	–
Total	2,562,029	85,529	2,647,558	515,725	3,163,283	(321,096)	2,842,187
Operating (loss) income	¥ (76,253)	¥ 380	¥ (75,873)	¥ 15,086	¥ (60,787)	¥ 136	¥ (60,651)
Total assets	¥5,219,074	¥87,405	¥5,306,479	¥755,609	¥6,062,088	¥(279,907)	¥5,782,181
Depreciation and amortization	262,193	3,048	265,241	17,597	282,838	(4,133)	278,705
Increase in tangible and intangible fixed assets	224,703	19,711	244,414	28,625	273,039	(4,408)	268,631

Year ended March 31, 2015	Thousands of U.S. dollars						
Operating revenues:							
External customers	$23,298,136	$893,258	$24,191,394	$1,639,684	$25,831,078	$ –	$25,831,078
Intersegment	13,275	18,818	32,093	2,546,700	2,578,793	(2,578,793)	–
Total	23,311,411	912,076	24,223,487	4,186,384	28,409,871	(2,578,793)	25,831,078
Operating income	$ 758,468	$ 21,565	$ 780,033	$ 108,956	$ 888,989	$ 2,971	$ 891,960
Total assets	$41,674,931	$739,601	$42,414,532	$6,916,937	$49,331,469	$(2,456,995)	$46,874,474
Depreciation and amortization	2,113,558	45,610	2,159,168	136,704	2,295,872	(33,284)	2,262,588
Increase in tangible and intangible fixed assets	1,802,580	128,847	1,931,427	254,957	2,186,384	(36,388)	2,149,996

(a) Method for calculating operating revenues, income and loss, assets and other amounts for each reporting segment

The accounting treatment and methods for the reporting segments are consistent with the accounting treatment and methods described in Note 2, Summary of Significant Accounting Policies. Segment income or loss for each reporting segment is presented on an operating income basis. All transactions between segments are on an arm's length basis.

(b) Change in reporting segments

(1) As described in Note 3, the Company and its subsidiaries have applied Article 35 of the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 of May 17, 2012 (hereinafter, "Statement No. 26")) and Article 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 of March 26, 2015 (hereinafter, "Guidance No. 25")) from the current fiscal year, and have changed the determination of retirement benefit obligations and current service costs.

In addition, the Company and its subsidiaries have changed the method of attributing expected benefit to periods from the straight-line method (the point based method for some subsidiaries) to the benefit formula basis and determining the discount rates.

In accordance with Article 37 of Statement No. 26, the effect of changing the determination of retirement benefit obligations and current service costs has been recognized in retained earnings at the beginning of the current fiscal year. As a result, income for the Electric power segment, the Energy segment, and the Other segment increased by ¥377 million ($3,136 thousand), ¥1 million ($6 thousand), and ¥63 million ($529 thousand) in the current fiscal year.

(2) As described in Note 4, the asset retirement cost corresponding to the asset retirement obligations in relation to the decommissioning of specified nuclear power plants had been recorded in tangible fixed assets based on the estimated total cost of decommissioning the nuclear power plants and had been expensed based on the amount of electricity supplied by nuclear power generation in accordance with "Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Units" (Ordinance No. 30 of the Ministry of International Trade and Industry, May 25, 1989). However, on October 1, 2013, "Ministerial Ordinance for the Setting of Reserve for Decommissioning of Nuclear Power Units" (Ordinance No. 30 of the Ministry of International Trade and Industry, May 25, 1989) was revised after the enforcement of "Ministerial Ordinance for Partial Revision of the Accounting Rule for the Electricity Business" (Ordinance No. 52 of the Ministry of Economy, Trade and Industry, September 30, 2013).

On enforcement of the Ordinance, the depreciation method was changed from the above-mentioned method to the straight-line method over the period (the operational period plus the safe storage period). As a result, loss for the Electric power segment was by ¥4,050 million more than the amounts that would have been reported without the change.

(c) Information about products and services

The Company has omitted disclosure of information for each product and service because similar information is disclosed in the segment information above.

(d) Information by geographic regions

(1) Operating revenues

The Company has omitted disclosure of information for operating revenues because operating revenues to external customers in Japan account for more than 90% of the amount of operating revenues reported in the consolidated statements of operations.

(2) Property, plant and equipment

The Company has omitted disclosure of information for property, plant and equipment because property, plant and equipment in Japan account for more than 90% of the amount of property, plant and equipment reported in the consolidated balance sheets.

(e) Information about major customers

The Company has not disclosed information about major customers because no customer contributed 10% or more to operating revenues in the consolidated statements of operations.

(f) Impairment losses on fixed assets, amortization of goodwill and the unamortized balance and gains arising from negative goodwill

The Company has omitted information by segment on impairment loss on fixed assets, amortization of goodwill and the unamortized balance and gains arising from negative goodwill due to the negligible importance of this information.

Independent Auditor's Report

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of Chubu Electric Power Company, Incorporated (the "Company") and its subsidiaries , which comprise the consolidated balance sheets as of March 31, 2015 and 2014, and the consolidated statements of operations, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of March 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2015 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

July 7, 2015
Nagoya, Japan

Nonconsolidated Balance Sheets

Chubu Electric Power Company, Incorporated as of March 31, 2015 and 2014

ASSETS	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Property, Plant and Equipment :			
Property, plant and equipment, at cost	¥13,218,653	¥13,066,864	$110,017,919
Construction in progress	219,463	264,902	1,826,575
	13,438,116	13,331,766	111,844,494
Less:			
Contributions in aid of construction	(165,871)	(161,098)	(1,380,533)
Accumulated depreciation	(9,734,452)	(9,570,844)	(81,019,159)
	(9,900,323)	(9,731,942)	(82,399,692)
Total Property, Plant and Equipment, Net	3,537,793	3,599,824	29,444,802
Nuclear Fuel:			
Loaded nuclear fuel	40,040	40,040	333,250
Nuclear fuel in processing	199,652	205,057	1,661,690
Total Nuclear Fuel	239,692	245,097	1,994,940
Investments and Other Long-term Assets :			
Long-term investments	387,465	349,352	3,224,844
Fund for reprocessing of irradiated nuclear fuel	192,683	204,946	1,603,687
Deferred tax assets	165,814	225,264	1,380,058
Other	11,662	13,987	97,062
Allowance for doubtful accounts	(255)	(265)	(2,122)
Total Investments and Other Long-term Assets	757,369	793,284	6,303,529
Current Assets :			
Cash and deposits	80,753	66,873	672,102
Trade notes and accounts receivable	188,680	165,935	1,570,370
Allowance for doubtful accounts	(1,050)	(1,111)	(8,739)
Inventories	113,100	108,773	941,323
Deferred tax assets	44,612	16,960	371,302
Other	277,205	438,896	2,307,158
Total Current Assets	703,300	796,326	5,853,516
Total Assets	¥5,238,154	¥5,434,531	$43,596,787

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Long-term Liabilities:			
Long-term debt	¥2,213,346	¥2,590,976	$18,421,523
Employee retirement benefit liabilitiy	144,640	145,339	1,203,828
Reserve for reprocessing of irradiated nuclear fuel	209,746	221,922	1,745,701
Reserve for preparation for reprocessing of irradiated nuclear fuel	16,021	15,405	133,342
Reserve for loss in conjunction with discontinued operations of nuclear power plants	21,664	22,769	180,308
Asset retirement obligations	192,476	190,076	1,601,964
Other	110,450	66,000	919,268
Total Long-term Liabilities	2,908,343	3,252,487	24,205,934
Current Liabilities:			
Current portion of long-term debt and other	334,261	290,494	2,782,031
Short-term borrowings	334,400	334,400	2,783,188
Trade notes and accounts payable	98,395	84,463	818,934
Other	321,222	270,602	2,673,508
Total Current Liabilities	1,088,278	979,959	9,057,661
Reserve for Fluctuation in Water Levels	10,629	5,409	88,465
Total Liabilities	4,007,250	4,237,855	33,352,060
Net Assets :			
Common stock	430,777	430,777	3,585,326
Capital surplus	70,690	70,690	588,348
Retained earnings	694,870	668,631	5,783,354
Treasury stock, at cost	(930)	(535)	(7,740)
Total Shareholders' Equity	1,195,407	1,169,563	9,949,288
Valuation and translation adjustments	35,497	27,113	295,439
Total Net Assets	1,230,904	1,196,676	10,244,727
Total Liabilities and Net Assets	¥5,238,154	¥5,434,531	$43,596,787

Nonconsolidated Statements of Operations

Chubu Electric Power Company, Incorporated as of March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Operating Revenues	¥2,899,027	¥2,638,201	$24,128,398
Operating Expenses:			
Fuel	1,316,403	1,314,105	10,956,330
Salaries and employee benefits	169,198	181,033	1,408,223
Purchased Power	288,417	248,926	2,400,474
Maintenance	239,695	202,254	1,994,965
Depreciation	253,825	262,110	2,112,568
Taxes other than income taxes	129,493	125,040	1,077,761
Other	411,152	381,946	3,421,989
Total Operating Expenses	2,808,183	2,715,414	23,372,310
Operating Income (Loss)	90,844	(77,213)	756,088
Other (Income) Expenses :			
Interest expense	49,678	42,088	413,467
Solution received	(28,428)	-	(236,604)
Reversal of reserve for loss in conjunction with discontinued operations of nuclear power plants	-	(6,714)	-
Other, net	(782)	(15,104)	(6,509)
Total Other Expenses, Net	20,469	20,270	170,362
Income (Loss) before Provision of Reserve for Fluctuation in Water Levels and Income Taxes	70,375	(97,483)	585,726
Provision (Reversal) of Reserve for Fluctuation in Water Levels	5,220	(5,240)	43,446
Income (Loss) Before Income Taxes	65,155	(92,243)	542,280
Income Taxes:			
Current	7,740	1	64,419
Deferred	30,040	(24,966)	250,021
Total Income Taxes	37,780	(24,965)	314,440
Net Income (Loss)	¥27,375	¥(67,278)	$227,840

	Yen		U.S. dollars
	March 31, 2015	March 31, 2014	March 31, 2015
Per Share of Common Stock:			
Net income (loss) - basic	¥36.13	¥(88.79)	$0.30
Cash dividends	10.00	0.00	0.08

Corporate Data

Corporate Profile

Corporate name:	Chubu Elecric Power Co., Inc.
Headquarters:	1 Higashi-shincho, Higashi-ku, Nagoya, Aichi 461-8680, Japan
Date of establishment:	May 1st, 1951
Capital:	¥430,777,362,600
Number of employees:	17,782
Number of shares issued:	758,000,000
Number of shareholders:	285,380
Independent auditor:	KPMG AZSA LLC
Stock markets traded:	Tokyo Stock Exchange, Inc. Nagoya Stock Exchange, Inc. (Securities ID code: 9502)
Administrator of shareholder registry:	Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

Main Business Locations

Headquaters:	1 Higashi-shincho, Higashi-ku, Nagoya, Aichi
Nagoya Regional Office:	2-12-14 Chiyoda, Naka-ku, Nagoya, Aichi
Shizuoka Regional Office:	2-4-1 Hontoori, Aoi-ku, Shizuoka
Mie Regional Office:	2-21 Marunouchi, Tsu, Mie
Gifu Regional Office:	2-5 Mieji-cho, Gifu
Nagano Regional Office:	18 Yanagimachi, Nagano
Okazaki Regional Office:	7 Daidou Higashi, Tosaki-cho, Okazaki, Aichi
Tokyo Office:	2-2-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo

Overseas Offices

Washington Office

900 17th Street N.W., Suite 1220,

Washington, D.C. 20006, U.S.A.

Tel: +1-202-775-1960

London Office

Nightingale House, 65 Curzon Street,

London W1J 8PE, U.K.

Tel: +44-20-7409-0142

Doha Office

4th Floor, Salam Tower, Al Corniche

P.O. Box 22470, Doha-QATAR

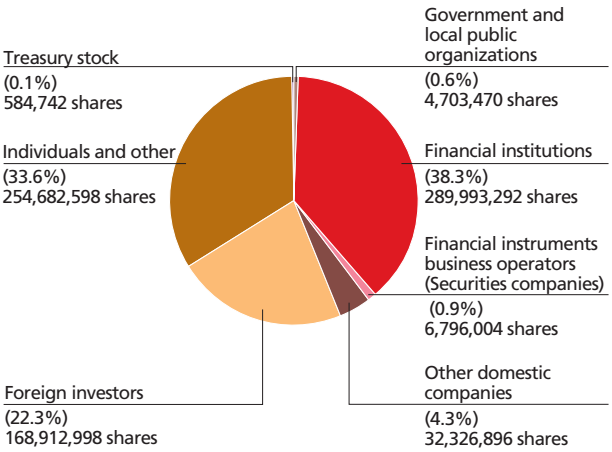
Tel: +974-4483-6680

Number of Shares

Total number of authorized shares..... 1,190 million shares

Total number of shares issued ..... 758 million shares

Composition of Shareholders

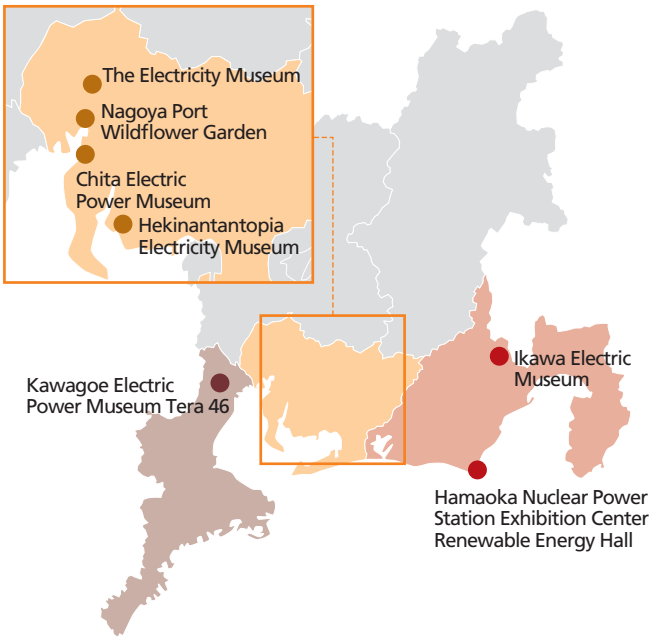


Principal Shareholders

Name	Number of shares owned (thousands)	Ownership percentage of total shares issued (%)
Japan Trustee Services Bank, Ltd.	68,606	9.05
The Master Trust Bank of Japan, Ltd.	49,692	6.56
Meiji Yasuda Life Insurance Company	39,462	5.21
Nippon Life Insurance Company	27,552	3.63
Chubu Electric Employees' Shareholders Association	20,135	2.66
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,304	2.02
Sumitomo Mitsui Banking Corporation	14,943	1.97
Kochi Shinkin Bank	12,748	1.68
Mizuho Bank, Ltd.	10,564	1.39
Trust & Custody Services Bank, Ltd.	9,108	1.20
Total	268,119	35.37

Note: The number of shares held by Japan Trustee Services Bank, Ltd., The Master Trust Bank of Japan, Ltd. and Trust & Custody Services Bank, Ltd. (68,606,000 shares, 49,692,000 shares and 9,108,000 shares, respectively) is related to their trust services.

Museums of Chubu Electric Power



Aichi Prefecture

Nagoya City

The Electricity Museum is located on the site where the first power station in the Chubu region was situated. On the exterior of the building there is a plaque that reads "Birthplace of the electricity business in the Chubu region."

The Electricity Museum

Hekinan City

Hekinantantopia Electricity Museum

Chita City

Chita Electric Power Museum

Shizuoka Prefecture

Omaezaki City

Hamaoka Nuclear Power Station Exhibition Center

Renewable Energy Hall

Shizuoka City

Ikawa Electric Museum

Mie Prefecture

Kawagoe-cho, Mie-gun

Kawagoe Electric Power Museum Tera 46

History of Electricity Business in Chubu Region

As the first electricity company in the Chubu region, Nagoya Dento Co., Ltd., one of Chubu Electric Power's predecessor companies, was established on December 15, 1889. In those days, about 400 electric lights were lit by 241 households in the region and Nagoya Dento generated power only for three hours after sunset each day.

Chubu Electric Power Co., Inc. was established in 1951 as a result of a post-war realignment of the power companies. The business of Chubu Electric Power grew over time, and now it maintains 10.65 million contracts with 124.1 billion kWh of electrical energy sold.

Chubu Electric Power has grown as industries in the Chubu region prospered and people became more affluent. As expressed in our corporate philosophy "Chubu Electric Power Group delivers the energy that is indispensable for people's lives and so contributes to the development of society," we regard the stable supply of electricity as our mission, a mission that we will strive to fulfill with the utmost effort.

Comparison of Nagoya Dento in its early days and Chubu Electric Power at present

	Nagoya Dento in its early days	Chubu Electric Power at present (As of March 31, 2015)
Power generation facilities	1 thermal power station	(thermal: 11*; hydroelectric: 189; nuclear: 1; renewable energy: 4) 205 power stations in total
Output	100 kW	34,019,460 kW
Transmission/ distribution line	Distribution line: 15 km	Transmission line: 12,254 km Distribution line: 132,916 km
Transmission/ distribution facilities	Electric poles: 391	Transmission towers: 36,341 Electric poles: 2,789,555

* Including internal combustion power stations

For this report, waterless printing is used to eliminate harmful waste fluid.

Chubu Electric Power Co., Inc.

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