



New Roles for Buyers in the LNG Market

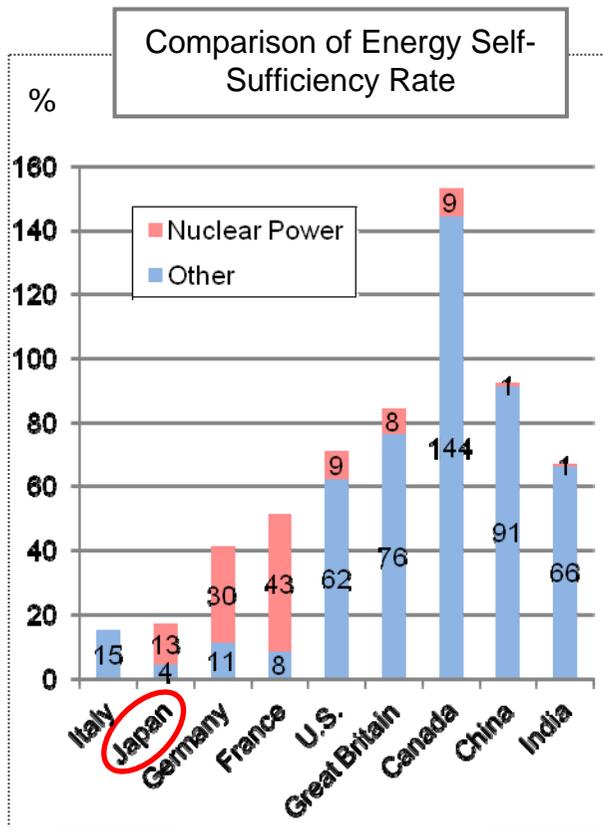
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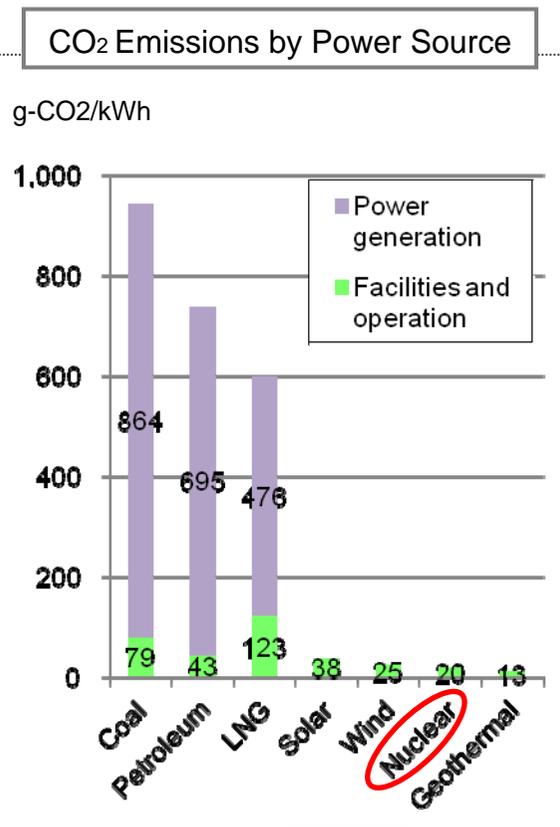
Nuclear Power Generation, an Important Energy Resource



With securing safety being the top precondition, nuclear power continues to be an important power source from any of the perspectives of energy security, addressing global warming issues, and economic efficiency.



Source: IEA



Source: Central Research Institute of Electric Power Industry (CRIEPI)

Unit Price of Power Generation

	2010	2030
Nuclear	8.9-	8.9-
Coal	9.5-9.7	10.3-10.6
LNG	10.7-11.1	10.9-11.4
Petroleum	36.0-37.6	38.9-41.9
Onshore wind farms	9.9-17.3	8.8-17.3
Solar power (mega)	30.1-45.8	12.1-26.4

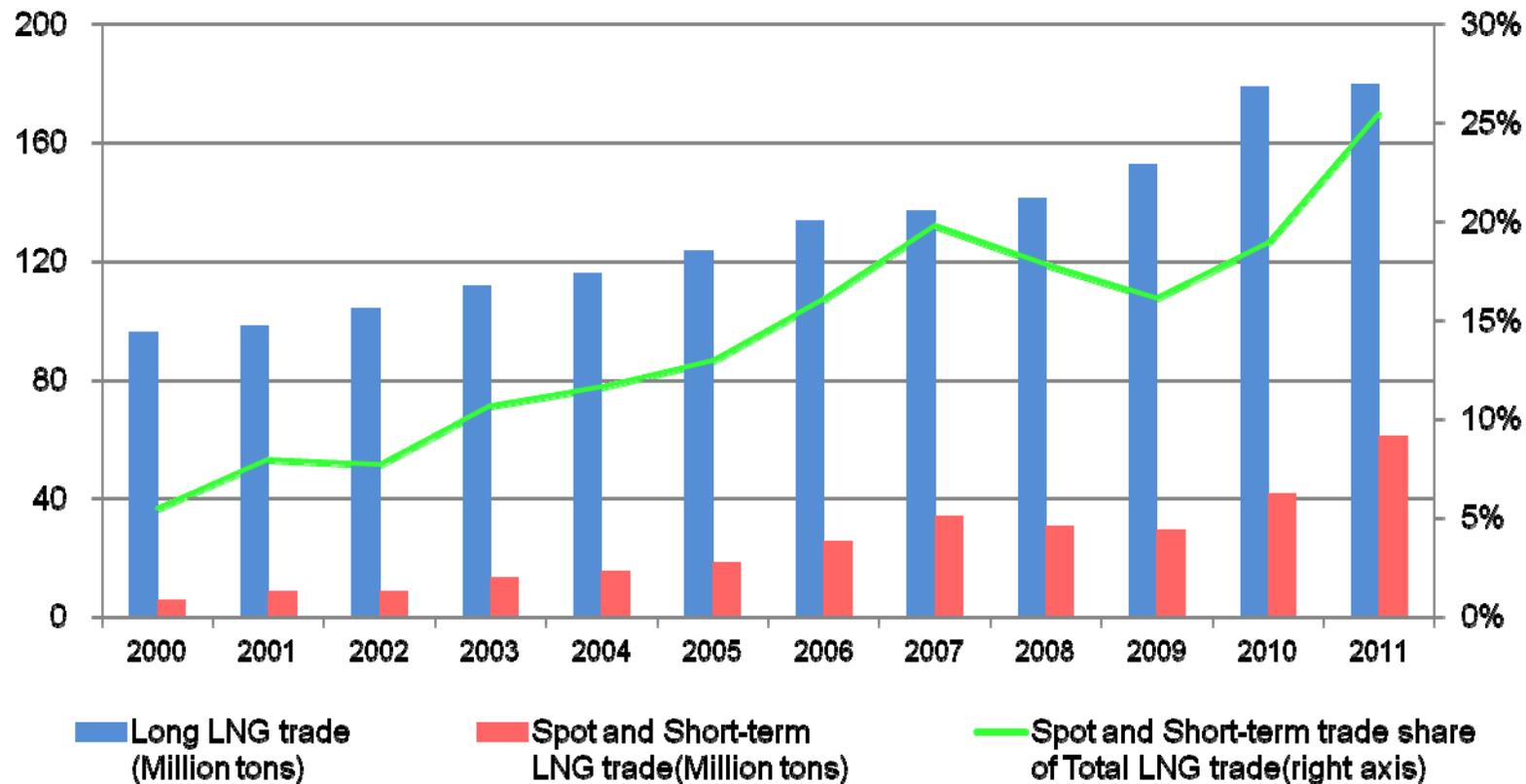
Source: The Energy and Environment Council

LNG Mainly Traded on a Long-term Basis



- LNG is procured mainly on a rigid long-term negotiation basis.
- Spot trades and short-term trades are used depending on short- and medium-term changes in the required LNG volumes.

Million tons

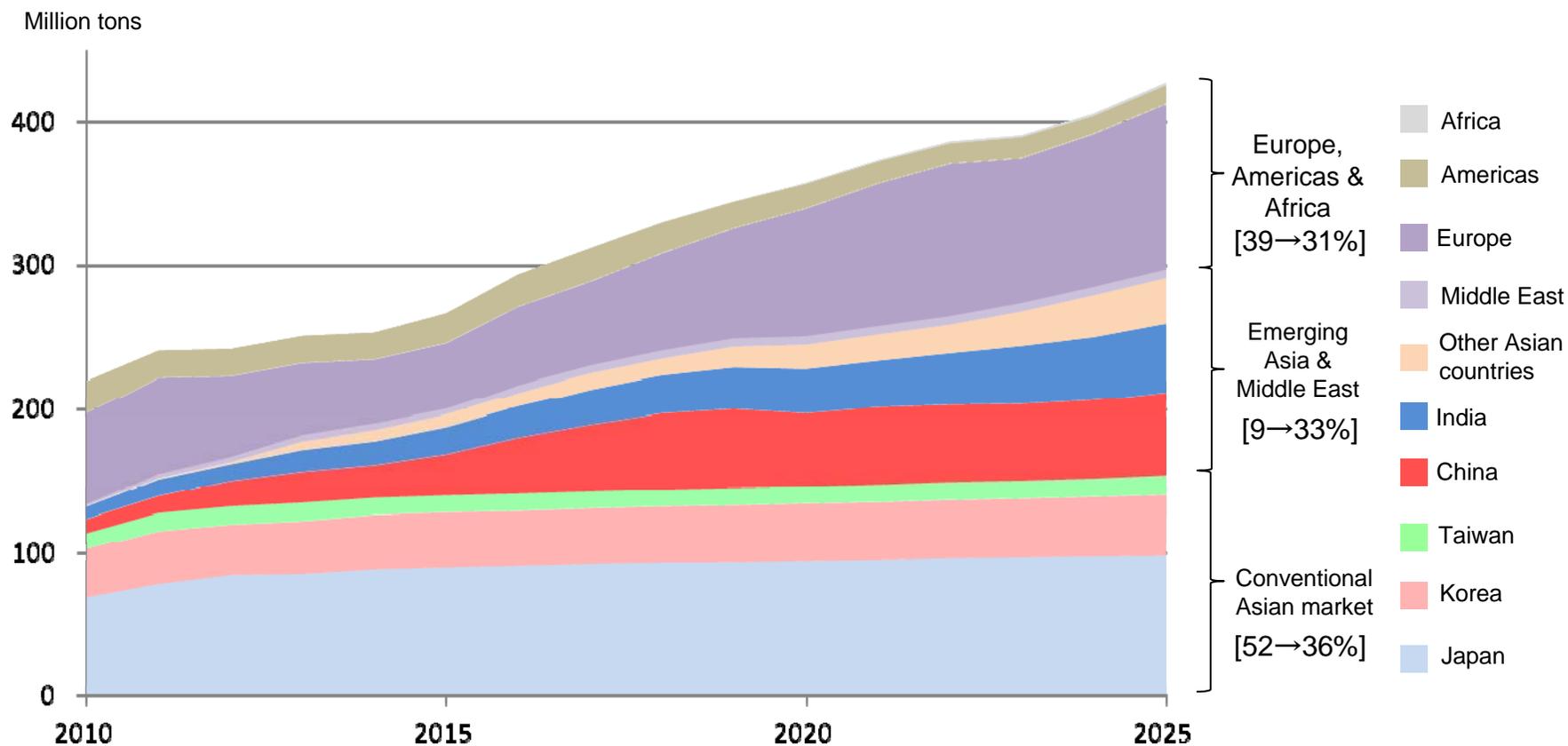


* Short-term trade denotes trades under contracts of a duration of 4 years or less.

Global Demand for LNG Has Expanded Significantly



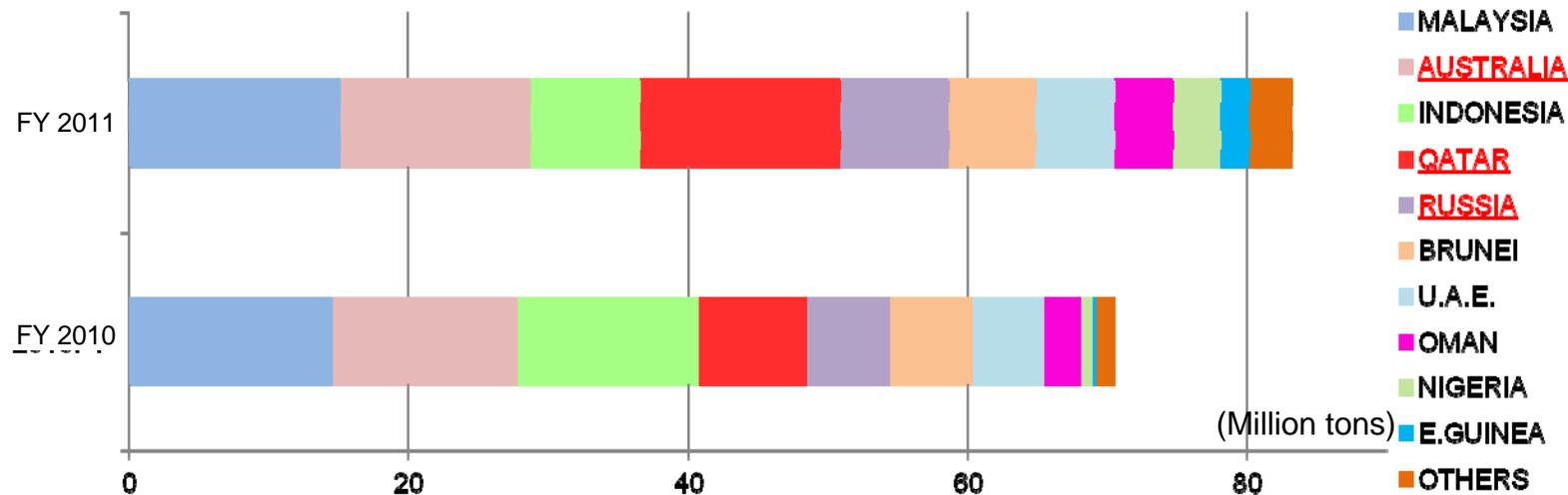
- Global demand for LNG has increased significantly and is expected to grow at 4-5% annually, with a doubling of the present level expected by 2025.
- Demand from emerging Asian and European countries is expected to grow to the same level as conventional LNG consumers in the Asian market including Japan, Korea and Taiwan.



Import of LNG by Japan Has Soared since the Great East Japan Earthquake



After the Great East Japan Earthquake, we managed to avoid a shortage in LNG that was required to respond to the suspension of nuclear power plants, by increasing imports thanks to the cooperation of Qatar and other LNG exporting countries.



(Million tons)

	FY 2010 (A)	FY 2011 (B)	Increase/Decrease (B-A)
Australia	13	14	1
Qatar	8	14	6
Russia	6	8	2
Others	44	47	3
Total	71	83	12

Investments and Participation in Upstream Businesses

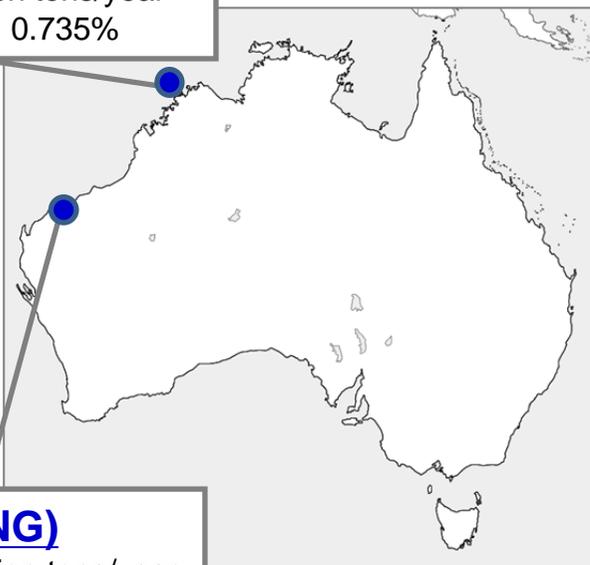


- Our investments and participation in upstream businesses contribute to the development of new projects and the formation of a highly liquid LNG market.
- We have launched a system under which buyers of LNG share part of the investment risks that previously had been borne solely by sellers.

Projects in which Chubu Electric Power participates

Ichthys (LNG)

- Output: 8.4 million tons/year
- Acquisition ratio: 0.735%

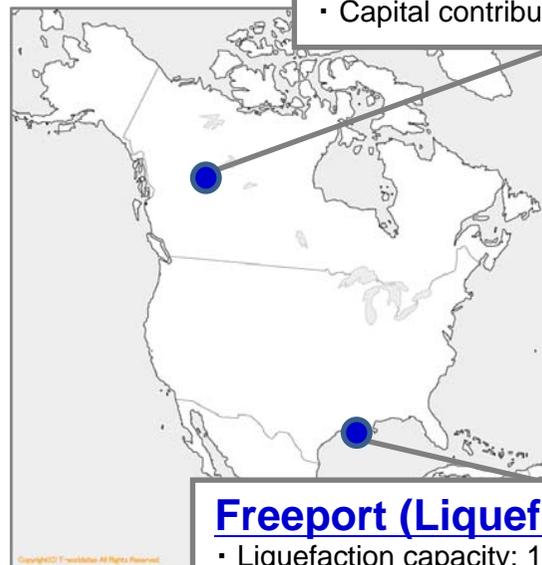


Gorgon (LNG)

- Output: 15 million tons/year
- Acquisition ratio: 0.417%

Cordova (Shale Gas)

- Output: 3.5 million tons/year
- Capital contribution ratio: 7.5% *1



Freeport (Liquefaction facility)

- Liquefaction capacity: 13.2 million tons/year
- For Chubu Electric: 2.2 million tons/year *2

*1 Acquired 7.5% interest in a subsidiary of Mitsubishi Corporation, which held 50% of the joint venture of this project.

*2 Approx. 2.2 million tons/year of liquefaction capacity of natural gas has been secured for us.