

# Consolidated Interim Financial Report FY ending March 31, 2006

The information shown below is an English translation of extracts from the Chukan Kessan Tanshin (Renketsu) (Consolidated Interim Financial Report).

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CHUBU ELECTRIC POWER COMPANY, INCORPORATED (November 8, 2005)

Code: 9502

Financial Report for the 6-months Period ended September 30, 2005

(Consolidated)

Representative: Fumio Kawaguchi, President

Contact: Toshio Saitou, Manager, Accounting Section

Unit Stock: 100 shares per unit

TEL: 81-52-951-8211

URL: <http://www.chuden.co.jp/english/>

Adaptation of U.S. accounting standard : None

. Performance Over the 6-months Ended September 30, 2005 (April 1, 2005- September 30, 2005)

(Figures are rounded down to the nearest million yen)

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## 1. Consolidated Operating Results

	9/05	Change	9/04	Change	3/05
Operating Revenues (million yen)	1,038,267	-3.5%	1,075,952	3.1%	2,133,223
Operating Income (million yen)	172,931	-22.6%	223,418	22.7%	342,159
Ordinary Income (million yen)	127,696	-22.0%	163,658	35.4%	195,107
Net Income (million yen)	81,685	19.9%	68,127	-7.7%	91,270
Net Income per Share (Primary ; yen)	112.58		94.04		125.68
Net Income per Share (Fully diluted ; yen)	104.88		87.48		117.37

\*Ordinary Income: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests

Notes: 1. Equity in earnings of affiliates

(9/05: 353 million yen, 9/04: 1,079 million yen, 3/05: 1,715 million yen)

2. Average number of shares outstanding (consolidated)

(9/05: 725,587,841 9/04: 724,459,984 3/05: 724,107,768 )

3. Changes in accounting methods: Yes (adoption of the "accounting standard for impairment of fixed assets")

## 2.Consolidated Financial Standing

	9/05	9/04	3/05
Total Assets (million yen)	5,603,518	5,885,782	5,703,558
Shareholders' Equity (million yen)	1,512,015	1,413,866	1,413,233
Shareholders' Equity Ratio	27.0%	24.0%	24.8%
Shareholders' Equity per Share (yen)	2,056.68	1,953.14	1,952.45

Note : Number of shares outstanding at the end of the period. (consolidated)  
(9/05: 735,173,524 9/04: 723,894,139 3/05: 723,688,890)

## 3.Outline of Consolidated Cash Flows

	9/05	9/04	3/05
Cash Flows from Operating Activities (million yen)	279,264	300,182	557,562
Cash Flows from Investing Activities (million yen)	-63,300	-67,844	-115,397
Cash Flows from Financing Activities (million yen)	-212,596	-231,913	-438,149
Cash or Cash Equivalent at the End of the Period (million yen)	67,259	60,282	63,860

## 4.Number of Subsidiaries and Affiliates

Consolidated subsidiaries: 32

Unconsolidated subsidiaries accounted for under the equity method: None

Affiliates accounted for under the equity method: 19

## 5.Changes in Range of Consolidation and Application of Equity Method

Inclusion of subsidiaries to consolidation: None

Exclusion of subsidiaries from consolidation: None

Inclusion of subsidiaries or affiliates accounted for under the equity method: None

Exclusion of subsidiaries or affiliates accounted for under the equity method: 1

## .Forecasts of Consolidated Results for the Year Ending March 31, 2006(approximate estimates)

	3/06
Operating Revenues (billion yen)	2,085
Ordinary Income* (billion yen)	210
Net Income (billion yen)	130

\*Ordinary Income: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests

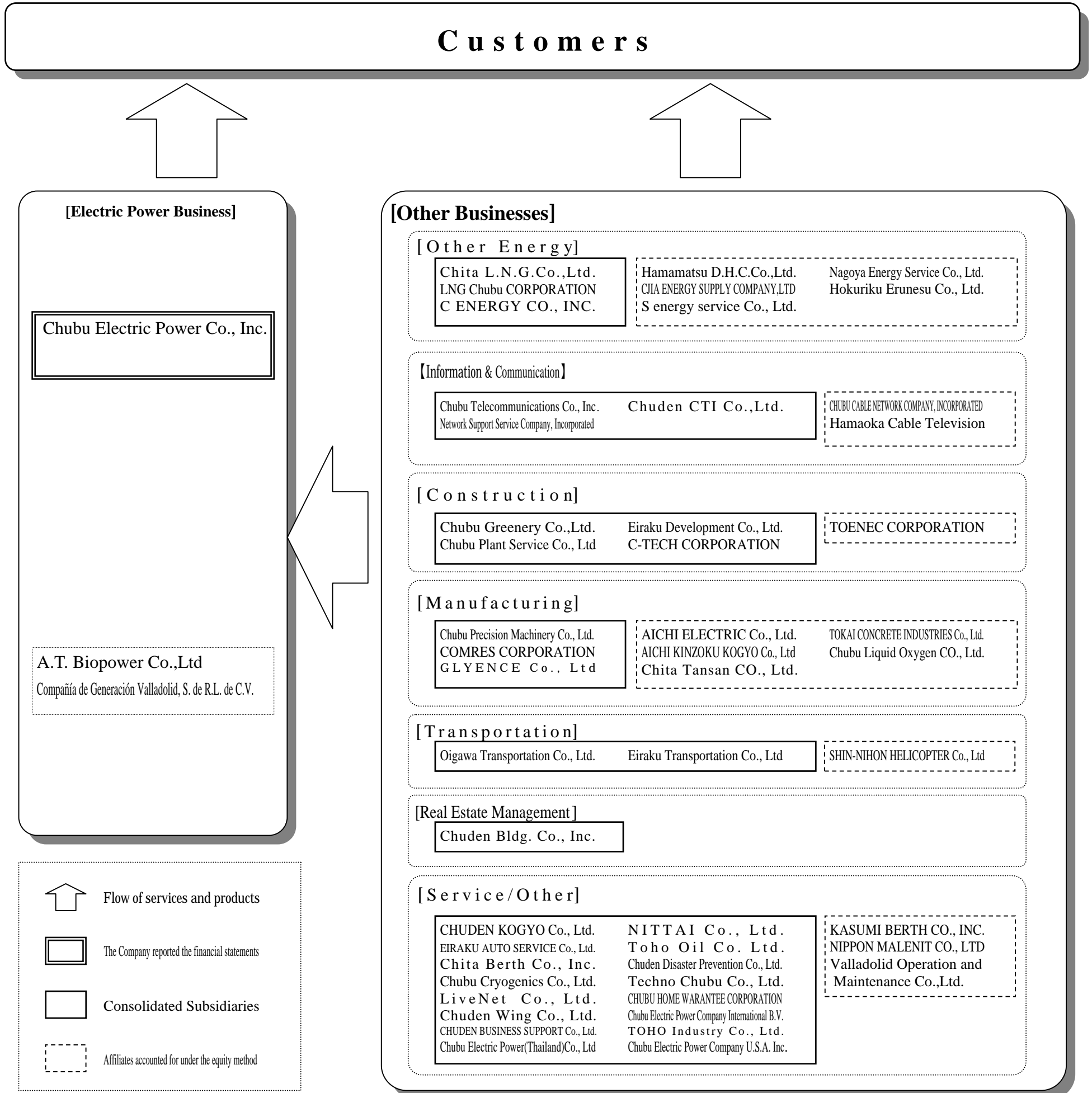
(Reference) Estimation of Net Income per Share for the year ending March 31, 2006: 176.47 yen

There are the premise or matters related to these forecasts on page 11.

## Corporate Group Position

With Chubu Electric Power Company, Incorporated's electric power business at its core, the Chubu Electric Group (the Company and its subsidiaries and affiliates) is making efficient use of our own business resources, such as electricity supplying facilities, fuels and technologies, to develop a variety of businesses.

Specifically electric power-related areas include construction for the upgrade and maintenance of facilities, and manufacture for the supply of materials and equipments. The Company is also developing new businesses, such as an electronic communications business, with the aim of making efficient use of business resources.



Flow of services and products

The Company reported the financial statements

Consolidated Subsidiaries

Affiliates accounted for under the equity method

(Notes) \* Since Taketoyo New TV has amalgamated with the other company and the rate of voting rights that the Chubu Electric Group has gone down, it was excluded from subsidiaries or affiliates accounted for under the equity method.

## Management Policies

### 1. Basic Management Policy

In the electricity business, the liberalization of the retail electricity market was extended in April 2005 to all consumers of high-voltage electricity, and a number of mechanisms for ensuring greater competition came into effect. These include the Japan Electric Power Exchange (JEPX), a wholesale market for trading electric power, and the Electric Power Council of Japan (ESCJ), an independent council for reviewing utilization of the transmission network. The transmission network utilization rate system has also been reviewed.

Under these conditions, the Group aims to advance its market position despite growing competition, and achieve sustainable growth as a multi-energy corporate group at the heart of the Chubu region.

To that end, the Company has set forth the management objectives described below and, by accelerating the implementation of business initiatives grounded in concretely defined management policies, aims to meet the expectations of customers, shareholders, investors, and other stakeholders.

#### [Management Objectives]

##### Sales Target

By championing the "all electric" concept and promoting the electrification of air conditioning, cooking, and industrial processes, the Company aims to increase demand for electric power by 2.4 billion kWh by the end of FY 2008.

##### Financial Targets

Item	Consolidated Targets	Non-consolidated Targets	Target Year
ROA (Return on Assets)*1	4.5% or more	4.5% or more	On annual average basis between FY2005 and FY2007
Ordinary Income*2	¥165 billion or more	¥160 billion or more	
Capital expenditure	¥200 billion or less	¥170 billion or less	
Free cash flow *3	¥360 billion or more	¥350 billion or more	By the end of FY2007
Outstanding interest-bearing debts	¥3,100 billion or less	¥3,000 billion or less	

\*1 --- ROA (Return on Assets) = (Ordinary Income\*2 + Interest expenses) / Average total assets at beginning and end of the period.

\*2 --- Ordinary Income

consolidated: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests

non-consolidated: Income before provision of reserve for fluctuation in water levels and income taxes

\*3 --- Free cash flow = Operating cash flow – Investing cash flow

##### Operating Efficiency Target

The company will achieve a workforce level of about 16,600 employees at the end of FY2006 (non-consolidated).

#### [Operational Policies]

##### (1) Develop sales activities to satisfy customers

To satisfy as many customers as possible and encourage them to continue to select Chubu Electric Power as their power supplier, the Company is improving contract options and services to properly meet the diverse needs of individual customers. The Company makes maximum use of the Group's business resources in order to provide a variety of new values in the areas of energy involving gas supply and on-site power generation sources.

##### (2) Strengthen cost competitiveness in the new market environment

In order to provide premium services at lower prices as the market undergoes drastic changes, such as the review of the electricity utilities industry structure and the intensifying competition involving different kinds of energy, the Company aims to raise efficiency in each stage of business and to securely achieve the goal, "a 20% reduction in costs from pre-liberalization figures by FY 2006", compared to the level decided on as part of "the 2001 management reform roadmap".

(3) Reinforce corporate strength and strategically utilize business resources and business returns for sustainable growth

The Company will strategically concentrate and reallocate human resources and business returns on the core energy business with the aim of continuously growing as a comprehensive energy business group.

(4) Reinforce a robust integrated group corporate foundation and act as a good corporate citizen

The Company will construct an integrated management system between the parent company and Group companies in order to rapidly and appropriately cope with the difficult management environment surrounding the Group and grow as a more competitive corporate group.

At all times bearing in mind harmonious coexistence with society, as a good corporate citizen, the Company will take positive actions to fulfill its corporate social responsibilities, including compliance with laws, internal rules and sound corporate ethics, environmental measures and measures to further strengthen relationships of trust with local communities.

To secure a stable supply of energy for the future, the Company plans to begin pluthermal power generation at the Hamaoka Nuclear Power Plant in fiscal 2011. The Company intends to make safety assurance its highest priority as it steadily moves forward with the plan while working to gain the understanding and support of local communities.

## 2. Basic Policy for Profit Sharing

The Company will strive to ensure the appropriate return of profits to shareholders while utilizing profits generated from business activities to contribute to increasing corporate value through the effective allocation of profits to improvements in the operating structure and expansion of the revenue base.

The Company's basic policy on dividends is to continuously pay stable dividends based on business results. The Company determines dividends taking into consideration factors such as business performance and funds needed to maintain a strong financial structure.

The Company uses internal reserves for capital investment in the electric businesses, investment in new businesses and improvement of the Company's financial structure.

## 3 Fluctuation Factors Concerning Operating Results

The following variables regarding the business performance and financial condition of the Group could significantly affect investor judgment.

### (1) Risks concerning economic climate

#### (a) Economic situation and Weather Conditions

Economic situation and weather conditions

In the electricity business, which is the Company's core business, the amount of electric energy sold depends on economic trends and changes in temperature. Therefore, the Group's performance could be affected by both economic and weather conditions. The annual amounts of rainfall and snowfall affect the amount of hydroelectric energy output, consequently affecting the overall cost of power generation. However, owing to a system that provides a reserve for drought, the effect of changes in weather on business performance can be assumed to be limited.

#### (b) Changes in Fuel Prices

Because the Group depends on imports of liquid natural gas (LNG), coal and crude oil, fuel expenses, one of the principal expense items, in the electric utility segment can be affected by fluctuations in CIF prices, foreign exchange rates and so on. However, any such changes in fuel price can be reflected in electricity rates under the Fuel Adjustment System, so fuel price fluctuations have only a limited effect on performance.

#### (c) Changes in interest rates

The Group's interest-bearing debt outstanding was ¥3,207.1 billion as of September 30 2005, the equivalent of 57.2% of total assets. Interest expenses, which are a major expense item, could be affected by future changes in market interest rates.

However, 88.7% of the outstanding interest-bearing debt is long-term instruments comprising corporate bonds, convertible bonds and long-term borrowings, and most of those funds were raised at fixed interest rates. The Company is making every effort to reduce the outstanding interest-bearing debt in order to strengthen its financial structure. Therefore, the effect of changes in interest rates on business performance can be assumed to be limited.

## (2) Risks Surrounding the Business Activities of the Chubu Electric Power Group

### (a) Changes in the electricity business environment

With regard to the electric power business, in April 2005 the scope of liberalization of electric power retailing was expanded and new mechanisms aimed at promoting further competition went into effect, including the start of operations of the Japan Electric Power Exchange (JEPX) and the Electric Power Council of Japan and a review of the power system utilization charge system. Amid this change in the business environment, the Group will do its utmost to increase operating efficiency and engage in aggressive sales activities that reliably satisfy customer needs. Nevertheless, business performance could be affected by future revisions to the power system or attendant intensification of competition.

### (b) Nuclear Power Backend Costs

With regard to the nuclear power backend business, as this is an ultra-long-term business that involves uncertainties, the Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations went into effect on October 1, 2005 to ensure the smooth advancement of nuclear power generation and the backend business. The Electric Utility Industry Accounting Regulations were also revised. Attendant on this change, in accordance with the law and the revised Electric Utility Industry Accounting Regulations, the Company will make a provision to prepare for future nuclear power backend costs and provide a reserve for reprocessing spent fuel and other items.

However, as nuclear power backend costs vary according to regulatory system reviews, increases or decreases in estimated amounts of future costs within and without the system, the state of operation of reprocessing facilities, changes in the Company's nuclear power generation plan and other factors, business performance could be affected.

### (C) Other business

Our Group (comprising Chubu Electric Power Company and its affiliates) is committed to the effective deployment of its business assets in the core business of supplying electric power. The Group is also involved in other energy businesses that utilize electric power supply facilities, stored fuels and technologies. In addition, it establishes networks for its IT and telecommunications business that supply information with added value. If changes in the competitive environment in these businesses do not lead to the results expected by the Group, then performance may be affected.

## (3) Other Risks

### (a) Natural Disasters

In order to ensure a stable and economical supply of electricity through a consolidated system from generation to provide, the Chubu Electric Power Group has invested in the construction and maintenance of facilities designed to reduce power cuts caused by lightning and other natural phenomena. However, large-scale natural disasters such as typhoons may affect company results.

### (b) Leakage of Personal Information

In order to ensure adequate protection of the vast bank of personal details held by the Chubu Electric Power Group, systems and rules have been put in place in accordance with the Personal Information Protection Act, and staff are trained in the strict management of personal information.

However, direct costs may be incurred, and trust in the company may be damaged both morally and materially if personal details should ever be leaked.

### (c) Regular Inspections of Units No.1 and No.2 of the Hamaoka Nuclear Power Plant

Regular inspections of Units 1 and 2 of the Hamaoka Nuclear Power Plant have been extended until March 2008 for repairs of machines within the reactor and for earthquake-proofing work. Costing and scheduling of these projects have yet to be finalized, but they may have an effect on company performance.

#### 4. Corporate Governance

##### Principles of Corporate Governance

To ensure that Chubu Electric Power remains a company selected and trusted by shareholders, investors and other stakeholders, the Company intends to redouble its efforts to ensure fair and transparent management and enhance corporate governance

##### (1) State of Implementation of Corporate Governance Measures

The following is an overview of the management structure and corporate governance measures.

In addition to the Board of Directors, corporate auditors and other bodies stipulated in the Commercial Code, the Company has established a Management Strategy Meeting and Board of Managing Directors.

In principle, a meeting of the Board of Directors is held monthly. At those meetings the Board decides on resolutions stipulated in the Commercial Code and important management matters and supervises the directors' performance of duties through such means as receiving reports from the directors on the state of the Company's business affairs.

In principle, a meeting of the Board of Managing Directors is held weekly. At those meetings the managing directors engage in advance deliberation about matters to be referred to the Board of Directors and deliberate about other important matters concerning the Company's business affairs. The Management Strategy Meeting, made up of representative directors and other board directors, discusses the direction of medium-term and long-term management. The Meeting refers important matters to the Board of Managing Directors and the Board of Directors as necessary.

In accordance with the policy and assignment of duties decided by the Board of Auditors, which is made up of seven corporate auditors (including four outside corporate auditors), the corporate auditors monitor the directors' performance of duties by such means as attending meetings of the Board of Directors, reading important resolution documents and investigating the conduct of business and the state of company assets at principal places of business. A staff of twelve directly reporting employees assists the corporate auditors. Since November 2004, in principal a regular meeting of the corporate auditors and directors is held once monthly. The corporate auditors maintain close cooperation with internal audits and financial audits by periodically receiving reports from the Internal Audit Department and Chuo Aoyama Audit Corporation concerning audit plans and results and by exchanging opinions.

The internal audit function is the responsibility of the Corporate Planning Internal Audit Office, which has a staff of 48 and is independent from the operating units. The Corporate Planning Internal Audit Office monitors the activities of operating units, such as quality assurance activities to ensure nuclear safety, from the standpoint of the effectiveness of risk management and other internal control systems and the furtherance of Corporate Social Responsibility. It reports the results of monitoring to the president and continuously promotes improvement by providing advice and recommendations to concerned departments.

With regard to compliance management, through the Compliance Committee, which is chaired by the president, the Company has formulated the Chubu Electric Power Compliance Declaration and Eight Action Guidelines and actively engages in awareness activities for all employees. The Company has established a point of contact with an attorney for employees who seek consultation on compliance matters (or to disclose misconduct) to supplement the function of the internal compliance section and diversify the means available for consultation.

The Chubu Electric Group Compliance Council is engaged in measures aimed at ensuring compliance throughout the Group, such as the establishment of a joint point of contact for consultation on compliance matters for use by employees of all Group companies.

##### (2) Summary of Personal Relations, Capital Relations, Trading Relations and Other Relations with Outside Corporate Auditors

No vested interests exist between the Company and its four outside corporate auditors.

##### (3) Initiatives to Improve Corporate Governance during the Past Year

With the aim of further increasing management efficiency, enhancing the collective strength of the Group and ensuring continuous growth, the Company reformed the management structure at the ordinary meeting of general shareholders held in June of this year.

First, to promote discussion at meetings of the Board of Directors, increase the speed of management decision making and strengthen supervision of directors, the Company reduced the number of directors to twenty or fewer, introduced an executive officer system and delegated significant authority to the general managers that serve as executive officers.

Also, to clarify the management responsibility of the directors and the operational responsibility of executive officers and construct a management structure that can rapidly respond to changes in the business environment, the Company set the term of office for directors and executive officers at one year. On that basis, to ensure fairness and transparency in the appointment of directors, auditors and executive officers, the Company clarified that the president will decide appointments following discussion of candidates among all directors. To strengthen the independence of corporate auditors, it was decided that the standing auditors will participate in discussions of candidates for auditor held among all directors.

Furthermore, to obtain and reflect in business management advice and recommendations on various issues concerning the Company and the Group from influential people, the Company established an advisory board to act as a consultative body to the president. The advisory board consists of academic experts, business leaders, labor leaders and consumers.

#### 5. Matters Concerning the Parent Company

There are no applicable matters.



## Operating Results and Financial Standing

### 1. Results for the Interim Period Under Review

#### (1) Summary of Consolidated Income and Expenditures

In the FY2006 interim period, the Japanese economy continued its gradual improvement. Increases in exports and production and strong personal consumption, resulting from an upturn in the employment and personal income situation, fueled improvement in business performance that led to an increase in capital investment. In these economic circumstances, consolidated operating revenues for the interim period under review were ¥1,038.2 billion, a decrease of ¥37.6 billion from the same period the previous year, and ordinary revenues were ¥1,040.9 billion, a decrease of ¥39.7 billion. Although the volume of electricity sold increased, the impact of a reduction in electric power rates implemented in January 2005 and other factors led to a decrease in electricity sales.

With regard to expenditures, operating expenses increased by ¥12.8 billion from the same period the previous year to ¥865.3 billion as increases in fuel costs more than offset decreases in depreciation and employment costs in the electricity business. As a result of a decrease in other expenses due to lower interest expenses and other factors, ordinary expenses decreased by ¥3.7 billion to ¥913.2 billion.

As a result of these developments, income before extraordinary gains, extraordinary losses, provision of reserve for fluctuation in decreased by ¥35.9 billion from the same period the previous year to ¥127.6 billion. Net income increased by ¥13.5 billion to ¥81.6 billion owing to the absence of the loss on impairment of fixed assets booked as an extraordinary loss the previous year.

#### i. Operating Revenues and Expenditures

##### 1. Electric Power Business

The volume of electricity sold increased by 1.0% year on year to 64.7 billion kWh due to the impact of economic recovery and strong industrial demand.

##### [Demand from customers under regulation]

Demand for electric lighting increased by 0.9% year on year to 16.6 billion kWh owing to an increase in the number of contracts, despite a decrease in air conditioning demand attributable to lower temperatures in July than the previous year. Demand for electric power decreased by 4.8% to 4.0 billion kWh owing to the same weather factor that affected demand for electric lighting and to a decrease in the number of contracts.

##### [Demand from customers under liberalization]

Demand for commercial power increased by 2.5% to 11.6 billion kWh owing to strong demand from commercial facilities, and demand for industrial power increased by 1.2% to 32.5 billion kWh owing to strong demand from the machinery and steel sectors.

With regard to electric power supply, hydroelectric power output decreased by 22.2% from previous year to 4.7 billion kWh (water supply rates of 81.4% in the interim period under review and 106.3% the previous year). Nuclear power output increased by 18.7% to 14.4 billion kWh owing to the smooth operation of Unit No. 5 at the Hamaoka Nuclear Power Plant, which began operation in January 2005. Consequently, the amount of electric energy generated by thermal power plants increased by 0.2% year on year to 43.9 billion kWh.

Sales from the electric power business (operating revenues—electricity) decreased by ¥41.6 billion from the same period the previous year to ¥995.2 billion as a result of a decrease in electricity sales owing to the reduction in rates implemented in January 2005, despite an increase in the volume of electricity sold. Operating expenses increased by ¥9.0 billion from the same period the previous year to ¥824.6 billion as increased fuel costs due to higher fuel prices more than offset a decrease in depreciation and lower employment costs due to factors including a decrease in retirement benefits. As a result of these developments, operating income decreased by ¥50.6 billion to ¥170.5 billion.

##### 2. Other Businesses

Sales from other businesses (operating revenues—others) increased by ¥3.9 billion year on year to ¥43.0 billion as sales to customers outside the Group increased in the other energy, construction and real estate management businesses. Operating expenses increased by ¥3.7 billion to ¥40.6 billion due to higher costs associated with the increase in sales to customers outside the Group in the other energy, construction and real estate management businesses. As a result of these developments, operating

income increased by increased by ¥0.1 billion year on year to ¥2.3 billion.

#### ii. Income Before Extraordinary Gains, Extraordinary Losses, Provision of Reserve for Fluctuation in Water Levels and Income Taxes & Minority Interests

Non-operating income decreased by ¥2.0 billion from the same period the previous year to ¥2.6 billion as a result of a decrease in equity in earnings from equity-method affiliates. The total of operating and non-operating income decreased by ¥39.7 billion to ¥1,040.9 billion. Non-operating expenses decreased by ¥16.5 billion to ¥47.9 billion owing to a decrease in interest paid due to lower borrowings and a decrease in interest rates and to a decrease in the redemption of bonds. The total of operating and non-operating expenses decreased by ¥3.7 billion to ¥913.2 billion. As a result, income before extraordinary gains, extraordinary losses, provision of reserve for fluctuation in water levels and income taxes and minority interests decreased by ¥35.9 billion year on year to ¥127.6 billion.

#### iii. Net Income

Owing to a water shortage during the period under review (a water supply rate of 81.4%), the Company recorded a reversal of the provision of reserve for fluctuation in water levels of ¥6.6 billion as required under Article 36 of the Electric Utility Industry Law. Owing to the absence of the loss on impairment of fixed assets booked as an extraordinary loss the previous year and other factors, income before income taxes and minority interests increased by ¥11.9 billion year on year to ¥134.3 billion. Net income after current and deferred income taxes and minority interests increased by ¥13.5 billion to ¥81.6 billion.

### (2) Summary of the Consolidated Financial Position

#### i. Summary of Assets, Liabilities and Shareholders' Equity

##### 1. Assets

At the end of the interim period under review consolidated assets totaled ¥5,603.5 billion, a reduction of ¥100.0 billion from the end of the previous term.

Property, plant and equipment for the electric power business totaled ¥4,186.4 billion, a decrease of ¥138.3 billion from the end of the previous term. The decrease is principally attributable to the absence of large-scale facilities construction. Property, plant and equipment for other businesses totaled ¥245.6 billion, a decrease of ¥4.2 billion year on year primarily attributable to the progress of depreciation.

Current assets increased by ¥22.1 billion from the end of the previous term to ¥297.4 billion due to factors including increases in trade notes and accounts receivable.

##### 2. Liabilities

Total liabilities decreased by ¥199.1 billion from the previous term to ¥ 4,070.1 billion owing to factors including a decrease in interest-bearing debt due to a decrease in commercial paper and other factors.

##### 3. Shareholders' Equity

Shareholders' equity increased by ¥98.7 billion from the end of the previous term to ¥1,512.0 billion. Although electricity sales decreased following the reduction in rates implemented in January 2005 and other factors, the Company earned an interim net profit of ¥81.6 billion owing to factors including lower depreciation and employment costs. Consequently, the equity ratio increased by 2.2 percentage points to 27.0 %.

As a result of appropriating treasury stock for the conversion of convertible bonds during the interim period, treasury stock decreased by ¥25.5 billion from the end of the previous term to ¥3.5 billion.

#### ii. Summary of Consolidated Cash Flows

##### 1. Cash Flows

The Group mainly uses cash and cash equivalents (hereinafter referred to as "cash") obtained from operating activities to acquire new property, plant and equipment, to improve its financial standing and to return profits to the shareholders by means of stock repurchases and dividend payments.

Net cash provided by operating activities was ¥279.2 billion, a year-on-year decrease of 7.0 % in cash provided owing to factors including lower electric power revenues on account of the reduction in electric power rates implemented in January 2005 and higher fuel costs. As a result of the absence of payments recorded the

previous year for construction expenses for the Unit No. 5 at the Hamaoka Nuclear Power Plant, ¥63.3 billion in net cash was used in investing activities a year-on-year decrease of 6.7 % in net cash used. Net cash used in financing activities was ¥212.5 billion, a year-on-year decrease of 8.3 % in cash used to owing to a reduction in interest-bearing debt and the payment of dividends. As a result, the cash balance at the end of the interim period increased by 5.3 % from the end of the previous term to ¥67.2 billion. Interest-bearing debt at the end of the interim period decreased by 6.4 % from the end of the previous term to ¥3,207.1 billion.

(ii) Cash flows indexes

The shown below is the Group's cash flows indexes.

	9/05	9/04	FY2005	FY2004	FY2003
Shareholders' equity ratio	27.0%	24.0%	24.8%	22.7%	20.8%
Shareholders' equity ratio at market value	36.3%	28.7%	32.7%	27.5%	24.7%
Debt repayment term	-	-	6.1years	6.4years	6.9years
Interest coverage ratio	6.1	6.0	4.1	6.0	4.9

(Notes)

1. Shareholder's equity ratio: Shareholders' equity/Total assets

- It is calculated with figures on consolidated basis. (So are the other notes below)

2. Shareholders' equity ratio at market value: Total shares at market value/Total assets

- Total shares at market value is calculated as follows: [ Last price of shares at the end of the period × Number of shares outstanding at the end of the period ]

3. Debt repayment term: Interest-bearing debts/Operating cash flows

- Interest-bearing debts means interest-payable debts, which is a part of the liabilities on the consolidated balance sheets.
- Operating cash flows on the consolidated cash flows statements apply to cash flows from operating activities used on this calculation. (So is a note below)

4. Interest coverage ratio: Operating cash flows/Interest payments

- Interest payments on the consolidated cash flows apply to interest payments used on this calculation.

(3) Interim Dividend

The Company decided on an interim dividend of ¥30 per share at a meeting of the Board of Directors held today.

2. Outlook for Business Performance

The Company expects the volume of electricity sales in the electricity business for the period ending March 31, 2006 to be approximately 127.0 billion kWh, roughly the same as the previous year (an increase of 0.2% year on year).

In the full-year outlook for fiscal 2006, the Company expects a decrease in sales on a consolidated and non-consolidated basis owing to the reduction in rates implemented in January 2005. With regard to expenses, in the electricity business, although fuel costs are expected to increase due to higher fuel prices, the Company forecasts an increase in ordinary income on a consolidated and non-consolidated basis owing to a reduction in depreciation, a reduction in employment costs owing to lower retirement benefits and other factors, a reduction in interest paid and the promotion of cost reductions across all operations, including reductions in facilities-related expenses.

	Consolidated	Non-Consolidated
Operating revenues	(2.3% decrease) approximately ¥2,085.0 billion	(2.3% decrease) approximately ¥2,005.0 billion
Operating income	(9% decrease) approximately ¥310.0 billion	(9% decrease) approximately ¥300.0 billion
Ordinary Income*	( 8% increase) approximately ¥210.0 billion	(8% increase) approximately ¥200.0 billion
Net income	( 42% increase) approximately ¥130.0 billion	(38% increase) approximately ¥125.0 billion

\* Ordinary Income consolidated: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests  
non-consolidated: Income before provision of reserve for fluctuation in water levels and income taxes

(Principal figures on which outlook are based)

Item	9/05	3/06(assumed)	9/04	3/05
CIF crude oil prices (\$/b)	53.1	approx.57	36.8	38.8
Exchange rate (Inter-bank) (¥/\$)	109	approx.112	110	107

\*The above forecasts and assumptions made in relation to uncertain factors that may influence performance in the future, was made based on the information available at the time of the release of this document. There is a possibility that the actual performance may greatly differ due to various unforeseen factors in the future.

## Results of Production and Sales

### [ Electric Power Business ]

#### 1. Electric energy sold (100 million kWh, %)

	9/05 (A)	9/04 (B)*	Change	
			(A-B)	(A-B)/ B
Demand from customers under regulation				
Electric lighting	166	165	1	0.9
Electric power	40	42	-2	-4.8
Sub total	206	207	-1	-0.3
Demand from customers under liberalization				
Commercial power	116	113	3	2.5
Industrial power	325	321	4	1.2
Sub total	441	434	7	1.5
Total	647	641	6	1.0

Note: Demand under Liberalization in FY 2005 is re-categorized in the same definition as is in FY 2006, ie. customers whose demand is 50 kW or above to calculate the ratios.

#### 2. Output and purchase of electric power (100 million kWh, %)

	9/05 (A)	9/04 (B)	Change		
			(A-B)	(A-B)/B	
Chubu Electric	Hydroelectric power (water supply rate)	47 (81.4)	60 (106.3)	-13 (-24.9)	-22.2
	Thermal power	439	438	1	0.2
	Nuclear power (utilization rate)	144 (65.7)	122 (61.8)	22 (3.9)	18.7
Interchanged power	14	15	-1	-5.5	
Purchased power	67	74	-7	-10.0	
Power used for pumped storage	-10	-12	2	-14.3	
Total	701	697	4	0.5	

## Consolidated Balance Sheets

(million yen)

Assets	2005.9	2005.3	2004.9
Property, Plant and Equipment	5,305,978	5,428,120	5,591,666
Electric utility property, plant and equipment	4,186,440	4,324,833	4,165,674
Hydroelectric power production facilities	344,516	354,344	363,712
Thermal power production facilities	764,868	804,498	854,301
Nuclear power production facilities	427,123	452,449	179,502
Transmission facilities	1,183,305	1,217,560	1,252,815
Transformation facilities	469,077	483,409	499,177
Distribution facilities	844,573	852,634	850,892
General facilities	152,976	159,936	165,272
Other property, plant and equipment	245,600	249,892	255,475
Construction in progress	188,345	186,575	500,687
Nuclear fuel	254,116	250,699	248,961
Loaded nuclear fuel	46,141	48,119	47,898
Nuclear fuel in processing	207,975	202,579	201,063
Investments and other	431,474	416,119	420,868
Long-term investments	228,580	203,231	215,759
Deferred tax assets	152,920	163,232	153,527
Other	49,973	49,655	51,581
Current Assets	297,489	275,381	294,055
Cash	49,962	49,481	43,987
Trade notes and accounts receivable	122,264	110,306	120,936
Inventories	64,764	56,546	59,454
Deferred tax assets	18,003	22,049	18,009
Other	42,494	36,998	51,666
Deferred Assets	51	56	61
Total Assets	5,603,518	5,703,558	5,885,782
Liabilities, Minority interests and Shareholders' Equity			
Long-Term Liabilities and Reserves	3,229,789	3,162,446	3,544,800
Bonds	1,580,936	1,547,836	1,758,311
Convertible bonds	-	-	146,207
Long-term loans	1,031,531	1,034,173	1,075,905
Employee retirement benefit liability	195,890	207,135	201,366
Reserve for reprocessing of irradiated nuclear fuel	272,127	253,373	238,238
Reserve for decommissioning nuclear power plant	85,101	82,638	81,314
Deferred tax liabilities	6	37	14
Other	64,196	37,251	43,443
Current Liabilities	831,035	1,090,867	894,957
Current portion of long-term debt and other	233,462	271,616	165,762
Short-term borrowings	287,490	271,746	290,868
Commercial paper	75,000	304,000	172,000
Accrued income taxes and other	73,985	63,753	91,986
Other	161,097	179,751	174,340
Reserve for Drought	9,352	15,977	10,991
Total Liabilities	4,070,177	4,269,290	4,450,749
Minority Interests in Consolidated Subsidiaries	21,325	21,034	21,166
Shareholders' Equity			
Common stock	374,519	374,519	374,519
Capital surplus	17,219	14,261	14,252
Retained earnings	1,085,625	1,025,900	1,024,478
Net unrealized gains on available-for-sale securities	38,225	27,972	29,419
Foreign Currency Translation Adjustment	-1	-291	-170
Less: Treasury stock	-3,572	-29,129	-28,633
Total Shareholder's Equity	1,512,015	1,413,233	1,413,866
Total Liabilities, Minority interests and Shareholders' Equity	5,603,518	5,703,558	5,885,782

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

## Consolidated Statements of Income

(million yen)

Revenues	2005.9	2004.9	2005.3
Operating Revenues	1,038,267	1,075,952	2,133,223
Electricity	995,266	1,036,871	2,041,353
Other	43,001	39,081	91,870
Other Revenues	2,674	4,709	7,404
Proceed from dividends	799	1,042	1,534
Proceed from interests	413	415	916
Equity in net earnings of affiliate	353	1,079	1,715
Other	1,107	2,171	3,237
Total Ordinary Revenues	1,040,942	1,080,662	2,140,628
Expenses			
Operating Expenses	865,335	852,534	1,791,064
Electric	824,674	815,663	1,704,178
Other	40,661	36,870	86,885
(Operating Income)	172,931	223,418	342,159
Other Expenses	47,910	64,469	154,457
Interest expenses	45,549	48,849	131,441
Other	2,360	15,619	23,016
Total Ordinary Expenses	913,245	917,004	1,945,521
Ordinary Income*	127,696	163,658	195,107
Special Item			
Provision for (reversal of) reserve for drought	-6,624	2,344	7,330
Extraordinary Gains	-	5,662	14,861
Gain on sales of investment securities	-	5,662	14,861
Extraordinary Losses	-	44,623	45,625
Loss on impairment of fixed assets	-	44,623	45,625
Income before income taxes	134,321	122,352	157,013
Income Taxes-Current	43,434	60,766	84,905
Income Taxes-Deferred	8,898	-3,752	-16,459
Minority Interests in Earnings of Consolidated Subsidiaries	303	-2,789	-2,703
Net Income	81,685	68,127	91,270

\*: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests

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

## Consolidated Statements of Cash Flows

(million yen)

Cash Flows from Operating Activities:	2005.9	2004.9	2005.3
Income before income taxes and minority interests	134,321	122,352	157,013
Depreciation and amortization	180,822	217,802	419,093
Loss on impairment of fixed assets	-	44,623	45,625
Loss of loaded nuclear fuel	6,860	6,358	11,858
Loss on disposal of property, plant and equipment	3,512	4,695	10,040
Increase(Decrease) in employee retirement benefit liability	-11,244	421	6,190
Increase(Decrease) in reserve for reprocessing of irradiated nuclear fuel	18,754	7,019	22,154
Increase(Decrease) in reserve for decommissioning nuclear power plant	2,462	1,313	2,638
Reversal of reserve for drought	-6,624	2,344	7,330
Interest and dividends income	-1,213	-1,458	-2,451
Interest expenses	45,549	48,849	131,441
Increase(Decrease) in trade notes and accounts receivable	-11,958	-18,427	-7,796
Increase(Decrease) in inventories	-8,217	-4,063	-1,156
Increase(Decrease) in trade notes and accounts payable	-2,637	-3,690	2,747
Other	10,686	-22,286	-10,421
Sub total	361,073	405,854	794,307
Interest and dividends received	1,263	1,467	2,517
Interest paid	-45,958	-50,369	-136,159
Income taxes paid	-37,113	-56,770	-103,101
Net cash provided by operating activities	279,264	300,182	557,562
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	-65,157	-71,863	-145,363
Increase in investments and other	-3,667	-8,239	-14,734
Proceeds for recoveries from investments and other	3,147	6,083	34,237
Other	2,376	6,173	10,462
Net cash used in investing activities	-63,300	-67,844	-115,397
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds	102,583	20,926	67,741
Redemption of bonds	-75,118	-238,020	-525,129
Proceeds from long-term loans	49,400	16,320	67,417
Repayment of long-term loans	-54,327	-54,977	-162,469
Proceeds from short-term borrowings	166,360	225,400	401,186
Repayment of short-term borrowings	-150,616	-243,017	-438,025
Proceeds from issuance of commercial paper	561,000	672,000	1,225,000
Redemption of commercial paper	-790,000	-605,000	-1,026,000
Dividends paid	-21,666	-21,756	-43,475
Other	-210	-3,788	-4,393
Net cash used in financing activities	-212,596	-231,913	-438,149
Effect of Exchange Rate Changes on Cash and Cash Equivalents	30	4	-9
Net Increase (Decrease) in Cash and Cash Equivalents	3,398	428	4,006
Cash and Cash Equivalents at Beginning of the Period	63,860	59,854	59,854
Cash and Cash Equivalents at End of the Period	67,259	60,282	63,860

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



## Segment Information

### 1. Segment Information By Business Sector

For the six months period ended September 30, 2005

(million yen)

	Electric utility	Other	Total	Eliminations	Consolidated Results
Operating Revenues					
1. Operating Revenues to outside the Group	995,266	43,001	1,038,267	-	1,038,267
2. Inter-segment Operating Revenues and transfers	1,511	86,646	88,157	-88,157	-
Total	996,777	129,647	1,126,425	-88,157	1,038,267
Operating Expenses	828,701	125,597	954,298	-88,963	865,335
Operating Income	168,076	4,050	172,126	805	172,931

For the six months period ended September 30, 2004

(million yen)

	Electric utility	Other	Total	Eliminations	Consolidated Results
Operating Revenues					
1. Operating Revenues to outside the Group	1,036,871	39,081	1,075,952	-	1,075,952
2. Inter-segment Operating Revenues and transfers	1,673	85,765	87,438	-87,438	-
Total	1,038,544	124,846	1,163,391	-87,438	1,075,952
Operating Expenses	818,443	122,062	940,505	-87,971	852,534
Operating Income	220,101	2,784	222,885	532	223,418

For the period ended March 31, 2005

(million yen)

	Electric utility	Other	Total	Eliminations	Consolidated Results
1. Operating Revenues					
(1) Operating Revenues to outside the Group	2,041,353	91,870	2,133,223	-	2,133,223
(2) Inter-segment Operating Revenues and transfers	3,286	189,163	192,450	-192,450	-
Total	2,044,640	281,033	2,325,674	-192,450	2,133,223
Operating Expenses	1,711,803	272,337	1,984,141	-193,077	1,791,064
Operating Income	332,837	8,696	341,533	626	342,159

# Non-consolidated Interim Financial Report

## FY ending March 31, 2006

The information shown below is an English translation of extracts from the Kobetsu Chukan Zaimushohyo no Gaiyo (Non-consolidated Interim Financial Report).

CHUBU ELECTRIC POWER COMPANY, INCORPORATED (November 8, 2005)

Code: 9502

Financial Report for the 6-months Period ended September 30, 2005

(Non-consolidated)

Representative: Fumio Kawaguchi, President

Contact: Toshio Saitou, Manager, Accounting Section

Unit Stock: 100 shares per unit

Tel: 81-52-951-8211

URL: <http://www.chuden.co.jp/english/>

Note: FY 2006 starts on April 1, 2005 and ends on March 31, 2006

. Performance Over the 6-months Ended September 30, 2005

(Figures are rounded down to the nearest million yen)

### 1. Operating Results

	9/05	Change	9/04	Change	3/05
Operating Revenues (million yen)	1,002,094	-3.8%	1,041,384	3.3%	2,051,821
Operating Income (million yen)	167,215	-23.6%	218,921	23.0%	330,546
Ordinary Income* (million yen)	122,262	-23.8%	160,490	35.2%	185,387
Net Income (million yen)	78,946	11.0%	71,136	-3.4%	90,796
Net Income per Share (Primary ; yen)	108.79		98.18		125.19

\*Ordinary Income: Income before provision of reserve for fluctuation in water levels and income taxes

Notes: 1. Average number of shares outstanding

(9/05: 725,708,509 9/04: 724,579,904 3/05: 724,227,928 )

2.Changes in accounting methods: Yes (adoption of the "accounting standard for impairment of fixed assets")

## 2.Dividends

	Dividend per Share (Interim)	Dividend per Share (Annual)
6-Months Ended September 30, 2005 (yen)	30.00	-
6-Months Ended September 30, 2004 (yen)	30.00	-
The Year ended March 31, 2005 (yen)	-	60.00

## 3.Financial Standing

	9/05	9/04	3/05
Total Assets (million yen)	5,342,650	5,618,750	5,434,999
Shareholders' Equity (million yen)	1,396,497	1,305,210	1,300,770
Shareholders' Equity Ratio	26.1%	23.2%	23.9%
Shareholders' Equity per Share (yen)	1,899.24	1,802.74	1,796.94

Note: Number of shares outstanding at the end of period

(9/05: 735,294,192 9/04: 724,014,166 3/05: 723,809,558)

Number of treasury shares outstanding at the end of the period

(9/05: 1,562,995 9/04: 12,843,021 3/05: 13,047,629)

## .Forecasts of Results for the Six Months Ending the Year Ending March 31, 2006 (approximate estimates)

	3/06
Operating Revenues (billion yen)	2,005.0
Ordinary Income* (billion yen)	200.0
Net Income (billion yen)	125.0

\*Ordinary Income: Income before provision of reserve for fluctuation in water levels and income taxes  
(Reference) Estimation of Net Income per Share for the year ending March 31, 2006: 169.82 yen

There are the premise or matters related to these forecasts on page 11.

## Non-consolidated Balance Sheets

(million yen)

	2005.9	2005.3	2004.9
<b>Assets</b>			
<b>Property, Plant and Equipment</b>	5,133,215	5,250,675	5,410,181
Electric utility property, plant and equipment	4,235,717	4,375,417	4,215,813
Hydroelectric power production facilities	347,815	357,741	367,147
Thermal power production facilities	770,009	809,963	860,162
Nuclear power production facilities	429,429	454,860	180,870
Internal combustion engine power production facilities	194	182	195
Transmission facilities	1,196,258	1,230,814	1,266,349
Transformation facilities	473,311	487,772	503,606
Distribution facilities	863,731	872,006	870,120
General facilities	154,968	162,075	167,360
Subsidiary enterprise property, plant and equipment	20,440	15,478	13,581
Other property, plant and equipment	14,371	15,591	14,716
Construction in progress	181,699	180,304	496,302
Nuclear fuel	254,116	250,699	248,961
Loaded nuclear fuel	46,141	48,119	47,898
Nuclear fuel in processing	207,975	202,579	201,063
Investments and other	426,869	413,184	420,806
Long-term investments	203,878	180,123	195,058
Investments in subsidiaries and affiliates	86,945	87,217	86,242
Deferred tax assets	128,855	138,861	128,919
Other	7,189	6,982	10,586
<b>Current Assets</b>	209,383	184,267	208,508
Cash	19,072	18,224	13,332
Accounts receivable-customers	105,609	88,523	109,124
Inventories	50,305	43,755	42,766
Deferred tax assets	15,348	18,803	15,532
Other	19,047	14,960	27,753
<b>Deferred Assets</b>	51	56	61
<b>Total Assets</b>	<b>5,342,650</b>	<b>5,434,999</b>	<b>5,618,750</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Long-Term Liabilities and Reserves</b>	3,149,887	3,076,309	3,453,040
Bonds	1,581,836	1,548,636	1,759,111
Convertible bonds	0	0	146,300
Long-term loans	976,415	972,857	1,008,505
Employee retirement benefit liability	174,834	186,192	180,733
Reserve for reprocessing of irradiated nuclear fuel	272,127	253,373	238,238
Reserve for decommissioning nuclear power plant	85,101	82,638	81,314
Other	59,572	32,611	38,837
<b>Current Liabilities</b>	786,913	1,041,942	849,509
Current portion of long-term debt and other	217,666	254,147	147,685
Short-term borrowings	283,340	265,204	285,288
Commercial paper	75,000	304,000	172,000
Accrued income taxes and other	71,469	58,772	89,956
Other-mainly accounts payable	139,437	159,818	154,579
<b>Reserve for Drought</b>	9,352	15,977	10,991
<b>Total Liabilities</b>	<b>3,946,153</b>	<b>4,134,229</b>	<b>4,313,540</b>
<b>Shareholders' Equity</b>			
Common stock	374,519	374,519	374,519
Capital surplus	17,219	14,261	14,252
Retained earnings	971,325	914,224	916,284
Net unrealized gains on available-for-sale securities	36,929	26,818	28,710
Less: Treasury stock	-3,496	-29,053	-28,557
<b>Total Shareholder's Equity</b>	<b>1,396,497</b>	<b>1,300,770</b>	<b>1,305,210</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,342,650</b>	<b>5,434,999</b>	<b>5,618,750</b>

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

## Non-consolidated Statements of Income

(million yen)

	2005.9	2004.9	2005.3
<b>Revenues</b>			
Operating Revenues	1,002,094	1,041,384	2,051,821
Electric utility revenues	996,777	1,038,544	2,044,640
Residential	339,612	352,317	719,587
Commercial and Industrial	641,730	666,232	1,287,335
Sold power to other electric utilities and other companies	5,306	10,854	17,658
Other	10,128	9,140	20,058
Subsidiary enterprise revenues	5,317	2,840	7,180
Other Revenues	1,871	3,038	4,547
Financing revenues	1,363	1,638	2,706
Non-operating revenues	508	1,400	1,841
Profit from sale of fixed asset	29	200	394
Other	479	1,199	1,446
Total Ordinary Revenues	1,003,966	1,044,423	2,056,368
<b>Expenses</b>			
Operating Expenses	834,879	822,463	1,721,275
Electric utility expenses	828,701	818,443	1,711,803
Hydro electric power production expenses	22,911	23,933	49,410
Thermal power production expenses	313,498	283,973	598,906
Nuclear power production expenses	86,263	96,518	217,230
Internal combustion engine power production expenses	69	46	90
Purchased power from other electric utilities and other companies	71,231	77,090	150,435
Transmission expenses	62,630	62,662	126,049
Transformation expenses	34,528	35,358	76,459
Distribution expenses	98,828	85,133	175,785
Selling expenses	33,516	32,254	68,195
General and administrative expenses	66,759	81,509	170,126
Electric power development promotion tax	26,018	27,342	54,015
Enterprise tax	12,436	12,798	25,268
Other operating expenses	8	-180	-170
Subsidiary enterprise expenses	6,178	4,020	9,472
(Operating Income)	167,215	218,921	330,546
Other Expenses	46,824	61,469	149,705
Financing expenses	44,920	47,788	129,563
Interest expenses	44,593	47,680	129,266
Other	327	108	297
Non-operating expenses	1,903	13,680	20,142
Loss from sale of fixed asset	30	631	675
Other	1,872	13,048	19,466
Total Ordinary Expenses	881,704	883,932	1,870,980
Ordinary Income*	122,262	160,490	185,387
<b>Special Item</b>			
Provision for (reversal of) reserve for drought	-6,624	2,344	7,330
Extraordinary Gains	-	5,605	14,752
Gain on sales of investment securities	-	5,605	14,752
Extraordinary Losses	-	37,668	38,016
Loss on impairment of fixed assets	-	37,668	38,016
Income before Income Taxes	128,887	126,083	154,794
Income Taxes-Current	42,058	59,451	80,664
Income Taxes-Deferred	7,882	-4,504	-16,667
Net Income	78,946	71,136	90,796

\*: Income before provision of reserve for fluctuation in water levels and income taxes

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