

# Quarterly Financial Report

The information shown below is an English translation of extracts from "Quarterly Financial Report for the Six Months Period Ended September 30, 2009", which was filed with stock exchanges (Tokyo, Osaka, and Nagoya) on the date shown below pursuant to their regulations. Be advised that the Japanese version (the original) shall prevail if in any case a discrepancy arises between the original and the English translation.

---

## CHUBU ELECTRIC POWER COMPANY, INCORPORATED (October 30, 2009)

Stock Code: 9502

### Quarterly Financial Report for the Six Months Period Ended September 30, 2009

Representative: Toshio Mita, President

Contact: Ryou Itou, Manager, Investor Relations Section, Finance and Accounting Department

TEL: +81-52-951-8211

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

#### 1. Performance Over the Six Months Period Ended September 30, 2009 (Consolidated)

(April 1, 2009 - September 30, 2009)

(Figures are rounded down to the nearest million yen)

##### (1) Consolidated Operating Results

(Percentile figures represent year-on-year changes in corresponding period)

|   | 9/09      | Change | 9/08      | Change |
|---|-----------|--------|-----------|--------|
| Operating Revenue (million yen)           | 1,124,726 | -8.0%  | 1,222,283 | -      |
| Operating Income (million yen)            | 156,608   | 241.1% | 45,914    | -      |
| Ordinary Income (million yen)             | 142,148   | 278.3% | 37,571    | -      |
| Net Income (million yen)                  | 90,587    | 290.8% | 23,178    | -      |
| Net Income per Share (Primary; yen)       | 116.47    |        | 29.77     |        |
| Net Income per Share (Fully diluted; yen) | -         |        | -         |        |

##### (2) Consolidated Financial Standing

|                                | 9/09      | 3/09      |
|--------------------------------|-----------|-----------|
| Total Assets (million yen)     | 5,364,579 | 5,470,128 |
| Net Assets (million yen)       | 1,713,040 | 1,654,759 |
| Shareholders' Equity Ratio (%) | 31.2      | 29.6      |
| Net Assets per Share (yen)     | 2,157.65  | 2,076.93  |

Note: Shareholders' Equity (9/09: 1,675,455 million yen, 3/09: 1,616,654 million yen)

## 2. Dividends

|  | 3/09  | 3/10  | 3/10<br>(forecast) |
|--|-------|-------|--------------------|
| End of 1st quarter per share (Yen)     | -     | -     | n/a                |
| End of 2nd quarter per share (Yen)     | 30.00 | 30.00 | n/a                |
| End of 3rd quarter per share (yen)     | -     | n/a   | -                  |
| End of the fiscal year per share (Yen) | 30.00 | n/a   | 30.00              |
| Annual Dividends per Share (Yen)       | 60.00 | n/a   | 60.00              |

Note: Forecast revision of dividends during the quarter under review: None

## 3. Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2010

(Percentile figures represent year-on-year changes in corresponding period)

|                                     | 3/10      | Change |
|-------------------------------------|-----------|--------|
| Operating Revenue (million yen)     | 2,260,000 | -10.0% |
| Operating Income (million yen)      | 205,000   | 12.5%  |
| Ordinary Income (million yen)       | 165,000   | 26.4%  |
| Net Income (million yen)            | 105,000   | -      |
| Net Income per Share (Primary; yen) | 135.22    |        |

Note: Forecast revision of consolidated results during the quarter under review: Yes

## 4. Other

### (1) Changes in important subsidiaries during the period

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

### (2) Application of simplified methods in accounting practices, and methods unique to state quarterly financial report: None

### (3) Changes in principles or procedures of accounting treatment for creation or presentation of consolidated quarterly financial statements (changes to be recorded under important items that are basic to the creation of consolidated quarterly financial statements)

(i) Changes following the amendment of accounting standards, etc. : None

(ii) Changes other than under (i): None

### (4) Number of shares issued (common stock)

(i) Number of shares issued at the end of period (including treasury stock)

September 30, 2009: 779,004,665                      March 31, 2009: 779,004,665

(ii) Number of treasury shares at the end of period

September 30, 2009: 2,486,324                      March 31, 2009: 616,893

(iii) Average total number of shares

Six months period ended September 30, 2009: 777,752,738

Six months period ended September 30, 2008: 778,542,546

## Explanations Regarding Appropriate Use of the Forecasts, and Other Special Remark

1. The forecasts for the year ending March 31, 2010 have been revised from previous announcement made in July 31, 2009. For details about the forecasts, please refer "3. Qualitative Information on Outlook for Consolidated Operating Result" in qualitative information and financial statements, etc, in page 5.
2. The forecasts are based on information available as of the date of this announcement is made, and also, assumptions as of the date of this announcement is made on uncertain factors that would affect future results. Actual results materially differ by various causes in the future.

<Reference>

Forecasts of Non-Consolidated Results for the Fiscal Year Ending March 31, 2010

(Percentile figures represent year-on-year changes in corresponding period)

|                                     | 3/10      | Change  |
|-------------------------------------|-----------|---------|
| Operating Revenue (million yen)     | 2,100,000 | -10.1 % |
| Operating Income (million yen)      | 190,000   | 16.1%   |
| Ordinary Income (million yen)       | 150,000   | 48.0%   |
| Net Income (million yen)            | 105,000   | -       |
| Net Income per Share (Primary; yen) | 135.20    |         |

Note: Forecast revision of non-consolidated results during the quarter under review: Yes

## Qualitative Information and Financial Statements, etc

### 1. Qualitative Information on Consolidated Operating Results

Amount of electric energy sold was reduced - led by decline in industrial demand following global economic downturn, to 60.2 TWh, 11.4 % reduction on year-on-year basis.

In a breakdown, demand from electric lighting - one of regulated contract category - was decreased by 1.5% to 16.4 TWh, due to such factor as a decline in air conditioning demand by lower temperature during summer season compared to the previous year, although number of contracts were increased. Meanwhile, demand for electric power in low voltage was decreased by 5.8 % to 3.3 TWh, owing to a decline in number of contracts, fewer demand in air conditioning, along with other causes.

As analysis of demand from liberalized contracts, demand for commercial power was decreased by 2.2 % to 12.0 TWh, led by fewer use in air conditioning. Demand for industrial power was decreased by 19.7% to 28.5 TWh, owing to a decrease in production with global economic downturn, along with other causes.

#### (1) Operating Revenue and Expenses in Electric Power Business

In terms of revenue, operating revenue was declined by 87.0 billion yen from corresponding period of previous fiscal year to 1,045.5 billion yen, due to a decrease in revenue by fewer electricity sold, although unit sales price was higher.

In terms of expenses, operating expenses decreased by 200.8 billion yen to 882.7 billion yen contributed by such factor as fewer fuel expenses, led by decline in fuel price.

As a result of these developments, operating income was increased by 113.8 billion yen from corresponding period of previous fiscal year, to 162.8 billion yen.

## (2) Operating Revenue and Expenses in Other Businesses

In terms of revenue, total sales were declined by 10.5 billion yen from corresponding period of previous fiscal year, to 79.1 billion yen, led by a decline in sales in construction business.

As for expenses, a decline in production costs for construction business and other factor contributed a 7.4 billion yen decrease to 85.3 billion yen.

As a result, operating loss totaled 6.2 billion yen (3.1 billion yen of operating loss in corresponding period of previous fiscal year).

Sales in businesses by segment are as shown below.

### [Energy Business]

Revenue from energy business was declined by 1.4 billion yen on year-on-year basis to 19.3 billion yen, led by decline in sales of gas sales business.

### [Construction Business]

Revenue from construction business was declined by 12.1 billion yen on year-on-year basis to 45.3 billion yen, led by decline in sales from interior wiring works.

### [Other Business]

Although revenue from IT and telecommunication business was declined, revenue increase in service business and others contributed to an increased revenue of this segment by 3.0 billion yen on year-on-year basis to 14.4 billion yen.

|                         | 9/09<br>(A) | 9/08<br>(B) | Change   |          |
|-------------------------|-------------|-------------|----------|----------|
|                         |             |             | (A-B)    | (A-B)/B  |
| Consolidated            | 1,124.7     | 1,222.2     | -97.5    | -8.0     |
| Electric Power Business | 1,045.5     | 1,132.5     | -87.0    | -7.7     |
| Other Businesses        | 79.1        | 89.7        | -10.5    | -11.8    |
| (Energy)                | (19.3)      | (20.8)      | (- 1.4)  | (- 7.1)  |
| (Construction)          | (45.3)      | (57.4)      | (- 12.1) | (- 21.1) |
| (Other)                 | (14.4)      | (11.3)      | (3.0)    | (26.7)   |

Note: Figures represent revenues from external customers.

As a result, ordinary income was increased by 104.5 billion yen from corresponding period of previous fiscal year, to 142.1 billion yen. Net income was 90.5 billion yen, a 67.4 billion yen increase from corresponding period of

previous fiscal year.

## 2. Qualitative Information on Consolidated Financial Standing

Total assets were decreased by 105.5 billion yen from the end of the previous fiscal year, to 5,364.5 billion yen, mainly due to ongoing depreciation without completion in major facilities.

Net asset was rose by 58.2 billion yen from the end of previous fiscal year, to 1,713.0 billion yen, contributed by securing net income of 90.5 billion yen in the period under review, along with other factor.

As a result, the shareholder's equity ratio was 31.2 %, an improvement of 1.6 % from the end of previous fiscal year.

Meanwhile, the amount of interest-bearing debt at the end of period under review was 2,609.6 billion yen, a 6.4 % decline from the end of previous fiscal year.

## 3. Qualitative Information on Outlook for Consolidated Operating Result

The company has revised its outlook for operating results that were previously announced in July 31, 2009, due to expectation of fewer sales in electric power business as revenue is likely to fall short by fewer revenue from residential, commercial, and industrial, along with other factors, and in construction business.

Regarding the performance outlook for FY2009 with comparison of the result of previous fiscal year, both consolidated and non-consolidated sales results are expected to deliver decreased figures, reflecting reduction of revenue in the electric power business by lower sales volume and unit sales price, with other factors.

As for ordinary income, both consolidated and non-consolidated results are expected to show a increase, contributed by such factor as a lower fuel price despite of number of factors dragging the bottom line such as a decline in unit sales price and fewer power generation from nuclear power plants.

In the electric power business, which is at the core of the Chubu Electric Group's business, the results may be fluctuated between quarters. In term of revenue, the volume of electric energy sales depends upon economic shifts. In addition, the volume of electric sales has a tendency that higher sales are recorded during summer and winter seasons. In terms of expenses, the causes of fluctuation include a sharp change in fuel price, and completion date of maintenance works at power stations.

[Consolidated]

(billion yen)

|                   | Forecast | 3/10                               |                            |
|-------------------|----------|------------------------------------|----------------------------|
|                   |          | Change<br>(From previous forecast) | Change<br>(YoY)            |
| Operating Revenue | 2,260.0  | -70.0                              | (-10.0%)<br>approx. -250.0 |
| Operating Income  | 205.0    | -                                  | (12.5%)<br>approx. 23.0    |
| Ordinary Income   | 165.0    | -                                  | (26.4%)<br>approx. 34.0    |
| Net Income        | 105.0    | -                                  | (-)<br>approx. 124.0       |

Note 1: represent year-on-year change in corresponding period.

Note 2: figures in change from previous forecast represent change in forecasts that were previously announced in July 31, 2009.

[Non-consolidated]

(billion yen)

|                   | Forecast | 3/10                               |                            |
|-------------------|----------|------------------------------------|----------------------------|
|                   |          | Change<br>(From previous forecast) | Change<br>(YoY)            |
| Operating Revenue | 2,100.0  | -60.0                              | (-10.1%)<br>approx. -235.0 |
| Operating Income  | 190.0    | -                                  | (16.1%)<br>approx. 26.0    |
| Ordinary Income   | 150.0    | -                                  | (48.0%)<br>approx. 49.0    |
| Net Income        | 105.0    | -                                  | (-)<br>approx. 142.0       |

Note 1: figures in parenthesis represent year-on-year change in corresponding period.

Note 2: figures in change from previous forecast represent change in forecasts that were previously announced in July 31, 2009.

[Major Factors]

|                                   | 3/10             |                   | 3/09        |
|-----------------------------------|------------------|-------------------|-------------|
|                                   | Current forecast | Previous forecast | Results     |
| Electric energy sales (TWh)       | Approx. 123.5    | Approx. 130.5     | 129.7       |
| CIF price : crude oil (\$/b)      | Approx. 66       | Approx. 55        | 90.5        |
| Fx rate (yen/\$)                  | Approx. 95       | Approx. 100       | 101         |
| Nuclear power utilization rate(%) | Approx. 54       | Approx. 71        | (74.5) 56.1 |

Note 1: previous forecast represent forecasts announced in July 31, 2009.

Note 2: figure in parenthesis represents a reference excluding Hamaoka No.1 and No.2.

Note: Above forecasts are based on information available as of the date of this announcement is made, and also, assumptions as of the date of this announcement is made on uncertain factors that would affect future results. Actual results materially differ by various causes in the future.

#### 4. Others

(1) Changes in important subsidiaries during the period (accompanying changes in the extent of consolidated companies) :

N/A

(2) Application of simplified methods in accounting practices, and methods unique to state quarterly financial report:

N/A

(3) Changes in principles or procedures of accounting treatment for creation or presentation of consolidated quarterly financial statements:

N/A

# Quarterly Consolidated Financial Statements

## 1 Quarterly Consolidated Balance Sheets

(Millions of yen)

|  | As of Sep 30, 2009 | As of Mar 31, 2009 |
|--|--------------------|--------------------|
| <b>Assets</b>  |                    |                    |
| Noncurrent assets  | 4,867,767          | 4,918,769          |
| Electric utility plant and equipment   | 3,446,629          | 3,526,311          |
| Hydroelectric power production facilities  | 288,237            | 292,394            |
| Thermal power production facilities  | 593,182            | 612,980            |
| Nuclear power production facilities  | 257,136            | 272,425            |
| Transmission facilities  | 956,457            | 982,729            |
| Transformation facilities  | 412,689            | 419,406            |
| Distribution facilities  | 811,038            | 817,449            |
| General facilities   | 126,952            | 127,984            |
| Other electric utility plant and equipment   | 934                | 941                |
| Other noncurrent assets  | 192,922            | 197,381            |
| Construction in progress   | 269,299            | 232,998            |
| Construction and retirement in progress  | 269,299            | 232,998            |
| Nuclear fuel   | 251,549            | 247,502            |
| Loaded nuclear fuel  | 38,595             | 27,791             |
| Nuclear fuel in processing   | 212,953            | 219,711            |
| Investments and other assets   | 707,367            | 714,574            |
| Long-term investments  | 158,571            | 160,453            |
| Reserve fund for reprocessing of irradiated nuclear fuel                               | 239,595            | 244,758            |
| Deferred tax assets  | 207,583            | 197,383            |
| Other  | 103,553            | 114,255            |
| Allowance for doubtful accounts  | (1,936)            | (2,276)            |
| Current assets   | 496,811            | 551,359            |
| Cash and deposits  | 105,705            | 144,277            |
| Notes and accounts receivable-trade  | 142,179            | 165,161            |
| Inventories  | 110,489            | 108,604            |
| Deferred tax assets  | 20,741             | 26,672             |
| Other  | 118,720            | 107,786            |
| Allowance for doubtful accounts  | (1,023)            | (1,142)            |
| <b>Total Assets</b>  | <b>5,364,579</b>   | <b>5,470,128</b>   |
| <b>Liabilities and Net Assets</b>  |                    |                    |
| Noncurrent liabilities   | 2,625,215          | 2,715,767          |
| Bonds payable  | 1,252,307          | 1,262,996          |
| Long-term loans payable  | 633,264            | 725,207            |
| Provision for retirement benefits  | 201,660            | 198,429            |
| Provision for reprocessing of irradiated nuclear fuel                                  | 261,417            | 263,779            |
| Provision for preparation of the reprocessing of irradiated nuclear fuel               | 12,294             | 12,053             |
| Provision for decommissioning of nuclear power units                                   | 118,925            | 117,929            |
| Provision for loss in conjunction with discontinued operations of nuclear power plants | 86,728             | 87,009             |
| Other  | 58,617             | 48,360             |
| Current liabilities  | 1,026,322          | 1,099,601          |
| Current portion of noncurrent liabilities  | 246,714            | 189,395            |
| Short-term loans payable   | 321,150            | 323,560            |
| Commercial papers  | 163,000            | 294,000            |
| Notes and accounts payable-trade   | 107,019            | 139,651            |
| Accrued taxes  | 80,177             | 31,713             |
| Other  | 108,262            | 121,281            |
| <b>Total Liabilities</b>   | <b>3,651,538</b>   | <b>3,815,369</b>   |
| Shareholders' equity   | 1,659,364          | 1,596,201          |
| Capital stock  | 430,777            | 430,777            |
| Capital surplus  | 70,777             | 70,777             |
| Retained earnings  | 1,163,438          | 1,096,215          |
| Treasury stock   | (5,627)            | (1,568)            |
| Valuation and translation adjustments  | 16,090             | 20,453             |
| Valuation difference on available-for-sale securities                                  | 13,416             | 12,096             |
| Deferred gains or losses on hedges   | 4,565              | 11,053             |
| Foreign currency translation adjustment  | (1,891)            | (2,696)            |
| Minority interests   | 37,584             | 38,104             |
| <b>Total Net Assets</b>  | <b>1,713,040</b>   | <b>1,654,759</b>   |
| <b>Total Liabilities and Net Assets</b>  | <b>5,364,579</b>   | <b>5,470,128</b>   |

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



## 2 Quarterly Consolidated Statements of Income

(Millions of yen)

|   | Six-Months<br>ended Sep 30, 2009 | Six-Months<br>ended Sep 30, 2008 |
|---|----------------------------------|----------------------------------|
| Operating revenue                                 | 1,124,726                        | 1,222,283                        |
| Electric utility operating revenue                | 1,045,569                        | 1,132,573                        |
| Other business operating revenue                  | 79,157                           | 89,710                           |
| Operating expenses                                | 968,117                          | 1,176,369                        |
| Electric utility operating expenses               | 882,734                          | 1,083,547                        |
| Other business operating expenses                 | 85,383                           | 92,822                           |
| Operating income                                  | 156,608                          | 45,914                           |
| Non-operating income                              | 10,144                           | 21,572                           |
| Dividends income                                  | 908                              | 1,227                            |
| Interest income                                   | 2,641                            | 2,791                            |
| Foreign exchange gains                            | 4,253                            | 6,596                            |
| Equity in earnings of affiliates                  | 120                              | -                                |
| Other   | 2,220                            | 10,956                           |
| Non-operating expenses                            | 24,605                           | 29,914                           |
| Interest expenses                                 | 19,339                           | 25,655                           |
| Equity in losses of affiliates                    | -                                | 600                              |
| Other   | 5,265                            | 3,658                            |
| Ordinary revenue                                  | 1,134,871                        | 1,243,856                        |
| Ordinary expenses                                 | 992,723                          | 1,206,284                        |
| Ordinary income                                   | 142,148                          | 37,571                           |
| Income before income taxes and minority interests | 142,148                          | 37,571                           |
| Income taxes-current                              | 53,392                           | 12,533                           |
| Income taxes-deferred                             | (1,338)                          | 609                              |
| Income taxes                                      | 52,054                           | 13,142                           |
| Minority interests in income (loss)               | (493)                            | 1,249                            |
| Net income  | 90,587                           | 23,178                           |

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

### 3 Quarterly Consolidated Statements of Cash Flow

(Millions of yen)

|  | Six-Months<br>ended Sep 30, 2009 | Six-Months<br>ended Sep 30, 2008 |
|--|----------------------------------|----------------------------------|
| <b>Net cash provided by operating activities:</b>  |                                  |                                  |
| Income before income taxes and minority interests  | 142,148                          | 37,571                           |
| Depreciation and amortization  | 146,386                          | 157,899                          |
| Amortization of nuclear fuel   | 2,123                            | 6,041                            |
| Loss on retirement of noncurrent assets  | 3,537                            | 2,727                            |
| Increase in provision for retirement benefits  | 3,232                            | 2,941                            |
| Increase (decrease) in provision for reprocessing of irradiated nuclear fuel                       | (2,362)                          | 294                              |
| Increase in provision for other reprocessing of irradiated nuclear fuel                            | 241                              | 1,066                            |
| Increase in provision for decommissioning of nuclear power units                                   | 995                              | 3,070                            |
| Decrease in provision for loss in conjunction with discontinued operations of nuclear power plants | (281)                            | -                                |
| Interest and dividends income  | (3,550)                          | (4,018)                          |
| Interest expenses  | 19,339                           | 25,655                           |
| Decrease in reserve fund for reprocessing of irradiated nuclear fuel                               | 5,163                            | 6,248                            |
| Decrease in notes and accounts receivable-trade  | 22,978                           | 9,566                            |
| Increase in inventories  | (1,996)                          | (28,505)                         |
| Decrease in notes and accounts payable-trade   | (32,626)                         | (23,601)                         |
| Other, net   | 22,442                           | (20,610)                         |
| Subtotal   | 327,769                          | 176,348                          |
| Interest and dividends income received   | 3,755                            | 4,600                            |
| Interest expenses paid   | (19,790)                         | (26,012)                         |
| Income taxes paid  | (4,174)                          | (26,956)                         |
| Net cash provided by operating activities  | 307,559                          | 127,979                          |
| <b>Net cash used in investment activities:</b>   |                                  |                                  |
| Purchase of noncurrent assets  | (118,636)                        | (107,710)                        |
| Payments of investment and loans receivable  | (28,046)                         | (31,774)                         |
| Collection of investment and loans receivable  | 25,403                           | 40,439                           |
| Payments for sales of investments in subsidiaries resulting in change in scope of consolidation    | (225)                            | -                                |
| Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation   | 84                               | 35,881                           |
| Other, net   | 2,514                            | 3,893                            |
| Net cash used in investing activities  | (118,906)                        | (59,270)                         |
| <b>Net cash used in financing activities:</b>  |                                  |                                  |
| Proceeds from issuance of bonds  | 69,797                           | 19,932                           |
| Redemption of bonds  | (38,217)                         | (12,223)                         |
| Proceeds from long-term loans payable  | 14,000                           | 13,900                           |
| Repayment of long-term loans payable   | (92,399)                         | (53,417)                         |
| Increase in short-term loans payable   | 185,990                          | 238,474                          |
| Decrease in short-term loans payable   | (187,950)                        | (252,994)                        |
| Proceeds from issuance of commercial papers  | 379,000                          | 394,000                          |
| Redemption of commercial papers  | (510,000)                        | (365,000)                        |
| Purchase of treasury stock   | (4,106)                          | (323)                            |
| Cash dividends paid  | (23,281)                         | (23,321)                         |
| Cash dividends paid to minority shareholders   | (234)                            | (210)                            |
| Other, net   | (993)                            | (21)                             |
| Net cash used in financing activities  | (208,395)                        | (41,204)                         |
| Effect of exchange rate change on cash and cash equivalents  | (279)                            | (122)                            |
| Net increase (decrease) in cash and cash equivalents   | (20,021)                         | 27,381                           |
| Cash and cash equivalents at beginning of this period  | 149,695                          | 97,108                           |
| Decrease in cash and cash equivalents resulting from change of scope of consolidation              | -                                | (275)                            |
| Cash and cash equivalents at end of this period  | 129,674                          | 124,214                          |

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