

# Consolidated Financial Report

The information shown below is an English translation of extracts from the Kessan Tanshin (Renketsu) (Consolidated Financial Report). Fiscal year 2005 dates from 1st April 2004 to 31st March 2005.

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CHUBU ELECTRIC POWER COMPANY, INCORPORATED (May 11, 2005)

Code: 9502

Financial Report for the 12-months Period ended March 31, 2005

(Consolidated)

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Adaptation of U.S. accounting standard : None

. Performance Over the Year Ended March 31, 2005

(Figures are rounded down to the nearest million yen)

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## 1. Consolidated Operating Results

	3/05	Change	3/04	Change
Operating Revenues (million yen)	2,133,223	1.5%	2,101,072	-3.4%
Operating Income (million yen)	342,159	2.3%	334,411	7.0%
Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income Taxes & Minority Interests (million yen)	195,107	5.5%	184,925	8.1%
Net Income (million yen)	91,270	-20.4%	114,717	7.7%
Net Income per Share (Primary ; yen)	125.68		157.21	
Net Income per Share (Fully diluted ; yen)	117.37		146.64	

Notes: 1. Equity in earnings of affiliates

(3/05: 1,715 million yen, 3/04: -1,157 million yen)

2. Average number of shares outstanding (consolidated)

(3/05: 724,107,768 3/04: 728,073,170)

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

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## 2.Consolidated Financial Standing

	3/05	3/04
Total Assets (million yen)	5,703,558	6,060,177
Shareholders' Equity (million yen)	1,413,233	1,377,180
Shareholders' Equity Ratio	24.8%	22.7%
Shareholders' Equity per Share (yen)	1,952.45	1,897.81

Note : Number of shares outstanding at the end of the period. (consolidated)  
(3/05, 723,688,890 3/04: 725,535,700 )

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## 3.Outline of Consolidated Cash Flows

	3/05	3/04
Cash Flows from Operating Activities (million yen)	557,562	592,362
Cash Flows from Investing Activities (million yen)	-115,397	-199,324
Cash Flows from Financing Activities (million yen)	-438,149	-395,210
Cash or Cash Equivalent at the End of the Period (million yen)	63,860	59,854

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## 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: 20

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

Inclusion of subsidiaries to consolidation: 1

Exclusion of subsidiaries from consolidation: 0

Inclusion of subsidiaries or affiliates accounted for under the equity method: 2

Exclusion of subsidiaries or affiliates accounted for under the equity method: 0

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.Forecasts of Consolidated Results for the 6-months period Ending September 30, 2005, and the Year Ending March 31, 2006(approximate estimates)

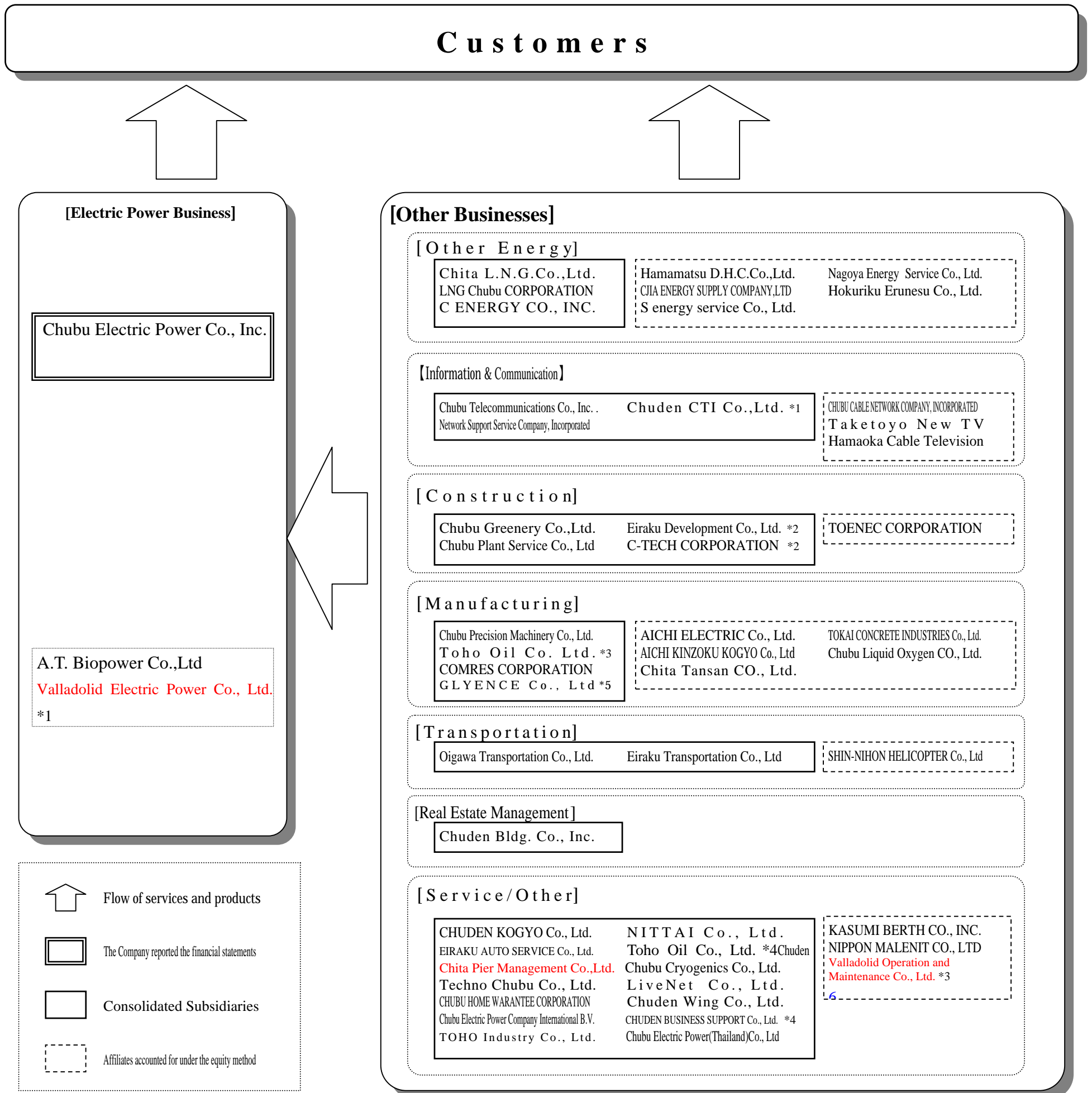
	9/05	3/06
Operating Revenues (billion yen)	1,000.0	2,040.0
Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income Taxes &Minority Interests (million yen)	102.0	200.0
Net Income (billion yen)	64.0	125.0

(Reference) Estimation of Net Income per Share for the year ending March 31, 2006: 172.36 yen

There are the premise or matters related to these forecasts on page 12.

## Corporate Group Position

To effectively use its management resources centered on the electric power business, the Chubu Electric Group (Chubu Electric Power Company and its subsidiaries and affiliates) operates a number of businesses, including the following: energy businesses other than electric power that utilize the Company's power supply facilities, fuels, and technologies; information and communication businesses that provide intellectual added value on the basis of network facilities; a construction business for upgrading and maintaining power-related facilities; and manufacturing operations for the supply of materials and equipment.



### Notes:

\*1 Chubu Electric Power Company U.S.A. Inc. has been included in the scope of consolidation for the period under review due to equity participation.

\*2 Valladolid Electric Power Co., Ltd. has been accounted for as an equity-method affiliate for the period under review.

\*3 Valladolid Operation and Maintenance Co., Ltd. has been accounted for as an equity-method affiliate for the period under review.

\*4 Attendant on a change in business line, Toho Oil Co., Ltd. has been reclassified from Manufacturing to Service/Other in the Segment Information by Business Sector section.

## Management Policies

### 1. Basic Management Policy

In the electric power business, at the time of expansion of the scope of liberalization of electric power retailing to all customers receiving high-voltage electricity in April of this year new mechanisms aimed at further promoting competition went into operation, including the start of operations of the Japan Electric Power Exchange (JEPX) and Electric Power System Council and a review of the power system utilization charge system.

In these circumstances, to prevail against fierce competition in the energy market and achieve continuing growth as an integrated energy group with its base in the Chubu Region, the Company has set forth the management objectives set forth below for the Chubu Electric Group. By accelerating the implementation of business initiatives grounded in concretely defined management policies the Company 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 increase demand for electric power by 2.4 billion kWh by the end of FY2008.

#### [Business Targets]

Item	Consolidated Target	Non-consolidated Target	Target Year
ROA (Return on Assets)*1	4.5% or more	4.5% or more	Average for three years from FY2005 to FY2007
Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income Taxes &Minority Interests	¥165,000 million or more	¥160,000 million or more	
Capital expenditure	¥200,000 million or less	¥170,000 million or less	
Free cash flow *2	¥360,000 million or more	¥350,000 million or more	
Outstanding interest-bearing debts	¥3,100,000 million or less	¥3,000,000 million or less	By the end of FY2007

\*1 --- ROA (Return on Assets) = (Income before special item and income taxes + Interest expenses) / Average total assets at beginning and end of the period.

\*2 --- 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.

#### [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 will further enhance services and aggressively engage in proposal activities to meet the diverse needs of customers while taking maximum advantage of the Group’s management resources to deliver new forms of value to customers in the field of energy, including gas and on-site power generation.

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

In a market environment fraught with dramatic changes such as the review of the structure of the electric power industry and intensification of competition between energy types, to deliver excellent services at low prices the Company will exhaustively pursue greater efficiency at each stage of operations and without fail achieve the FY2006 target of a 20% reduction in costs from pre-liberalization levels as set forth in 2001 in the Management Reform Roadmap.

(3) Reinforce corporate strength and strategically utilize management resources for growth

The Company will reliably achieve its management objectives with the aim of increasing the collective strength of the Group, strategically concentrate and reallocate human resources and business returns on the core energy business, and continuously grow as a comprehensive energy business group.

(4) Reinforce the corporate foundation for the whole group and act as a good corporate citizen

The Company will reinforce its cooperative and integrated management system involving the main company and its group companies in order to flexibly cope with difficult management environments and to make the corporate group more competitive.

While striving toward harmonious coexistence with society, the Company will actively fulfill its social responsibilities as a corporate citizen. Specifically, the Company will promote compliance with laws, internal rules, and corporate ethics; tackle global environmental issues; and strengthen its relations of trust with local communities.

## 2. Basic Policy for Profit Sharing

In addition to redistributing to shareholders, operational results generated by the Company will be effectively used for activities and investments to improve the Company's financial structure and expand the revenue basis, thereby enhancing the corporate value. Internal reserves will be used as funds for capital expenditure in the electric businesses, investment in new businesses and improvement of the Company's financial structure.

## 3 Fluctuation Factors Concerning Operating Results

The following are major variables that could affect the operating results and financial conditions of the Group.

Descriptions about the future are based on the judgment as of the announcement date of this statement.

### Risks Relating to the Economic Environment

#### (1) Economic Conditions 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 may 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, the Reserve-for-Drought System minimizes the effect on the Group's performance.

#### (2) Changes in Fuel Prices

Fuel expenses, which are a major expense item in the electricity business, are affected by changes in CIF costs, foreign exchange rates and so on because the Company depends on imports of liquid natural gas (LNG) and coal.

However, since changes in fuel price are reflected in electricity charges according to the price adjustment system reflecting fluctuations in fuel costs, have only a limited effect on the performance.

#### (3) Changes in Interest Rates

The Group's interest-bearing debt outstanding was ¥3,425.9 billion as of March 2005, or 60.1% of the total assets. Interest expenses, which are a major expense item, are likely to be affected by future changes in market interest rates.

However, 83.2% of the outstanding interest-bearing debt is long-term funds including 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, changes in interest rates have only a limited effect on the performance.

## Risks Relating to the Group's Business Activities

### (1) Changes in the Environment Surrounding the Electric Power Business

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 operation, including the start of operations of the Japan Electric Power Exchange (JEPX) and Electric Power System Council 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 might be affected by future revisions to the power system or attendant intensification of competition.

With regard to the nuclear power backend business, as this is an ultra-long-term business that involves uncertainties, the Bill Concerning the Setting Aside and Control of a Reserve for Reprocessing Spent Nuclear Fuel in Nuclear Power Generation was approved in a cabinet meeting in February 2005 and is being debated in the Diet. The purpose of the proposed legislation is to ensure the smooth advancement of nuclear power generation and the backend business. Analysis and assessment of costs has not yet been completed, and the future allocation of medium-term storage costs, processing costs for spent fuel for medium-term storage, and other costs remain to be considered. Accordingly, business performance might be affected by factors such as the direction taken with the system.

### (2) Businesses Other Than the Electric Power Business

To effectively use its management resources centered on the electric power business, the Group engages in a number of businesses: energy businesses other than electric power that utilize the Company's power supply facilities, fuels, and technologies; information and communication businesses that provide intellectual added value on the basis of network facilities; a construction business for upgrading and maintaining power-related facilities; and manufacturing operations for the supply of materials and equipment. Should these businesses fail to produce the results expected owing to greater competition with other operators or other changes in the business environment, business performance might be affected.

## Other Risks

### (1) Natural Disasters

The Group's unified power supply system operates at every level from generation to distribution. In order to supply electric power of high quality in an economical and stable manner, the Group has constructed and is maintaining various facilities for minimizing service interruptions caused by lightning and other natural phenomena. However, large-scale natural disasters, such as typhoons, and accidents are likely to affect the Group's performance.

### (2) Unintentional Disclosure of Personal Information

To appropriately protect the large volume of personal information it holds, the Group has established internal systems and rules on the handling of personal information, strictly controls personal information, and engages in employee education in accordance with the Personal Information Protection Law and other relevant laws and regulations. Should despite these precautions a problem occur owing to the unintentional disclosure of personal information, direct costs necessary to counter the problem might arise and intangible damage such as deterioration of public trust might occur.

### (3) Periodic Inspection of Units No. 1 and 2 of the Hamaoka Nuclear Power Plant

The periodic inspection period for performing maintenance of equipment within the nuclear reactors and improvement in the earthquake resistance of Units No. 1 and 2 of the Hamaoka Nuclear Power Plant has been extended to March 2008. As the costs and operations involved in this maintenance remain undetermined, business performance might be affected.

#### 4. Corporate Governance

##### Principles of Corporate Governance

The company must enhance efficiency in management and ensure legitimacy so that shareholders and investors will see it as a reliable corporation. The company will redouble its efforts to ensure corporate governance.

##### (1) Measures Implemented for Corporate Governance

An overview of the management mechanism and the measures taken toward corporate governance is as follows:

In addition to the Board of Directors, auditors, and other aspects prescribed by the Commercial Code, the Company has a Board of Managing Directors and holds a Managerial Strategy Meeting. In principle, a meeting of the Board of Directors is held monthly. At those meetings, the board decides on resolutions stipulated by the Commercial Code and corporate key issues in management. As well, it oversees the duties of the directors with reports on the how those duties are being carried out. At the meetings of the Board of Managing Directors, matters referred to the Board of Directors are discussed in advance and other important issues in operations are deliberated. At the Managerial Strategy Meeting the direction of mid- and long-term management is discussed. The conference refers important matters on to the Board of Managing Directors and the Board of Directors.

According to the principles decided upon at the meeting of the Board of Auditors, the auditors individually and independently monitor how the duties of the directors are carried out. Currently, two out of six auditors are out-of-house auditors. (One of them is a chairman of Central Japan Railway Company, with which the company has contract of electricity supply and lease of lands. There are no specific interests with another non-executive auditor).

In accordance with the policy and assignment of duties decided by the Board of Auditors, the seven corporate auditors (including four external auditors) attend meetings of the Board of Directors, read important approval documents, investigate the conduct of business and the state of company assets at principal places of business, and otherwise audit directors' performance of duties. The corporate auditors are assisted by a staff of fourteen directly reporting employees. Since November 2004 in principle a meeting between all corporate auditors and directors is held once each month. 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 the audit plan and results and exchanging opinions.

The internal audit function is the responsibility of the Corporate Planning Internal Audit Office, which has a staff of 47 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.

Four certified public accountants from Chuo Aoyama Audit Corporation performed the Company's financial audit: Mr. Kazunori Tajima, Mr. Akio Nagata, Mr. Chizuka Inakoshi, and Mr. Mitsuaki Shibata. Mr. Inakoshi has continuously performed audits for the Company for nine years. Sixteen certified public accounts, eleven assistant certified public accounts, and two others assisted with the financial audit.

With regard to compliance management, through the Compliance Promotion Committee the Company has formulated the Chubu Electric Power Compliance Declaration and Eight Standards of Conduct 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 Power Group Compliance Promotion 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 External Corporate Auditors

No vested interests exist between the Company and its four external 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 will reform the management structure at the ordinary meeting of general shareholders to be 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 will reduce the number of directors to twenty or less, introduce an executive officer system and delegate 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 will 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 will clarify that the president will decide appointments following discussion of candidates among all directors. To strengthen the independence of corporate auditors, the standing auditors will participate in discussions of candidates for auditor held among all directors.

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

(4) Directors' remuneration and an auditing fee

The directors' remuneration to the directors and auditors of our company in this term and the auditing fee to an auditing firm are as follows.

Directors' remuneration		Auditing fee	
Remuneration paid to the directors	¥ 454 million	Remuneration concerning an audit certificate	¥ 78 million
Remuneration paid to the auditors	¥ 89 million	Remuneration other than the above	¥ 7 million
Total	¥ 544 million	Total	¥ 86 million



## Operating Results and Financial Standing

### 1. Results for the Period Under Review

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

In FY2005, gradual improvement in the Japanese economy continued owing to an increase in capital investment attributable to improvement in business performance fueled by increases in exports and production and to strong personal consumption resulting from an upturn in the employment and personal income situation.

In these economic circumstances, consolidated operating revenues for the period under review were ¥2,133.2 billion, an increase of ¥32.1 billion year on year. The improvement was partly attributable to higher revenues from the residential and commercial and industrial segments due to an increase in revenues from electricity sold, an increase that came despite the impact of the reduction in electric power rates implemented in January 2005. Ordinary revenues increased by ¥33.5 billion from the previous period to ¥2,140.6 billion, and ordinary expenses increased by ¥23.3 billion to ¥1,945.5 billion as increases in fuel costs and depreciation more than offset a decrease in employment costs in the electricity business. As a result, Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income Taxes & Minority Interests increased by ¥10.1 billion to ¥195.1 billion.

Owing to factors including the booking of an impairment loss of ¥45.6 billion as an extraordinary loss upon the application of the Accounting Standard for Impairment of Fixed Assets, net income fell by ¥23.4 billion on a year-on-year basis to ¥91.2 billion.

#### i. Operating Revenues and Expenditures

##### 1. Electric Power Business

The volume of electricity sold increased by 3.6% year on year to 126.7 billion kWh due to higher demand for air conditioning, strong industrial demand, and the results of sales activities. Demand from the residential segment increased by 4.8% to 34.1 billion kWh owing to factors including higher demand for air conditioning attributable to higher summer temperatures than the previous year, and demand from the commercial and industrial segment increased by 2.3% to 36.3 billion kWh owing to the effect of the temperature and strong production activity. Demand from customers under liberalization increased by 3.8% to 56.3 billion kWh owing to factors including strong exports to Asia and the United States and the effect of the temperature.

With regard to electric power supply, hydroelectric power was nearly at the same level as the previous period (water supply rates of 114.2% in FY2005 and 113.9% in FY2004). Nuclear power output increased by 31.4% to 22.2 billion kWh owing to the start of operation of Unit No. 5 at the Hamaoka Nuclear Power Plant. Consequently, the amount of electric energy generated by thermal power plants decreased by 0.2% year on year to 90.3 billion kWh.

Operating revenues from the electric power business increased by ¥26.5 billion from the previous period to ¥2,041.3 billion despite a reduction in electric power rates, owing to factors including an increase in the volume of electricity sold. Operating expenses increased by ¥19.5 billion year on year to ¥1,704.1 billion due to higher fuel costs resulting from an increase in CIF prices and an increase in depreciation costs attendant on the completion and commissioning of Unit No. 5 at the Hamaoka Nuclear Power Plant, which more than offset a reduction in employment costs due to a decrease in retirement benefits. As a result of these developments, operating income increased by ¥7.0 billion from the previous period to ¥337.1 billion.

##### 2. Other Businesses

Operating revenues from other businesses increased by ¥5.6 billion year on year to ¥91.8 billion. Although revenues from the information and communications business decreased due to the effect of intensification of competition, sales to customers outside the Group increased in the construction and other energy businesses. Operating expenses increased by ¥4.8 billion to ¥86.8 billion due to higher costs associated with the increase in sales to customers outside the Group in the construction

and other energy businesses. As a result of these developments, operating income increased by ¥0.7 billion from the previous period to ¥4.9 billion.

#### ii. Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income Taxes & Minority Interests

Non-operating income increased by ¥1.4 billion year on year to ¥7.4 billion due to improved performance from equity method affiliates. The total of operating and non-operating income increased by ¥33.5 billion to ¥2,140.6 billion. Non-operating expenses decreased by ¥1.0 billion to ¥155.4 billion as a decrease in the loss on redemption by purchase of bonds more than offset an increase in interest paid due to a higher amount of prepayments. The total of operating and non-operating expenses increased by ¥23.3 billion to ¥1,945.5 billion. As a result, Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income Taxes & Minority Interests by ¥10.1 billion from the previous period to ¥195.1 billion.

#### iii. Net Income

Owing to an ample supply of water during the period under review (a water supply rate of 114.2%), the Company recorded a Provision of Reserve for fluctuation in Water Levels of ¥7.3 billion as required under Article 36 of the Electric Utility Industry Law. The Company recorded an extraordinary gain of ¥14.8 billion on the sale of marketable securities and recorded as an extraordinary loss a ¥45.6 billion impairment loss upon the application of the Accounting Standard for Impairment of Fixed Assets. As a result, income before income taxes and minority interests was ¥157.0 billion and net income after current and deferred income taxes and minority interests fell by ¥23.4 billion on a year-on-year basis to ¥91.2 billion.

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

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

##### 1. Assets

At the end of the period under review, consolidated assets totaled ¥5,703.5 billion, a reduction of ¥356.6 billion from the previous period.

Property, plant, and equipment for the electric power business totaled ¥4,324.8 billion, an increase of ¥26.9 billion from the previous period. The increase is principally attributable to a transfer from construction in progress, which more than offset the effect of curtailment of capital investment and the progress of depreciation. Property, plant, and equipment for other businesses totaled ¥249.8 billion, a decrease of ¥43.8 billion year on year. The decrease is primarily attributable to the progress of depreciation and the recording of an impairment loss upon the application of the Accounting Standard for Impairment of Fixed Assets.

Construction in progress decreased by ¥358.5 billion from the previous year to ¥186.5 billion due to the transfer of Units No. 5 of the Hamaoka Nuclear Power Plant from construction in progress upon the start of commercial operation and the booking of an impairment loss.

The impairment loss upon the application of the Accounting Standard for Impairment of Fixed Assets was ¥45.6 billion, which was primarily due to idle assets of ¥34.9 billion for which there is no specific plan for use.

Current assets increased by ¥23.1 billion from the previous period to ¥275.3 billion due to factors including increases in trade notes and accounts receivable.

##### 2. Liabilities

Total liabilities decreased by ¥389.7 billion from the previous term to ¥4,269.2 billion owing to factors including a decrease in interest-bearing debt due to prepayment of debt and the early redemption of bonds.

##### 3. Shareholders' Equity

Shareholders' equity increased by ¥36.0 billion from the end of the previous term to ¥1,413.2 billion. Higher revenues from the residential and commercial and industrial segments due to an increase in revenues from electricity sold despite the impact of the reduction in electric power rates led to net income of ¥91.2 billion. Consequently, the equity ratio increased by 2.1 percentage points to 24.8%.

As a result of the repurchase of the Company's shares in market buying, treasury stock at the period end amounted to ¥29.1 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 ¥557.5 billion, a year-on-year decrease of 5.9% in cash provided; whereas electric power revenues increased on account of an increase in air conditioning demand due to higher summer temperatures than the previous year, fuel costs and interest paid increased. As a result of curtailment of outlays for capital investment due to cost reductions, ¥115.3 billion in net cash was used in investing activities, a year-on-year decrease of 42.1% in cash used. Net cash used in financing activities was ¥438.1 billion, a year-on-year increase of 10.9% in cash used. As a result, the cash balance at the period end increased by 6.7% from the previous period to ¥63.8 billion.

Interest-bearing debt at the period end decreased by 10.1% from the previous period to ¥3,425.9 billion.

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

	FY2001	FY2002	FY2003	FY2004	FY2005
Shareholders' equity ratio	17.9%	19.1%	20.8%	22.7%	24.8%
Shareholders' equity ratio at market value	22.0%	23.7%	24.7%	27.5%	32.7%
Debt repayment term	7.4years	6.5years	6.9years	6.4years	6.1years
Interest coverage ratio	3.8	4.4	4.9	6.0	4.1

(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) Profit Sharing

Dividends at the end of this period will be ¥30 per share, same as those at the end of the 6-months period. As a result, the payout ratio will be 47.9%.

## 2. Outlook for the next period

Electric energy sales in the electricity business for the period ending March 31, 2006 will be approximately 123.8 billion kWh, a 2.3% decrease from the previous period.

By promoting efficiency over the whole operating activities as well as cost reduction such as facilities-related expenses, the outlook for performance in the next period will be as follows.

(Outlook for consolidated performance in the next period)

Consolidated	9/05	3/08
Operating revenues	(7.1% decrease) approximately ¥1,000.0 billion	(4.4% decrease) approximately ¥2,040.0 billion
Operating income	(32% decrease) approximately ¥153.0 billion	(14% decrease) approximately ¥295.0 billion
Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income Taxes & Minority Interests	(38% decrease) approximately ¥102.0 billion	(3% increase) approximately ¥200.0 billion
Net income	(6% decrease) approximately ¥64.0 billion	(37% increase) approximately ¥125.0 billion

(Principal figures on which outlook are based)

Item	FY2006(assumed)	FY 2005	FY 2004
CIF crude oil prices (\$/b)	approx.45	38.8	29.4
Exchange rate (Inter-bank) (¥/\$)	approx.108	107	113

\*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.

## Situation of Generation and Sales

### [ Electric Power Business ]

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

	3/05 (A)	3/04 (B)	Change	
			(A-B)	(A-B)/B
Customers other than those under liberalization				
Electric lighting	341	325	16	4.8
Electric power	363	355	8	2.3
Sub total	704	680	24	3.5
Customers under liberalization	563	542	21	3.8
Total	1,267	1,222	45	3.6

Note: Customers under Liberalization in FY 2004 is re-categorized in the same definition as is in FY 2005, ie. customers whose demand is 500 kW or above to calculate the yoy ratios.

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

	3/05 (A)	3/04 (B)	Change		
			(A-B)	(A-B)/B	
Chubu Electric	Hydroelectric power (water supply rate)	104 (114.2)	104 (113.9)	0 (0.3)	0.3
	Thermal power	903	905	-2	-0.2
	Nuclear power (utilization rate)	222 (51.9)	169 (53.2)	53 (-1.3)	31.4
Interchanged power	29	33	-4	-12.2	
Purchased power	141	136	5	3.4	
Power used for pumped storage	-19	-15	-4	25.4	
Total	1,380	1,332	48	3.6	

## Consolidated Balance Sheets

(million yen)

Assets	2005.3	2004.3	Change
Property, Plant and Equipment	5,428,120	5,807,837	-379,717
Electric utility property, plant and equipment	4,324,833	4,297,914	26,919
Hydroelectric power production facilities	354,344	374,308	-19,963
Thermal power production facilities	804,498	901,843	-97,345
Nuclear power production facilities	452,449	190,335	262,113
Transmission facilities	1,217,560	1,281,878	-64,317
Transformation facilities	483,409	516,937	-33,527
Distribution facilities	852,634	858,337	-5,702
General facilities	159,936	174,273	-14,336
Other property, plant and equipment	249,892	293,733	-43,840
Construction in progress	186,575	545,076	-358,500
Nuclear fuel	250,699	246,266	4,433
Loaded nuclear fuel	48,119	54,294	-6,174
Nuclear fuel in processing	202,579	191,972	10,607
Investments and other	416,119	424,847	-8,728
Long-term investments	203,231	228,744	-25,512
Deferred tax assets	163,232	147,123	16,108
Other	49,655	48,979	675
Current Assets	275,381	252,241	23,140
Cash	49,481	45,666	3,814
Trade notes and accounts receivable	110,306	102,509	7,796
Inventories	56,546	55,390	1,156
Deferred tax assets	22,049	17,660	4,388
Other	36,998	31,013	5,984
Deferred Assets	56	98	-42
Total Assets	5,703,558	6,060,177	-356,619
Liabilities, Minority interests and Shareholders' Equity			
Long-Term Liabilities and Reserves	3,162,446	3,772,170	-609,724
Bonds	1,547,836	1,953,774	-405,938
Convertible bonds	-	146,251	-146,251
Long-term loans	1,034,173	1,122,521	-88,347
Employee retirement benefit liability	207,135	200,944	6,190
Reserve for reprocessing of irradiated nuclear fuel	253,373	231,219	22,154
Reserve for decommissioning nuclear power plant	82,638	80,000	2,638
Deferred tax liabilities	37	20	17
Other	37,251	37,439	-188
Current Liabilities	1,090,867	878,247	212,620
Current portion of long-term debt and other	271,616	175,677	95,939
Short-term borrowings	271,746	308,235	-36,489
Commercial paper	304,000	-	304,000
Accrued income taxes and other	63,753	91,636	-27,882
Other	179,751	302,698	-122,947
Reserve for Drought	15,977	8,647	7,330
Total Liabilities	4,269,290	4,659,064	-389,774
Minority Interests in Consolidated Subsidiaries	21,034	23,932	-2,898
Shareholders' Equity			
Common stock	374,519	374,519	-
Capital surplus	14,261	14,248	13
Retained earnings	1,025,900	978,360	47,540
Net unrealized gains on available-for-sale securities	27,972	34,999	-7,027
Foreign Currency Translation Adjustment	-291	-67	-223
Less: Treasury stock	-29,129	-24,879	-4,249
Total Shareholder's Equity	1,413,233	1,377,180	36,052
Total Liabilities, Minority interests and Shareholders' Equity	5,703,558	6,060,177	-356,619

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

## Consolidated Statements of Income

(million yen)

Revenues	2005.3	2004.3	Change
Operating Revenues	2,133,223	2,101,072	32,151
Electricity	2,041,353	2,014,818	26,534
Other	91,870	86,253	5,617
Other Revenues	7,404	5,995	1,409
Proceed from dividends	1,534	1,355	179
Proceed from interests	916	1,200	-283
Equity in net earnings of affiliate	1,715	-	1,715
Other	3,237	3,439	-201
Total Ordinary Revenues	2,140,628	2,107,067	33,561
Expenses			
Operating Expenses	1,791,064	1,766,660	24,403
Electric	1,704,178	1,684,670	19,507
Other	86,885	81,989	4,895
(Operating Income)	342,159	334,411	7,748
Other Expenses	154,457	155,481	-1,023
Interest expenses	131,441	96,428	35,012
Other	23,016	59,052	-36,036
Total Ordinary Expenses	1,945,521	1,922,141	23,379
Ordinary Income*	195,107	184,925	10,181
Special Item			
Provision for (reversal of) reserve for drought	7,330	8,647	-1,316
Extraordinary Gains	14,861	-	14,861
Gain on sales of investment securities	14,861	-	14,861
Extraordinary Losses	45,625	-	45,625
Loss on impairment of fixed assets	45,625	-	45,625
Income before income taxes	157,013	176,278	-19,265
Income Taxes-Current	84,905	96,814	-11,909
Income Taxes-Deferred	-16,459	-35,608	19,149
Minority Interests in Earnings of Consolidated Subsidiaries	-2,703	354	-3,057
Net Income	91,270	114,717	-23,447

\*:Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Level

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

## Consolidated Statements of Cash Flows

(million yen)

Cash Flows from Operating Activities:	2005.3	2004.3
Income before income taxes and minority interests	157,013	176,278
Depreciation and amortization	419,093	391,179
Loss on impairment of fixed assets	45,625	-
Loss of loaded nuclear fuel	11,858	9,882
Loss on disposal of property, plant and equipment	10,040	16,130
Increase(Decrease) in employee retirement benefit liability	6,190	32,559
Increase(Decrease) in reserve for reprocessing of irradiated nuclear fuel	22,154	10,584
Increase(Decrease) in reserve for decommissioning nuclear power plant	2,638	247
Reversal of reserve for drought	7,330	8,647
Interest and dividends income	-2,451	-2,555
Interest expenses	131,441	96,428
Increase(Decrease) in trade notes and accounts receivable	-7,796	11,976
Increase(Decrease) in inventories	-1,156	3,631
Increase(Decrease) in trade notes and accounts payable	2,747	-23,921
Other	-10,421	45,148
Sub total	794,307	776,217
Interest and dividends received	2,517	2,582
Interest paid	-136,159	-99,484
Income taxes paid	-103,101	-86,953
Net cash provided by operating activities	557,562	592,362
Cash Flows from Investing Activities:		
Purchases of property, plant and equipment	-145,363	-248,275
Increase in investments and other	-14,734	-27,115
Proceeds for recoveries from investments and other	34,237	63,947
Acquisition	-	1,710
Other	10,462	10,407
Net cash used in investing activities	-115,397	-199,324
Cash Flows from Financing Activities:		
Proceeds from issuance of bonds	67,741	93,963
Redemption of bonds	-525,129	-229,243
Proceeds from long-term loans	67,417	46,977
Repayment of long-term loans	-162,469	-199,616
Proceeds from short-term borrowings	401,186	314,707
Repayment of short-term borrowings	-438,025	-348,651
Proceeds from issuance of commercial paper	1,225,000	1,058,000
Redemption of commercial paper	-1,026,000	-1,064,000
Dividends paid	-43,475	-43,890
Other	-4,393	-23,457
Net cash used in financing activities	-438,149	-395,210
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-9	-33
Net Increase (Decrease) in Cash and Cash Equivalents	4,006	-2,206
Cash and Cash Equivalents at Beginning of the Period	59,854	62,061
Cash and Cash Equivalents at End of the Period	63,860	59,854

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



## Segment Information

### 1. Segment Information By Business Sector

For the period ended March 31, 2005

(million yen)

	Electric	Other	Total	Eliminations	Consolidated Results
1. Operating Revenues, Operating Income					
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
2. Assets, Depreciation, Assets	5,418,512	403,372	5,821,885	-118,327	5,703,558
Depreciation	384,976	37,103	422,079	-2,986	419,093
Impairment of fixed assets	34,932	10,692	45,625	-	45,625
Capital expenditures	128,091	26,663	154,755	-3,373	151,382

For the period ended March 31, 2004

(million yen)

	Electric	Other	Total	Eliminations	Consolidated Results
1. Operating Revenues, Operating Income					
Operating Revenues (1) Operating Revenues to outside the Group	2,014,818	86,253	2,101,072	-	2,101,072
(2) Inter-segment Operating Revenues and transfers	3,168	199,206	202,374	-202,374	-
Total	2,017,986	285,459	2,303,446	-202,374	2,101,072
Operating Expenses	1,693,212	275,518	1,968,731	-202,071	1,766,660
Operating Income	324,774	9,941	334,715	-303	334,411
2. Assets, Depreciations, Assets	5,760,679	426,182	6,186,862	-126,684	6,060,177
Depreciation	351,726	42,612	394,339	-3,159	391,179
Capital expenditures	205,336	29,188	234,525	-2,847	231,677

## Non-consolidated Financial Report

The information shown below is an English translation of extracts from the Kobetsu Zaimushohyo no Gaiyo (Non-consolidated Financial Report). Fiscal year 2005 dates from 1st April 2004 to 31st March 2005.

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CHUBU ELECTRIC POWER COMPANY, INCORPORATED (May 11, 2005)

Code: 9502

Financial Report for the 12-months Period ended March 31, 2005

(Non-consolidated)

Representative: Fumio Kawaguchi, President

Contact: Toshihiko Suzuki, Manager, IR Section

Toshio Saito, Manager, Accounting Section

Unit Stock: 100 shares per unit

Tel: 81-52-951-8211

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

. Performance Over the Year Ended March 31, 2004

(Figures are rounded down to the nearest million yen)

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### 1. Operating Results

	3/05	Change	3/04	Change
Operating Revenues (million yen)	2,051,821	1.4%	2,023,209	-3.0%
Operating Income (million yen)	330,546	2.5%	322,534	8.5%
Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income Taxes (million yen)	185,387	5.8%	175,164	9.1%
Net Income (million yen)	90,796	-17.9%	110,609	7.5%
Net Income per Share (Primary ; yen)	125.19		151.72	
Net Income per Share (Fully diluted ; yen)	116.98		141.56	

Notes: 1. Average number of shares outstanding  
(3/05: 724,227,928 3/03: 728,193,036 )

2. Special Item means Provision for (Reversal of) Reserve for Drought.

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

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## 2.Dividends

	3/05	3/04
Annual Dividends per Share (Yen)	60.00	60.00
Interim (Yen)	30.00	30.00
End of the period	30.00	30.00
Total Dividends paid (full-year)(million yen)	43,434	43,587
Payout Ratio	47.9	39.5
Dividends on equity	3.3	3.4

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## 3.Financial Standing

	3/05	3/04
Total Assets (million yen)	5,434,999	5,776,440
Shareholders' Equity (million yen)	1,300,770	1,265,516
Shareholders' Equity Ratio	23.9%	21.9%
Shareholders' Equity per Share (yen)	1,796.94	1,743.78

Note: Number of shares outstanding at the end of period

(3/05: 723,809,558 3/04: 725,655,566 )

Number of treasury shares outstanding at the end of the period

(3/05: 13,047,629 3/03: 11,201,621)

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.Forecasts of Non-consolidated Results for the 6-months period Ending September 30, 2004, and the Year Ending March 31, 2006 (approximate estimates)

	9/05	3/06
Operating Revenues (billion yen)	970.0	1,960.0
Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income Taxes (million yen)	100.0	190.0
Net Income (billion yen)	63.0	120.0

(Reference) Estimation of Net Income per Share for the year ending March 31, 2006: 165.61 yen

There are the premise or matters related to these forecasts on page 12.

## Non-consolidated Balance Sheets

(million yen)

	2005.3	2004.3	Change
<b>Assets</b>			
Property, Plant and Equipment	5,250,675	5,611,485	-360,809
Electric utility property, plant and equipment	4,375,417	4,349,383	26,034
Hydroelectric power production facilities	357,741	377,837	-20,095
Thermal power production facilities	809,963	908,125	-98,161
Nuclear power production facilities	454,860	191,772	263,088
Internal combustion engine power production facilities	182	208	-25
Transmission facilities	1,230,814	1,295,794	-64,979
Transformation facilities	487,772	521,550	-33,777
Distribution facilities	872,006	877,664	-5,657
General facilities	162,075	176,430	-14,355
Subsidiary enterprise property, plant and equipment	15,478	14,778	699
Other property, plant and equipment	15,591	35,843	-20,251
Construction in progress	180,304	538,858	-358,554
Nuclear fuel	250,699	246,266	4,433
Loaded nuclear fuel	48,119	54,294	-6,174
Nuclear fuel in processing	202,579	191,972	10,607
Investments and other	413,184	426,354	-13,169
Long-term investments	180,123	209,217	-29,094
Investments in subsidiaries and affiliates	87,217	84,531	2,686
Deferred tax assets	138,861	121,913	16,948
Other	6,982	10,691	-3,709
Current Assets	184,267	164,856	19,411
Cash	18,224	13,535	4,689
Accounts receivable-customers	88,523	84,623	3,900
Inventories	43,755	39,786	3,968
Deferred tax assets	18,803	14,816	3,986
Other	14,960	12,094	2,865
Deferred Assets	56	98	-42
<b>Total Assets</b>	<b>5,434,999</b>	<b>5,776,440</b>	<b>-341,440</b>
<b>Liabilities and Shareholders' Equity</b>			
Long-Term Liabilities and Reserves	3,076,309	3,673,687	-597,377
Bonds	1,548,636	1,954,574	-405,938
Convertible bonds	-	146,344	-146,344
Long-term loans	972,857	1,047,267	-74,410
Employee retirement benefit liability	186,192	181,115	5,076
Reserve for reprocessing of irradiated nuclear fuel	253,373	231,219	22,154
Reserve for decommissioning nuclear power plant	82,638	80,000	2,638
Other	32,611	33,166	-555
Current Liabilities	1,041,942	828,589	213,353
Current portion of long-term debt and other	254,147	156,956	97,191
Short-term borrowings	265,204	300,288	-35,084
Commercial paper	304,000	105,000	199,000
Accrued income taxes and other	58,772	85,673	-26,900
Other-mainly accounts payable	159,818	180,671	-20,853
Reserve for Drought	15,977	8,647	7,330
<b>Total Liabilities</b>	<b>4,134,229</b>	<b>4,510,924</b>	<b>-376,694</b>
Shareholders' Equity			
Common stock	374,519	374,519	-
Capital surplus	14,261	14,248	13
Retained earnings	914,224	867,048	47,175
Net unrealized gains on available-for-sale securities	26,818	34,504	-7,685
Less:Tresury stock	-29,053	-24,804	-4,249
<b>Total Shareholder's Equity</b>	<b>1,300,770</b>	<b>1,265,516</b>	<b>35,253</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,434,999</b>	<b>5,776,440</b>	<b>-341,440</b>

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

## Non-consolidated Statements of Income

(million yen)

	2005.3	2004.3	Change
<b>Revenues</b>			
Operating Revenues	2,051,821	2,023,209	28,611
Electric utility revenues	2,044,640	2,017,986	26,653
Residential	719,587	696,885	22,701
Commercial and Industrial	1,287,335	1,286,090	1,245
Sold power to other electric utilities and other companies	17,658	15,762	1,896
Other	20,058	19,248	810
Subsidiary enterprise revenues	7,180	5,223	1,957
Other Revenues	4,547	4,994	-447
Financing revenues	2,706	2,764	-58
Non-operating revenues	1,841	2,230	-389
Profit from sale of fixed asset	394	396	-1
Other	1,446	1,834	-387
<b>Total Ordinary Revenues</b>	<b>2,056,368</b>	<b>2,028,204</b>	<b>28,163</b>
<b>Expenses</b>			
Operating Expenses	1,721,275	1,700,675	20,599
Electric utility expenses	1,711,803	1,693,212	18,590
Hydro electric power production expenses	49,410	53,166	-3,755
Thermal power production expenses	598,906	623,981	-25,074
Nuclear power production expenses	217,230	109,663	107,566
Internal combustion engine power production expenses	90	93	-3
Purchased power from other electric utilities and other companies	150,435	141,198	9,236
Transmission expenses	126,049	135,191	-9,142
Transformation expenses	76,459	77,261	-802
Distribution expenses	175,785	179,412	-3,627
Selling expenses	68,195	64,936	3,258
General and administrative expenses	170,126	230,565	-60,439
Electric power development promotion tax	54,015	53,345	670
Enterprise tax	25,268	25,027	241
Other operating expenses	-170	-631	460
Subsidiary enterprise expenses	9,472	7,462	2,009
(Operating Income)	330,546	322,534	8,011
Other Expenses	149,705	152,365	-2,659
Financing expenses	129,563	94,121	35,442
Interest expenses	129,266	93,769	35,496
Other	297	351	-53
Non-operating expenses	20,142	58,244	-38,102
Loss from sale of fixed asset	675	1,664	-989
Other	19,466	56,579	-37,112
<b>Total Ordinary Expenses</b>	<b>1,870,980</b>	<b>1,853,040</b>	<b>17,940</b>
<b>Ordinary Income*</b>	<b>185,387</b>	<b>175,164</b>	<b>10,223</b>
<b>Special Item</b>			
Provision for (reversal of) reserve for drought	7,330	8,647	-1,316
<b>Extraordinary Gains</b>	<b>14,752</b>	<b>-</b>	<b>14,752</b>
Gain on sales of investment securities	14,752	-	14,752
<b>Extraordinary Losses</b>	<b>38,016</b>	<b>-</b>	<b>38,016</b>
Loss on impairment of fixed assets	38,016	-	38,016
<b>Income before Income Taxes</b>	<b>154,794</b>	<b>166,517</b>	<b>-11,723</b>
<b>Income Taxes-Current</b>	<b>80,664</b>	<b>90,923</b>	<b>-10,259</b>
<b>Income Taxes-Deferred</b>	<b>-16,667</b>	<b>-35,015</b>	<b>18,348</b>
<b>Net Income</b>	<b>90,796</b>	<b>110,609</b>	<b>-19,812</b>

\*:Income before Extraordinary gains, Extraordinary losses, Provision of Reserve for fluctuation in Water Levels, Income  
 Note: Above figures are rounded down to the nearest million yen.

## Proposed Appropriation of Retained Earnings

(million yen)

Item	3/05	3/04
Unappropriated retained earnings at the end of the period	159,596	182,420
Appropriations		
Dividends	21,714	21,769
	(¥30 per share)	(¥30 per share)
Bonuses to directors and corporate auditors	131	131
(to corporate auditors)	(22)	(22)
Provision of special voluntary reserve	50,000	70,000
Balance to be carried forward	87,750	90,519

(Notes)

Interim dividends for the period ended March 31, 2004 were ¥21,817 million. (¥30 per share)

Interim dividends for the period ended March 31, 2005 were ¥21,720 million. (¥30 per share)