

# **Investors Meeting Presentation for 3 months ended June 30, 2006**



**July 31, 2006**

**Chubu Electric Power Co.,Inc.**

# **3 months results**

## **(April 1, 2006-June 30, 2006)**

# Summary

[Consolidated] Increase in revenues, Increase in ordinary income  
 (2 years to the day since 6/04)

(billion yen,%)

	6/06 (A)	6/05 (B)	Change	
			(A-B)	(A-B)/B
Operating Revenues	516.4	478.9	37.4	7.8
Operating Income	89.6	83.2	6.4	7.7
Ordinary Income	75.7	67.6	8.0	12.0
Net Income	46.5	45.5	1.0	2.3

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

[Non-consolidated] Increase in revenues, Increase in ordinary income  
 (2 years to the day since 6/04)

(billion yen,%)

	6/06 (A)	6/05 (B)	Change	
			(A-B)	(A-B)/B
Operating Revenues	499.5	463.6	35.8	7.7
Operating Income	86.9	80.6	6.2	7.7
Ordinary Income	75.0	65.5	9.4	14.4
Net Income	46.9	44.9	2.0	4.5

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

# Electric Energy Sold

The volume of electric energy sold increased by 3.8% year on year thanks to the higher airconditioning demand and strong industrial demand under the upward economic condition.

(TWh,%)

		6/06 (A)	6/05 (B)	Change	
				(A-B)	(A-B)/B
Demand from customers under regulation	Electric lighting	8.0	7.7	0.3	4.1
	Electric power	1.7	1.7	-0.0	-0.7
	Subtotal	9.7	9.4	0.3	3.2
Demand from customers under liberalization	Commercial power	5.2	5.0	0.2	4.0
	Industrial power, etc	16.2	15.6	0.6	4.1
	Subtotal	21.4	20.6	0.8	4.0
Total		31.1	30.0	1.1	3.8

# Output and purchase of electric power

[Hydroelectric power output]

Increased by 43.4% owing to ample water supply

[Nuclear power output]

Decreased by 21.8% owing to the regular inspection of Unit No. 4 at the Hamaoka Nuclear Power Plant

[Thermal power output]

Consequently, increased by 3.8%

(TWh,%)

		6/06	6/05	Change	
		(A)	(B)	(A-B)	(A-B)/B
Chubu Electric	Hydroelectric power (water flow rate)	2.9 (103.9)	2.0 (72.3)	0.9 (31.6)	43.4
	Thermal power	21.4	20.6	0.8	3.8
	Nuclear power (utilization rate)	5.0 (45.6)	6.4 (58.4)	-1.4 (-12.8)	-21.8
Interchanged power		1.4	0.6	0.8	153.0
Purchased power		2.8	2.8	-0.0	-0.5
Power used for pumped storage		-0.3	-0.3	-0.0	35.2
Total		33.2	32.1	1.1	3.2

# Consolidated Statements of Income

(billion yen,%)

		6/06 (A)	6/05 (B)	Change		
				(A-B)	(A-B)/B	
Operating Revenues /Expenses	Electric utility business	Operating Revenues	489.1	460.4	28.6	6.2
		Operating Expenses	404.3	378.5	25.8	6.8
		(Operating Income)	(84.8)	(81.9)	(2.8)	(3.4)
	Other business	Operating Revenues	27.2	18.4	8.7	47.4
		Operating Expenses	22.4	17.2	5.1	30.0
		(Operating Income)	(4.8)	(1.2)	(3.5)	(289.9)
	Total	Operating Revenues	516.4	478.9	37.4	7.8
		Operating Expenses	426.7	395.7	30.9	7.8
		(Operating Income)	(89.6)	(83.2)	(6.4)	(7.7)
Other Revenues /Expenses	Other Revenues	Proceed from dividends	0.8	0.6	0.2	34.9
		Proceed from interests	0.9	0.2	0.7	363.3
		Other	1.2	0.5	0.6	115.2
		Total	3.0	1.3	1.6	116.0
	Other Expenses	Interest expenses	13.5	15.8	-2.2	-14.3
		Equity in net losses of affiliate	0.4	0.0	0.3	667.8
		Other	2.9	1.0	1.8	168.2
		Total	16.9	16.9	-0.0	-0.3
Ordinary Income		75.7	67.6	8.0	12.0	
Provision for(reversal of) reserve for fluctuation in water levels		0.8	-4.6	5.4	-	
Income before income taxes		74.8	72.2	2.6	3.6	
Income Taxes		28.3	26.6	1.6	6.4	
Minority Interests in Earnings(Loss) of Consolidated Subsidiaries		-0.0	0.0	-0.1	-	
Net Income		46.5	45.5	1.0	2.3	

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

## Breakdown of other business

	6/06(A)	6/05(B)	(A-B)	(A-B)/B
Operating Revenues	27.2	18.4	8.7	47.4
<Other energy>	<9.8>	<2.7>	<7.0>	<251.7>
<IT and Telecommunications>	<6.3>	<5.8>	<0.4>	<7.6>
<Services and others>	<11.1>	<9.8>	<1.2>	<13.0>
Operating Expenses	22.4	17.2	5.1	30.0
<Other energy>	<6.2>	<2.7>	<3.5>	<131.0>
<IT and Telecommunications>	<5.6>	<5.5>	<0.0>	<1.3>
<Services and others>	<10.5>	<8.9>	<1.5>	<17.4>
Operating Income	4.8	1.2	3.5	289.9
<Other energy>	<3.5>	<0.0>	<3.4>	<-->
<IT and Telecommunications>	<0.6>	<0.3>	<0.3>	122.9
<Services and others>	<0.5>	<0.8>	<-0.2>	△ 33.4

## The number of subsidiaries and affiliates

	6/06 (A)	3/06 (B)	3/05 (C)	Change (A-B)
Consolidated Subsidiaries	32	32	32	0
Affiliates accounted for Under the equity method	20	20	20	0
Total	52	52	52	0

# Consolidated Balance Sheets

(billion yen)

	6/06 (A)	3/06 (B)	Change	
			(A-B)	(A-B)/B
Assets	5,635.5	5,741.8	-106.3	-1.9
Liabilities	3,921.0	4,071.6	-150.5	-3.7
Net assets	1,714.4	1,659.3	55.1	3.3

Note: Net assets in 3/06 does'nt include deferral hedge profit or loss and Minority interests in subsidiaries.

(%, billion yen)

Shareholders' equity ratio	30.2	28.9	1.3	-
Outstanding interest-bearing debts	3,154.3	3,175.0	-20.6	-0.7

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

## Consolidated Statements of Cash Flows

(billion yen, %)

	6/06	6/05	Change	
	(A)	(B)	(A-B)	(A-B)/(B)
Cash Flows from Operating Activities ①	85.7	96.7	-11.0	-11.4
Cash Flows from Investing Activities ②	-45.6	-34.5	-11.0	32.1
Cash Flows from Financing Activities	-41.4	-61.9	20.5	-33.1

Free Cash Flows ①—②	40.1	62.2	-22.0	-35.5
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	6/06	3/06	Change	
	(A)	(B)	(A-B)	(A-B)/(B)
Cash and Cash Equivalents at End of the period	63.8	65.1	-1.2	-2.0

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



# Non-consolidated Statements of Income

(billion yen,%)

		6/06 (A)	6/05 (B)	Change		
				(A-B)	(A-B)/B	
Ordinary Revenues	Electricity sales	480.7	454.5	26.1	5.8	Increase of electric energy sold 17.2
	Sold power to other electric utilities and other companies, etc	5.2	2.7	2.4	89.9	Increase of unit sales price 8.9
	Other	4.6	3.9	0.6	17.5	
	Electric utility operating revenues	490.6	461.2	29.3	6.4	Sold power to other electric utilities 2.1
	Ancillary business operating revenues	8.8	2.3	6.5	279.2	Gas business 6.5
	[ Total Operating Revenues ]	[ 499.5 ]	[ 463.6 ]	[ 35.8 ]	[ 7.7 ]	
	Other revenues	2.9	1.2	1.6	129.5	
	Total Ordinary Revenues	502.4	464.9	37.5	8.1	
Ordinary Expenses	Salaries and employee benefits	36.0	49.0	-13.0	-26.6	Retirement benefits -12.5
	Fuel	127.5	95.8	31.6	33.0	Nuclear -0.7 Thermal 32.4 Increase of consumption volume 3.9 Increase of unit consumption price 28.5
	Purchased power from other electric utilities and other companies, etc	43.2	34.0	9.1	26.9	Purchased power from other electric utilities 8.1
	Maintenance	42.8	39.9	2.8	7.2	Distribution 2.5
	Depreciation	74.7	82.2	-7.4	-9.1	Thermal -3.1, Nuclear -1.9
	Taxes other than income taxes	32.9	32.7	0.1	0.6	
	Other	49.8	46.3	3.5	7.6	Other 2.3
	Electric utility operating expenses	407.2	380.3	26.8	7.1	
	Ancillary business operating expenses	5.3	2.6	2.7	106.3	Gas business 3.3, IT/Telecommunication business -0.8
	[ Total Operating expenses ]	[ 412.5 ]	[ 382.9 ]	[ 29.6 ]	[ 7.7 ]	
	[ Operating Income ]	[ 86.9 ]	[ 80.6 ]	[ 6.2 ]	[ 7.7 ]	
	Interest expenses	13.1	15.3	-2.1	-14.2	Decrease of borrowing Interest rate decline -2.1
	Other	1.7	1.0	0.6	65.7	
Other expenses	14.8	16.3	-1.5	-9.2		
	Total Ordinary Expenses	427.4	399.3	28.1	7.1	
	Ordinary Income	75.0	65.5	9.4	14.4	
	Provision for (reversal of) reserve for fluctuation in water levels	0.8	-4.6	5.4	-	
	Income before income taxes	74.1	70.2	3.9	5.6	
	Income Taxes	27.2	25.3	1.9	7.6	
	Net Income	46.9	44.9	2.0	4.5	

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

	6/06	6/05
CIF Price : Crude oil (\$/b)	65.0	49.7
LNG (\$/b)	45.8	34.9
Coal (\$/t)	61.6	60.0
Foreign exchange rate (Interbank, ¥/\$)	114	108

# Non-consolidated Balance sheets

(billion yen,%)

		6/06 (A)	3/06 (B)	Change			
				(A-B)	(A-B)/B		
Assets	Property, Plant and Equipment	5,169.9	5,272.4	-102.4	-1.9		
	<ul style="list-style-type: none"> <li>Electric utility property, plant and equipment</li> <li>Ancillary business property, plant and equipment</li> <li>Other property, plant and equipment</li> <li>Construction in progress</li> <li>Investments and other</li> </ul>	4,033.1	4,078.3	-45.1	-1.1	Depreciation	-74.8
		19.7	14.5	5.2	35.8	Increase/Decrease of facilities	29.6 (Transmission 20.1, Transformation 8.0, Distribution 4.8, Thermal power -4.2)
		14.1	14.1	0.0	0.0	Depreciation	-0.2
		118.8	133.5	-14.7	-11.0	Increase/Decrease of facilities	5.4 (Real estate-related business 5.1)
		731.0	781.6	-50.5	-6.5		
	Current Assets	218.1	215.5	2.6	1.2	Reserve fund for reprocessing of irradiated nuclear fuel	-25.2
	<ul style="list-style-type: none"> <li>Cash</li> <li>Trade accounts receivable</li> <li>Inventories</li> </ul>	26.9	17.3	9.5	55.2		
		92.3	103.4	-11.0	-10.7		
		65.6	58.8	6.7	11.5		
Total Assets		5,388.1	5,488.0	-99.8	-1.8		
Liabilities and Net Assets	Long-Term Liabilities and Reserves	2,979.4	3,012.3	-32.9	-1.1		
	<ul style="list-style-type: none"> <li>Bonds</li> <li>Long-term loans</li> <li>Miscellaneous</li> </ul>	1,483.1	1,446.6	36.5	2.5	Interest-bearing debts	-17.2
		964.1	980.1	-15.9	-1.6	Proceeds	664.8
		20.1	61.0	-40.9	-67.0	Repayment	-682.0
	Current Liabilities	818.7	930.9	-112.2	-12.1		
	<ul style="list-style-type: none"> <li>Current portion of long-term debt and other</li> <li>Short-term borrowings</li> <li>Commercial paper</li> <li>Trade accounts payable</li> <li>Expeses payable</li> <li>Income tax payable</li> </ul>	125.8	113.9	11.9	10.5		
		329.4	294.4	35.0	11.9	Short-term borrowings	35.0 ( 294.4 → 329.4 )
		184.0	270.0	-86.0	-31.9	Commercial paper	-86.0 ( 270.0 → 184.0 )
		52.7	71.1	-18.4	-25.9		
		36.3	67.1	-30.8	-45.9		
35.0		51.7	-16.7	-32.3			
Total Liabilities		3,805.6	3,949.9	-144.3	-3.7		
Shareholders' Equity	1,509.9	1,486.6	23.2	1.6			
<ul style="list-style-type: none"> <li>Retained earnings</li> <li>Valuation difference on available-for-sale securities &amp; translation adjustments</li> </ul>	1,005.3	981.9	23.3	2.4	Net Income	46.9	
	72.5	51.3	21.1	41.3	Dividened	-23.4	
Total Net Assets		1,582.5	1,538.0	44.4	2.9	(Year-end (FY ended March 31, 2006) dividend: ¥30/share)	
Total Liabilities and Net Assets		5,388.1	5,488.0	-99.8	-1.8	Deferral hedge gain 25.0	

Shareholders' equity ratio	
6/06	3/06
29.4%	28.0%

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

**Full Year Outlook  
of Business Performance  
for the year ending  
March 31,2007**

## Principal figures on which outlook are based

[Electric Energy Sold]

(TWh,%)

		3/07 (Forecast) (A)	3/07 (Forecast announced in 10 May,2006) (B)	3/06 (Actual) (C)	Change	
					(A-B)	(A-C)
Demand from customers under regulation	Electric lighting	34.9	34.6	35.3	0.3	-0.4
	Electric power	7.4	7.3	7.9	0.1	-0.5
	Subtotal	42.3	41.9	43.2	0.4	-0.9
Demand from customers under liberalization	Commercial power	22.0	21.7	22.5	0.3	-0.5
	Industrial power, etc	63.9	63.4	64.9	0.5	-1.0
	Subtotal	85.9	85.1	87.4	0.8	-1.5
Total		128.2	127.0	130.6	1.2	-2.4

[Major Factors]

	3/07 (Forecast)	3/07 (Forecast announced in 10 May,2006)	3/06 (Actual)	Change	
				(A-B)	(A-C)
Crude oil prices(All JAPAN CIF;\$/b)	Approx.65	Approx.65	55.8	0	9
Foreign exchange rate(Interbank;¥/\$)	Approx.120	Approx.120	113	0	7
Nuclear power utilization rate(%)	Approx.37*	Approx.60	63.1	-23	-26

\* Assuming Hamaoka Nuclear Power Station unit No.5 will remain offline through the term, which automatically shut down on 15 June 2006 from excessive turbine vibration.

# Outlook for Business Performance

[Consolidated] Decrease in revenues, Decrease in ordinary income  
 (4 years to the day since 3/03)

(billion yen,%)

	3/07 (Forecast)	3/07 (Forecast announced in 10 May,2006)	3/06 (Actual)	Change	
	(A)	(B)	(C)	(A-B)	(A-C)
Operating Revenues	2,135.0	2,120.0	2,150.5	15.0	-15.5
Operating Income	170.0	270.0	322.1	-100.0	-152.1
Ordinary Income	95.0	195.0	219.6	-100.0	-124.6
Net Income	57.0	120.0	119.4	-63.0	-62.4

[Non-consolidated] Decrease in revenues, Decrease in ordinary income  
 (8 years to the day since 3/99)

(billion yen,%)

	3/07 (Forecast)	3/07 (Forecast announced in 10 May,2006)	3/06 (Actual)	Change	
	(A)	(B)	(C)	(A-B)	(A-C)
Operating Revenues	2,050.0	2,035.0	2,069.3	15.0	-19.3
Operating Income	160.0	260.0	308.4	-100.0	-148.4
Ordinary Income	85.0	185.0	205.9	-100.0	-120.9
Net Income	52.0	115.0	111.6	-63.0	-59.6

# Income Sensitivity of Major Factors

(billion yen)

		4/06-3/07	4/05-3/06
Electric energy sold	1%	5.0	7.0
Crude oil price (All Japan CIF) <sup>(1)</sup>	1\$/b	5.2	4.7
Coal price (All Japan CIF)	1\$/t	1.1	1.1
Foreign exchange rate	1¥/\$	4.6	4.0
Nuclear power utilization rate <sup>(2)</sup>	1%	2.9	2.1
Water supply rate	1%	0.8	0.6
Interest rate	1%	5.5	5.5

(Note 1) Impact of Crude oil price

The impact value of crude oil price includes the impact of LNG price.

Although LNG price is subject to crude oil price, its impact is limited because of less price sensitivity.

(Note 2) Nuclear power utilization rate

The impact value is calculated based on the generation cost per MWh between nuclear power and thermal power. Cost of thermal power generation is average of total thermal power generation.

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