

# Consolidated Interim Financial Report FY ending March 31, 2007

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

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CHUBU ELECTRIC POWER COMPANY, INCORPORATED (October 31, 2006)

Code:9502

Financial Report for the 6-months Period ended September 30, 2006

(Consolidated)

Representative:Toshio Mita, President

Contact: Toshihiko Suzuki, Manager, IR Section

Unit Stock: 100 shares per unit

TEL: 81-52-951-8211

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

Adaptation of U.S. accounting standard : None

. Performance Over the 6-months Ended September 30, 2006 (April 1, 2006- September 30, 2006)

(Figures are rounded down to the nearest million yen)

## 1.Consolidated Operating Results

	9/06	Change	9/05	Change	3/06
Operating Revenues (million yen)	1,101,564	6.1%	1,038,267	-3.5%	2,150,507
Operating Income (million yen)	152,141	-12.0%	172,931	-22.6%	322,104
Ordinary Income (million yen)	110,258	-13.7%	127,696	-22.0%	219,692
Net Income (million yen)	67,361	-17.5%	81,685	19.9%	119,458
Net Income per Share (Primary ; yen)	86.14		112.58		162.07
Net Income per Share (Fully diluted ; yen)	-		104.88		152.72

Notes: 1. Equity in earnings of affiliates

(9/06: -478million yen, 9/05: 353million yen, 3/06: 1,083million yen)

2. Average number of shares outstanding (consolidated)

(9/06: 781,983,436 9/05: 725,587,841 3/06: 735,005,101 )

3. Changes in accounting methods: Yes

## 2.Consolidated Financial Standing

	9/06	9/05	3/06
Total Assets (million yen)	5,620,337	5,603,518	5,741,876
Shareholders' Equity (million yen)	1,738,381	1,512,015	1,659,313
Shareholders' Equity Ratio	30.7%	27.0%	28.9%
Shareholders' Equity per Share (yen)	2,209.00	2,056.68	2,121.40

Note : Number of shares outstanding at the end of the period. (consolidated)  
(9/06: 781,943,862 9/05: 735,173,524 3/06: 782,020,030)

## 3.Outline of Consolidated Cash Flows

	9/06	9/05	3/06
Cash Flows from Operating Activities (million yen)	206,894	279,264	307,157
Cash Flows from Investing Activities (million yen)	-81,338	-63,300	-140,676
Cash Flows from Financing Activities (million yen)	-117,258	-212,596	-165,221
Cash or Cash Equivalent at the End of the Period (million yen)	73,425	67,259	65,149

## 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

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

Inclusion of subsidiaries to consolidation: None

Exclusion of subsidiaries from consolidation: None

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

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

.Forecasts of Consolidated Results for the Year Ending March 31, 2007(approximate estimates)

	3/07
Operating Revenues (billion yen)	2,200
Ordinary Income (billion yen)	105
Net Income (billion yen)	63

(Reference) Estimation of Net Income per Share for the year ending March 31, 2007: 80.57 yen

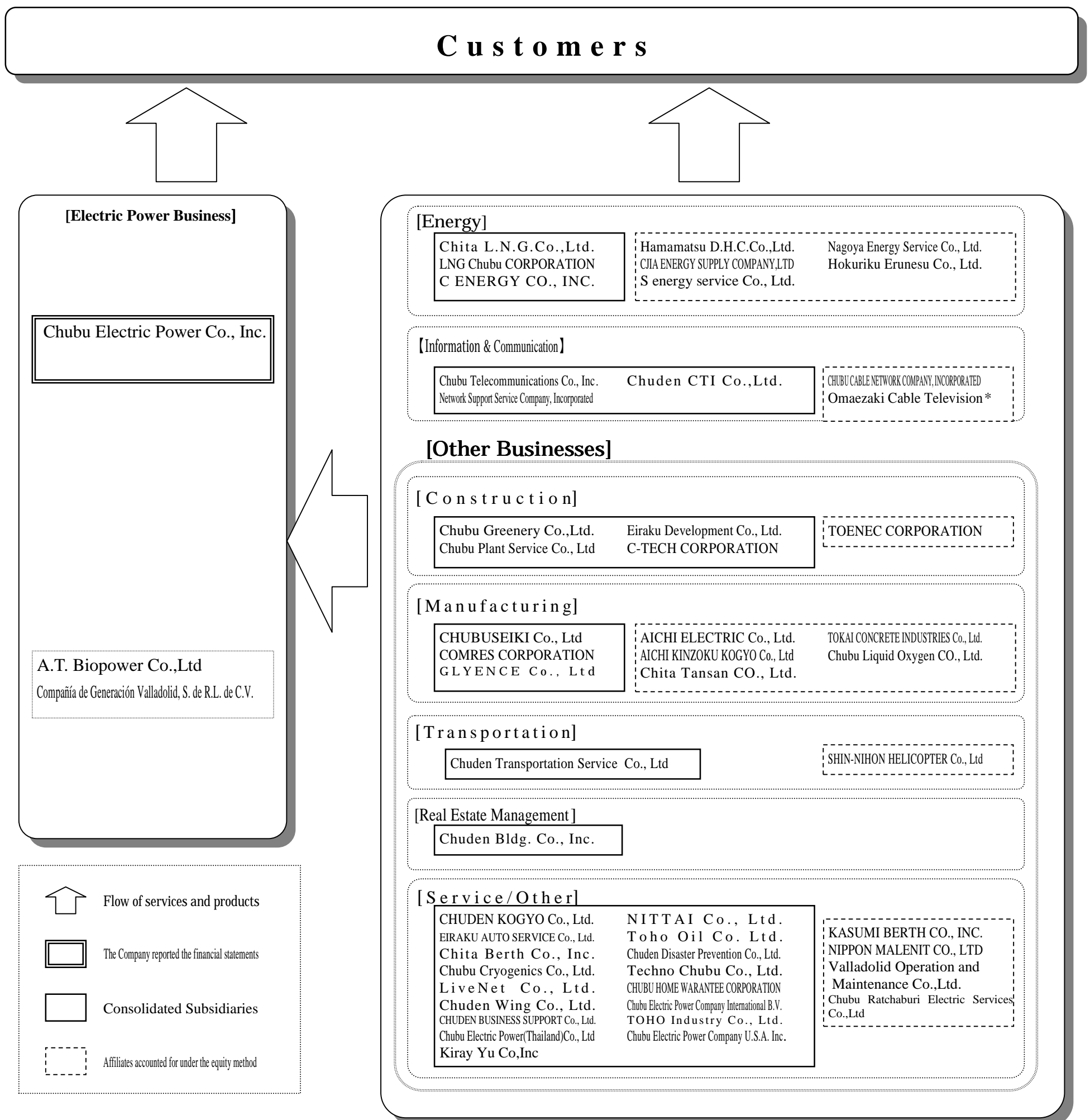
There are the premise or matters related to these forecasts on page 10.

## Corporate Group Position

The Chubu Electric Group is composed of 32 subsidiaries and 20 affiliates (as of Sep 30, 2006), and engages in a wide range of businesses, as a multi-energy company group.

The Chubu Electric Group is making efficient use of its business resources, such as energy business by supplying gas and on-site energy, IT business supplying added value based on network facilities, the construction industry for the upgrading and maintenance of facilities related to the electricity business, and the manufacturing industry of necessary materials and equipment.

Our group businesses are as below.



(Notes) \* The trade name of Hamaoka Cable Television was changed to Omaezaki Cable Television.

## Management Policies

### 1. Basic Management Policy

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

In the gas business, too, the portion of the market subject to deregulation was expanded, and a new system was introduced which enabled service providers to provide gas on a consignment basis. In this way, competition was further intensified across the board of the energy markets.

In these conditions, the Group is preparing to face and survive even more intense competition, and achieve sustainable growth as a multi-energy corporate group at the heart of the Chubu region.

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

#### [Management Objectives]

##### • Sales Target of the Electricity Business

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

\*This target was achieved on the end of June 2006.

##### • Sales Target of Other Energy Businesses (gas supply, LNG sales and on-site energy services)

The Company has set a combined annual sales target of approximately ¥45 billion for the three businesses of gas supply, LNG sales and on-site energy services by the end of March 2011.

#### [Financial 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*3 to FY2007
Ordinary Income	¥165 billion or more	¥160 billion or more	
Capital investment	¥200 billion or less	¥170 billion or less	
Free cash flows *2	¥360 billion or more	¥350 billion or more	
Outstanding interest-bearing debts	¥3,100 billion or less	¥3,000 billion 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 flows = Operating cash flows – Investing cash flows

\*3 FY 2005 dates from 1st April 2004 to 31st March 2005.

#### [Operational Policies]

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

To further satisfy our customers, ensuring that they will continue to choose Chubu Electric Power as their power supplier, the Company is improving contract options and services to more effectively meet the diverse needs of individual customers. The Company makes maximum use of the Group's business resources in order to provide a variety of new values in the areas of energy involving gas supply and on-site energy services.

##### (2) Provide customers with reliable, low-price, high-quality energy services

The Company will provide its customers with reliable, low-price and high-quality services by means of rigorous cost-cutting and other measures for improving management efficiency, and well-balanced power generation facilities from a medium-to-long-term perspective, while fully taking into account issues of energy security and environmental preservation.

##### (3) Reinforce corporate strength and strategically allocate management resources with the aim of achieving sustainable growth

Make sure of achieving management goals by raising the potential of the Group as a whole, and concentrate human resources and free cash flows on our core energy businesses in a strategic manner. In this way, the company will become a highly cost-competitive multi-energy services provider, realizing sustainable growth.

#### (4) Vigorously act to fulfill Corporate Social Responsibility (CSR)

Reinforce a robust integrated group corporate foundation and act as a good corporate citizen through thorough-going compliance with laws and regulations and accelerated countermeasures for global environmental problems. In addition, from a stronger trustful relationship with local communities, bearing in mind the necessity of maintaining a harmonious relationship with the communities in which we operate.

To secure a stable supply of energy for the future, the Company plans to begin power generation at the Hamaoka Nuclear Power Plant, utilizing plutonium-based fuel (this method of generation is known as "plutothermal" in Japan), by the end of March 2011. The Company places the highest priority on ensuring safe operation of the plant to gain the full understanding and support of local communities. In this way, we intend to steadily move toward the realization of the plan.

#### 2. Basic Policy on Profit Distribution

The Company will make the utmost efforts to ensure an appropriate level of distribution of the profit generated by its business activities to its shareholders, while taking into due consideration the need to effectively allocate a certain amount of retained earnings to strengthen the Company's financial position and expand its business base, with the aim of raising enterprise value.

The Company's basic policy on dividends is to maintain the dividend payment level at an acceptable level based on the outcome of business performance. The Company determines dividends taking into consideration factors such as business performance and the funds needed to strengthen the Company's financial position.

The Company uses retained earnings for capital investment in the electric power businesses, investment in new energy businesses, and improvement of its financial position.

In accordance with the stipulations in the new Corporation Law, the Company will maintain its interim dividend payment system in addition to the term-end dividend payment system.

#### 3. Fluctuation Factors Concerning Operating Results

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

##### (1) Risks concerning economic climate

###### (a) Economic situation and weather conditions

In the electricity business, which is the Company's core business, the amount of electric energy sold depends on economic trends and changes in ambient air temperature. Therefore, the Group's performance could be affected by both economic and weather conditions.

The annual amounts of rainfall and snowfall affect the amount of hydroelectric energy output, consequently affecting the overall cost of power generation. However, owing to a system that provides a reserve for drought, the effect of changes in weather on business performance can be assumed to be limited.

###### (b) Changes in fuel prices

Because the Group depends on imports of liquid natural gas, coal and crude oil, fuel expenses, one of the principal expense items, in the electric utility segment can be affected by fluctuations in CIF prices, foreign exchange rates and so on.

However, as any such changes in fuel price can be reflected in electricity rates under the Fuel Adjustment System, fuel price fluctuations have only a limited effect on performance.

Fuel procurement may not proceed smoothly because of fuel supply and demand circumstances, equipment or operational problems at the fuel supplier, changing political conditions, and so on. In such cases, there is a possibility that group results will be affected.

###### (c) Changes in interest rates

The Group's interest-bearing debt outstanding was ¥3,082.9 billion as of Sep 30, 2006, the equivalent of 54.9% of total assets. Interest expenses, which are a major expense item, could be affected by future changes in market interest rates.

However, 84.4% of the outstanding interest-bearing debt consists of long-term instruments comprising corporate bonds, and long-term borrowings, and most of these funds were raised at fixed interest rates. The Company is making every effort to reduce the outstanding interest-bearing debt in order to strengthen its financial structure. Therefore, the effect of changes in interest rates on business performance can be assumed to be limited.

##### (2) Risks surrounding the business activities of the Chubu Electric Power Group

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

With regard to the electric power business, in April 2005 the scope of deregulation of electric power retailing was expanded, and new mechanisms aimed at promoting further competition went into effect, including the start of operations of the Japan Electric Power Exchange (JEPX) and the Electric Power Council of Japan and a review of the power system utilization charge system. Furthermore, discussion of full liberalization of electric power retailing is also slated to begin from around April 2007.

Amid this change in the business environment, the Group will do its utmost to increase operating efficiency and engage in aggressive sales activities that reliably

satisfy customer needs. Nevertheless, business performance could be affected by future revisions to the power system or attendant intensification of competition.

(b) Nuclear power Backend Costs, Etc.

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

Policy regarding the treatment of irradiated nuclear fuel for which there are no specific reprocessing plans is scheduled to be examined starting around the year 2010. Therefore, no allowance has been established regarding these expenses. In order to level the future financial burden, however, introduction of a system for accumulating reserve funds every fiscal year starting with the FY2007 financial results as provisional measures until specific plans have been firmed up is presently being studied by the Subcommittee to Improve the Nuclear Power Investment Environment. This subcommittee was established under the Nuclear Energy Subcommittee of the Electricity Industry Committee.

However, as nuclear power backend costs and other costs related to the nuclear fuel cycle vary according to regulatory system reviews, increases or decreases in estimated amounts of future costs within and without the system, the state of operation of reprocessing facilities, changes in the Company's nuclear power generation plan and other factors, business performance could be affected. No provisions are made for reprocessing nuclear spent fuel outside of the scope of established reprocessing plans and nuclear spent fuel storage.

(c) Other business

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

(3) Other risks

(a) Natural disasters, operational troubles, etc

In order to ensure a reliable and economical supply of electricity through a consolidated system from generation to distribution to the end-user, the Chubu Electric Power Group has invested in the construction and maintenance of facilities designed to reduce power cuts caused by lightning and other natural phenomena. However, earthquakes, typhoons and other large-scale disasters, accidents, terrorist actions, and so on could conceivably result in damage to facilities or equipment, long-term shutdown of power plants, or other operational difficulties. In such cases, there is a possibility that group results will be affected.

(b) Leakage of information

The group has established in-house systems and rules for handling information in order to ensure the proper control of personal information and other valuable data in accordance with laws and regulations. Additionally implemented measures include upgrading of security on our information systems and provision of employee training.

However, direct costs may be incurred, and trust in the Company may be damaged – with attendant costs both moral and material – if personal details should ever be leaked.

(c) Hamaoka Nuclear Power Station

The company has decided to extend the schedule for regular inspections of Hamaoka Nuclear Power Station Units 1 and 2 until March 2011, for maintenance of machinery in the reactor and additional strengthening against earthquakes. Hamaoka Nuclear Power Station Unit 5 has also been shut down since June 2006 because of vane damage in a low-pressure turbine. The specific cost and schedule for this work are currently undecided, and there is a possibility, therefore, that group results may be affected.

4. Parent Company, Etc.

Not applicable

## Operating Results and Financial Standing

### 1. Results for the Period Under Review

#### (1) Results for the Interim Period under Review

During the FY2007 interim period, steady corporate earnings continued to fuel rising capital investment while improvements in employment and consumer earnings caused personal consumption to hold strong. As a result, the Japanese economy continued its gradual improvement.

In these economic circumstances, income for the interim period under review saw electric lighting revenues in the electricity business rise due to an increase in the amount of electric energy sold, while operating revenues also increased in our other businesses. As a result, sales rose to ¥1,101.5 billion, an increase of ¥63.2 billion year-on-year, while interim ordinary revenues were ¥1,107.5 billion, an increase of ¥66.6 billion year-on-year.

As for expenses, drops in depreciation, salaries and employee benefits were offset by increased expenses in higher fuel costs due to rising fuel prices and the shutdown of Hamaoka Nuclear Power Station Unit No. 5 and other factors. Interim ordinary expenses therefore increased by ¥84.0 billion year-on-year to ¥997.2 billion.

These developments caused interim ordinary income to decrease ¥17.4 billion year-on-year, to ¥110.2 billion. Interim net income decreased ¥14.3 billion year-on-year to ¥67.3 billion.

\* Ordinary income = income before provision of reserve for fluctuation in water levels; extraordinary gains or extraordinary losses; and income taxes and minority interests

#### [Production and Sales]

##### Electricity business

#### (1) Electric Energy Sold

Buoyed by steady demand in the industrial sector due to the business recovery, the amount of electric energy sold increased 2.7% year-on-year to reach 66.5TWh.

#### Demand from customers under regulation

Demand for electric lighting increased by 1.6% year-on-year to 16.9 TWh, due to an increase in the number of contracts, despite a decrease in air conditioning demand resulting from cooler air temperatures in June and July than in the previous year. Meanwhile, the demand for low-voltage electric power decreased by 3.3% to 3.9 TWh, due to a variety of factors including the same atmospheric temperature effect on demand for electric lighting combined with a decrease in the number of contracts.

#### Demand from customers under liberalization

Commercial power demand increased by 2.5% to 11.8 TWh, due to steady growth in supply to commercial facilities. Demand for industrial power increased by 4.0% to 33.9 TWh, because of steady growth in the machinery and steel sectors.

(TWh, %)

	9/06 (A)	9/05 (B)	Change	
			(A-B)	(A-B)/ B
<b>Demand from customers under regulation</b>				
Electric lighting	16.9	16.6	0.3	1.6
Electric power	3.9	4.0	-0.1	-3.3
Subtotal	20.8	20.6	0.2	0.7
<b>Demand from customers under liberalization</b>				
Commercial power	11.8	11.6	0.2	2.5
Industrial power	33.9	32.5	1.4	4.0
Subtotal	45.7	44.1	1.6	3.6
<b>Total</b>	<b>66.5</b>	<b>64.7</b>	<b>1.8</b>	<b>2.7</b>

## (2) Electric Energy Supplied

With regard to electric power supply, even though water shortages (water supply rate of 98.7%) occurred, hydroelectric power output was greater than the previous interim period (water supply rate of 81.4%). It increased by 14.5% year on year to reach 5.4 TWh.

Nuclear power output, affected by the shutdown of Unit No. 5 at the Hamaoka Nuclear Power Station and other factors, decreased 44.4% year-on-year to 8.0 TWh.

As a result, the amount of thermally generated electric power increased by 14.5% year-on-year to 50.3 TWh.

(TWh, %)

		9/06 (A)	9/05 (B)	Change	
				(A-B)	(A-B)/B
Chubu Electric	Hydroelectric power (water supply rate)	5.4 (98.7)	4.7 (81.4)	0.7 (17.3)	14.5
	Thermal power	50.3	43.9	6.4	14.5
	Nuclear power (utilization rate)	8.0 (36.6)	14.4 (65.7)	-6.4 (-29.1)	-44.4
Interchanged power		2.2	1.4	0.8	57.0
Purchased power		6.7	6.7	0	1.3
Power used for pumped storage		-0.9	-1.0	-0.1	-10.8
Total		71.7	70.1	1.6	2.3

### [Summary of Consolidated Operating Revenues, Expenses and Income]

#### (1) Operating Revenues and Expenses

##### (a) Electricity business

In terms of revenue, electric lighting revenues rose due to increases in the volume of electric power sold. As a result, sales rose to ¥44.7 billion, an increase of ¥1040.0 billion year-on-year.

As for expenses, a decrease in depreciation and lower salaries and employee benefits due to a decrease in employee retirement benefit liabilities and other factors were more than offset by increased fuel costs resulting from factors including higher fuel prices and the shutdown of Hamaoka Nuclear Power Station Unit 5. Operating expenses therefore increased by ¥69.0 billion from the same period the previous year to ¥893.7 billion.

As a result of these developments, operating income decreased by ¥24.2 billion year-on-year to ¥146.3 billion.

##### (b) Other Businesses

In terms of revenue, rising sales in the gas business combined with increasing sales from the construction business to raise sales by ¥18.5 billion year-on-year to ¥61.5 billion.

As for expenses, the rise in production costs entailed by growing sales in the gas business and construction business, among other factors, caused operating expenses to increase by ¥15.0 billion year-on-year to ¥55.7 billion.

As a result, operating income totaled ¥3.4 billion, an increase of ¥5.8 billion year-on-year.

Sales for other businesses by business sector are as shown below.

##### <Energy Business>

The growing volume of sales in the gas business resulted in sales increasing by ¥8.1 billion year-on-year to ¥14.5 billion.

##### <IT and Telecommunications Services>

The growing volume of sales in the IT and telecommunications services caused sales to increase by ¥0.8 billion year-on-year to ¥13.4 billion.

##### <Other Business>

Increases in sales in the construction and service industries caused sales to rise by ¥9.5 billion year-on-year to ¥33.5 billion.



( billion yen , % )

	9/06 ( A )	9/05 ( B )	Change	
			( A - B )	( A - B ) / B
Consolidated	1,101.5	1,038.2	63.2	6.1
Electric Utility	1,040.0	995.2	44.7	4.5
Other	61.5	43.0	18.5	43.1
(Energy business)	14.5	6.4	8.1	126.1
(IT & Telecommunications services)	13.4	12.5	0.8	6.8
(Other business)	33.5	23.9	9.5	39.9

## (2) Interim Ordinary Income

Non-operating income increased by ¥3.3 billion year on year to ¥5.9 billion as a result of a rise in interest income. The total of sales and interim ordinary revenues increased by ¥66.6 billion year on year to total ¥1,107.5 billion.

Meanwhile, non-operating expenses were affected by decreases in interest expense caused by declining interest rates and other such factors. Due to deteriorating results from affiliates accounted for under the equity method and write-downs in subsidiaries, however, non-operating expenses remained at the same level as the previous year, at ¥47.8 billion. In combination with operating expenses, therefore, the total interim ordinary expenses increased by ¥84.0 billion year-on-year to ¥997.2 billion.

As a result, interim ordinary income decreased by ¥17.4 billion year-on-year, to ¥110.2 billion.

## (3) Interim Net Income

Water shortages (water supply rate of 98.7%) that occurred during the interim period under review used up ¥0.6 billion of the reserve for fluctuation in water levels.

As a result, interim income before income taxes and minority interests came to ¥110.9 billion. After income taxes including deferred taxes are subtracted, the interim net income decreased by ¥14.3 billion year-on-year to ¥67.3 billion.

## [Summary of the Consolidated Financial Position]

## (1) Summary of Assets, Liabilities and Shareholders' Equity

## (a) Assets

Discontinued electricity-related property, plants and equipment amounted to ¥3,925.3 billion, a decrease of ¥106.1 billion compared to the end of the previous period. This decrease occurred due to restraint in capital investment and progressive depreciation in combination with other factors, including the fact that no major plant construction was completed during the interim period under review.

Investments and other long-term assets decreased by ¥56.0 billion compared to the end of the previous period, at ¥661.4 billion, due to recovery of the fund for reprocessing of irradiated nuclear fuel and other factors.

As a result, total assets amounted to ¥5,620.3 billion, a reduction of ¥121.5 billion from the end of the previous period.

## (b) Liabilities

A decrease in interest-bearing debt in combination with a decrease in notes payable and accounts payable caused total liabilities to decrease by ¥189.7 billion from the end of the previous period to ¥3,881.9 billion.

## (c) Shareholders' Equity

The electricity business saw increases in fuel and other costs, but rising electric lighting revenues combined with decreasing depreciation, salaries and employee benefits to allow the company to post interim net income of ¥67.3 billion. Total net assets consequently increased by ¥79.0 billion compared to the end of the previous period, to ¥1,738.3 billion.

As a result, the equity-to-assets ratio rose to 30.7%, an increase of 1.8% compared to the end of the previous period.

## (2) Summary of Consolidated Cash Flows

### (a) Cash Flows

A rise in electric lighting revenues due to factors including an increase in the amount of electric energy sold, combined with rising fuel costs to generate cash flows of ¥206.8 billion from operating activities, which was a decrease of 25.9% year-on-year.

Cash flows from investing activities amounted to ¥81.3 billion, an increase of 28.5% year-on-year, resulting from an increase in expenditures on acquisition of property, plants, and equipment in the electricity business.

Cash flows from financial activities amounted to ¥117.2 billion, a decrease of 44.8% year-on-year, due to actions including reduction of outstanding interest-bearing debts and paying of dividends to shareholders.

Due to the above factors, cash balances at the end of the interim period under review amounted to ¥73.4 billion, an increase of 12.7% compared to the end of the previous period.

Outstanding interest-bearing debt at the end of the interim period under review amounted to ¥3,082.9 billion, a decrease of 2.9% compared to the end of the previous period.

### (b) Cash Flow Indices

The Group's cash flow indices are as shown below.

	9/06	9/05	FY2006	FY2005	FY2004
Shareholders' equity ratio	30.7%	27.0%	28.9%	24.8%	22.7%
Shareholders' equity ratio at market value	42.7%	36.3%	40.2%	32.7%	27.5%
Debt repayment term	-	-	10.3years	6.1years	6.4years
Interest coverage ratio	5.2times	6.1times	3.2times	4.1times	6.0times

(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.

[Interim Dividend]

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

## 2. Outlook for Business Performance

The Company expects the volume of electric power sold in the electricity business during FY2007 to increase by 1.3% year-on-year, for approximately 132.3 TWh.

The forecast assumes that Hamaoka Nuclear Power Station Unit No. 5, which automatically shut down on June 15, 2006 due to excessive turbine vibration, will remain offline through the term. This is in line with the previous forecast of results announced on October 11, 2006.

Both consolidated and non-consolidated sales results for FY2007 are expected to show increased earnings, reflecting an increase in electric energy sold and other factors in the electricity business.

Ordinary income was affected by increases in the amount of electric energy sold as well as decreases in salaries and employee benefits, depreciation, interest expense, and other factors improving income and expenses in the electricity business. However, effects from higher fuel costs due to rising fuel prices and the

shutdown of Hamaoka Nuclear Power Station Unit 5 were also expected, and reductions are forecast in both consolidated and non-consolidated income.

	Consolidated	Non-Consolidated
Operating revenues	(2.3% increase) approx. ¥2,200.0 billion	(2.2% increase) approx. ¥2,115.0 billion
Operating income	(44% decrease) approx. ¥180.0 billion	(45% decrease) approx. ¥170.0 billion
Ordinary Income	(52% decrease) approx. ¥105.0 billion	(54% decrease) approx. ¥95.0 billion
Net income	(47% decrease) approx. ¥63.0 billion	(48% decrease) approx. ¥58.0 billion

(Principal figures on which outlook are based)

Item	9/06	3/07(assumed)	9/05	3/06
CIF crude oil prices (\$/b)	67.8	approx.69	53.1	55.8
Foreign Exchange rate (Inter-bank) (¥/\$)	115	approx.118	109	113
Nuclear power Utilization rate (%)	36.6	approx.38	65.7	63.1

\*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.

## Consolidated Balance Sheets

(million yen)

Assets	2006.9	2006.3	2005.9
Property, Plant and Equipment	5,263,717	5,432,282	5,305,978
Electric utility property, plant and equipment	3,925,354	4,031,514	4,186,440
Hydroelectric power production facilities	327,752	336,854	344,516
Thermal power production facilities	686,022	724,122	764,868
Nuclear power production facilities	376,714	398,972	427,123
Transmission facilities	1,131,823	1,147,185	1,183,305
Transformation facilities	466,682	475,975	469,077
Distribution facilities	793,864	799,602	844,573
General facilities	142,493	148,801	152,975
Other property, plant and equipment	288,545	286,945	245,600
Construction in progress	134,181	146,050	188,345
Nuclear fuel	254,151	250,199	254,116
Loaded nuclear fuel	42,030	40,033	46,141
Nuclear fuel in processing	212,120	210,165	207,975
Investments and other	661,483	717,572	431,474
Long-term investments	246,081	252,217	228,580
Reserve fund for reprocessing of irradiated nuclear fuel	238,415	263,382	-
Deferred tax assets	121,452	149,188	152,920
Other	55,534	52,784	49,974
Current Assets	356,620	309,532	297,489
Cash	56,820	51,440	49,962
Trade notes and accounts receivable	141,704	124,145	122,264
Inventories	87,845	75,133	64,764
Deferred tax assets	18,522	17,922	18,003
Other	51,727	40,890	42,494
Deferred Assets	-	60	51
Total Assets	5,620,337	5,741,876	5,603,518
Liabilities, Minority interests and Shareholders' Equity			
Long-Term Liabilities and Reserves	2,977,741	3,089,371	3,229,789
Bonds	1,431,653	1,445,726	1,580,936
Long-term loans	1,007,320	1,033,421	1,031,531
Employee retirement benefit liability	159,704	191,613	195,890
Reserve for reprocessing of irradiated nuclear fuel	260,607	261,018	272,127
Reserve for decommissioning nuclear power plant	90,540	89,093	85,101
Deferred tax liabilities	-	1	6
Other	27,914	68,497	64,196
Current Liabilities	898,226	975,632	831,035
Current portion of long-term debt and other	164,943	129,680	233,462
Short-term borrowings	311,350	299,459	287,490
Commercial paper	169,000	270,000	75,000
Accrued income taxes and other	64,115	56,141	73,985
Other	188,818	220,351	161,098
Reserve for Drought	5,987	6,665	9,352
Total Liabilities	3,881,955	4,071,670	4,070,177
Minority Interests in Consolidated Subsidiaries	-	10,892	21,325
Common stock	-	430,777	374,519
Capital surplus	-	73,956	17,219
Retained earnings	-	1,101,340	1,085,625
Net unrealized gains on available-for-sale securities	-	53,040	38,225
Foreign Currency Translation Adjustment	-	303	-1
Less: Treasury stock	-	-104	-3,572
Total Shareholder's Equity	-	1,659,313	1,512,015
Total Liabilities, Minority interests and Shareholders' Equity	-	5,741,876	5,603,518
Shareholders' Equity	1,649,319	-	-
Common stock	430,777	-	-
Capital surplus	73,958	-	-
Retained earnings	1,144,918	-	-
Treasury stock	-334	-	-
Valuation and translation adjustments	77,995	-	-
Minority Interests in Consolidated Subsidiaries	11,065	-	-
Total Shareholder's Equity	1,738,381	-	-
Total Liabilities, Minority interests and Shareholders' Equity	5,620,337	-	-

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

## Consolidated Statements of Income

(million yen)

	2006.9	2005.9	2006.3
<b>Revenues</b>			
Operating Revenues	1,101,564	1,038,267	2,150,507
Electricity	1,040,027	995,266	2,041,325
Other	61,537	43,001	109,182
Other Revenues	5,983	2,674	6,601
Proceed from dividends	1,100	799	1,285
Proceed from interests	2,184	413	1,163
Equity in net earnings of affiliate	-	353	1,083
Other	2,698	1,107	3,069
<b>Total Ordinary Revenues</b>	<b>1,107,547</b>	<b>1,040,942</b>	<b>2,157,109</b>
<b>Expenses</b>			
Operating Expenses	949,423	865,335	1,828,403
Electric	893,722	824,674	1,727,123
Other	55,700	40,661	101,279
(Operating Income)	152,141	172,931	322,104
Other Expenses	47,866	47,910	109,014
Interest expenses	39,177	45,549	95,200
Equity in losses of affiliates	478	-	-
Other	8,210	2,360	13,814
<b>Total Ordinary Expenses</b>	<b>997,289</b>	<b>913,245</b>	<b>1,937,417</b>
<b>Ordinary Income</b>	<b>110,258</b>	<b>127,696</b>	<b>219,692</b>
<b>Special Item</b>			
Provision for (reversal of) reserve for drought	-677	-6,624	-9,311
<b>Extraordinary Losses</b>			
Loss on discontinuing construction of hydroelectric power plant	-	-	33,506
<b>Income before income taxes</b>	<b>110,936</b>	<b>134,321</b>	<b>195,497</b>
<b>Income Taxes-Current</b>	<b>29,643</b>	<b>43,434</b>	<b>67,771</b>
<b>Income Taxes-Deferred</b>	<b>13,708</b>	<b>8,898</b>	<b>7,709</b>
<b>Minority Interests in Earnings of Consolidated Subsidiaries</b>	<b>222</b>	<b>303</b>	<b>558</b>
<b>Net Income</b>	<b>67,361</b>	<b>81,685</b>	<b>119,458</b>

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

## Consolidated Statements of Cash Flows

(million yen)

Cash Flows from Operating Activities:	2006.9	2005.9	2006.3
Income before income taxes and minority interests	110,936	134,321	195,497
Depreciation and amortization	167,114	180,822	365,295
Loss of loaded nuclear fuel	3,879	6,860	12,965
Loss on disposal of property, plant and equipment	3,674	3,512	10,177
Loss on discontinuing construction of hydroelectric power plant	-	-	33,506
Increase(Decrease) in employee retirement benefit liability	-31,908	-11,244	-15,522
Increase(Decrease) in reserve for reprocessing of irradiated nuclear fuel	-411	18,754	7,645
Increase(Decrease) in reserve for decommissioning nuclear power plant	1,446	2,462	6,454
Reversal of reserve for drought	-677	-6,624	-9,311
Interest and dividends income	-3,285	-1,213	-2,448
Interest expenses	39,177	45,549	95,200
Increase(Decrease) in fund for reprocessing of irradiated nuclear fuel	24,967	-	-263,382
Increase(Decrease) in trade notes and accounts receivable	-17,559	-11,958	-13,839
Increase(Decrease) in inventories	-12,712	-8,217	-18,586
Increase(Decrease) in trade notes and accounts payable	-9,940	-2,637	29,974
Other	-6,790	10,686	48,511
Subtotal	267,909	361,073	482,138
Interest and dividends received	2,118	1,263	2,295
Interest paid	-39,444	-45,958	-96,725
Income taxes paid	-23,689	-37,113	-80,550
Net cash provided by operating activities	206,894	279,264	307,157
<b>Cash Flows from Investing Activities:</b>			
Purchases of property, plant and equipment	-84,656	-65,157	-150,571
Increase in investments and other	-7,392	-3,667	-8,237
Proceeds for recoveries from investments and other	7,382	3,147	8,629
Other	3,327	2,376	9,503
Net cash used in investing activities	-81,338	-63,300	-140,676
<b>Cash Flows from Financing Activities:</b>			
Proceeds from issuance of bonds	82,704	102,583	142,382
Redemption of bonds	-54,362	-75,118	-226,456
Proceeds from long-term loans	28,767	49,400	109,664
Repayment of long-term loans	-60,917	-54,327	-129,997
Proceeds from short-term borrowings	233,000	166,360	369,909
Repayment of short-term borrowings	-220,910	-150,616	-342,246
Proceeds from issuance of commercial paper	821,000	561,000	1,155,000
Redemption of commercial paper	-922,000	-790,000	-1,189,000
Dividends paid	-23,432	-21,666	-43,731
Dividends paid for minority shareholders	-45	-6	-6
Other	-1,062	-204	-10,740
Net cash used in financing activities	-117,258	-212,596	-165,221
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-21	30	29
Net Increase (Decrease) in Cash and Cash Equivalents	8,275	3,398	1,288
Cash and Cash Equivalents at Beginning of the Period	65,149	63,860	63,860
Cash and Cash Equivalents at End of the Period	73,425	67,259	65,149

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

# Non-consolidated Interim Financial Report

## FY ending March 31, 2007

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

CHUBU ELECTRIC POWER COMPANY, INCORPORATED (October 31, 2006)

Code: 9502

Financial Report for the 6-months Period ended September 30, 2006

(Non-consolidated)

Representative: Toshio Mita, President

Contact: Toshihiko Suzuki, Manager, IR Section

Unit Stock: 100 shares per unit

Tel: 81-52-951-8211

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

Note: FY 2006 starts on April 1, 2006 and ends on March 31, 2007

### . Performance Over the 6-months Ended September 30, 2006

(Figures are rounded down to the nearest million yen)

#### 1. Operating Results

	9/06	Change	9/05	Change	3/06
Operating Revenues (million yen)	1,056,093	5.4%	1,002,094	-3.8%	2,069,358
Operating Income (million yen)	145,660	-12.9%	167,215	-23.6%	308,484
Ordinary Income (million yen)	105,653	-13.6%	122,262	-23.8%	205,973
Net Income (million yen)	65,761	-16.7%	78,946	11.0%	111,646
Net Income per Share (Primary ; yen)	84.08		108.79		151.70

Notes: 1. Average number of shares outstanding

(9/06: 782,104,155 9/05: 725,708,509 3/06: 735,125,781 )

2.Changes in accounting methods: Yes

#### 2. Financial Standing

	9/06	9/05	3/06
Total Assets (million yen)	5,366,239	5,342,650	5,488,007
Shareholders' Equity (million yen)	1,604,288	1,396,497	1,538,034
Shareholders' Equity Ratio	29.9%	26.1%	28.0%
Shareholders' Equity per Share (yen)	2,051.35	1,899.24	1,966.27

Note: Number of shares outstanding at the end of period

(9/06: 782,064,691 9/05: 735,294,192 3/06: 782,140,842)

Number of treasury shares outstanding at the end of the period

(9/06: 88,474 9/05: 1,562,995 3/06: 12,323)

.Forecasts of Results for the Six Months Ending the Year Ending March 31, 2007 (approximate estimates)

	3/06
Operating Revenues (billion yen)	2,115.0
Ordinary Income (billion yen)	95.0
Net Income (billion yen)	58.0

(Reference) Estimation of Net Income per Share for the year ending March 31, 2007: 74.16 yen

There are the premise or matters related to these forecasts on page 10.

.Dividends

	Dividend per Share		
	Interim	FY end	Annual
The Year ended March 31, 2006 (yen)	30.00	30.00	60.00
6-Months Ended September 30, 2006 (yen) Results	30.00	-	undecided
The Year Ending March 31, 2007 (yen)	-	undecided	



## Non-consolidated Balance Sheets

(million yen)

	2006.9	2006.3	2005.9
<b>Assets</b>			
Property, Plant and Equipment	5,107,915	5,272,441	5,133,215
Electric utility property, plant and equipment	3,971,042	4,078,308	4,235,717
Hydroelectric power production facilities	331,051	340,245	347,815
Thermal power production facilities	690,583	728,976	770,009
Nuclear power production facilities	378,932	401,239	429,429
Internal combustion engine power production facilities	170	181	194
Transmission facilities	1,144,145	1,159,846	1,196,258
Transformation facilities	470,749	480,169	473,311
Distribution facilities	811,057	816,895	863,731
General facilities	144,352	150,754	154,967
Subsidiary enterprise property, plant and equipment	16,780	14,546	20,440
Other property, plant and equipment	13,812	14,151	14,371
Construction in progress	125,189	133,573	181,699
Nuclear fuel	254,151	250,199	254,116
Loaded nuclear fuel	42,030	40,033	46,141
Nuclear fuel in processing	212,120	210,165	207,975
Investments and other	726,938	781,632	426,869
Long-term investments	222,520	228,241	203,878
Investments in subsidiaries and affiliates	157,201	155,022	86,945
Reserve fund for reprocessing of irradiated nuclear fuel	238,415	263,382	-
Deferred tax assets	98,775	125,605	128,855
Other	10,027	9,382	7,191
Current Assets	258,324	215,534	209,383
Cash	28,828	17,389	19,072
Accounts receivable-customers	117,263	103,421	105,609
Inventories	69,673	58,867	50,305
Deferred tax assets	15,339	15,053	15,348
Other	27,221	20,803	19,049
Deferred Assets	-	60	51
<b>Total Assets</b>	<b>5,366,239</b>	<b>5,488,007</b>	<b>5,342,650</b>
<b>Liabilities and Shareholders' Equity</b>			
Long-Term Liabilities and Reserves	2,907,019	3,012,363	3,149,887
Bonds	1,432,553	1,446,626	1,581,836
Long-term loans	959,043	980,126	976,415
Employee retirement benefit liability	140,248	170,690	174,834
Reserve for reprocessing of irradiated nuclear fuel	260,607	261,018	272,127
Reserve for decommissioning nuclear power plant	90,540	89,093	85,101
Other	24,028	64,808	59,574
Current Liabilities	848,944	930,943	786,913
Current portion of long-term debt and other	149,933	113,953	217,666
Short-term borrowings	304,400	294,400	283,340
Commercial paper	169,000	270,000	75,000
Accrued income taxes and other	60,660	51,781	71,469
Other-mainly accounts payable	164,951	200,808	139,438
Reserve for Drought	5,987	6,665	9,352
<b>Total Liabilities</b>	<b>3,761,951</b>	<b>3,949,973</b>	<b>3,946,153</b>
Shareholders' Equity			
Common stock	-	430,777	374,519
Capital surplus	-	73,956	17,219
Retained earnings	-	981,967	971,325
Net unrealized gains on available-for-sale securities	-	51,361	36,929
Less: Treasury stock	-	-28	-3,496
<b>Total Shareholder's Equity</b>	<b>-</b>	<b>1,538,034</b>	<b>1,396,497</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>-</b>	<b>5,488,007</b>	<b>5,342,650</b>
Shareholders' Equity	1,528,610	-	-
Common stock	430,777	-	-
Capital surplus	73,958	-	-
Retained earnings	1,024,133	-	-
Treasury stock	-258	-	-
Valuation and translation adjustments	75,677	-	-
<b>Total Shareholder's Equity</b>	<b>1,604,288</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,366,239</b>	<b>-</b>	<b>-</b>

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

## Non-consolidated Statements of Income

(million yen)

	2006.9	2005.9	2006.3
<b>Revenues</b>			
Operating Revenues	1,056,093	1,002,094	2,069,358
Electric utility revenues	1,042,959	996,777	2,045,044
Residential	350,101	339,612	725,242
Commercial and Industrial	671,747	641,730	1,285,633
Sold power to other electric utilities and other companies	9,796	5,306	10,966
Other	11,315	10,129	23,203
Subsidiary enterprise revenues	13,134	5,317	24,313
Other Revenues	5,171	1,871	4,342
Financing revenues	3,763	1,363	2,578
Non-operating revenues	1,408	508	1,763
Profit from sale of fixed asset	39	29	411
Other	1,368	479	1,351
<b>Total Ordinary Revenues</b>	<b>1,061,265</b>	<b>1,003,966</b>	<b>2,073,700</b>
<b>Expenses</b>			
Operating Expenses	910,433	834,879	1,760,873
Electric utility expenses	900,554	828,701	1,739,572
Hydro electric power production expenses	21,380	22,911	48,343
Thermal power production expenses	417,699	313,498	688,509
Nuclear power production expenses	74,780	86,263	167,062
Internal combustion engine power production expenses	14	69	86
Purchased power from other electric utilities and other companies	84,487	71,231	159,979
Transmission expenses	62,142	62,630	130,724
Transformation expenses	34,334	34,528	73,469
Distribution expenses	91,390	98,828	187,240
Selling expenses	36,510	33,516	68,849
General and administrative expenses	38,253	66,759	137,552
Electric power development promotion tax	26,733	26,018	52,473
Enterprise tax	12,819	12,436	25,265
Other operating expenses	6	8	15
Subsidiary enterprise expenses	9,879	6,178	21,301
(Operating Income)	145,660	167,215	308,484
Other Expenses	45,179	46,824	106,852
Financing expenses	39,038	44,920	94,504
Interest expenses	38,416	44,593	93,430
Other	622	327	1,074
Non-operating expenses	6,140	1,903	12,348
Loss from sale of fixed asset	13	30	87
Other	6,127	1,873	12,260
<b>Total Ordinary Expenses</b>	<b>955,612</b>	<b>881,704</b>	<b>1,867,726</b>
<b>Ordinary Income</b>	<b>105,653</b>	<b>122,262</b>	<b>205,973</b>
<b>Special Item</b>			
Provision for (reversal of) reserve for drought	-677	-6,624	-9,311
<b>Extraordinary Losses</b>			
Loss on discontinuing construction of hydroelectric power plant	-	-	33,506
<b>Income before Income Taxes</b>	<b>106,330</b>	<b>128,887</b>	<b>181,778</b>
<b>Income Taxes-Current</b>	<b>27,527</b>	<b>42,058</b>	<b>63,648</b>
<b>Income Taxes-Deferred</b>	<b>13,042</b>	<b>7,882</b>	<b>6,483</b>
<b>Net Income</b>	<b>65,761</b>	<b>78,946</b>	<b>111,646</b>

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