

# Investors Meeting for 6 Months Ended September 30, 2006



November 1, 2006

Takuo Yamauchi

Executive Vice President & Director  
Chubu Electric Power Company, Inc.

# Interim Results

(April 1, 2006 ~ September 30, 2006)

# Summary

[Consolidated] Revenues increased, income decreased  
 (First time ever since commencement of interim consolidated report)  
 (billion yen,%)

	9/06 (A)	9/05 (B)	Change	
			(A - B)	(A - B)/B
Operating Revenues	1,101.5	1,038.2	63.2	6.1
Operating Income	152.1	172.9	-20.7	-12.0
Ordinary Income	110.2	127.6	-17.4	-13.7
Net Income	67.3	81.6	-14.3	-17.5

Rounded down to nearest 100 million yen

[Non-consolidated] Revenues increased, income decreased  
 (First time in interim for 10 years since 9/96)  
 (billion yen,%)

	9/06 (A)	9/05 (B)	Change	
			(A - B)	(A - B)/B
Operating Revenues	1,056.0	1,002.0	53.9	5.4
Operating Income	145.6	167.2	-21.5	-12.9
Ordinary Income	105.6	122.2	-16.6	-13.6
Net Income	65.7	78.9	-13.1	-16.7

Rounded down to nearest 100 million yen

# Electric Energy Sold

New record for a half year

(TWh,%)

		9/06 (A)	9/05 (B)	Change	
				(A-B)	(A-B)/B
Demand from customers under regulation	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
Demand from customers under liberalization	Commercial power	11.8	11.6	0.2	2.5
	Industrial power, etc.	33.9	32.5	1.4	4.0
	Subtotal	45.7	44.1	1.6	3.6
Total		66.5	64.7	1.8	2.7

# Output and Purchase of Electric Power

[Hydroelectric power output]

Increase by 0.7 TWh although water supply rate was low (98.7%)

[Nuclear power output]

Decrease by 6.4 TWh mainly due to the suspension of Hamaoka unit #5

[Thermal power output]

Consequently, increased by 6.4 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	0.0	1.3
Power used for pumped storage		-0.9	-1.0	0.1	-10.8
Total		71.7	70.1	1.6	2.3

# Non-consolidated Statements of Income ①

(billion yen,% )

		9/06 (A)	9/05 (B)	Change		Remarks
				(A-B)	(A-B)/B	
Operating Revenues	Electricity sales revenues	1,021.8	981.3	40.5	4.1	Increase in electric energy sold 26.3 Increase in unit sales price 14.2 Sold power to other electric utilities 4.3
	Sold power to other electric utilities and other companies	11.2	6.2	5.0	81.1	
	Other	9.8	9.2	0.6	7.0	
	Electric utility operating revenues	1,042.9	996.7	46.1	4.6	Gas business 7.3
	Subsidiary enterprise revenues	13.1	5.3	7.8	147.0	
	Total operating revenues	1,056.0	1,002.0	53.9	5.4	

Rounded down to nearest 100 million yen

# Non-consolidated Statements of Income ②

(billion yen,%)

	9/06	9/05	Change		Remarks					
			(A-B)	(A-B)/B						
Operating Expenses	Personnel	71.4	98.3	-26.9	-27.4	Retirement benefit -26.1				
	Fuel	318.8	214.3	104.4	48.7	<table border="0"> <tr> <td>Nuclear -2.9</td> <td>Increase of consumption volume 31.0</td> </tr> <tr> <td>Thermal 107.4</td> <td>Increase of unit consumption price 76.4</td> </tr> </table>	Nuclear -2.9	Increase of consumption volume 31.0	Thermal 107.4	Increase of unit consumption price 76.4
	Nuclear -2.9	Increase of consumption volume 31.0								
	Thermal 107.4	Increase of unit consumption price 76.4								
	Purchased power from other electric utilities and other companies	89.1	75.0	14.0	18.7	Purchased power from other electric utilities 11.4				
	Maintenance	94.3	82.3	11.9	14.6	Thermal 5.1, Distribution 4.7				
	Depreciation	149.8	164.6	-14.8	-9.0	Thermal -6.2, Nuclear -3.9				
	Taxes other than income taxes	68.8	67.6	1.2	1.8	Electric power development promotion tax 0.7				
	Others	108.0	126.2	-18.1	-14.4	Outsourcing -15.7				
	Electric utility operating expenses	900.5	828.7	71.8	8.7					
Subsidiary enterprise expenses	9.8	6.1	3.7	59.9	Gas business 4.1					
<b>Total operating expenses</b>	<b>910.4</b>	<b>834.8</b>	<b>75.5</b>	<b>9.0</b>						

Item	9/06	9/05
CIF price : Crude oil(\$/b)	67.8	53.1
LNG(\$/b)	46.0	36.9
Coal(\$/t)	60.8	60.5
FX rate (Yen/\$)	115	109

CIF price for 9/06 is tentative.

Rounded down to nearest 100 million yen

# Non-consolidated Statements of Income ③

(billion yen,% )

		9/06 (A)	9/05 (B)	Change		Remarks
				(A-B)	(A-B)/B	
<b>Operating income</b>		145.6	167.2	-21.5	-12.9	Decline in interest-bearing debt, Lower interest rate -3.9 Early repayment of interest-bearing debt -2.2
<b>Other</b>	Other revenues	5.1	1.8	3.3	176.3	
	Interest expenses	38.4	44.5	-6.1	-13.9	
	Other	6.7	2.2	4.5	203.1	
	Other expenses	45.1	46.8	-1.6	-3.5	
<b>Ordinary income</b>		105.6	122.2	-16.6	-13.6	
<b>Provision for (reversal of) reserve for drought</b>		-0.6	-6.6	5.9	-89.8	
<b>Income before income taxes</b>		106.3	128.8	-22.5	-17.5	
<b>Income taxes</b>		40.5	49.9	-9.3	-18.8	
<b>Net income</b>		65.7	78.9	-13.1	-16.7	

Rounded down to nearest 100 million yen



## Comparison between Actual Result and July Forecast for 6 Months Ended September 30, 2006

[Non-consolidated]

(billion yen)

	9/06 (Actual)	9/06 (July forecast)	Change
Operating revenues	1,056.0	1,025.0	31.0
Operating expenses	910.4	905.0	5.4
Operating income	145.6	120.0	25.6
Other revenues	5.1	5.0	0.1
Other expenses	45.1	45.0	0.1
Ordinary income	105.6	80.0	25.6
Net income	65.7	51.0	14.7

Rounded down to nearest 100million yen

# Consolidated Statements of Income

Items		9/06 (A)	9/05 (B)	Change		
				(A-B)	(A-B)/B	
Operating	Electricity business	Operating revenues	1,040.0	995.2	44.7	4.5
		Operating expences	893.7	824.6	69.0	8.4
		Operating income	146.3	170.5	-24.2	-14.2
	Other business	Operating revenues	61.5	43.0	18.5	43.1
		Operating expences	55.7	40.6	15.0	37.0
		Operating income	5.8	2.3	3.4	149.4
	Total	Operating revenues	1,101.5	1,038.2	63.2	6.1
		Operating expences	949.4	865.3	84.0	9.7
		Operating income	152.1	172.9	-20.7	-12.0
Other	Other revenues	5.9	2.6	3.3	123.7	
	Other expences	47.8	47.9	-0.0	-0.1	
Ordinaly income		110.2	127.6	-17.4	-13.7	
Net income		67.3	81.6	-14.3	-17.5	

Size Comparison between Consolidated Figures / Non-consolidated Figures

	Consolidated / Non-consolidated
Operating revenues	1.04
Operating income	1.04
Ordinaly income	1.04
Net income	1.02

Internal transactions were eliminated. Rounded down to nearest 100 million yen.

# Consolidated Balance Sheets

(billion yen, %)

	9/06 (A)	3/06 (B)	Change	
			(A-B)	(A-B)/B
Assets	5,620.3	5,741.8	-121.5	-2.1
Liabilities	3,881.9	4,071.6	-189.7	-4.7
Shareholders' equity	1,738.3	1,659.3	79.0	4.8

Shareholders' equity ratio	30.7 (29.9)	28.9 (28.0)	1.8 (1.9)	- -
Outstanding interest-bearing debts	3,082.9 (3,012.8)	3,175.0 (3,101.1)	-92.0 (-88.3)	-2.9 (- 2.8)

Non-consolidated figures in parentheses

Rounded down to nearest 100 million yen

# Consolidated Statements of Cash Flows

(billion yen, %)

	9/06 (A)	9/05 (B)	Change	
			(A-B)	(A-B)/(B)
Cash flows from operating activities ①	206.8	279.2	-72.3	-25.9
Cash flows from investing activities ②	-81.3	-63.3	-18.0	28.5
Cash flows from financing activities	-117.2	-212.5	95.3	-44.8
Free cash flows ①-②	125.5	215.9	-90.4	-41.9

	9/06 (A)	3/06 (B)	Change	
			(A-B)	(A-B)/(B)
Cash and cash equivalents	73.4	65.1	8.2	12.7

Rounded down to nearest 100 million yen

# Forecast for Full Fiscal Year Ending March 31, 2007

## Principal Figures on Which Forecast Are Based

[Electric Energy Sold for the Year Ending 3/07]

(TWh)

		Current forecast		July forecast (B)	Change (A - B)	3/06 (actual)	
		2nd half	(A)			2nd half	
Demand from customers under regulation	Electric lighting	18.4	35.3	34.9	0.4	18.7	35.3
	Electric power	3.6	7.5	7.4	0.1	3.9	7.9
	Subtotal	22.0	42.8	42.3	0.5	22.6	43.2
Demand from customers under liberalization	Commercial Power	11.0	22.8	22.0	0.8	10.9	22.5
	Industrial power	32.8	66.7	63.9	2.8	32.4	64.9
	Subtotal	43.8	89.5	85.9	3.6	43.3	87.4
Total		65.8	132.3	128.2	4.1	65.9	130.6

[Major Factors]

項 目	Current forecast		July forecast (B)	Change (A - B)	3/06 (actual)
	(A)				
CIF price : crude oil (\$/b)	Approx.69		Approx.65	4	55.8
Fx rate (yen/\$)	Approx.118		Approx.120	-2	113
Nuclear power utilization rate(%)	Approx.38		Approx.37	1	63.1

# Highlights of Forecast ①

[Consolidated] Revenues increase, income decrease (first time in 10 years)

	3/07 (Current forecast) (A)	3/07 (July forecast) (B)	Change (A)-(B)	(billion yen) 3/06 (actual)
Operating Revenues	2,200.0	2,135.0	65.0	2,150.5
Operating Income	180.0	170.0	10.0	322.1
Ordinary Income	105.0	95.0	10.0	219.6
Net Income	63.0	57.0	6.0	119.4

Rounded down to nearest 100 million yen

[Non-consolidated] Revenues increase, income decrease (first time in 10 years)

	3/07 (Current forecast) (A)	3/07 (July forecast) (B)	Change (A)-(B)	(billion yen) 3/06 (actual)
Operating Revenues	2,115.0	2,050.0	65.0	2,069.3
Operating Income	170.0	160.0	10.0	308.4
Ordinary Income	95.0	85.0	10.0	205.9
Net Income	58.0	52.0	6.0	111.6

Rounded down to nearest 100 million yen

# Highlights of Forecast ②

[Non-consolidated]

(billion yen)

	3/07 (Current forecast)	3/07 (July forecast)	Change	Remarks
Operating revenues	2,115.0	2,050.0	65.0	▪Electricity demand increase +60
Operating expenses	1,945.0	1,890.0	55.0	▪Increase in thermal due to demand increase +30 ▪Increase in thermal due to fuel price +18
Operating income	170.0	160.0	10.0	
Other income	9.0	9.0	0.0	
Other expenses	84.0	84.0	0.0	
Ordinary income	95.0	85.0	10.0	
Net income	58.0	52.0	6.0	

Rounded down to nearest 100 million yen



## Income Sensitivity of Major Factors

(billion yen)

		Full FY ending 3/07	1st half ended 9/06	2nd half ending 3/07
Electric energy sold	1%	5.0	3.0	2.0
Crude oil price (All Japan CIF) <sup>(1)</sup>	1 \$ / b	7.5	3.5	4.0
Coal price (All Japan CIF)	1 \$ / t	1.1	0.6	0.5
Foreign exchange rate	1 yen / \$	5.2	2.4	2.8
Nuclear power utilization rate <sup>(2)</sup>	1%	2.8	1.3	1.5
Water supply rate	1%	0.8	0.4	0.4
Interest rate	1%	5.5	2.5	3.0

(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.

# Financial Targets

(3 Year Average from Years Ended March 05 to March 07)

Targets will be achieved except free cash flows. It is due to such cause as the lump-sum funding for existing reserve for reprocessing of irradiated nuclear fuel (243.3 billion yen) that was made in the fiscal year ended March 06

(Upper figures:Non-consolidated, Lower figures:Consolidated) (billion yen)

	Target	Result		Forecast	Average
		3/05	3/06	3/07	
ROA (Return on asset)	4.5% or above	5.6%	5.5%	Approx. 3.1%	Approx. 4.7%
	4.5% or above	5.6%	5.5%	Approx. 3.2%	Approx. 4.8%
Ordinary income	160 bil. or above	185.3	205.9	Approx. 95.0	Approx. 162.0
	165 bil. or above	195.1	219.6	Approx. 105.0	Approx. 173.0
Capital expenditure	170 bil. or below	127.9	124.3	Approx. 180.0	Approx. 145.0
	200 bil. or below	149.9	156.2	Approx. 220.0	Approx. 175.0
Free cash flow	350 bil. or above	426.0	142.8	Approx. 170.0	Approx. 245.0
	360 bil. or above	442.1	166.4	Approx. 185.0	Approx. 265.0
Outstanding interest-bearing debts	3,000 bil. or below	3,340.8	3,101.1	Approx. 2,980.0	
	3,100 bil. or below	3,425.9	3,175.0	Approx. 3,040.0	

# Appendices

# Electric Energy Sold

(GWh, %)

		Apr	May	Jun	Jul	Aug	Sep	1st half
Demand from customers under regulation	Electric lighting	3,191	2,633	2,208	2,693	2,947	3,238	16,909
		(3.8)	(4.8)	(3.8)	(- 0.6)	(- 2.6)	(1.4)	(1.6)
	Electric power	691	539	478	644	718	786	3,857
		(- 0.2)	(- 1.1)	(- 1.1)	(- 6.2)	(- 7.6)	(△ 2.4)	(- 3.3)
	Subtotal	3,882	3,172	2,686	3,337	3,665	4,024	20,766
(3.1)		(3.7)	(2.9)	(- 1.7)	(- 3.6)	(0.6)	(0.7)	
Demand from customers under liberalization	Commercial power	1,757	1,658	1,799	2,056	2,311	2,263	11,844
		(3.6)	(5.2)	(3.2)	(0.9)	(1.0)	(2.4)	(2.5)
	Industrial power	5,291	5,144	5,723	5,923	5,818	5,961	33,860
		(4.3)	(5.0)	(3.0)	(3.7)	(6.1)	(2.3)	(4.0)
	Subtotal	7,048	6,802	7,522	7,979	8,129	8,224	45,704
(4.2)		(5.0)	(3.1)	(3.0)	(4.6)	(2.3)	(3.6)	
Total	10,930	9,974	10,208	11,316	11,794	12,248	66,470	
	(3.8)	(4.6)	(3.0)	(1.5)	(1.9)	(1.7)	(2.7)	

Figures in parentheses indicate percentage change from previous year

# Industrial Large-lot Demand (year on year basis)

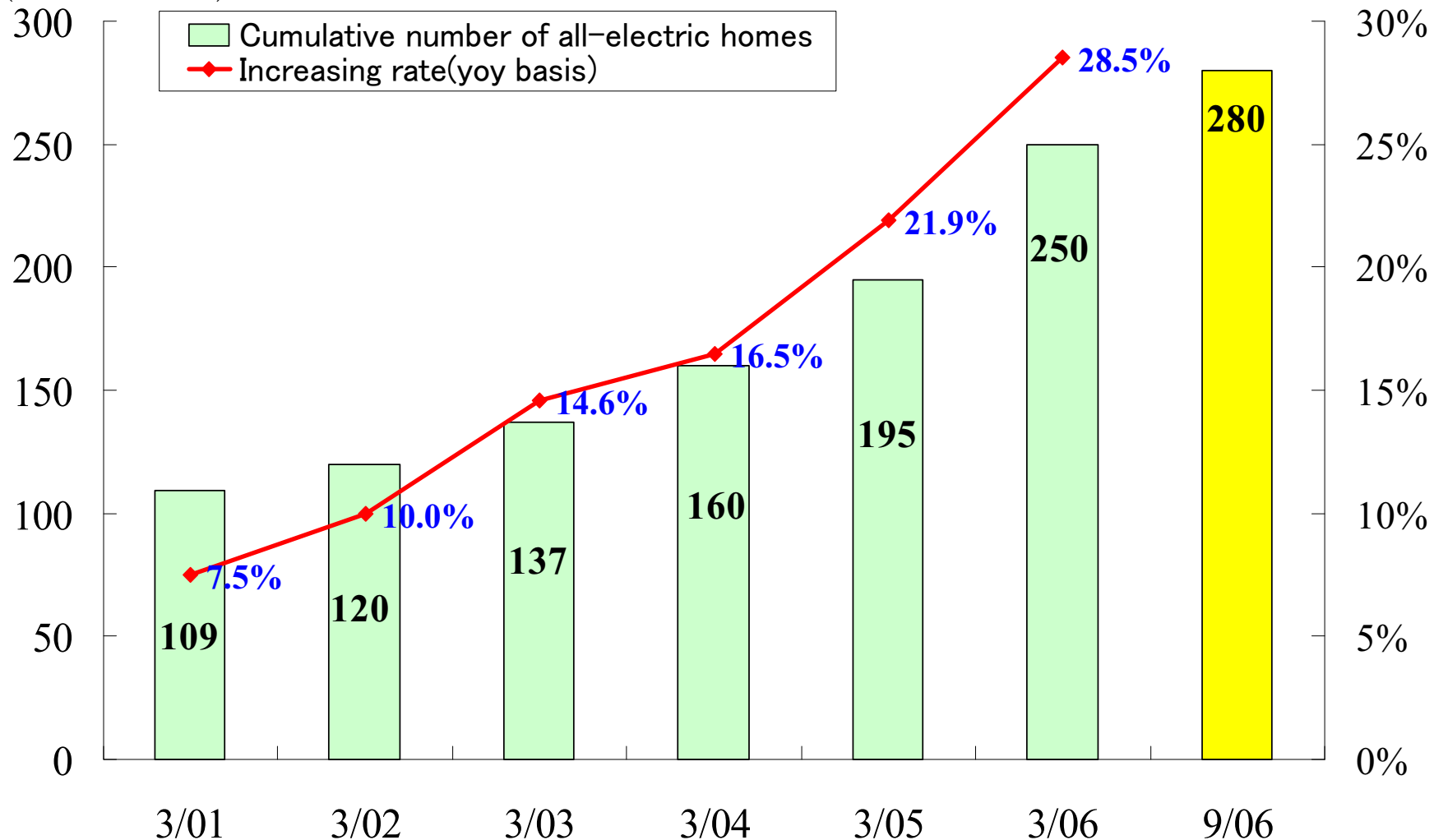
(%)

		Apr	May	Jun	Jul	Aug	Sep	1st half
<b>Material Suppliers</b>	<b>Pulp&amp;Paper</b>	7.7	0.2	-1.3	-1.1	6.6	$\alpha$	1.9
	<b>Chemicals</b>	15.0	12.0	7.2	3.7	5.2	-1.5	6.5
	<b>Glass&amp;Ceramics</b>	9.5	13.2	11.1	8.2	10.5	7.3	9.9
	<b>Steel</b>	1.2	4.3	-1.7	2.5	0.3	1.0	1.3
	<b>Nonferrous Metal</b>	6.4	-1.9	-4.2	15.0	16.0	14.0	7.3
	<b>Subtotal</b>	6.5	6.0	1.8	4.5	5.2	2.6	4.3
<b>Manufactures</b>	<b>Foods</b>	-0.1	3.3	1.2	1.8	5.5	2.5	2.5
	<b>Textile&amp;Apparel</b>	17.6	-3.2	-5.6	-2.0	1.0	-1.4	0.4
	<b>Machinery</b>	6.2	7.5	6.6	7.7	14.2	4.9	7.8
	<b>Others</b>	4.5	8.1	4.8	4.4	7.0	3.4	5.3
	<b>Subtotal</b>	5.6	7.0	5.5	6.3	11.5	4.2	6.6
<b>Utilities</b>	<b>Railway</b>	-2.0	-2.2	-3.0	-2.7	-1.8	-4.1	-2.7
	<b>Others</b>	3.8	4.4	2.0	2.1	1.6	$\alpha$	2.2
	<b>Subtotal</b>	1.1	1.3	-0.3	-0.1	$\alpha$	-1.8	$\alpha$
<b>Total</b>		5.3	5.9	3.7	5.0	8.2	3.0	5.1

# Growth in Number of All-Electric Homes in the Chubu Region

-Image of 'safe & clean' and economical electric appliances are boosting the steady increase of all-electric homes.

(thousand homes)



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