

# **Outline of Financial Results for Fiscal Year Ended March 31, 2008**

**Chubu Electric Power Company, Inc.**



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**Financial Results for FY2007**  
**(April 1, 2007 to March 31, 2008)**

# Summary

**[Consolidated]** Revenues increased and income decreased  
(Same trend as FY2006)

(billion yen,%)

	FY2007 (A)	FY2006 (B)	Change	
			(A-B)	(A-B)/B
Operating Revenues	2,432.8	2,213.7	219.0	9.9
Operating Income	167.8	246.7	-78.8	-32.0
Ordinary Income	123.3	178.6	-55.2	-30.9
Net Income	70.6	90.5	-19.9	-22.0

*Rounded down to nearest 100 million yen.*

**[Non-consolidated]** Revenues increased and income decreased  
(Same trend as FY2006)

(billion yen,%)

	FY2007 (A)	FY2006 (B)	Change	
			(A-B)	(A-B)/B
Operating Revenues	2,222.1	2,117.0	105.1	5.0
Operating Income	154.6	232.3	-77.6	-33.4
Ordinary Income	109.3	162.7	-53.4	-32.8
Net Income	66.2	64.1	2.0	3.2

*Rounded down to nearest 100 million yen.*

# Electric Energy Sold

(TWh, %)

		FY2007 (A)	FY2006 (B)	Change	
				(A-B)	(A-B)/B
Demand from customers under regulation	Electric lighting	36.1	34.7	1.4	3.9
	Electric power	7.3	7.4	-0.1	-0.8
	Subtotal	43.4	42.1	1.3	3.1
Demand from customers under liberalization	Commercial power	23.7	22.9	0.8	3.4
	Industrial power, etc	70.4	67.7	2.7	4.0
	Subtotal	94.1	90.6	3.5	3.8
Total		137.5	132.7	4.8	3.6

# Output & Purchase of Electric Power

## ◆ Hydroelectric power output

Decrease by 0.5TWh due to low water supply rate (FY2007:88.6%, FY2006:95.7%)

## ◆ Nuclear power output

Increase by 7.0TWh mainly due to shorter suspension period of Hamaoka no.5

## ◆ Thermal power output

Consequently, and with other factors such as decrease of interchanged power, thermal power output increased by 3.2TWh.

(TWh, %)

		FY2007 (A)	FY2006 (B)	Change	
				(A-B)	(A-B)/B
Internally generated	<b>Hydro</b> (water supply rate)	8.1 (88.6)	8.6 (95.7)	-0.5 (-7.1)	-5.7
	<b>Thermal</b>	103.8	100.6	3.2	3.2
	<b>Nuclear</b> (utilization rate)	25.2 (58.7)	18.2 (41.5)	7.0 (17.2)	38.7
<b>Interchanged power</b>		1.6	4.7	-3.1	-66.5
<b>Purchased power</b>		12.6	13.6	-1.0	-7.2
Power used for pumped storage		-2.2	-1.6	-0.6	35.1
<b>Total</b>		149.1	144.1	5.0	3.5

# Non-consolidated Statements of Income <1>

	(billion yen, %)				
	FY2007 (A)	FY2006 (B)	Change		
			(A-B)	(A-B)/B	
Electricity sales revenues	2,145.1	2,044.5	100.6	4.9	*Increase of electric energy sold: +73.8 *Increase of unit sales price: +26.8
Sold power to other electric utilities and transmission revenues, etc.	26.7	19.4	7.3	37.8	Sold power to other electric utilities: +5.0
Other	21.5	22.4	-0.8	-3.9	
Electric utility operating revenues	2,193.4	2,086.3	107.0	5.1	
Ancillary businesses operating revenues	28.7	30.6	-1.9	-6.3	Gas sales business: -2.5
<b>Total operating revenues</b>	2,222.1	2,117.0	105.1	5.0	

*Rounded down to nearest 100 million yen*

# Non-consolidated Statements of Income <2>

	(billion yen, %)				
	FY2007 (A)	FY2006 (B)	Change (A-B)   (A-B)/B		
Salaries and employee benefits	154.8	137.8	16.9	12.3	Retirement benefits cost: +17.9
Fuel	828.2	662.1	166.0	25.1	Thermal: +163.6 (increase of consumption volume: +21.9) (increase of unit consumption price: +141.7)
Nuclear back-end expenses	56.1	51.2	4.9	9.6	
Purchased power and transmission charges, etc.	174.0	186.0	-12.0	-6.5	Purchased power from other utilities: -16.9 from other companies: +5.5
Maintenance	189.1	184.0	5.0	2.7	Thermal: +10.1, Nuclear: -8.9, Transformation: +2.4, Transmission: +1.7
Depreciation	300.7	299.8	0.9	0.3	
Taxes other than income taxes	135.2	137.2	-1.9	-1.4	Thermal: +7.4, Nuclear: -1.4 Transmission: -3.6, Transformation: -1.0
Others	198.9	202.8	-3.9	-1.9	
Electric utility operating expenses	2,037.3	1,861.3	175.9	9.5	
Ancillary business operating expenses	30.1	23.2	6.8	29.4	Gas sales business: +8.1
Total operating expenses	2,067.4	1,884.6	182.8	9.7	

	FY2007	FY2006
Crude oil CIF (\$/b)	78.7	63.5
FX rate (yen/\$)	114	117

Rounded down to nearest 100 million yen.



# Non-consolidated Statements of Income <3>

(billion yen, %)

	FY2007	FY2006	Change	
	(A)	(B)	(A-B)	(A-B)/B
Operating Income	154.6	232.3	-77.6	-33.4
Other Revenues	12.2	10.0	2.1	21.5
Interest expense	53.0	70.1	-17.0	-24.4
Other	4.5	9.5	-5.0	-52.5
Other Expenses	57.5	79.6	-22.1	-27.7
Ordinary Income	109.3	162.7	-53.4	-32.8
Provision for (reversal of) reserve for drought	-4.0	-2.6	-1.3	50.6
Extraordinary loss	13.6	40.8	-27.1	-66.5
Income before income taxes	99.6	124.5	-24.9	-20.0
Income taxes	33.4	60.4	-26.9	-44.7
Net Income	66.2	64.1	2.0	3.2

\*Decrease of early repayment  
of debt: -13.7  
\*Decrease of loan: -2.9

\*Reserve for decommissioning  
nuclear power plants (for past  
years portion) +13.6  
\*Valuation loss of shares: -35.5

*Rounded down to nearest 100 million yen*

# Consolidated Statements of Income

(billion yen, %)

		FY2007	FY2006	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electricity business	Operating revenues	2,187.3	2,080.4	106.9	5.1
	Operating expenses	2,024.8	1,846.3	178.4	9.7
	Operating income	162.5	234.0	-71.5	-30.6
Other business	Operating revenues	245.4	133.3	112.1	84.1
	Operating expenses	240.1	120.7	119.4	99.0
	Operating income	5.3	12.6	-7.3	-57.9
Total	Operating revenues	2,432.8	2,213.7	219.0	9.9
	Operating expenses	2,265.0	1,967.0	297.9	15.1
	Operating income	167.8	246.7	-78.8	-32.0
Other revenues		17.4	16.9	0.4	2.9
Other expenses		61.9	85.0	-23.1	-27.2
Ordinary income		123.3	178.6	-55.2	-30.9
Extraordinary loss		13.6	21.6	-7.9	-36.6
Net income		70.6	90.5	-19.9	-22.0

Ratios of consolidated size over non-consolidated size[FY2007]

Operating revenues	1.09
Operating income	1.09
Ordinary income	1.13
Net income	1.07

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

# Segment Information

(billion yen)

		FY2007 (A)	FY2006 (B)	change (A-B)	Note:Major factors of revenues increase/decrease
Electricity	External Revenues	2,187.3	2,080.4	106.9	
	Operation Income	156.0	224.9	-68.9	
Energy	External Revenues	34.7	34.9	-0.1	▪ Sales increase in on-site energy businesses; sales decrease in gas sales business
	Operation Income	-2.4	8.2	-10.6	
IT/Communications	External Revenues	32.7	28.0	4.6	▪ Expansion of FTTH service areas
	Operation Income	-6.4	1.2	-7.7	
Construction	External Revenues	146.9	34.7	112.1	▪ TOENEC is consolidated as subsidiary
	Operation Income	13.8	5.7	8.1	
Other	External Revenues	31.0	35.5	-4.5	▪ Sales decrease in services business
	Operation Income	8.0	6.6	1.4	
Total	External Revenues	2,432.8	2,213.7	219.0	
	Operation Income	169.0	246.8	-77.7	

(Note) Operation Income is before cancellation of internal transaction

# Consolidated Balance Sheets

(billion yen, %)

	FY2007 (A)	FY2006 (B)	Change (A-B)
Total Assets	5,636.2	5,701.7	-65.4
Liabilities	3,883.7	3,931.8	-48.0
Net Assets	1,752.4	1,769.8	-17.3

Decrease due to  
ongoing depreciation

(billion yen, %)

Shareholders' Equity	30.4	30.3	0.1
Ratio	(29.8)	(29.9)	(-0.1)
Outstanding Interest-bearing Debt	2,862.6 (2,789.9)	3,001.7 (2,925.0)	-139.1 (-135.1)
Average Interest Rate*	(1.77)	(1.73)	(0.04)

\*As of the end of each fiscal year

Non-consolidated figures in parentheses.

Rounded down to nearest 100 million yen.

# Consolidated Statements of Cash Flows

	(billion yen)		
	FY2007 (A)	FY2006 (B)	Change (A-B)
Cash flows from operating activities <1>	471.9	441.5	30.4
Cash flows from investment activities <2>	-272.7	-174.3	-98.3
Cash flows from financing activities <3>	-199.9	-234.4	34.5
Free cash flow <1+2>	199.2	267.1	-67.9
	FY2007 (A)	FY2006 (B)	Change (A-B)
Cash and cash equivalents	97.1	97.8	-0.7

*Rounded down to nearest 100 million yen*

**Forecast for FY2008**  
**(April 1, 2008 to March 31, 2009)**

# Principal Assumption for the Forecast

## [Electric Energy Sold for the Year Ending 3/09]

		FY2008 Forecast (A)	FY2007 Results (B)	Change (A-B)
Demand from customers under regulation	Electric lighting	35.9	36.1	-0.2
	Electric power	7.0	7.3	-0.3
	Subtotal	42.9	43.4	-0.5
Demand from customers under liberalization	Commercial power	23.1	23.7	-0.6
	Industrial power, etc.	71.4	70.4	1.0
	Subtotal	94.5	94.1	0.4
Total		137.4	137.5	-0.1
(yoy change)		(-0.1%)	(3.6%)	

## [Major Factors]

Items	FY2008 Forecast (A)	FY2007 Results (B)	Change (A-B)
Crude oil CIF price (\$/b)	approx. 95	approx. 78.7	approx. 16
Foreign exchange rate (yen/\$)	approx. 105	approx. 114	approx. -9
Nuclear power utilization rate (%)	approx. 63	approx. 58.7	approx. 4

# Highlights of Forecast

## [Consolidated]

Revenues increase, income decreases

(billion yen)

	FY2008 Forecast (A)	FY2007 Results (B)	Change (A-B)
Operating Revenues	2,550.0	2,432.8	approx. 117
Operating Income	148.0	167.8	approx. -20
Ordinary Income	110.0	123.3	approx. -13
Net Income	70.0	70.6	approx. -1

## [Non-consolidated]

Revenues increase, income decreases

(billion yen)

	FY2008 Forecast (A)	FY2007 Results (B)	Change (A-B)
Operating Revenues	2,370.0	2,222.1	approx. 148
Operating Income	130.0	154.6	approx. -25
Ordinary Income	90.0	109.3	approx. -19
Net Income	58.0	66.2	approx. -8



# Non-consolidated Forecast of Income <1>

	(billion yen)		
	FY2008 Forecast (A)	FY2007 Results (B)	Change (A-B)
Operating revenues	2,370.0	2,222.1	147.9
Operating expenses	2,240.0	2,067.4	172.6
Operating income	130.0	154.6	-24.6
Other revenues	18.0	12.2	5.8
Other expenses	58.0	57.5	0.5
Ordinary income	90.0	109.3	-19.3
Net income	58.0	66.2	-8.2

\* Increase of unit sales price: +146.0

\*Increase of Salaries and employee benefits: +35.2 (Amortization of actuarial differences: +30.1)

\*Fuel price hikes: +156.0

┌ increase of CIF price:  
   CIF other than coal: +165.0  
   CIF of coal: +59.0

- stronger yen: -54.0

- change of composition of thermal fuels consumption: -14.0

\*increase of nuclear power output: -11.0

\* increase of hydro power output: -10.0

# Non-consolidated Forecast of Income <2>

	Dividend per Share (yen)			Total dividend (bn. yen)	Payout ratios (non-consolidated)
	Interim	Year-end	Full year		
FY2005	30	30	60	45.5	<b>39.6%</b>
FY2006	30	30	60	46.9	<b>73.2%</b>
FY2007	30	30	60	46.7	<b>70.7%</b>
FY2008 (forecast)	30	30	60	—	<b>80.5%</b>

# Income Sensitivity of Major Factors

		(billion yen)	
	units	FY2008	FY2007
Electric energy sold	1%	3.0	4.0
Crude oil price (All-Japan CIF) <sup>(1)</sup>	1\$/b	7.2	8.1
Foreign exchange rate	1 yen/\$	7.0	6.6
Nuclear power utilization rate <sup>(2)</sup>	1%	3.8	3.2
Water supply rate	1%	1.0	0.9
Interest rate	1%	4.5	4.5

## (Notes 1) Impact of Crude oil price

The impact value of crude oil price includes the impact of LNG price because LNG price is subject to crude oil price.

## (Notes 2) Nuclear power utilization

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.

# **Appendices**

# Components of retirement benefits cost

(Amortization of actuarial differences & Amortization of prior service cost)

(billion yen)

		Amount			Change	
		FY2006(A)	FY2007(B)	FY2008(C)	(B)-(A)	(C)-(B)
Amortization of actuarial differences						
FY2003	-10.1	-3.4			3.4	-
FY2004	-26.5	-8.8	-8.8		0.0	8.8
FY2005	-74.7	-24.9	-24.9	-24.9	0.0	0.0
FY2006	6.7		2.2	2.2	2.2	0.0
FY2007	63.8			21.3	-	21.3
Subtotal(D)		-37.1	-31.5	-1.4	5.6	30.1
Amortization of prior service cost						
FY2004(E)	-41.1	-13.7			13.7	-
Total(D+E)		-50.8	-31.5	-1.4	19.3	30.1

# Impact of New Tax Standard concerning Depreciation

(Increase of Depreciation Expenses incurred by  
Revision of Income Tax Standard)

**FY2007 (From April 1, 2007 to March 31, 2008)**

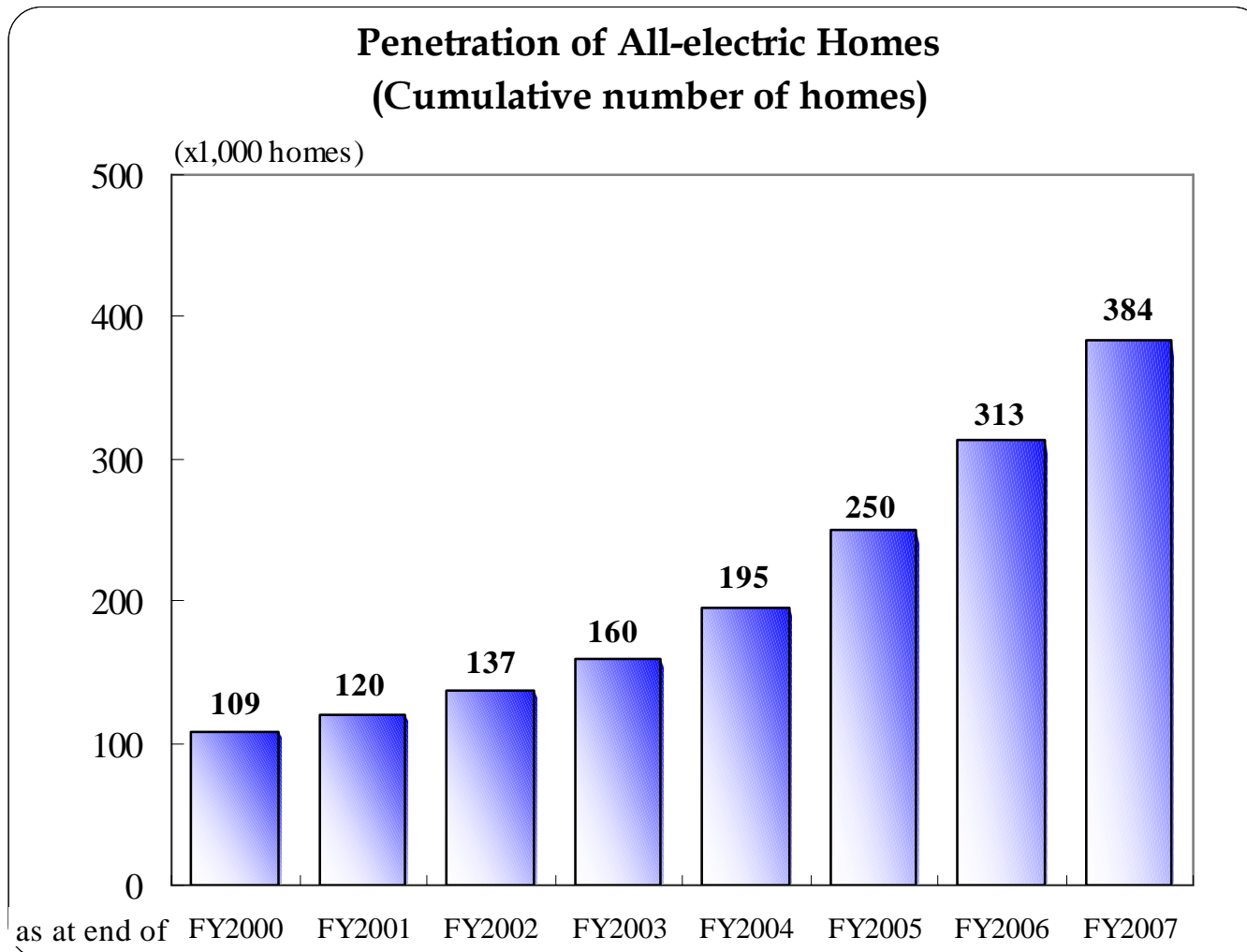
(billion yen)

	Consolidated	Non-consolidated
For the portion of the tangible assets acquired on or before 31st March 2007, of which depreciation has reached the sum of depreciation limit (i.e. 95% of acquired cost)	18.4	16.9
For the portion of depreciable assets acquired on or after 1st April 2007	1.4	1.2
Total	19.8	18.1

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

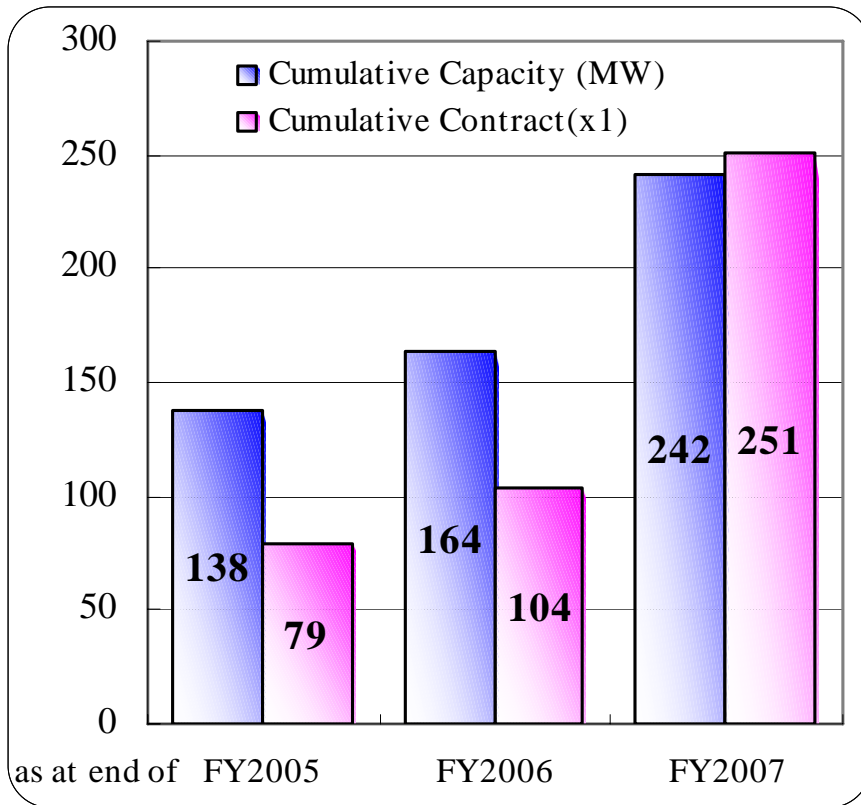
<18>

[Target] “Increase the number of all-electric homes to over 600,000 in total by the end of FY2010.”

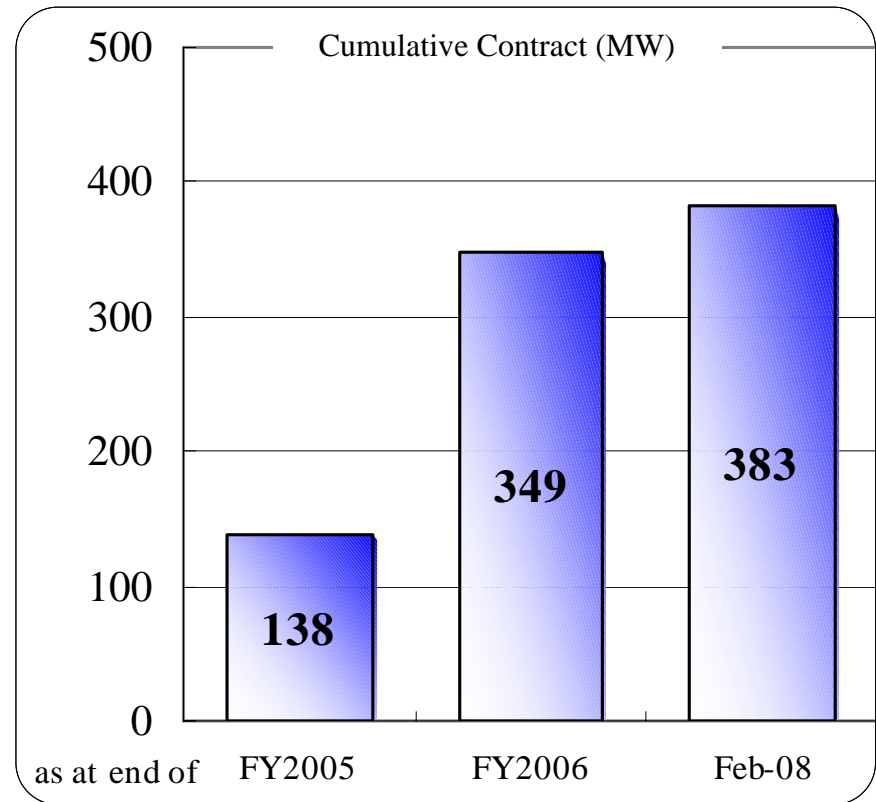


# Lost Demand and Demand Shift from On-site Generation

Chubu Electric's lost demand size



Demand size switched from on-site generation to Chubu Electric





# DISCLAIMER

This presentation contains forward-looking statements with respect to the financial conditions, results of operations, and business of the company. These assumptions and forward-looking statements involve certain risks and uncertainties resulting from changes in the managerial environment.

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