

# Consolidated Interim Financial Report FY ending March 31, 2008

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

CHUBU ELECTRIC POWER COMPANY, INCORPORATED (October 31, 2007)

Code:9502

Financial Report for the 6-months Period ended September 30, 2007

(Consolidated)

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. Performance Over the 6-months Ended September 30, 2007 (April 1, 2007- September 30, 2007)

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Operating Results

	9/07	Change	9/06	Change	3/07
Operating Revenues (million yen)	1,182,262	7.3%	1,101,564	6.1%	2,213,792
Operating Income (million yen)	166,461	9.4%	152,141	-12.0%	246,712
Ordinary Income (million yen)	146,413	32.8%	110,258	-13.7%	178,611
Net Income (million yen)	93,215	38.4%	67,361	-17.5%	90,550
Net Income per Share (Primary ; yen)	119.39	-	86.14	-	115.80
Net Income per Share (Fully diluted ; yen)	-				115.79

Notes: Equity in earnings of affiliates 9/07: 725million yen, 9/06: -478million yen, 3/07: 1,614million yen

## 2. Consolidated Financial Standing

	9/07	9/06	3/07
Total Assets (million yen)	5,657,197	5,620,337	5,701,714
Net Assets (million yen)	1,821,405	1,738,381	1,769,824
Shareholders' Equity Ratio	31.5%	30.7%	30.3%
Shareholders' Equity per Share (yen)	2,288.44	2,209.00	2,212.67

Note : Shareholders' Equity 9/07:1,781,797million yen, 9/06:1,727,315million yen, 3/07: 1,729,949million yen

The definition of Shareholders' Equity

9/07 : Total Net Assets-Minority interests      9/06 : Total Shareholders' Equity

## 3. Outline of Consolidated Cash Flows

	9/07	9/06	3/07
Cash Flows from Operating Activities (million yen)	249,221	206,894	441,515
Cash Flows from Investing Activities (million yen)	-119,146	-81,338	-174,357
Cash Flows from Financing Activities (million yen)	-130,281	-117,258	-234,452
Cash or Cash Equivalent at the End of the Period (million yen)	97,696	73,425	97,861

## . Dividends

	Dividend per share (yen)		
	Interim	Year-ended	Full year
FY2006	30	30	60
FY2007	30	-	60
FY2007(Forecast)	-	30	

. Forecasts of Consolidated Results for the Year Ending March 31, 2008 (approximate estimates)

	3/08	Change
Operating Revenues (million yen)	2,400,000	8.4%
Operating Income (million yen)	211,000	-14.0%
Ordinary Income (million yen)	145,000	-19.0%
Net Income (million yen)	89,000	-2.0%
Net Income per Share (Primary ; yen)	114.31	

. Other

- Changes in important subsidiaries during the period  
(accompanying changes in the extent of consolidated companies) :None
- Changes in principles or procedures of accounting treatment for creation or presentation of consolidated financial statements (changes to be recorded under important items that are basic to the creation of consolidated financial statements)  
-Changes accompanying the amendment of accounting standards:None
- Number of shares outstanding (common stock)
  - Number of shares issued at end of period (including treasury stock)  
9/07 : 779,004,665    9/06 : 782,153,165    3/07 : 782,153,165
  - Number of treasury stock at end of period  
9/07 : 396,656    9/06 : 209,303    3/07 : 314,500

<Reference>

. Performance Over the 6-months Ended September 30, 2007

(Figures are rounded down to the nearest million yen)

1. Operating Results

	9/07	Change	9/06	Change	3/07
Operating Revenues (million yen)	1,092,073	3.4%	1,056,093	5.4%	2,117,033
Operating Income (million yen)	158,846	9.1%	145,660	-12.9%	232,394
Ordinary Income (million yen)	137,486	30.1%	105,653	-13.6%	162,775
Net Income (million yen)	89,843	36.6%	65,761	-16.7%	64,136
Net Income per Share (Primary ; yen)	115.06		84.08		82.01

2. Financial Standing

	9/07	9/06	3/07
Total Assets (million yen)	5,255,867	5,366,239	5,287,281
Net Assets (million yen)	1,629,409	1,604,288	1,581,445
Shareholders' Equity Ratio	31.0%	29.9%	29.9%
Shareholders' Equity per Share (yen)	2,092.50	2,051.35	2,022.52

Note : Shareholders' Equity 9/07:1,629,409 million yen, 9/06:1,604,288 million yen, 3/07: 1,581,445 million yen

The definition of Shareholders' Equity

9/07 : Total Net Assets-Minority interests    9/06 : Total Shareholders' Equity

. Forecasts of Non-Consolidated Results for the Year Ending March 31, 2008 (approximate estimates)

	3/08	Change
Operating Revenues (million yen)	2,200,000	3.9%
Operating Income (million yen)	198,000	-15.0%
Ordinary Income (million yen)	130,000	-20.0%
Net Income (million yen)	83,000	29.0%
Net Income per Share (Primary ; yen)	106.59	

## 1. Operating Results

### 1. Overview of interim results

Japan's economy continued to display a gradual improvement in FY2007 with strong foreign economies generating increased exports and personal consumption becoming stronger.

Against this background, electricity sales revenues in our electricity business increased, due mainly to an increased amount of electric energy sold. Operating revenues were also up in other business sectors, due mainly to increased sales in our construction business. Operating revenues increased by ¥80.6billion against the corresponding period in FY2006 to ¥1,182.2billion, while interim ordinary revenues were up by ¥83.5billion to ¥1,191.1billion.

Turning to expenses, while depreciation costs declined in our electricity business, fuel expenses increased, due among other factors to rising fuel costs. In other business sectors, sales costs increased in our construction business. Overall, operating expenses increased ¥66.3billion against the corresponding period in FY2006. In addition, non-operating expenses declined by ¥18.9billion, mainly as a result of a reduction in interest payments, resulting in a ¥47.4billion increase in interim ordinary expenses to ¥1,044.7billion.

As a result, interim ordinary income has increased ¥36.1billion against the corresponding period in FY2006 to ¥146.4billion, and net interim income has increased ¥25.8billion to ¥93.2billion.

[Status of Production and Sales]

[Electricity Business]

#### (1) Electric energy sold

Due mainly to steady demand from the industrial sector as a result of the economic recovery, electric energy sold increased by 2.5% against the corresponding period in FY2006 to 68.1TWh.

[Demand from customers under regulation]

Despite an increase in the number of contracts and the effect of intense heat from August, early spring temperatures were higher than the previous year and temperatures in the first half of summer were lower, resulting in a reduced demand for air conditioning. As a result, demand for electric lighting was on par with the previous year at 16.9TWh. Demand for electric power declined by 3.9% to 3.7TWh, due among other factors to a decline in the number of contracts.

[Demand from customers under liberalization]

Demand for commercial power increased 2.7% to 12.2TWh on the back of strong demand from commercial facilities, while demand for industrial power increased by 4.4% to 35.3TWh mainly due to strengthening demand from the machinery and other sectors.

(TWh,%)

		9/07 (A)	9/06 (B)	Change	
				(A - B)	(A - B)/B
Demand from customers under regulation	Electric lighting	16.9	16.9	0	0.2
	Electric power, etc	3.7	3.9	-0.2	-3.9
	Subtotal	20.6	20.8	-0.2	-0.6
Demand from customers under liberalization	Commercial power	12.2	11.8	0.4	2.7
	Industrial power	35.3	33.9	1.4	4.4
	Subtotal	47.5	45.7	1.8	3.9
Total		68.1	66.5	1.6	2.5

## (2)Output & Purchase of Electric Power

On the supply front, a water shortage (the water supply rate in this term was 91.8% compared to 98.7% in the previous term) resulted in a reduction of 0.4TWh in the hydroelectric generation of power against the corresponding regular in the previous year.

Nuclear power generation increased by 5.3TWh, due among other factors to a reduction in the number of days required for periodic inspection. In addition, power interchanges were down, resulting in a 1.3TWh reduction in thermal generation against the corresponding period in the preceding fiscal year.

(TWh,%)

		9/07 (A)	9/06 (B)	Change	
				(A-B)	(A-B)/B
Chubu Electric	Hydroelectric power (water supply rate)	5.0 (91.8)	5.4 (98.7)	-0.4 (-6.9)	-6.6
	Thermal power	49.0	50.3	-1.3	-2.5
	Nuclear power (utilization rate)	13.3 (62.1)	8.0 (36.6)	5.3 (25.5)	66.1
Interchanged power		0.8	2.2	-1.4	-65.8
Purchased power		6.9	6.7	0.2	2.6
Power used for pumped storage storage		-1.1	-0.9	-0.2	24.8
Total		73.9	71.7	2.2	3.0

[Consolidated Operating Revenues, Expenses, and Income]

## (1) Operating Revenues & Expenses

### Electricity business

Total operating revenues increased by ¥36.0billion year-on-year to ¥1,076.1billion mainly due to increase of electric energy sold.

While depreciation costs declined, fuel costs increased due to rising fuel price, resulting in a ¥20.7billion increase in operating expenses to ¥914.5billion.

As a result of the above, operating income recorded a ¥15.3billion increase against the corresponding period in FY2006 to ¥161.6billion.

Other businesses

Due among other factors to an increase in sales in our construction business, total operating revenues in our other businesses increased by ¥44.5billion against the corresponding period in FY2006 to ¥106.1billion.

Operating expenses increased ¥45.5billion to ¥101.2billion with increased costs resulting from an increase in sales in our construction business.

As a result, operating income declined by ¥0.9billion against the corresponding period in the preceding fiscal year to ¥4.8billion.

Operating revenues by business category were as follows.

[Energy business]

Increased sales in our gas sales business and on-site energy business resulted in a ¥0.9billion increase in operating revenues to ¥15.4billion.

[IT and telecommunications business]

Sales increased due mainly to an expansion of the area for FTTH services, resulting in a ¥2.1billion increase in operating revenues to ¥15.6billion.

[Construction business]

Operating revenues in this sector increased by ¥41.5billion to ¥60.0billion, due mainly to the transformation of TOENEC CORPORATION into a consolidated subsidiary.

[Other businesses]

Sales increased in our real estate management business, but this was offset by a decline in sales in our service enterprises, generating results on par with results for the corresponding period in FY2006 at ¥15.0billion.

(Reference)Segment Information

(billion yen, %)

	9/07 (A)	9/06 (B)	Change	
			(A-B)	(A-B)/B
Consolidated	1,182.2	1,101.5	80.6	7.3
Electric Power Business	1,076.1	1,040.0	36.0	3.5
Other Businesses	106.1	61.5	44.5	72.5
(Energy)	(15.4)	(14.5)	(0.9)	(6.3)
(IT and Telecommunications)	(15.6)	(13.4)	(2.1)	(16.1)
(Construction)	(60.0)	(18.4)	(41.5)	(225.1)
(Other)	(15.0)	(15.0)	(-0)	(-0.3)

(2) Interim ordinary income

Due mainly to an increase in interest received, non-operating revenues increased ¥2.8billion to ¥8.8 billion. Together with operating revenues, this resulted in an increase of ¥83.5billion to ¥1,191.1billion in interim ordinary income.

Interest payments were reduced due to a lower value of early-repayment, resulting in a ¥18.9billion reduction in non-operating expenses to ¥28.9billion. Total ordinary expenses (operating expenses + non-operating expenses) increased by ¥47.4billion to ¥1,044.7billion.

As a result, interim ordinary income recorded a ¥36.1billion increase against the corresponding period in FY2006 to ¥146.4billion.

### (3) Interim net income

A water shortage (water supply rate: 91.8%) during this period necessitated the use of ¥4.0billion from the reserve for fluctuation in water levels.

As a result, interim net income before adjustment for tax, etc., was ¥150.4billion. Interim net income, following the deduction of income taxes including deferred payments, was ¥93.2billion, a ¥25.8billion increase against the corresponding period in FY2006.

## 2. Business Outlook

Business projections have been revised on the basis of the increase in revenue due to an increased amount of electric energy sold up to mid-term and other trends affecting income, including an increase in fuel-related expenses resulting from a revision of the fuel price standards used in projections due to a higher than expected increase in fuel prices.

In our electricity business, continuing strong growth centering on industrial demand is expected to increase electricity sales in FY2007 by 2.5% to 136TWh against the corresponding period in the previous year.

In terms of the business outlook for FY2007, an increased amount of electric energy sold in our electricity business and increased operating revenues in our other businesses are projected to result in increases in revenues at both consolidated and non-consolidated bases.

With regard to expenses, an increase in fuel expenses is expected in our electricity business due to increased fuel prices among other factors.

As a result, a decline in ordinary income is projected both in terms of consolidated and non-consolidated results.

[Consolidated] (billion yen)

	3/08		
	Forecast	Change (compared with 3/07)	Change (compared with previous forecast*)
Operating Revenues	2,400.0	186.2(8.4%)	25.0
Operating Income	211.0	-35.7(-14.0%)	-25.0
Ordinary Income	145.0	-33.6(-19.0%)	-25.0
Net Income	89.0	-1.5(-2.0%)	-15.0

\*Released in July 2007

[Non-consolidated] (billion yen)

	3/08		
	Forecast	Change (compared with 3/07)	Change (compared with previous forecast*)
Operating Revenues	2,200.0	82.9(3.9%)	25.0
Operating Income	198.0	-34.3(-15.0%)	-25.0
Ordinary Income	130.0	-32.7(-20.0%)	-25.0
Net Income	83.0	18.8(29.0%)	-15.0

\*Released in July 2007

[Major Factors]

	3/08 Current Forecast	3/08 Previous Forecast*	3/07 Results
CIF price : crude oil (\$/b)	Approx.69	Approx.65	63.5
Fx rate (yen/\$)	Approx.120	Approx.120	117.0
Nuclear power utilization rate(%)	Approx.60	Approx.59	41.5

\*Released in July 2007

## 2. Financial Standing

### (1) Overview of assets, liabilities and net assets

#### Assets

In addition to reducing facility investments and ongoing depreciation, no major facility construction projects had been completed up to mid-term, resulting in a reduction of ¥109.4billion against FY2006 in the value of property, plant and equipment to ¥3,716.2billion.

Due mainly to an increase in receivables and accounts receivable, the value of current assets increased by ¥30.2 billion against the corresponding period in FY2006 to ¥466.5billion.

As a result, assets recorded a decline of ¥44.5billion to ¥5,657.1billion.

#### Liabilities

Total liabilities declined ¥96.0billion to ¥3,835.7billion, mainly due to a reduction in interest-bearing debt.

#### Net assets

While fuel and other expenses increased in our electricity business, increased revenue from electricity sales and a reduction in depreciation expenses enabled the achievement of interim net income of ¥93.2billion. This resulted in an increase of ¥51.5billion in total net assets against figures at the end of the preceding term to ¥1,821.4 billion.

As a result, our shareholders' equity ratio increased by 1.2% against the end of the preceding term to reach 31.5%.

In addition, in this period we retired ¥10.0billion in repurchased shares.

## Assets, Liabilities and Net Assets (Summary)

(billion yen, %)

	9/07 (A)	9/06 (B)	Change		
			(A-B)	(A-B)/B	
A s s e t s	Property, Plant and Equipment	5,190.6	5,265.3	-74.7	-1.4
	Electric power	3,716.2	3,825.7	-109.4	-2.9
	Other	336.3	336.4	-0.1	-0.0
	Construction in progress	191.9	152.4	39.5	25.9
	Investments and Other Long-term Assets	693.0	696.4	-3.4	-0.5
	Current Assets	466.5	436.3	30.2	6.9
	Cash	85.3	75.7	9.6	12.8
	Trade notes and accounts receivable	190.0	178.0	11.9	6.7
	Inventories	109.7	103.0	6.6	6.4
	Total	5,657.1	5,701.7	-44.5	-0.8
L i a b i l i t i e s	Long-term Liabilities	3,016.9	2,973.5	43.4	1.5
	Bond	1,477.4	1,405.8	71.5	5.1
	Long-term borrowings	943.2	972.7	-29.5	-3.0
	Reserve for reprocessing of irradiated nuclear fuel	261.5	274.2	-12.7	-4.6
	Other long-term liabilities	47.3	36.4	10.8	29.8
	Current Liabilities	818.8	954.3	-135.5	-14.2
	Current portion of long-term liabilities	124.1	157.7	-33.6	-21.3
	Short-term borrowings	324.6	323.1	1.5	0.5
	Commercial Papers	40.0	145.0	-105	-72.4
	Trade notes and accounts payable	245.6	277.7	-32	-11.6
Total Liabilities	3,835.7	3,931.8	-96	-2.4	
N e t A s s e t s	Shareholders' Equity	1,708.3	1,648.8	59.4	3.6
	Retained earnings	1,207.8	1,144.8	62.9	5.5
	Valuation and translation adjustments	73.4	81.0	-7.6	-9.4
	Minority Interests	39.6	39.8	-0.2	-0.7
	Total Net Assets	1,821.4	1,769.8	51.5	2.9
Total	5,657.1	5,701.7	-44.5	-0.8	

## (2) Outline of Consolidated Cash Flow

## Status of cash flow

The Chubu Electric Power Group mainly allocates cash and cash equivalents obtained from business activities (“funds” hereafter) to acquire new fixed assets, improve the group’s financial footing, purchase treasury stocks and make returns to our shareholders in the form of dividends, etc.

Increased fuel expenses in our electricity business were offset by a rise in electricity revenues due to an increase in the amount of electric energy sold, resulting in a 20.5% increase in cash flow from operating activities against the corresponding period in the previous year to ¥249.2billion.

Net cash used in investment activities increased 46.5% to ¥119.1billion, mainly due to increased expenditure for acquisition of fixed assets in our electricity business.

As a result, free cash flow increased by 3.6% against the corresponding period in FY2006 to ¥130.0billion.

Net cash used in financial activities increased by 11.1% to ¥130.2billion, due mainly to an increase in purchase of treasury stocks.

These factors resulted in a 0.2% reduction in the balance of funds at the end of the term against the previous end-of-term to ¥97.6billion. Outstanding interest-bearing debt stood at ¥2,908.0billion at the end of the term, a reduction of 3.1% against the previous end of the term in FY2006.

(billion yen.%)

	9/07 (A)	9/06 (B)	Change	
			(A-B)	(A-B)/B
Cash Flow from operating activities	249.2	206.8	42.3	20.5
Cash Flow from investing activities	-119.1	-81.3	-37.8	46.5
Cash Flow from financing activities	-130.2	-117.2	-13.0	11.1
Free Cash flows +	130.0	125.5	4.5	3.6

	9/07 (A)	3/07 (B)	Change	
			(A-B)	(A-B)/B
Cash and cash equivalents	97.6	97.8	-0.1	-0.2
Outstanding Interest-bearing Debt	2,908.0	3,001.7	-93.7	-3.1

### Indexes related to Cash flows

	9/07	9/06	3/07	3/06	3/05
Shareholders' Equity Ratio	31.5%	30.7%	30.3%	28.9%	24.8%
Aggregate Market Value/Total Asset	40.9%	42.7%	55.5%	40.2%	32.7%
Outstanding Interest-bearing Debt /Operating Cash Flow	11.7	14.9	6.8	10.3	6.1
Interest Coverage Ratio	9.2	5.2	6.1	3.2	4.1

### 3. Basic Guidelines for Allocation of Profits and Dividends for the Current Term

We effectively allocate the cash flow resulting from our group activities to increase our corporate value by means of investments to ensure our ability to supply energy stably and efficiently, thus expanding our revenue base, strategic investments to ensure the growth and development of our businesses, and efforts to improve our financial status. At the same time, we strive to offer our shareholders appropriate returns.

Having given consideration to the dividend per share and dividend payout ratios to date, we will attempt to maintain the dividend payout ratio at approximately 40.0% of net income on a non-consolidated basis per term. Even if business performance worsens, we will strive to maintain annual dividends at a level of ¥60.0 per share, unless there is a significant deterioration in performance as a result of unexpected changes in the business environment or similar factors.

In addition to being employed for facility investments in our energy businesses, in particular our electricity business, retained earnings will be allocated as funds to improve our financial status.

Based on the guidelines and performance projections above, we estimated a dividend of ¥60.0 per share when the surplus for the term was allocated. Today's Board Meeting decided on a figure of ¥30.0 per share for the interim dividend.

#### 4. Business Risks

Among a variety of factors that could affect the group's operating results and financial standing, the following are considered to have the potential to exert a significant influence on the decisions of investors. (Valid as of Oct 2007).

##### (1) Risks Relating to the Economic Environment

###### Economic situation and weather conditions

The amount of electric energy sold in our electricity business, the group's core business, varies with changes in economic trends and the air temperature. The group's performance may therefore be affected by economic shifts and weather conditions. In addition, annual precipitation levels affect the amount of electric energy generated by hydroelectric power plants, which in turn affects overall power generation costs, although a reserve for fluctuation in water levels is intended to limit the effect of such factors on operating results.

###### Fluctuations in fuel prices

The group depends on imports of liquefied natural gas (LNG), coal, and crude oil. The cost of fuel, a major expense item in our electricity business, can therefore be affected by fluctuations in import prices and foreign exchange rates, among other factors. However, the effect of fuel price fluctuations on performance can be considered to be lightened because these fluctuations are able to be reflected in electricity rates under the fuel adjustment system. In addition, group performance may be affected if we become unable to smoothly procure fuel due to changes in fuel demand trends, the occurrence of trouble in the facilities or operations of fuel suppliers, or changes in the political situation of fuel supplying countries.

###### Fluctuations in interest rates

Interest payments represent another major factor in the group's expenses, and these expenses are subject to change with fluctuations in market interest rates. As of the end of September 2007, outstanding interest-bearing debt stood at ¥2,908.0 billion, corresponding to 51.4% of the group's total assets. However, 87.4% of the group's outstanding interest-bearing debt comprises long-term liabilities such as bonds and long-term loans, and the interest rates of the majority of these are fixed. In addition, we have worked aggressively to reduce interest-bearing debt in order to further strengthen our financial position. We therefore consider interest rate fluctuations to have a limited effect on operating performance.

##### (2) Risks Surrounding Chubu Electric Power Group Business Activities

###### Changes in the electricity business environment

The scope of retail market liberalization of the Japanese electric utilities industry has been expanded in stages since March 2000, and examination of the optimum course for future liberalization, based on past results, commenced from April 2007.

In this changing environment, the group is expanding its marketing activities to respond to the needs of its customers while seeking to optimize its management efficiency. However, further regulatory reform and the more vigorous competition that it encourages may affect results.

Nuclear back-end costs, etc.

Because nuclear back-end operations are ultra-long term and subject to uncertainties, the Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations was enacted on October 1, 2005, and accounting regulations for Japanese utility companies have been revised, in order to enable efficient management of nuclear power generation and back-end operations. To prepare for future back-end costs associated with nuclear power, in accordance with the law and the revised accounting regulations, we have established reserve funds and set aside a reserve for the reprocessing of irradiated nuclear fuel.

Up to the present we have been required to record expenses for the reprocessing of irradiated nuclear fuels at facilities other than the Rokkasho Reprocessing Plant in a lump sum at a point in time at which it is possible to make a rational estimate of these expenses. Given the desirability of appropriate treatment of these costs in the corporate accounts commencing immediately, the accounting regulations for electric utility companies were again revised in March 2007 to provide a temporary measure for the period until specific reprocessing plans can be formulated. In accordance with the new regulations, we have set aside a reserve in preparation for the reprocessing of irradiated nuclear fuels in order to equalize the future financial burden of reprocessing nuclear fuel. However, the costs associated with the nuclear fuel cycle, including back-end costs, will fluctuate with changes to the system, variations in estimates of future expenses both covered and not covered by the system, the operating status of reprocessing facilities, and changes in our nuclear generation plans, and these factors may affect results.

Other businesses

The Chubu Electric Power Group is committed to the effective allocation of management resources, with our electricity business as our core undertaking. In order to achieve this goal, we are active in other energy businesses focusing on power plants, stored fuels, and expertise in the field of energy. Our multi-faceted business activities also include the provision of intelligent value-added IT and telecommunications services through our existing network facilities, construction related to the development and maintenance of electric utilities facilities, and the manufacture of materials and machinery. As competition increases and other changes occur in the business environments surrounding these enterprises, results may differ from group projections, and this may affect group performance.

Other Risks

Natural disasters/Operational problems

In order to ensure a stable and economical supply of high-quality electricity through an integrated system from generation to distribution, the group has invested in the construction and maintenance of facilities designed to minimize disruptions from lightning strikes and other natural phenomena. However, large-scale natural disasters such as earthquakes and typhoons, accidents, or acts of terrorism may damage group supply facilities or the supply facilities of companies from which the group purchases electricity or may cause the long-term shutdown of generation facilities, and this may affect group performance.

### Leaks of information

To ensure appropriate management of important data, in particular personal information, we carefully observe the regulations stipulated by law, and have also established internal frameworks and rules for the treatment of information. In addition, we have enhanced the security of our information systems, and we also conduct employee training in this area. However, any leaks of information may result in direct costs for resolution, and other tangible and intangible losses may occur, such as loss of company credibility.

### Hamaoka Nuclear Power Station

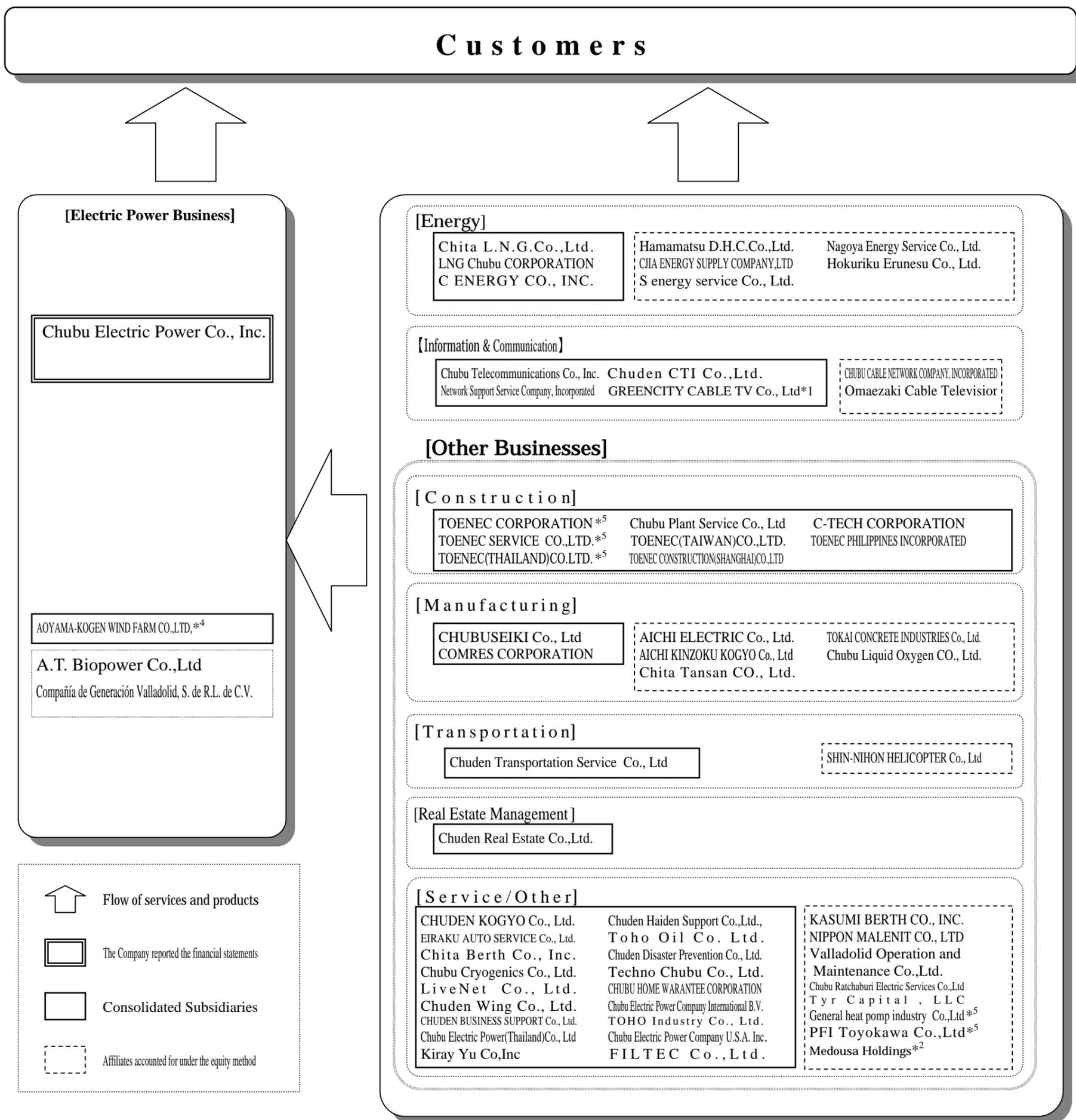
We have extended the schedule for regular inspections of Hamaoka Nuclear Power Station Units 1 and 2 until March 2011 for maintenance of reactor equipment and additional fortification against earthquakes. At present, the cost and specific schedule for this work is undecided, and may affect company results.

## Corporate Group Position

The Chubu Electric Group is composed of 38 subsidiaries and 23 affiliates (as of Sep 30, 2007), 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) 1 GREEN CITY CABLE TV Corporation is newly included as our consolidated subsidiary by obtaining the stocks from a third party by transfer.

2 Medousa Holdings is newly included as our consolidated subsidiary by investment.

## Consolidated Balance Sheets

(million yen)

Assets	2007.9	2007.3	2006.9
Property, Plant and Equipment	5,190,618	5,265,343	5,263,717
Electric utility property, plant and equipment	3,716,265	3,825,745	3,925,354
Hydroelectric power production facilities	313,339	322,130	327,752
Thermal power production facilities	624,859	654,854	686,022
Nuclear power production facilities	339,609	361,260	376,714
Transmission facilities	1,068,601	1,098,779	1,131,823
Transformation facilities	448,523	457,486	466,682
Distribution facilities	787,158	792,134	793,864
General facilities	134,175	139,099	142,493
Other property, plant and equipment	336,309	336,409	288,545
Construction in progress	191,957	152,429	134,181
Nuclear fuel	253,071	254,345	254,151
Loaded nuclear fuel	36,684	41,485	42,030
Nuclear fuel in processing	216,387	212,859	212,120
Investments and other	693,014	696,414	661,483
Long-term investments	256,965	268,263	246,081
Reserve fund for reprocessing of irradiated nuclear fuel	238,252	244,726	238,415
Deferred tax assets	117,613	124,155	121,452
Other	80,183	59,270	55,534
Current Assets	466,578	436,370	356,620
Cash	85,387	75,709	56,820
Trade notes and accounts receivable	190,080	178,084	141,704
Inventories	109,704	103,080	87,845
Deferred tax assets	20,398	19,141	18,522
Other	61,007	60,356	51,727
Total Assets	5,657,197	5,701,714	5,620,337
Liabilities, Minority interests and Shareholders' Equity			
Long-Term Liabilities	3,016,922	2,973,510	2,977,741
Bonds	1,477,452	1,405,885	1,431,653
Long-term loans	943,245	972,752	1,007,320
Employee retirement benefit liability	192,546	192,108	159,704
Reserve for reprocessing of irradiated nuclear fuel	256,568	270,488	260,607
Reserve for preparation for reprocessing of irradiated nuclear fuel	4,971	3,769	-
Reserve for decommissioning nuclear power plant	94,784	92,020	90,540
Other	47,355	36,485	27,914
Current Liabilities	818,869	954,374	898,226
Current portion of long-term debt and other	124,104	157,739	164,943
Short-term borrowings	324,690	323,190	311,350
Commercial paper	40,000	145,000	169,000
Trade notes and accounts payable	119,533	139,552	82,381
Income taxes payable and other	84,451	50,723	64,115
Other	126,090	138,168	106,437
Reserve for Drought	-	4,005	5,987
Total Liabilities	3,835,792	3,931,890	3,881,955
Total Shareholders' Equity	1,708,325	1,648,852	1,649,319
Common stock	430,777	430,777	430,777
Capital surplus	70,777	74,054	73,958
Retained earnings	1,207,842	1,144,874	1,144,918
Treasury stock	-1,071	-854	-334
Valuation and translation adjustments	73,472	81,097	77,995
Minority Interests	39,608	39,875	11,065
Total Net Assets	1,821,405	1,769,824	1,738,381
Total Liabilities and Net Assets	5,657,197	5,701,714	5,620,337

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

## Consolidated Statements of Income

(million yen)

Revenues	2007.9	2006.9	2007.3
Operating Revenues	1,182,262	1,101,564	2,213,792
Electricity	1,076,126	1,040,027	2,080,449
Other	106,136	61,537	133,343
Other Revenues	8,872	5,983	16,998
Proceed from dividends	1,181	1,100	1,928
Proceed from interests	2,702	2,184	5,020
Equity in net earnings of affiliate	725	-	1,614
Other	4,263	2,698	8,433
Total Ordinary Revenues	1,191,135	1,107,547	2,230,790
Expenses			
Operating Expenses	1,015,801	949,423	1,967,080
Electric	914,513	893,722	1,846,368
Other	101,288	55,700	120,711
(Operating Income)	166,461	152,141	246,712
Other Expenses	28,920	47,866	85,098
Interest expenses	27,040	39,177	71,572
Equity in losses of affiliates	-	478	-
Other	1,879	8,210	13,526
Total Ordinary Expenses	1,044,722	997,289	2,052,179
Ordinary Income	146,413	110,258	178,611
Special Item			
Provision(Reversal) of Reserve for Fluctuation in Water Levels	-4,005	-677	-2,660
Extraordinary Losses	-	-	21,612
Loss on discontinuing construction of hydroelectric power plant	-	-	5,266
Amortization of goodwill	-	-	16,345
Income before income taxes and Minority interests	150,419	110,936	159,659
Current	46,096	29,643	47,005
Deferred	10,184	13,708	21,202
Minority Interests in Earnings of Subsidiaries	922	222	900
Net Income	93,215	67,361	90,550

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

## Consolidated Statements of Cash Flows

(million yen)

Cash Flows from Operating Activities:	2007.9	2006.9	2007.3
Income before income taxes and minority interests	150,419	110,936	159,659
Depreciation and amortization	164,914	167,114	335,262
Loss of loaded nuclear fuel	6,003	3,879	8,775
Loss on disposal of property, plant and equipment	3,833	3,674	8,347
Loss on discontinuing construction of hydroelectric power plant	-	-	5,266
Amortization of goodwill	-	-	16,345
Increase(Decrease) in employee retirement benefit liability	354	-31,908	-34,890
Increase(Decrease) in reserve for reprocessing of irradiated nuclear fuel	-13,920	-411	9,469
Increase(Decrease) in reserve for preparation for reprocessing of irradiated nuclear fuel	1,202	-	3,769
Increase(Decrease) in reserve for decommissioning nuclear power plant	2,764	1,446	2,926
Reversal of reserve for drought	-4,005	-677	-2,660
Interest and dividends income	-3,884	-3,285	-6,949
Interest expenses	27,040	39,177	71,572
Increase(Decrease) in fund for reprocessing of irradiated nuclear fuel	6,474	24,967	18,656
Increase(Decrease) in trade notes and accounts receivable	-11,691	-17,559	-8,932
Increase(Decrease) in inventories	-6,620	-12,712	-10,806
Increase(Decrease) in trade notes and accounts payable	-20,032	-9,940	1,822
Other	-11,933	-6,790	-14,243
Subtotal	290,917	267,909	563,389
Interest and dividends received	3,837	2,118	5,558
Interest paid	-26,968	-39,444	-72,253
Income taxes paid	-18,565	-23,689	-55,178
Net cash provided by operating activities	249,221	206,894	441,515
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	-112,841	-84,656	-183,085
Increase in investments and other long-term assets	-17,490	-7,392	17,835
Proceeds for recoveries from investments and other	10,462	7,382	13,986
Other	722	3,327	12,576
Net cash used in investing activities	-119,146	-81,338	-174,357
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds	83,704	82,704	124,608
Redemption of bonds	-45,425	-54,362	-141,356
Proceeds from long-term loans	25,644	28,767	43,517
Repayment of long-term loans	-55,310	-60,917	108,018
Proceeds from short-term borrowings	190,120	233,000	424,780
Repayment of short-term borrowings	-189,020	-220,910	-404,550
Proceeds from issuance of commercial paper	527,000	821,000	1,530,000
Redemption of commercial paper	-632,000	-922,000	-1,655,000
Purchase of treasury stocks	-10,361	-	-
Dividends paid	-23,416	-23,432	-46,881
Dividends paid for minority shareholders	-248	-45	-45
Other	-968	-1,062	-1,506
Net cash used in financing activities	-130,281	-117,258	-234,452
Effect of Exchange Rate Changes on Cash and Cash Equivalents	42	-21	5
Net Increase (Decrease) in Cash and Cash Equivalents	-164	8,275	32,711
Cash and Cash Equivalents at Beginning of the Period	97,861	65,149	65,149
Cash and Cash Equivalents at End of the Period	97,696	73,425	97,861

## Non-consolidated Balance Sheets

(million yen)

	2007.9	2007.3	2006.9
<b>Assets</b>			
Property, Plant and Equipment	4,974,199	5,041,238	5,107,915
Electric utility property, plant and equipment	3,760,126	3,869,429	3,971,042
Hydroelectric power production facilities	314,935	323,720	331,051
Thermal power production facilities	629,044	659,247	690,583
Nuclear power production facilities	341,782	363,514	378,932
Internal combustion engine power production facilities	148	158	170
Transmission facilities	1,080,530	1,110,891	1,144,145
Transformation facilities	452,482	461,507	470,749
Distribution facilities	805,177	809,402	811,057
General facilities	136,024	140,985	144,352
Subsidiary enterprise property, plant and equipment	20,964	18,974	16,780
Other property, plant and equipment	13,597	13,735	13,812
Construction in progress	185,451	145,829	125,189
Nuclear fuel	253,071	254,345	254,151
Loaded nuclear fuel	36,684	41,485	42,030
Nuclear fuel in processing	216,387	212,859	212,120
Investments and other	740,989	738,924	726,938
Long-term investments	213,637	228,863	222,520
Investments in subsidiaries and affiliates	148,884	138,884	157,201
Fund for reprocessing of irradiated nuclear fuel	238,252	244,727	238,415
Deferred tax assets	85,672	92,078	98,775
Other	54,543	34,371	10,025
<b>Current Assets</b>	281,668	246,042	258,324
Cash	26,765	29,240	28,828
Trade accounts receivable	138,508	105,724	117,263
Inventories	71,230	72,489	69,673
Deferred tax assets	16,938	14,601	15,339
Other	28,224	23,986	27,221
<b>Total Assets</b>	5,255,868	5,287,281	5,366,239
<b>Liabilities and Shareholders' Equity</b>			
<b>Long-Term Liabilities and Reserves</b>	2,908,540	2,858,867	2,907,019
Bonds	1,478,252	1,406,685	1,432,553
Long-term loans	897,224	922,577	959,043
Employee retirement benefit liability	139,140	137,840	140,248
Reserve for reprocessing of irradiated nuclear fuel	256,568	270,488	260,607
Reserve for preparation for reprocessing of irradiated nuclear fuel	4,971	3,769	-
Reserve for decommissioning nuclear power plant	94,784	92,020	90,540
Other	37,598	25,487	24,028
<b>Current Liabilities</b>	717,918	842,961	848,944
Current portion of long-term debt and other	105,912	139,979	149,933
Short-term borrowings	314,400	314,400	304,400
Commercial papers	40,000	145,000	169,000
Accrued income taxes and other	79,708	41,353	60,660
Other-mainly accounts payable	177,898	202,229	164,951
Reserve for Fluctuation in Water Levels	-	4,005	5,987
<b>Total Liabilities</b>	3,626,458	3,705,835	3,761,951
<b>Net Assets</b>	1,559,103	1,502,992	1,528,610
Common stock	430,777	430,777	430,777
Capital surplus	70,689	73,967	73,958
Retained earnings	1,058,642	999,046	1,024,133
Less, Treasury stock, at cost	-1,005	-798	-258
Other components of equity	70,305	78,453	75,677
<b>Total Net Assets</b>	1,629,409	1,581,445	1,604,288
<b>Total Liabilities and Net Assets</b>	5,255,867	5,287,281	5,366,239

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

## Non-consolidated Statements of Income

(million yen)

	2007.9	2006.9	2007.3
<b>Revenues</b>			
Operating Revenues	1,092,073	1,056,093	2,117,033
Electric utility revenues	1,079,145	1,042,959	2,086,340
Residential	353,892	350,101	716,735
Commercial and Industrial	700,082	671,747	1,327,779
Sold power to other electric utilities and other companies	12,134	9,796	16,434
Other	13,036	11,315	25,392
Subsidiary enterprise revenues	12,927	13,134	30,693
Other Revenues	6,397	5,171	10,041
Financing revenues	4,163	3,763	7,353
Non-operating revenues	2,233	1,408	2,688
Profit from sale of fixed asset	41	39	150
Other	2,192	1,368	2,538
Total Ordinary Revenues	1,098,471	1,061,265	2,127,075
<b>Expenses</b>			
Operating Expenses	933,226	910,433	1,884,639
Electric utility expenses	920,955	900,554	1,861,343
Hydro electric power production expenses	21,266	21,380	45,704
Thermal power production expenses	433,902	417,699	849,220
Nuclear power production expenses	73,104	74,780	174,797
Internal combustion engine power production expenses	15	14	29
Purchased power from other electric utilities and other companies	88,262	84,487	176,002
Transmission expenses	61,350	62,142	127,260
Transformation expenses	34,926	34,334	70,552
Distribution expenses	90,738	91,390	183,223
Selling expenses	33,243	36,510	73,298
General and administrative expenses	45,134	38,253	82,365
Electric power development promotion tax	25,717	26,733	53,358
Enterprise tax	13,303	12,819	25,513
Other operating expenses	-9	-6	22
Subsidiary enterprise expenses	12,271	9,879	23,295
(Operating Income)	158,846	145,660	232,394
Other Expenses	27,758	45,179	79,660
Financing expenses	26,600	39,038	70,897
Interest expenses	26,346	38,416	70,105
Other	253	622	790
Non-operating expenses	1,157	6,140	8,762
Loss from sale of fixed asset	7	13	27
Other	1,150	6,126	8,735
Total Ordinary Expenses	960,984	955,612	1,964,299
Ordinary Income	137,486	105,653	162,775
<b>Special Item</b>			
Provision for (reversal of) reserve for drought	-4,005	-677	-2,660
Extraordinary Losses	-	-	40,865
Loss on discontinuing construction of hydroelectric power plant	-	-	5,266
Loss on write-down of securities	-	-	35,598
Income before Income Taxes	141,491	106,330	124,570
Income Taxes-Current	-	27,527	-
Current	43,054	-	41,497
Deferred	8,592	13,042	18,936
Net Income	89,843	65,761	64,136

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