

# **Outline of Financial Results for Three Months Ended June 30, 2008**

**Chubu Electric Power Company, Inc.**

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# **Three Months Financial Results**

**(April 1, 2008 to June 30, 2008)**

# Summary

## [Consolidated]

Revenues increased and income decreased  
(Same trend as 1st quarter of FY2007)

(billion yen,%)

	1Q FY08 (A)	1Q FY07 (B)	Change	
			(A-B)	(A-B)/B
Operating Revenues	558.0	535.1	22.9	4.3
Operating Income	23.2	64.6	-41.3	-64.0
Ordinary Income	21.5	55.8	-34.2	-61.4
Net Income	14.2	36.5	-22.3	-61.0

*Rounded down to nearest 100 million yen.*

## [Non-consolidated]

Revenues increased and income decreased  
(Same trend as 1st quarter of FY2007)

(billion yen,%)

	1Q FY08 (A)	1Q FY07 (B)	Change	
			(A-B)	(A-B)/B
Operating Revenues	525.0	507.3	17.7	3.5
Operating Income	19.4	62.6	-43.1	-68.9
Ordinary Income	11.6	53.5	-41.8	-78.2
Net Income	6.9	36.1	-29.2	-80.8

*Rounded down to nearest 100 million yen.*

# Electric Energy Sold

		(TWh, %)			
		1Q FY08 (A)	1Q FY07 (B)	Change (A-B)   (A-B)/B	
Demand from customers under regulation	Electric lighting	7.7	8.0	-0.3	-3.2
	Electric power	1.4	1.6	-0.2	-10.0
	Subtotal	9.1	9.6	-0.5	-4.3
Demand from customers under liberalization	Commercial power	5.4	5.4	0.0	0.1
	Industrial power, etc	17.1	16.9	0.2	1.1
	Subtotal	22.5	22.3	0.2	0.9
Total		31.6	31.9	-0.3	-0.7

# Output & Purchase of Electric Power

## ◆ Hydroelectric power output

Increase by 0.5TWh due to higher water supply rate

(1st quarter of FY08: 98.2%, 1st quarter of FY07: 81.4%)

## ◆ Nuclear power output

Increase by 1.3TWh mainly due to shorter suspension period for maintenance.

## ◆ Thermal power output

Consequently, and with other factors, thermal power output decreased by 1.4TWh.

(TWh, %)

		1Q FY08 (A)	1Q FY07 (B)	Change	
				(A-B)	(A-B)/B
Internally generated	<b>Hydro</b>	2.8	2.3	0.5	21.9
	(water supply rate)	(98.2)	(81.4)	(16.8)	
	<b>Thermal</b>	21.5	22.9	-1.4	-6.4
	<b>Nuclear</b>	7.0	5.7	1.3	23.0
	(utilization rate)	(65.9)	(53.6)	(12.3)	
<b>Interchanged power</b>		0.6	0.6	-0.0	-5.7
<b>Purchased power</b>		2.9	2.9	-0.0	-2.3
Power used for pumped storage		-0.6	-0.4	-0.2	22.1
<b>Total</b>		34.2	34.0	0.2	0.4

# Non-consolidated Statements of Income <1>

(billion yen, %)

	1Q FY08	1Q FY07	Change	
	(A)	(B)	(A-B)	(A-B)/B
Electricity sales revenues	508.6	493.7	14.9	3.0
Sold power to other electric utilities and transmission revenues, etc.	4.3	2.8	1.5	54.9
Other	4.3	4.6	-0.2	-6.5
Electric utility operating revenues	517.3	501.2	16.1	3.2
Ancillary businesses operating revenues	7.6	6.1	1.5	25.4
<b>Total operating revenues</b>	<b>525.0</b>	<b>507.3</b>	<b>17.7</b>	<b>3.5</b>

-Decrease of electric energy sold: -3.4  
-Increase of unit sales price: +18.3

Sold power to other electric utilities: +1.6

Gas business: +2.3

*Rounded down to nearest 100 million yen*

# Non-consolidated Statements of Income <2>

(billion yen, %)

	1Q FY08 (A)	1Q FY07 (B)	Change	
			(A-B)	(A-B)/B
Salaries and employee benefits	46.6	38.5	8.1	21.2
Fuel	191.8	155.0	36.8	23.7
Nuclear back-end expenses	10.0	9.2	0.8	9.0
Purchased power and transmission charges, etc.	46.2	43.9	2.2	5.1
Maintenance	46.9	45.5	1.3	3.0
Depreciation	79.4	72.5	6.8	9.4
Taxes other than income taxes	32.3	32.0	0.2	0.9
Others	43.2	42.4	0.7	1.8
<b>Electric utility operating expenses</b>	<b>496.6</b>	<b>439.4</b>	<b>57.2</b>	<b>13.0</b>
Ancillary business operating expenses	8.8	5.2	3.6	69.7
<b>Total operating expenses</b>	<b>505.5</b>	<b>444.6</b>	<b>60.9</b>	<b>13.7</b>

Retirement benefits cost: +7.8

Thermal: +36.3  
(decrease of consumption volume: -10.2)  
(increase of unit consumption price: +46.5)

Purchased power from other utilities: +0.4  
from other companies: +1.7

Nuclear: +6.2, Hydro: +0.3  
Transformation: +0.3, Thermal: -6.0

Shin-Nagoya Thermal Gr. no. 8: +8.0  
Nuclear: -1.1

	1Q FY08	1Q FY07
Crude oil CIF (\$/b)	111.0	64.7
FX rate (yen/\$)	105	121

CIF price for 1Q FY08 is tentative.

Gas sales business: +3.8

Rounded down to nearest 100 million yen.



# Non-consolidated Statements of Income <3>

(billion yen, %)

	1Q FY08	1Q FY07	Change	
	(A)	(B)	(A-B)	(A-B)/B
Operating Income	19.4	62.6	-43.1	-68.9
Other Revenues	8.3	4.3	3.9	92.4
Interest expense	12.1	12.6	-0.4	-3.7
Other	3.9	0.8	3.0	359.1
Other Expenses	16.1	13.4	2.6	19.4
Ordinary Income	11.6	53.5	-41.8	-78.2
Provision for (reversal of) reserve for drought	-	-4.0	4.0	-
Income before income taxes	11.6	57.5	-45.8	-79.7
Income taxes	4.7	21.3	-16.5	-77.7
Net Income	6.9	36.1	-29.2	-80.8

*Rounded down to nearest 100 million yen*

# Consolidated Statements of Income

		(billion yen, %)			
		1Q FY08	1Q FY07	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electricity business	Operating revenues	516.9	499.7	17.2	3.4
	Operating expenses	495.0	436.8	58.2	13.3
	Operating income	21.8	62.8	-40.9	-65.2
Other business	Operating revenues	41.0	35.3	5.7	16.1
	Operating expenses	39.7	33.6	6.0	18.1
	Operating income	1.3	1.7	-0.3	-21.4
Total	Operating revenues	558.0	535.1	22.9	4.3
	Operating expenses	534.7	470.5	64.2	13.7
	Operating income	23.2	64.6	-41.3	-64.0
Other revenues		11.9	5.7	6.2	108.7
Other expenses		13.5	14.4	-0.8	-5.9
Ordinary income		21.5	55.8	-34.2	-61.4
Net income		14.2	36.5	-22.3	-61.0

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

# Segment Information

## [Operating Revenues by Segments]

	1Q FY08	1Q FY07	(billion yen, %)		Major factors for change
			change (A-B)	(A-B)/B	
Electricity	516.9	499.7	17.2	3.4	
Energy	9.6	6.9	2.6	37.5	▪ Sales increase in gas sales and on-site energy businesses
Construction	20.0	14.1	5.8	41.4	▪ Construction works increase in communication related facilities
Other	11.4	14.2	-2.7	-19.6	▪ Re-classification of Chubu Telecommunications Co., Inc. (from a subsidiary to an affiliate accounted for under the equity method)
Total	558.0	535.1	22.9	4.3	

\*Above figures represent revenues from external customers.

# Consolidated Financial Standing

	(billion yen)		
	1Q FY08	FY07	Change
	(A)	(B)	(A-B)
Total Assets	5,541.8	5,636.2	-94.4
Liabilities	3,789.5	3,883.7	-94.2
Net Assets	1,752.2	1,752.4	-0.1

Main causes for decrease;  
 - Ongoing depreciation  
 - Re-classification of Chubu Telecommunications Co., Inc. (from a subsidiary to an affiliate accounted for under the equity method)

	(billion yen)		
Shareholders' Equity	30.9	30.4	0.5
Ratio	(30.0)	(29.8)	(0.2)
Outstanding Interest-bearing Debt	2,855.8 (2,814.7)	2,862.6 (2,789.9)	-6.8 (24.7)
Average Interest Rate*	(1.73)	(1.77)	(-0.04)

\*As of the end of each fiscal period

Non-consolidated figures in parentheses.

Rounded down to nearest 100 million yen.

# Consolidated Statements of Cash Flows

	(billion yen)		
	1Q FY08 (A)	1Q FY07 (B)	Change (A-B)
Cash flows from operating activities	-3.9	100.4	-104.4
Cash flows from investment activities	-13.7	-51.4	37.7
Cash flows from financing activities	4.6	-36.2	40.8
	1Q FY08 (A)	FY07 (B)	Change (A-B)
Cash and cash equivalents at the end of period	83.8	97.1	-13.2

*Rounded down to nearest 100 million yen*

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

# Principal Assumption for the Forecast

## [Electric Energy Sales]

					(TWh)
		FY08 Forecast Current (A)	FY08 Forecast Previous (in April) (B)	Change (A-B)	FY07 Results
Demand from customers under regulation	Electric lighting	35.7	35.9	-0.2	36.1
	Electric power	6.9	7.0	-0.1	7.3
	Subtotal	42.6	42.9	-0.3	43.4
Demand from customers under liberalization	Commercial power	23.2	23.1	0.1	23.7
	Industrial power, etc.	71.2	71.4	-0.2	70.4
	Subtotal	94.4	94.5	-0.1	94.1
Total		137.0	137.4	-0.4	137.5
(yoy change)		(-0.4%)	(-0.1%)		(3.6%)

## [Other Principal Figures on which Outlook Are Based]

Items	FY08 Forecast Current (A)	FY08 Forecast Previous (in April) (B)	Change (A-B)	FY07 Results
Crude oil CIF price (\$/b)	approx. 125	approx. 95.0	approx. 30	78.7
Foreign exchange rate (yen/\$)	approx. 105	approx. 105	-	114
Nuclear power utilization rate (%)	approx. 63	approx. 63.0	-	58.7

# Highlights of Forecast

## [Consolidated]

The first time to record a loss in ordinary income and net income since consolidated statements were introduced in FY1994.

	FY08 Forecast Current (A)	FY08 Forecast Previous (in April) (B)	Change (A-B)	(billion yen) FY07 Results
Operating Revenues	2,590.0	2,550.0	approx. 40.0	2,432.8
Operating Income	33.0	148.0	approx. -115.0	167.8
Ordinary Income	-5.0	110.0	approx. -115.0	123.3
Net Income	-4.0	70.0	approx. -74.0	70.6

## [Non-consolidated]

The first time to record a loss in ordinary income and net income after FY1979 - 29 years ago, the first time ever in corporat history.

	FY08 Forecast Current (A)	FY08 Forecast Previous (in April) (B)	Change (A-B)	(billion yen) FY07 Results
Operating Revenues	2,410.0	2,370.0	approx. 40.0	2,222.1
Operating Income	15.0	130.0	approx. -115.0	154.6
Ordinary Income	-25.0	90.0	approx. -115.0	109.3
Net Income	-16.0	58.0	approx. -74.0	66.2



# Non-consolidated Forecast of Income <1>

	(billion yen)		
	FY08 Forecast Current (A)	FY08 Forecast Previous (in April) (B)	Change (A-B)
Operating revenues	2,410.0	2,370.0	40.0
Operating expenses	2,395.0	2,240.0	155.0
Operating income	15.0	130.0	-115.0
Ordinary income	-25.0	90.0	-115.0
Net income	-16.0	58.0	-74.0

- Increase of unit sales price: +46.0  
 (fuel adjustment system: +45.0)  
 - Decrease of electric energy sold: -6.0

- Surge on fuel price: +159.0  
 Price change in CIF (ex. coal): +155.0  
 Price change in CIF (coal): +16.0  
 Change in composition of thermal fuels  
 consumption: -12.0

-Decrease of fuel cost by fewer power  
 sold: -4.0

# Non-consolidated Forecast of Income <2>

	(billion yen)		
	FY2008 Forecast (A)	FY2007 Results (B)	Change (A-B)
Operating revenues	2,410.0	2,222.1	187.8
Operating expenses	2,395.0	2,067.4	327.6
Operating income	15.0	154.6	-139.6
Ordinary income	-25.0	109.3	-134.3
Net income	-16.0	66.2	-82.2

- Increase of unit sales price: +192.0

- Increase of Salaries and employee benefits: +35.2 (Amortization of actuarial differences: +30.1)  
 - Surge on fuel price: +317.0  
 Price change in CIF (ex. coal): +320.0  
 Price change in CIF (coal): +75.0  
 Stronger yen against USD: -54.0  
 Change in composition of thermal fuels consumption: -24.0

- Increase of nuclear power output: -11.0  
 - Increase of hydro power output: -10.0

# Income Sensitivity of Major Factors

	units	(billion yen) FY2008
Electric energy sold	1%	1.0
Crude oil price (CIF) <sup>(1)</sup>	1\$/b	7.0
Foreign exchange rate	1 yen/\$	8.4
Nuclear power utilization rate <sup>(2)</sup>	1%	4.5
Water supply rate	1%	1.2
Interest rate	1%	4.5

## (Note 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.

## (Note 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.

# Dividend (Non-Consolidated)

	Dividend per Share (yen)			Total dividend (bn. yen)*	Payout ratios (non-consolidated)
	2Q	Year-end	Total in annual		
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	n/a	—

\* Rounded down to rearest 100 million yen

# **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	-	8.8	
FY2005	-74.7	-24.9	-24.9	-	-	
FY2006	6.7	2.2	2.2	2.2	-	
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	

# Industrial Large-lot Demand

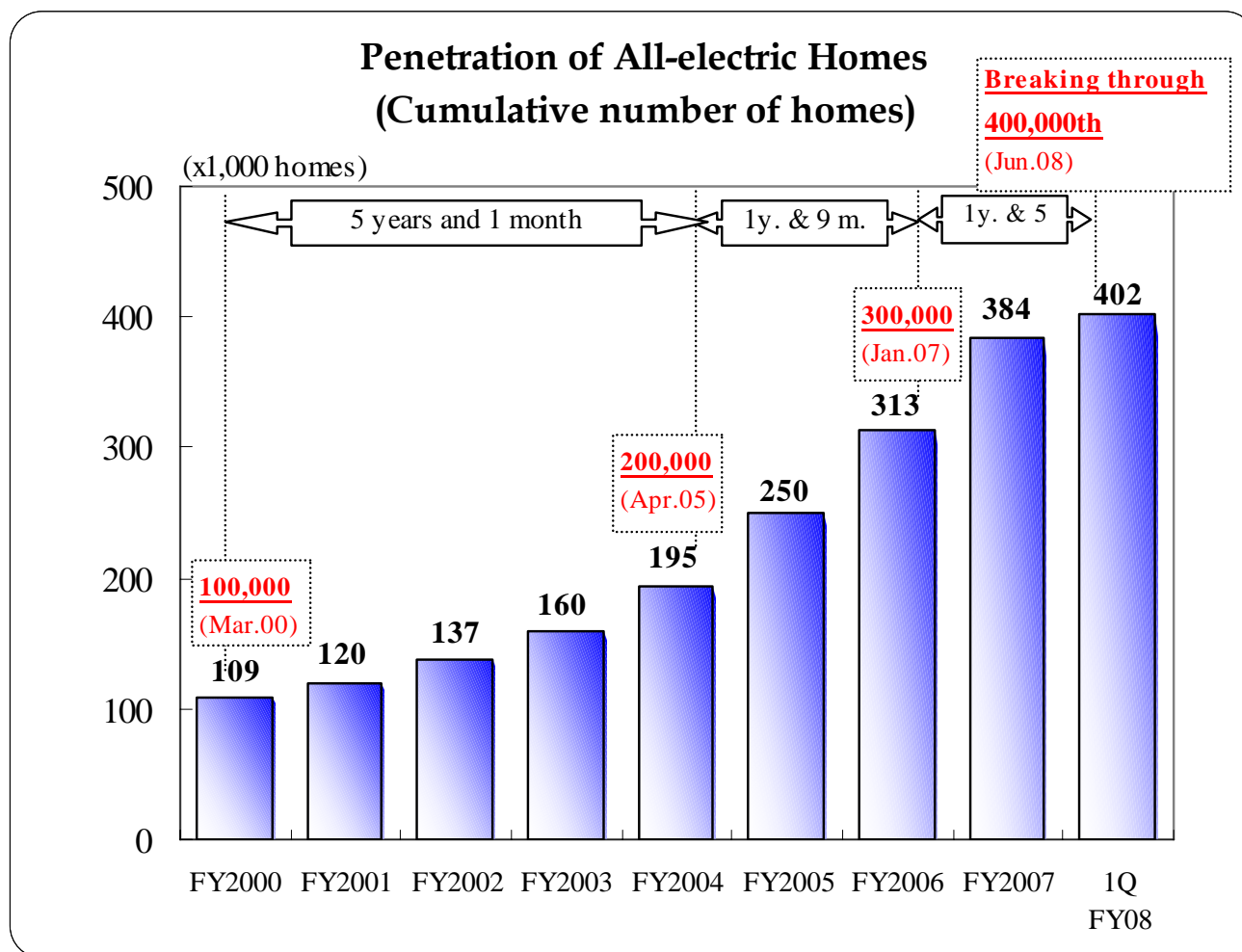
(Percentile Change from Previous Year)

		(%)			
		April	May	June	Apr-Jun
<b>Material Suppliers</b>	Pulp & Paper	-4.8	-6.5	-0.6	-4.0
	Chemicals	3.4	4.0	0.6	2.6
	Glass & Ceramics	5.2	3.8	1.2	3.3
	Steel	2.8	6.5	-4.4	1.4
	Nonferrous Metal	-3.5	-6.7	-8.6	-6.3
	Subtotal	1.8	2.7	-2.5	0.6
<b>Manufactures</b>	Foods	3.6	1.7	-1.3	1.2
	Textile & Apparel	-4.3	-5.9	-7.8	-6.0
	Machinery	6.2	5.2	1.3	4.1
	Others	2.5	1.9	0.6	1.6
	Subtotal	4.9	4.0	0.8	3.1
<b>Utilities</b>	Railway	-1.0	0.1	-1.4	-0.7
	Others	0.1	0.5	-1.5	-0.3
	Subtotal	-0.4	0.3	-1.4	-0.5
<b>Total</b>		3.4	3.2	-0.4	1.9

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

<19>

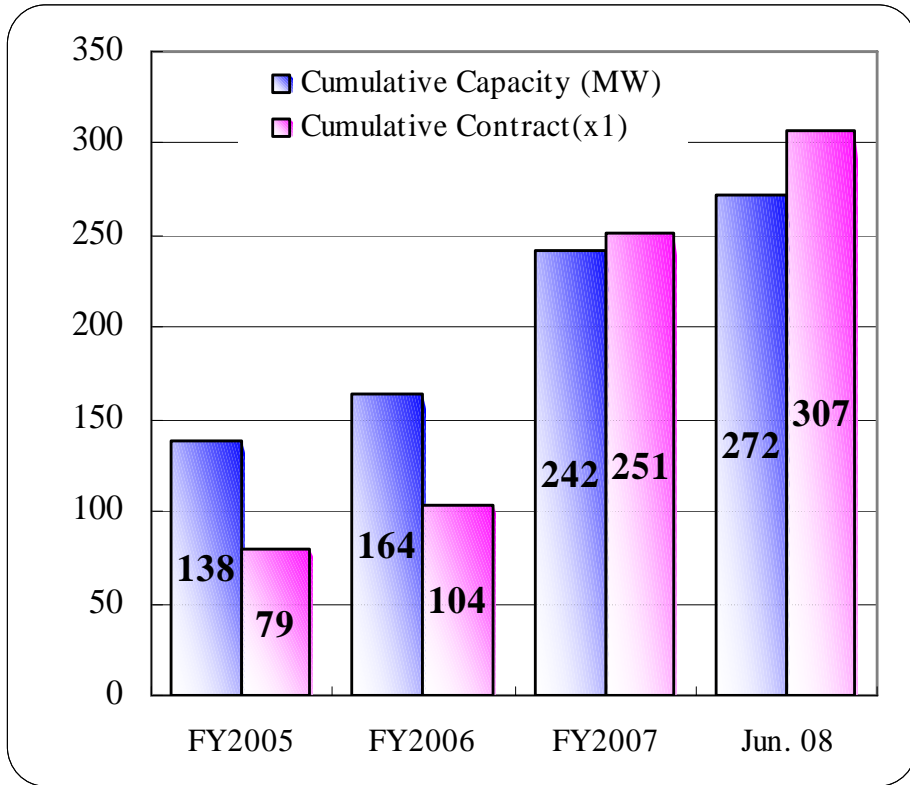
[Target] “Increase the number of all-electric homes to over 600,000 in total by the end of FY2010.”



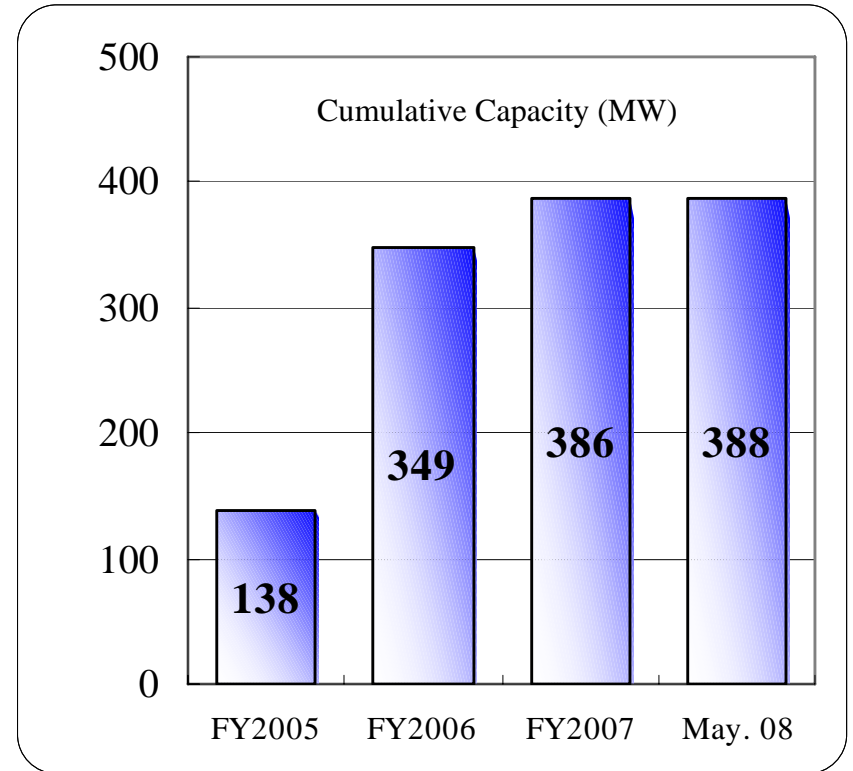


# Lost Demand and Demand Shift from On-site Generation

### Chubu Electric's lost demand size



### Demand size switched from on-site generation to Chubu Electric



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