

# Consolidated Interim Financial Report FY ended March 31, 2004

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 (November 18, 2003)

Code: 9502

Financial Report for the 6-months Period ended September 30, 2003

(Consolidated)

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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, 2003

(Figures are rounded down to the nearest million yen)

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## 1. Consolidated Operating Results

|  | 9/03      | Change | 9/02      | Change | 3/03      |
|--|-----------|--------|-----------|--------|-----------|
| Operating Revenues (million yen)                                 | 1,043,593 | -5.9%  | 1,108,863 | -1.5%  | 2,176,071 |
| Operating Income (million yen)                                   | 182,107   | -18.3% | 222,954   | 6.2%   | 312,471   |
| Income before Income Taxes<br>& Minority Interests (million yen) | 120,890   | -20.1% | 151,344   | 29.0%  | 171,088   |
| Net Income (million yen)   | 73,826    | -22.4% | 95,171    | 27.0%  | 106,494   |
| Net Income per Share (Primary ; yen)                             | 101.08    |        | 129.21    |        | 144.24    |
| Net Income per Share (Fully diluted ; yen)                       | 94.14     |        | 120.24    |        | 134.75    |

Notes: 1. Equity in earnings of affiliates

(9/03: -499 million yen, 9/02: -1,003 million yen, 3/03: -432 million yen)

2. Average number of shares outstanding (consolidated)

(9/03: 730,411,940 9/02: 736,562,281 3/03: 736,383,365 )

3. Changes in accounting methods: None

## 2.Consolidated Financial Standing

|                                      | 9/03      | 9/02      | 3/03      |
|--------------------------------------|-----------|-----------|-----------|
| Total Assets (million yen)           | 6,214,735 | 6,429,198 | 6,282,500 |
| Shareholders' Equity (million yen)   | 1,353,595 | 1,325,173 | 1,307,179 |
| Shareholders' Equity Ratio           | 21.8%     | 20.6%     | 20.8%     |
| Shareholders' Equity per Share (yen) | 1,861.52  | 1,799.33  | 1,775.44  |

Note : Number of shares outstanding at the end of the period. (consolidated)  
(9/03: 727,146,248 9/02: 736,481,954 3/03: 736,099,577)

## 3.Outline of Consolidated Cash Flows

|  | 9/03     | 9/02     | 3/03     |
|--|----------|----------|----------|
| Cash Flows from Operating Activities (million yen)             | 245,052  | 323,630  | 599,370  |
| Cash Flows from Investing Activities (million yen)             | -106,525 | -202,050 | -334,190 |
| Cash Flows from Financing Activities (million yen)             | -133,208 | -111,902 | -278,720 |
| Cash or Cash Equivalent at the End of the Period (million yen) | 67,379   | 85,270   | 62,061   |

## 4.Number of Subsidiaries and Affiliates

Consolidated subsidiaries: 31

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, 2004(approximate estimates)

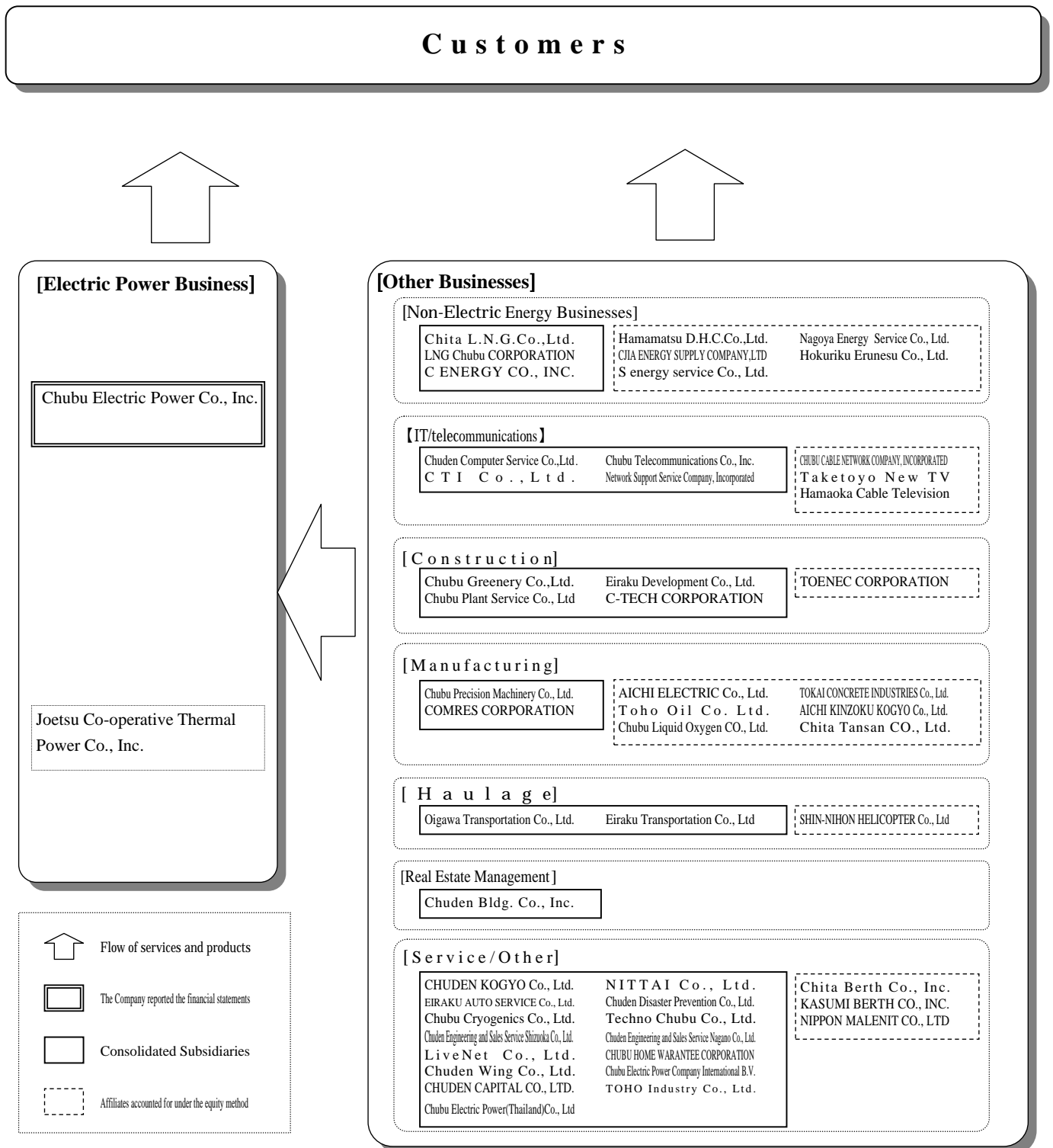
|   | 3/04  |
|---|-------|
| Operating Revenues (billion yen)                              | 2,080 |
| Income before Income Taxes & Minority Interests (billion yen) | 181   |
| Net Income (billion yen)                                      | 111   |

(Reference) Estimation of Net Income per Share for the year ending March 31, 2004: 152.26 yen

There are the premise or matters related to these forecasts on page 8.

## Corporate Group Position

With Chubu Electric Power Company, Incorporated's electric power business at its core, the Chubu Electric Group (the Company and its subsidiaries and affiliates) is making efficient use of our own business resources, such as electricity supplying facilities, fuels and technologies, to develop a variety of businesses. Specifically electric power-related areas include construction for the upgrade and maintenance of facilities, and manufacture for the supply of materials and equipments. The Company is also developing new businesses, such as an electronic communications business, with the aim of making efficient use of business resources.



## Management Policies

### 1. Basic Management Policy

Three years have passed since liberalization in retail of electric power was introduced. Competition has grown due to the participation of corporations from a wide range of business segments as well as to the promotion of power sales from on-site power sources. Since November 2001, The Electricity Industry Committee of the Advisory Committee for Natural Resources and Energy made up a report under the policy of promoting competition by referring to the phased expansion of liberalization and the establishment of a nationwide wholesale power market. In response, the revised Electricity Utilities Industry Law was approved by the Diet in June 2003.

In this business environment the Company, with electric power as its core business, aims to be the company of choice by virtue of its superior services, as an "integrated energy enterprise." At the same time, the Company is striving to increase the value of the entire Chuden Group by exploiting its management resources to the fullest. Moreover, as a company in step with society, Chubu Electric emphasizes environment preservation, coexistence with the community and progress in R&D for the future.

To pursue this management philosophy, the Company will make an effort to realize the following business targets and operational policies, and will steadily implement "Business Reform Roadmap", which was drawn up in April, 2001. That is how the Company will demonstrate its ability to satisfy the expectations of customers, shareholders and investors.

#### [Business Targets]

##### <The Company Business Target>

- Operating revenues : ¥2,000,000 million or more (Average for three years from FY 2001 to FY 2003)
- Income before special item and income taxes : ¥150,000 million or more (Average for three years from FY 2001 to FY 2003)
- ROA (Return on Assets)<sup>\*1</sup> : 1.5% or more (Average for three years from FY 2001 to FY 2003)
- Outstanding interest-bearing debts : ¥3,600,000 million or less (By the end of FY 2004)
- Employees : Around 16,600 employees (By the end of FY 2005)

##### <Group Business Target>

- Sales to customers outside the Group : Increase by 20% <sup>\*2</sup> or more (As for FY 2005)

\*1 --- ROA (Return on Assets) = Net income/Average total assets at beginning and end of the period.

\*2 --- Comparison with average sales for three years from FY 1998 to FY 2000

#### [Operational Policies]

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

To continue to attract as many customers as possible, the company is making every effort to strengthen customer confidence. The company is also offering a variety of services, including the improvement of contract options and energy services to properly satisfy the diverse needs of individual customers. That's the way the Company provide integrated energy services.

##### (2) Promote cost reduction without exception

So that the Company may deliver premium services at lower prices, the Company will enforce cost reductions in every stage of our operations. The Company aims at securely achieving the goal, "a 20% reduction in costs from pre-liberalization figures by 2005" in "Business Reform Roadmap".

##### (3) Reinforce corporate strength and strategically utilize management resources

The company will endeavor to reach its managerial goals for greater financial strength and corporate value. The results of the company's business activities will be put to effective use in sustainable growth with investment in new businesses where the company has the edge, and in the timely and appropriate input of

management resources, targeting the expansion of the its integrated energy services.

(4) Re-structure to a corporate group to remain competitive in the market

The Company will attempt to maximize group profits by creating new business opportunities as well as structure a strategic and efficient corporate group to flexibly cope with changes in our managerial environment.

(5) Establish a strong corporate foundation and carry out thorough quality and risk control

To ensure the customers' reliability and competitive business management, the company conducted organizational restructuring of all the organization from head office down to regional office and the front-line business offices in July 2003. This will make autonomous business operations possible in each office, where employees be able to take the initiative and come up with original ideas. The company will act as a corporate citizen in concert with society by strengthening its ties with local communities, implementing risk control for business operations and tackling global environmental issues.

2. Basic Policy for Profit Sharing

In addition to redistributing to shareholders, operational results generated by the Company will be effectively used for activities and investments to improve the Company's financial structure and expand the revenue basis, thereby enhancing the corporate value. Internal reserves will be used as funds for capital expenditure in the electric businesses, investment in new businesses and improvement of the Company's financial structure.

3. Corporate Governance

(1) Principles of Corporate Governance

The company must enhance efficiency in management and ensure legitimacy so that shareholders and investors will see it as a reliable corporation. The company will redouble its efforts to ensure corporate governance.

(2) Measures Implemented for Corporate Governance

An overview of the management mechanism and the measures taken toward corporate governance is as follows:

In addition to the Board of Directors, auditors, and other aspects prescribed by the Commercial Code, the Company has a Board of Managing Directors and holds a Managerial Strategy Meeting. In principle, a meeting of the Board of Directors is held monthly. At those meetings, the board decides on resolutions stipulated by the Commercial Code and corporate key issues in management. As well, it oversees the duties of the directors with reports on the how those duties are being carried out. At the meetings of the Board of Managing Directors, matters referred to the Board of Directors are discussed in advance and other important issues in operations are deliberated. At the Managerial Strategy Meeting the direction of mid- and long-term management is discussed. The conference refers important matters on to the Board of Managing Directors and the Board of Directors.

According to the principles decided upon at the meeting of the Board of Auditors, the auditors individually and independently monitor how the duties of the directors are carried out. Currently, two out of six auditors are non-executive auditors. (One of them is a chairman of Central Japan Railway Company, with which the company has contract of electricity supply and lease of lands. There are no specific interests with another non-executive auditor).

The Internal Audit which was expanded from the Internal Audit Department in July 2003 is in charge of internal auditing. It monitors the business executions of each division and provide advices to improve their management. The company is establishing internal-audit system focusing risk-management.

With regard to compliance, based on "Declaration to comply with the Code of Conduct", the Company is promoting compliance management under the Compliance Promotion Meeting by setting up "Code of Conduct" which describes major items the company should obey and "Activity Check Point" by which each employee checks their own activities.

To establish compliance management as CEPCo Group, the company set up "CEPCo group compliance promoting conference". Each group company is promoting compliance management.

## Operating Results and Financial Standing

### 1. Results for this period under review

#### (1) Operating results

For the six months period ended September 30, 2004, despite the improvement in corporate results and capital expenditure, the Japanese economy remained stagnant. The weak performance of the economy was attributed to sluggish personal consumption which arose from severe employment and income situations. Under these economic conditions, the consolidated operating revenues from this six months period were ¥1,043.5 billion, a decrease of ¥65.2 billion from the same period of last fiscal year due to a drop in electric energy sales in our electric power business. However, as a result of cost reductions in overall business, the consolidated income before income taxes and minority interests were ¥120.8 billion, a decrease of ¥30.4 billion from the preceding period. Accordingly, the consolidated net income also decreased by ¥21.3 billion, to ¥73.8 billion.

#### Performance per Business Sector (Before offset elimination)

##### ( ) Electricity Business

The total amount of electric energy sold was 60.6 billion kWh, which comprised of 15.3 billion kWh in electric lighting, 28.2 billion kWh in electric power and 17.1 billion kWh in demand from customers under liberalization.

In comparison with the previous period, power sold for electric lighting decreased by 1.5% due to lower utilization of air conditioning facilities, since it was lower temperature in early summer season than that in the previous year. From the same reason, electric power decreased by 1.6% due to a decrease in commercial and low voltage power. Demand from customers under liberalization also decreased by 1.5%. As a result of the aforementioned factors, the total amount of electric energy sold was decreased by 1.5%.

With regard to electric energy supply, Hydroelectric power output increased due to ample water supply in this period (water supply rate: 116.0%) compared with the previous period (water supply rate: 90.1%). On the other hand, although nuclear power output decreased by 42.8% to 50 billion kWh much less than that for the same period of the previous year, since operations of 1st and 3rd Unit at the Hamaoka Nuclear Power Plant were suspended. Due to the decrease of electric power demand, the amount of electric energy generated by thermal power plant decreased by 0.3% to 46.5 billion kWh from the same period of last fiscal year.

In real terms, revenues of electricity business amounted to ¥1,006.1 billion, a reduction of ¥63.8 billion from the preceding period. This was the result from a decrease in electric power revenues by ¥66.5 billion due to decrease of electric energy sold and rate reduction. However, although fuel costs increased from the previous period due to the higher oil prices, operating costs declined ¥26.8 billion from the previous period to ¥827.3 billion due to cost reductions in overall business area such as cutting of facilities-related costs.

Under these circumstances, our operating income dropped ¥37.0 billion from the preceding period to ¥178.8 billion.

##### ( ) Other Businesses

Revenues from other businesses were ¥131.3 billion, a decrease of ¥3.5 billion from the previous period mainly because of the decrease in those of IT/telecommunication business sector in the stagnant economy. On the other hand, operating expenses were ¥128.2 billion, same as the preceding period due to the reduction efforts in overall business segment.

Accordingly, operating income dropped to ¥3.1 billion, a decrease of ¥3.4 billion from the previous period.

#### (2) Cash Flows

The Group mainly uses cash and cash equivalents to purchase in new capital assets, to improve its financial structure, to buyback share, and to pay dividends to its shareholders.

a) Cash Flows from Operating Activities

The Group generated ¥245.0 billion which decreased by 24.3% from the previous period, due to a decrease in electric power revenues which arose from a decrease of electric energy sold and the rate reduction .

b) Cash Flows from Investing Activities.

The Group spent ¥106.5 billion which decreased by 47.3% from the previous period, due to cost reduction such as the restraint of capital expenditures.

c) Cash Flows from Financial Activities

The Group spent ¥133.2 billion which increased by 19.0% from the previous period, due to the repayment of interest-bearing debts, the share buybacks, and the dividend payout.

Due to the aforementioned factors, cash balances increased by 8.6%, to ¥ 67.3 billion, compared to those at the end of previous fiscal year.

Interest-bearing debts at the end of this period decreased by 1.9%, to ¥4,032.9 billion.

The shown below is the Group's cash flows indexes.

|  | 1H FY ended March<br>31, 2003 | 1H FY ended March<br>31, 2004 | FY ended March 31,<br>2001 | FY ended March 31,<br>2002 | FY ended March 31,<br>2003 |
|--|-------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|
| Shareholders' equity ratio                 | 20.6%                         | 21.8%                         | 17.9%                      | 19.1%                      | 20.8%                      |
| Shareholders' equity ratio at market value | 23.5%                         | 25.5%                         | 22.0%                      | 23.7%                      | 24.7%                      |
| Debt repayment term                        | -                             | -                             | 7.4years                   | 6.5years                   | 6.9years                   |
| Interest coverage ratio                    | 4.8                           | 5.1                           | 3.8                        | 4.4                        | 4.9                        |

(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: Aggregate market value/Total assets

- Aggregate market value is calculated as follows: [ Share price 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 statements of cash flows are applied to operating cash flows used on this calculation. (So is a note below)

4. Interest coverage ratio: Operating cash flows/Interest payments

- Interest expenses on the consolidated statements of cash flows are applied to interest payments used on this calculation.

(3) Interim dividend payout

Board of directors has decided to pay the interim dividend of ¥30 at the board of directors on November 18, 2003.

2. Outlook for the next period

Electric energy sales in the electricity business for the period ending March 31, 2004 will be decrease by 1.5% to approximately 121.2 billion kWh from the previous period.

By promoting efficiency over the whole operating activities such as cost reduction of plant and equipment - related expenses, the outlook for performance in the next period will be as follows.

(Outlook for consolidated performance in the next period)

|   | Consolidated                                    | Non-consolidated                                |
|---|---|---|
| Operating revenues                          | approximately ¥2,080 billion<br>(4.4% decrease) | approximately ¥2,010 billion<br>(3.6% decrease) |
| Operating income                            | approximately ¥304 billion<br>(3% decrease)     | approximately ¥295 billion<br>(1% decrease)     |
| Income before special item and income taxes | approximately ¥181 billion<br>(6% increase)     | approximately ¥175 billion<br>(9% increase)     |
| Net income                                  | approximately ¥111 billion<br>(4% increase)     | approximately ¥109 billion<br>(6% increase)     |

(Principal figures on which outlook are based)

| Item                              | FY ended March 31, 2004 |                   | FY ended March 31, 2003 |          |
|-----------------------------------|-------------------------|-------------------|-------------------------|----------|
|                                   | Interim                 | Fully FY(assumed) | Interim                 | Fully FY |
| CIF crude oil prices (\$/b)       | 28.4                    | approx.29         | 25.6                    | 27.4     |
| Exchange rate (Inter-bank) (¥/\$) | 118                     | approx.114        | 123                     | 122      |

\*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.



## Results of Production and Sales

### [ Electric Power Business ]

#### 1. Electric energy sold (100 million kWh, %)

|   | 9/03<br>(A) | 9/02<br>(B) | Change |         |
|---|-------------|-------------|--------|---------|
|   |             |             | (A-B)  | (A-B)/B |
| Customers other than those under liberalization |             |             |        |         |
| Electric lighting                               | 153         | 155         | -2     | -1.5    |
| Electric power                                  | 282         | 286         | -4     | -1.6    |
| Sub total                                       | 435         | 441         | -6     | -1.6    |
| Customers under liberalization                  | 171         | 174         | -3     | -1.5    |
| Total   | 606         | 615         | -9     | -1.5    |

#### 2. Output and purchase of electric power (100 million kWh, %)

|                               | 9/03<br>(A)                                | 9/02<br>(B)   | Change       |                |       |
|-------------------------------|--|---------------|--------------|----------------|-------|
|                               |  |               | (A-B)        | (A-B)/B        |       |
| Chubu Electric                | Hydroelectric power<br>(water supply rate) | 65<br>(116.0) | 49<br>(83.7) | 16<br>(32.3)   | 31.5  |
|                               | Thermal power                              | 465           | 467          | -2             | -0.3  |
|                               | Nuclear power<br>(utilization rate)        | 50<br>(31.8)  | 88<br>(55.5) | -38<br>(-23.7) | -42.8 |
| Purchased power               | 69   | 54            | 15           | 27.5           |       |
| Interchanged power            | 20   | 22            | -2           | -7.6           |       |
| Power used for pumped storage | -9   | -10           | 1            | -4.6           |       |
| Total                         | 660  | 670           | -10          | -1.5           |       |

## Consolidated Balance Sheets

(million yen)

| Assets   | 2003.9    | 2003.3    | 2002.9    |
|--|-----------|-----------|-----------|
| Property, Plant and Equipment                                  | 5,905,850 | 6,012,255 | 6,114,100 |
| Electric utility property, plant and equipment                 | 4,393,356 | 4,525,201 | 4,570,252 |
| Hydroelectric power production facilities                      | 384,549   | 392,962   | 404,860   |
| Thermal power production facilities                            | 962,084   | 1,018,692 | 980,399   |
| Nuclear power production facilities                            | 199,773   | 211,748   | 219,226   |
| Transmission facilities  | 1,281,736 | 1,311,983 | 1,345,067 |
| Transformation facilities                                      | 519,979   | 533,339   | 551,940   |
| Distribution facilities  | 865,145   | 870,906   | 877,956   |
| General facilities   | 180,087   | 185,568   | 190,800   |
| Other property, plant and equipment                            | 300,074   | 313,217   | 318,072   |
| Construction in progress                                       | 536,313   | 522,699   | 601,369   |
| Nuclear fuel   | 240,805   | 234,731   | 214,360   |
| Loaded nuclear fuel  | 41,210    | 34,641    | 34,843    |
| Nuclear fuel in processing                                     | 199,594   | 200,090   | 179,516   |
| Investments and other  | 435,300   | 416,404   | 410,046   |
| Long-term investments  | 223,241   | 205,091   | 218,047   |
| Deferred tax assets  | 128,582   | 126,150   | 111,409   |
| Other  | 83,477    | 85,163    | 80,589    |
| Current Assets   | 308,778   | 270,125   | 314,982   |
| Cash   | 51,594    | 43,106    | 74,593    |
| Trade notes and accounts receivable                            | 118,879   | 113,227   | 121,712   |
| Inventories  | 61,612    | 53,462    | 61,726    |
| Deferred tax assets  | 18,866    | 15,159    | 15,250    |
| Other  | 57,825    | 45,169    | 41,699    |
| Deferred Assets  | 107       | 119       | 114       |
| Total Assets   | 6,214,735 | 6,282,500 | 6,429,198 |
| Liabilities, Minority interests and Shareholders' Equity       |           |           |           |
| Long-Term Liabilities and Reserves                             | 3,965,214 | 4,022,002 | 4,015,885 |
| Bonds  | 2,086,006 | 2,090,300 | 1,998,650 |
| Convertible bonds  | 146,254   | 146,254   | 146,254   |
| Long-term loans  | 1,207,019 | 1,272,362 | 1,368,692 |
| Employee retirement benefit liability                          | 181,898   | 168,379   | 155,637   |
| Reserve for reprocessing of irradiated nuclear fuel            | 222,920   | 220,634   | 220,038   |
| Reserve for decommissioning nuclear power plant                | 80,137    | 79,752    | 79,477    |
| Deferred tax liabilities                                       | 22        | 17        | 21        |
| Other  | 40,954    | 44,302    | 47,113    |
| Current Liabilities  | 866,145   | 929,482   | 1,063,602 |
| Current portion of long-term debt and other                    | 137,189   | 157,047   | 207,757   |
| Short-term borrowings  | 326,149   | 339,961   | 355,049   |
| Accrued income taxes and other                                 | 88,859    | 80,714    | 104,085   |
| Other  | 313,947   | 351,760   | 396,710   |
| Reserve for Drought  | 5,766     | -         | -         |
| Total Liabilities  | 4,837,126 | 4,951,485 | 5,079,488 |
| Minority Interests in Consolidated Subsidiaries                | 24,013    | 23,834    | 24,537    |
| Shareholders' Equity   |           |           |           |
| Common stock   | 374,519   | 374,519   | 374,519   |
| Capital surplus  | 14,247    | 14,247    | 14,247    |
| Retained earnings  | 959,287   | 907,815   | 918,603   |
| Net unrealized gains on available-for-sale securities          | 26,886    | 12,023    | 18,449    |
| Foreign Currency Translation Adjustment                        | -1        | 5         | -2        |
| Less: Treasury stock   | -21,343   | -1,431    | -645      |
| Total Shareholder's Equity                                     | 1,353,595 | 1,307,179 | 1,325,173 |
| Total Liabilities, Minority interests and Shareholders' Equity | 6,214,735 | 6,282,500 | 6,429,198 |

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

## Consolidated Statements of Income

(million yen)

|   |           |           |           |
|---|-----------|-----------|-----------|
| Revenues  | 2003.9    | 2002.9    | 2003.3    |
| Operating Revenues  | 1,043,593 | 1,108,863 | 2,176,071 |
| Electricity   | 1,004,556 | 1,068,515 | 2,078,170 |
| Other   | 39,037    | 40,348    | 97,901    |
| Other Revenues  | 3,673     | 3,121     | 5,735     |
| Proceed from dividends                                      | 987       | 861       | 1,179     |
| Proceed from interests                                      | 662       | 568       | 1,280     |
| Other   | 2,023     | 1,692     | 3,275     |
| Total Ordinary Revenues                                     | 1,047,267 | 1,111,985 | 2,181,807 |
| Expenses  |           |           |           |
| Operating Expenses  | 861,486   | 885,909   | 1,863,600 |
| Electric  | 824,190   | 849,936   | 1,773,859 |
| Other   | 37,295    | 35,972    | 89,740    |
| (Operating Income)  | 182,107   | 222,954   | 312,471   |
| Other Expenses  | 64,890    | 74,731    | 147,118   |
| Interest expenses   | 46,540    | 66,259    | 121,236   |
| Other   | 18,350    | 8,472     | 25,882    |
| Total Ordinary Expenses                                     | 926,376   | 960,641   | 2,010,718 |
| Income before Special Item and Income Taxes                 | 120,890   | 151,344   | 171,088   |
| Special Item  |           |           |           |
| Provision for (reversal of) reserve for drought             | 5,766     | -         | -         |
| Income before income taxes                                  | 115,124   | 151,344   | 171,088   |
| Income Taxes-Current  | 55,088    | 65,965    | 85,355    |
| Income Taxes-Deferred                                       | -13,992   | -10,271   | -21,525   |
| Minority Interests in Earnings of Consolidated Subsidiaries | 201       | 479       | 764       |
| Net Income  | 73,826    | 95,171    | 106,494   |

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

## Consolidated Statements of Cash Flows

(million yen)

| Cash Flows from Operating Activities:  | 2003.9   | 2002.9   | 2003.3     |
|--|----------|----------|------------|
| Income before income taxes and minority interests  | 115,124  | 151,344  | 171,088    |
| Depreciation and amortization  | 194,188  | 217,554  | 432,813    |
| Loss of loaded nuclear fuel  | 3,261    | 4,823    | 6,051      |
| Loss on disposal of property, plant and equipment  | 4,131    | 4,869    | 11,998     |
| Increase(Decrease) in employee retirement benefit liability  | 13,519   | 7,544    | 20,286     |
| Increase(Decrease) in reserve for reprocessing of irradiated nuclear fuel                                  | 2,286    | 4,654    | 5,250      |
| Increase(Decrease) in reserve for decommissioning nuclear power plant                                      | 384      | 1,724    | 1,999      |
| Reversal of reserve for drought  | 5,766    | -        | -          |
| Interest and dividends income  | -1,650   | -1,429   | -2,460     |
| Interest expenses  | 46,540   | 66,259   | 121,236    |
| Increase(Decrease) in trade notes and accounts receivable  | -5,652   | -5,820   | 2,664      |
| Increase(Decrease) in inventories  | -8,149   | -6,731   | 1,532      |
| Increase(Decrease) in trade notes and accounts payable   | -35,828  | -10,664  | 9,771      |
| Other  | 3,608    | 7,034    | 27,479     |
| Sub total  | 337,531  | 441,162  | 809,712    |
| Interest and dividends received  | 1,649    | 1,364    | 2,385      |
| Interest paid  | -48,291  | -67,524  | -122,357   |
| Income taxes paid  | -45,836  | -51,372  | -90,370    |
| Net cash provided by operating activities  | 245,052  | 323,630  | 599,370    |
| Cash Flows from Investing Activities:  |          |          |            |
| Purchases of property, plant and equipment   | -101,588 | -190,022 | -322,463   |
| Increase in investments and other  | -18,466  | -20,622  | -31,067    |
| Proceeds for recoveries from investments and other   | 7,280    | 5,621    | 12,015     |
| Other  | 6,249    | 2,973    | 7,324      |
| Net cash used in investing activities  | -106,525 | -202,050 | -334,190   |
| Cash Flows from Financing Activities:  |          |          |            |
| Proceeds from issuance of bonds  | 71,053   | 90,178   | 198,682    |
| Redemption of bonds  | -101,101 | -58,613  | -121,800   |
| Proceeds from long-term loans  | 18,760   | 37,950   | 43,252     |
| Repayment of long-term loans   | -87,813  | -97,823  | -210,280   |
| Proceeds from short-term borrowings  | 138,777  | 155,421  | 354,870    |
| Repayment of short-term borrowings   | -151,889 | -164,603 | -379,140   |
| Proceeds from issuance of commercial paper   | 566,000  | 586,000  | 1,036,000  |
| Redemption of commercial paper   | -545,000 | -638,000 | -1,155,000 |
| Dividends paid   | -22,074  | -22,084  | -44,189    |
| Other  | -19,919  | -329     | -1,114     |
| Net cash used in financing activities  | -133,208 | -111,902 | -278,720   |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents   | -0       | -25      | -16        |
| Net Increase (Decrease) in Cash and Cash Equivalents   | 5,318    | 9,651    | -13,557    |
| Cash and Cash Equivalents at Beginning of the Period   | 62,061   | 66,276   | 66,276     |
| Increase(Decrease) in Cash and Cash Equivalents upon inclusion of Additional Subsidiaries on Consolidation | -        | 9,342    | 9,342      |
| Cash and Cash Equivalents at End of the Period   | 67,379   | 85,270   | 62,061     |

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

## Segment Information

### 1. Segment Information By Business Sector

For the six months period ended September 30, 2003

(million yen)

|   | Electric utility | Other   | Total     | Eliminations | Consolidated Results |
|---|------------------|---------|-----------|--------------|----------------------|
| Operating Revenues                                |                  |         |           |              |                      |
| 1. Operating Revenues to outside the Group        | 1,004,556        | 39,037  | 1,043,593 | -            | 1,043,593            |
| 2. Inter-segment Operating Revenues and transfers | 1,584            | 92,353  | 93,938    | -93,938      | -                    |
| Total   | 1,006,140        | 131,391 | 1,137,532 | -93,938      | 1,043,593            |
| Operating Expenses                                | 827,335          | 128,273 | 955,609   | -94,123      | 861,486              |
| Operating Income                                  | 178,805          | 3,117   | 181,922   | 185          | 182,107              |

For the six months period ended September 30, 2002

(million yen)

|   | Electric utility | Other   | Total     | Eliminations | Consolidated Results |
|---|------------------|---------|-----------|--------------|----------------------|
| Operating Revenues                                |                  |         |           |              |                      |
| 1. Operating Revenues to outside the Group        | 1,068,515        | 40,348  | 1,108,863 | -            | 1,108,863            |
| 2. Inter-segment Operating Revenues and transfers | 1,515            | 94,559  | 96,075    | -96,075      | -                    |
| Total   | 1,070,030        | 134,908 | 1,204,939 | -96,075      | 1,108,863            |
| Operating Expenses                                | 854,207          | 128,299 | 982,506   | -96,597      | 885,909              |
| Operating Income                                  | 215,823          | 6,608   | 222,432   | 521          | 222,954              |

For the period ended March 31, 2003

(million yen)

|  | Electric utility | Other   | Total     | Eliminations | Consolidated Results |
|--|------------------|---------|-----------|--------------|----------------------|
| 1. Operating Revenues                              |                  |         |           |              |                      |
| (1) Operating Revenues to outside the Group        | 2,078,170        | 97,901  | 2,176,071 | -            | 2,176,071            |
| (2) Inter-segment Operating Revenues and transfers | 3,025            | 209,143 | 212,169   | -212,169     | -                    |
| Total  | 2,081,195        | 307,045 | 2,388,240 | -212,169     | 2,176,071            |
| Operating Expenses                                 | 1,783,253        | 292,702 | 2,075,955 | -212,354     | 1,863,600            |
| Operating Income                                   | 297,942          | 14,343  | 312,285   | 185          | 312,471              |

# Non-consolidated Interim Financial Report FY ended March 31, 2004

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

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CHUBU ELECTRIC POWER COMPANY, INCORPORATED (November 18, 2003)

Code: 9502

Financial Report for the 6-months Period ended September 30, 2003

(Non-consolidated)

Contact: Akinori Kataoka, Manager, IR Section

Takatoshi Fujitani, Manager, Accounting Section

Unit Stock: 100 shares per unit

Tel: 81-52-951-8211

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

. Performance Over the 6-months Ended September 30, 2003

(Figures are rounded down to the nearest million yen)

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## 1. Operating Results

|  | 9/03      | Change | 9/02      | Change | 3/03      |
|--|-----------|--------|-----------|--------|-----------|
| Operating Revenues (million yen)                           | 1,008,366 | -5.9%  | 1,071,739 | -1.6%  | 2,085,086 |
| Operating Income (million yen)                             | 177,955   | -17.7% | 216,098   | 7.6%   | 297,244   |
| Income before Special Item<br>& Income Taxes (million yen) | 118,665   | -19.5% | 147,399   | 33.6%  | 160,613   |
| Net Income (million yen)                                   | 73,655    | -22.0% | 94,476    | 30.9%  | 102,905   |
| Net Income per Share (Primary ; yen)                       | 100.82    |        | 128.25    |        | 139.53    |

Notes: 1. Average number of shares outstanding

(9/03: 730,531,806 9/02: 736,682,147 3/03: 736,503,231 )

2. Special Item means Provision for (Reversal of) Reserve for Drought.

3. Changes in accounting methods: None

## 2.Dividends

|   | Dividend per Share<br>(Interim) | Dividend per Share<br>(Annual) |
|---|---------------------------------|--------------------------------|
| 6-Months Ended September 30, 2003 (yen) | 30.00                           | -                              |
| 6-Months Ended September 30, 2002 (yen) | 30.00                           | -                              |
| The Year ended March 31, 2003 (yen)     | -                               | 60.00                          |

## 3.Financial Standing

|                                      | 9/03      | 9/02      | 3/03      |
|--------------------------------------|-----------|-----------|-----------|
| Total Assets (million yen)           | 5,925,896 | 6,099,301 | 5,977,514 |
| Shareholders' Equity (million yen)   | 1,246,191 | 1,221,017 | 1,200,397 |
| Shareholders' Equity Ratio           | 21.0%     | 20.0%     | 20.1%     |
| Shareholders' Equity per Share (yen) | 1,713.53  | 1,657.64  | 1,630.30  |

Note: Number of shares outstanding at the end of period

(9/03: 727,266,114 9/02: 736,601,820 3/03: 736,219,443)

Number of treasury shares outstanding at the end of the period

(9/03: 9,591,073 9/02: 255,367 3/03: 637,744)

## .Forecasts of Results for the Six Months Ending the Year Ending March 31, 2004 (approximate estimates)

|   | 3/04  |
|---|-------|
| Operating Revenues (billion yen)                        | 2,010 |
| Income before Special Item & Income Taxes (billion yen) | 175   |
| Net Income (billion yen)                                | 109   |

(Reference) Estimation of Net Income per Share for the year ending March 31, 2004: 149.68 yen

There are the premise or matters related to these forecasts on page 8.

## Non-consolidated Balance Sheets

(million yen)

|  | 2003.9           | 2003.3           | 2002.9           |
|--|------------------|------------------|------------------|
| <b>Assets</b>  |                  |                  |                  |
| Property, Plant and Equipment                          | 5,705,678        | 5,801,502        | 5,890,084        |
| Electric utility property, plant and equipment         | 4,444,985        | 4,578,087        | 4,623,355        |
| Hydroelectric power production facilities              | 388,119          | 396,505          | 408,479          |
| Thermal power production facilities                    | 968,835          | 1,025,936        | 987,517          |
| Nuclear power production facilities                    | 201,096          | 213,138          | 220,578          |
| Internal combustion engine power production facilities | 223              | 197              | 210              |
| Transmission facilities                                | 1,295,327        | 1,325,889        | 1,359,202        |
| Transformation facilities                              | 524,624          | 538,148          | 556,842          |
| Distribution facilities                                | 884,519          | 890,426          | 897,414          |
| General facilities                                     | 182,239          | 187,845          | 193,110          |
| Subsidiary enterprise property, plant and equipment    | 13,012           | 11,135           | 4,392            |
| Other property, plant and equipment                    | 33,391           | 38,199           | 36,325           |
| Construction in progress                               | 531,279          | 516,039          | 596,121          |
| Nuclear fuel   | 240,805          | 234,731          | 214,360          |
| Loaded nuclear fuel                                    | 41,210           | 34,641           | 34,843           |
| Nuclear fuel in processing                             | 199,594          | 200,090          | 179,516          |
| Investments and other                                  | 442,203          | 423,308          | 415,529          |
| Long-term investments                                  | 206,589          | 188,086          | 199,557          |
| Investments in subsidiaries and affiliates             | 128,868          | 129,371          | 126,112          |
| Deferred tax assets                                    | 103,321          | 101,201          | 86,412           |
| Other  | 3,422            | 4,648            | 3,448            |
| Current Assets   | 220,110          | 175,893          | 209,104          |
| Cash   | 23,362           | 14,089           | 39,772           |
| Accounts receivable-customers                          | 106,847          | 94,926           | 106,455          |
| Inventories  | 43,388           | 37,562           | 34,949           |
| Deferred tax assets                                    | 16,211           | 12,728           | 13,099           |
| Other  | 30,301           | 16,586           | 14,827           |
| Deferred Assets  | 107              | 119              | 112              |
| <b>Total Assets</b>                                    | <b>5,925,896</b> | <b>5,977,514</b> | <b>6,099,301</b> |
| <b>Liabilities and Shareholders' Equity</b>            |                  |                  |                  |
| Long-Term Liabilities and Reserves                     | 3,860,099        | 3,908,391        | 3,889,795        |
| Bonds  | 2,086,806        | 2,091,400        | 1,999,700        |
| Convertible bonds                                      | 146,347          | 146,347          | 146,347          |
| Long-term loans  | 1,124,756        | 1,181,091        | 1,264,275        |
| Employee retirement benefit liability                  | 161,801          | 148,842          | 135,572          |
| Reserve for reprocessing of irradiated nuclear fuel    | 222,920          | 220,634          | 220,038          |
| Reserve for decommissioning nuclear power plant        | 80,137           | 79,752           | 79,477           |
| Other  | 37,330           | 40,323           | 44,384           |
| Current Liabilities                                    | 813,838          | 868,725          | 988,489          |
| Current portion of long-term debt and other            | 116,459          | 134,474          | 175,438          |
| Short-term borrowings                                  | 320,372          | 335,372          | 349,812          |
| Commercial paper                                       | 132,000          | 111,000          | 178,000          |
| Accrued income taxes and other                         | 85,344           | 74,626           | 99,373           |
| Other-mainly accounts payable                          | 159,662          | 213,251          | 185,865          |
| Reserve for Drought                                    | 5,766            | -                | -                |
| <b>Total Liabilities</b>                               | <b>4,679,704</b> | <b>4,777,116</b> | <b>4,878,284</b> |
| Shareholders' Equity                                   |                  |                  |                  |
| Common stock   | 374,519          | 374,519          | 374,519          |
| Capital surplus  | 14,247           | 14,247           | 14,247           |
| Retained earnings                                      | 851,913          | 800,484          | 814,152          |
| Net unrealized gains on available-for-sale securities  | 26,779           | 12,502           | 18,667           |
| Less: Treasury stock                                   | -21,268          | -1,356           | -570             |
| <b>Total Shareholder's Equity</b>                      | <b>1,246,191</b> | <b>1,200,397</b> | <b>1,221,017</b> |
| <b>Total Liabilities and Shareholders' Equity</b>      | <b>5,925,896</b> | <b>5,977,514</b> | <b>6,099,301</b> |

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



## Non-consolidated Statements of Income

(million yen)

|   | 2003.9    | 2002.9    | 2003.3    |
|---|-----------|-----------|-----------|
| <b>Revenues</b>   |           |           |           |
| Operating Revenues  | 1,008,366 | 1,071,739 | 2,085,086 |
| Electric utility revenues   | 1,006,140 | 1,070,030 | 2,081,195 |
| Residential   | 330,195   | 349,067   | 717,661   |
| Commercial and Industrial   | 656,681   | 704,371   | 1,332,660 |
| Sold power to other electric utilities and other companies        | 9,675     | 7,639     | 12,127    |
| Other   | 9,588     | 8,951     | 18,745    |
| Subsidiary enterprise revenues                                    | 2,225     | 1,708     | 3,890     |
| Other Revenues  | 3,020     | 2,573     | 5,273     |
| Financing revenues  | 1,755     | 1,624     | 3,318     |
| Non-operating revenues  | 1,265     | 949       | 1,954     |
| Profit from sale of fixed asset                                   | 187       | 88        | 358       |
| Other   | 1,078     | 861       | 1,596     |
| Total Ordinary Revenues   | 1,011,386 | 1,074,313 | 2,090,360 |
| <b>Expenses</b>   |           |           |           |
| Operating Expenses  | 830,411   | 855,640   | 1,787,842 |
| Electric utility expenses   | 827,335   | 854,207   | 1,783,253 |
| Hydro electric power production expenses                          | 25,775    | 28,440    | 57,929    |
| Thermal power production expenses                                 | 305,243   | 305,097   | 669,397   |
| Nuclear power production expenses                                 | 46,888    | 46,390    | 104,329   |
| Internal combustion engine power production expenses              | 52        | 59        | 113       |
| Purchased power from other electric utilities and other companies | 74,577    | 82,694    | 165,802   |
| Transmission expenses   | 67,007    | 80,185    | 150,667   |
| Transformation expenses   | 37,087    | 40,884    | 82,493    |
| Distribution expenses   | 87,286    | 90,764    | 182,772   |
| Selling expenses  | 32,416    | 32,240    | 64,545    |
| General and administrative expenses                               | 111,736   | 106,948   | 224,954   |
| Electric power development promotion tax                          | 27,064    | 27,471    | 54,919    |
| Enterprise tax  | 12,430    | 13,086    | 25,450    |
| Other operating expenses  | -230      | -57       | -120      |
| Subsidiary enterprise expenses                                    | 3,075     | 1,433     | 4,588     |
| (Operating Income)  | 177,955   | 216,098   | 297,244   |
| Other Expenses  | 62,310    | 71,272    | 141,905   |
| Financing expenses  | 45,377    | 64,576    | 117,848   |
| Interest expenses   | 45,123    | 64,368    | 117,250   |
| Other   | 254       | 207       | 597       |
| Non-operating expenses  | 16,932    | 6,696     | 24,056    |
| Loss from sale of fixed asset                                     | 1,447     | 127       | 1,044     |
| Other   | 15,484    | 6,569     | 23,012    |
| Total Ordinary Expenses   | 892,721   | 926,913   | 1,929,747 |
| Income before Special Item and Income Taxes                       | 118,665   | 147,399   | 160,613   |
| <b>Special Item</b>   |           |           |           |
| Provision for (reversal of) reserve for drought                   | 5,766     | -         | -         |
| Income before Income Taxes  | 112,898   | 147,399   | 160,613   |
| Income Taxes-Current  | 54,772    | 62,725    | 78,505    |
| Income Taxes-Deferred   | -13,529   | -9,802    | -20,798   |
| Net Income  | 73,655    | 94,476    | 102,905   |

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