

# Consolidated Interim Financial Report FY ending March 31, 2005

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 (November 9, 2004)

Code: 9502

Financial Report for the 6-months Period ended September 30, 2004

(Consolidated)

Contact : Toshihiko Suzuki, Manager, IR Section

Toshio Saitou, Manager, Accounting Section

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

Note: FY 2005 starts on April 1, 2004 and ends on March 31, 2005.

. Performance Over the 6-months Ended September 30, 2004

(Figures are rounded down to the nearest million yen)

---

## 1. Consolidated Operating Results

	9/04	Change	9/03	Change	3/04
Operating Revenues (million yen)	1,075,952	3.1%	1,043,593	-5.9%	2,101,072
Operating Income (million yen)	223,418	22.7%	182,107	-18.3%	334,411
Ordinary Income (million yen)	163,658	35.4%	120,890	-20.1%	184,925
Net Income (million yen)	68,127	-7.7%	73,826	-22.4%	114,717
Net Income per Share (Primary ; yen)	94.04		101.08		157.21
Net Income per Share (Fully diluted ; yen)	87.48		94.14		146.64

\*Ordinary Income: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests

Notes: 1. Equity in earnings of affiliates

(9/04: 1,079 million yen, 9/03: -499 million yen, 3/04: -1,157 million yen)

2. Average number of shares outstanding (consolidated)

(9/04: 724,459,984 9/03: 730,411,940 3/04: 728,073,170 )

3. Changes in accounting methods: Yes (adoption of the "accounting standard for impairment of fixed assets")

---

## 2.Consolidated Financial Standing

	9/04	9/03	3/04
Total Assets (million yen)	5,885,782	6,214,735	6,060,177
Shareholders' Equity (million yen)	1,413,866	1,353,595	1,377,180
Shareholders' Equity Ratio	24.0%	21.8%	22.7%
Shareholders' Equity per Share (yen)	1,953.14	1,861.52	1,897.81

Note : Number of shares outstanding at the end of the period. (consolidated)  
(9/04: 723,894,139 9/03: 727,146,248 3/04: 725,535,700)

---

## 3.Outline of Consolidated Cash Flows

	9/04	9/03	3/04
Cash Flows from Operating Activities (million yen)	300,182	245,052	592,362
Cash Flows from Investing Activities (million yen)	-67,844	-106,525	-199,324
Cash Flows from Financing Activities (million yen)	-231,913	-133,208	-395,210
Cash or Cash Equivalent at the End of the Period (million yen)	60,282	67,379	59,854

---

## 4.Number of Subsidiaries and Affiliates

Consolidated subsidiaries: 32

Unconsolidated subsidiaries accounted for under the equity method: None

Affiliates accounted for under the equity method: 19

---

## 5.Changes in Range of Consolidation and Application of Equity Method

Inclusion of subsidiaries to consolidation: 1

Exclusion of subsidiaries from consolidation: None

Inclusion of subsidiaries or affiliates accounted for under the equity method: 1

Exclusion of subsidiaries or affiliates accounted for under the equity method: None

---

## .Forecasts of Consolidated Results for the Year Ending March 31, 2005(approximate estimates)

	3/05
Operating Revenues (billion yen)	2,100
Ordinary Income* (billion yen)	190
Net Income (billion yen)	90

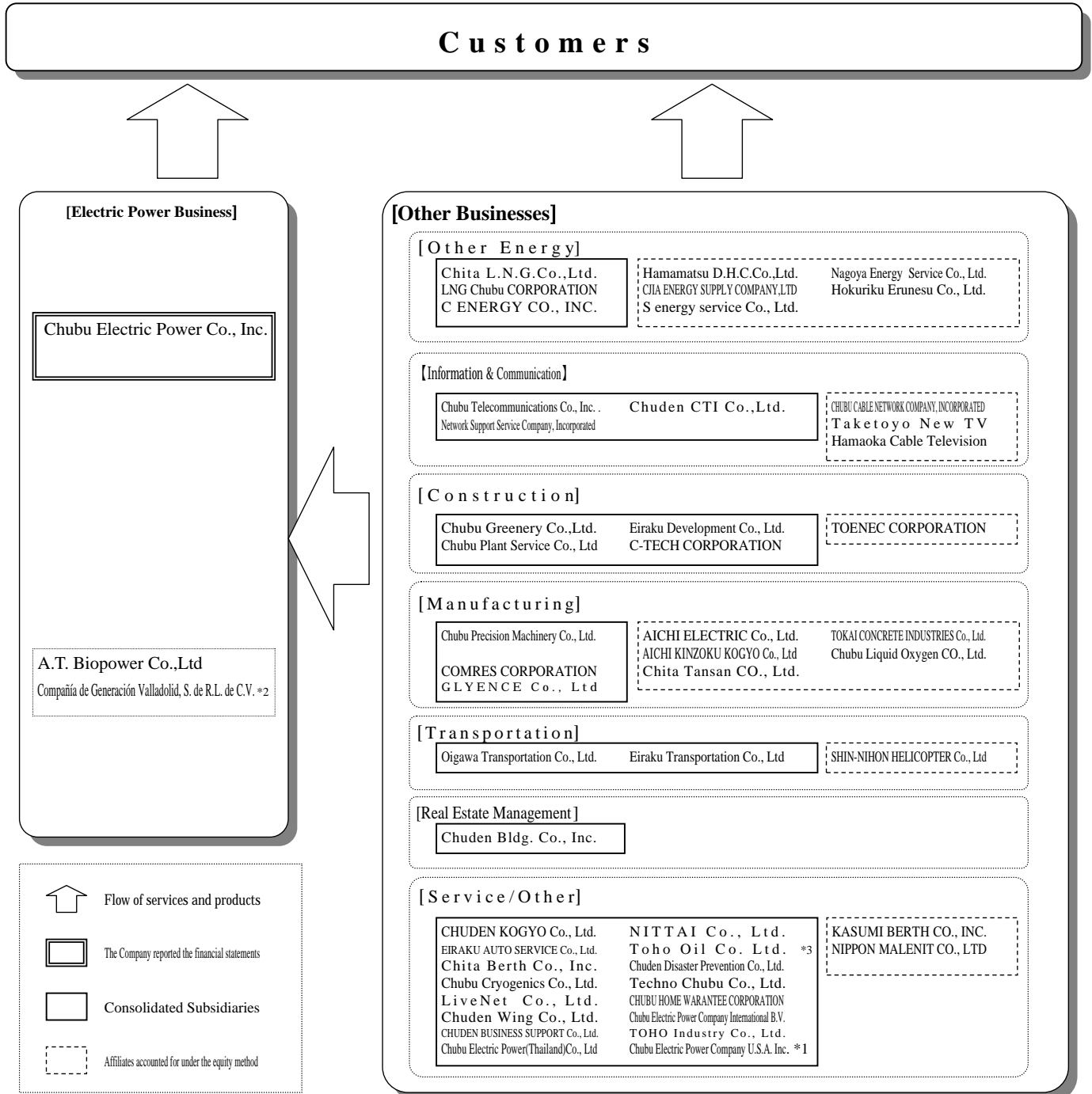
\*Ordinary Income: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests

(Reference) Estimation of Net Income per Share for the year ending March 31, 2005: 123.98 yen

There are the premise or matters related to these forecasts on page 11.

## 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

Competition continues to intensify in line with the liberalization of retailing of electric power: the revised Electricity Utilities Industry Law was enacted June 2003, and so the scope of liberalization was expanded in April 2004 to cover customers requiring a supply of over 500kW of high-voltage electricity. Starting from FY2006, every customer receiving high-voltage electricity will be included in the scope of the liberalization. It is anticipated that in order to further promote competition, a wholesale market for trading electric power and an independent council for reviewing transmission network utilization starts operation and the network utilization tariff system is to be revised.

Under these conditions, our Company, as a "Multi-energy Company" in the central region of Japan, aims to provide new services and values as well as energy for sustainable growth in unity with the Group. The Company has therefore defined new Mid-term Financial Targets and concrete operational policies, as described below, in order to accelerate efforts toward meeting the expectations of customers, shareholders and investors.

#### [Mid-term Financial Targets]

Item	Consolidated Targets	Non-consolidated Targets	Target Year
ROA (Return on Assets)*1	4.5% or more	4.5% or more	On annual average basis between FY2005 and FY2007
Ordinary Income*2	¥165 billion or more	¥160 billion or more	
Capital expenditure	¥200 billion or less	¥170 billion or less	
Free cash flow *3	¥360 billion or more	¥350 billion or more	By the end of FY2007
Outstanding interest-bearing debts	¥3,100 billion or less	¥3,000 billion or less	

\*1 --- ROA (Return on Assets) = (Ordinary Income\*2 + Interest expenses) / Average total assets at beginning and end of the period.

\*2 --- Ordinary Income

consolidated: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests

non-consolidated: Income before provision of reserve for fluctuation in water levels and income taxes

\*3 --- Free cash flow = Operating cash flow – Investing cash flow

#### [Operational Policies]

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

To continue to attract as many customers as possible, the Company is improving contract options and services to properly meet the diverse needs of individual customers. The Company makes maximum use of the Group's business resources in order to provide a variety of new services in the areas of energy involving gas supply and on-site power generation sources.

##### (2) Strengthen cost competitiveness in the new market environment

In order to deliver premium services at lower prices as the market undergoes drastic changes, such as the review of the electricity utilities industry structure and the intensifying competition involving different kinds of energy, the Company aims to raise efficiency in each stage of business and to securely achieve the goal, "a 20% reduction in costs from pre-liberalization figures by FY 2006".

##### (3) Reinforce corporate strength and strategically utilize business resources for growth

The Company will set up and securely reach managerial goals of increasing profitability, further improving the financial condition and collective strengths of the Group. In pursuit of sustainable growth, the Company will effectively allocate its profit to expand energy business areas and will invest in new businesses where the Company has an advantage.

##### (4) Reinforce the corporate foundation for the whole group and act as a good corporate citizen

The Company will reinforce its cooperative and integrated management system involving the main company and its group companies in order to flexibly cope with difficult management environments and to make the corporate group more competitive.

While striving toward harmonious coexistence with society, the Company will actively fulfill its social responsibilities as a corporate citizen. Specifically, the Company will promote compliance with laws, internal rules, and corporate ethics; tackle global environmental issues; and strengthen its relations of trust with local communities.

## 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 condition and expand the revenue sources, 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 condition.

## 3 Fluctuation Factors Concerning Operating Results

The following variables regarding the business performance and financial condition of the Group could significantly affect investor judgment.

### (1) Risks concerning economic climate

#### (a) Economic Conditions and Weather Conditions

In the electricity business, which is the Company's core business, the electricity sales depends on economic trends and changes in temperature. Therefore, the Group's performance may be affected by both economic and weather conditions.

The annual amounts of rainfall and snowfall affect the amount of hydroelectric energy output, consequently affecting the overall cost of power generation. However, the Reserve-for-Drought System minimizes the effect on the Group's performance.

#### (b) Changes in Fuel Prices

Fuel expenses, which are a major expense item in the electricity business, are affected by changes in CIF costs, foreign exchange rates and so on because the Company depends on imports of liquid natural gas (LNG), coal and crude oil.

However, since changes in fuel price are reflected in electricity charges according to the price adjustment system reflecting fluctuations in fuel costs, fuel price fluctuations have only a limited effect on the performance.

#### (c) Changes in Interest Rates

The Group's outstanding interest-bearing debt was ¥3,608.1 billion as of September 2004, or 61.3% of the total assets. Interest expenses, which are a major expense item, are likely to be affected by future changes in market interest rates.

However, 87.2% of the outstanding interest-bearing debt is long-term funds including corporate bonds, convertible bonds and long-term loans, and most of those funds were raised at fixed interest rates. The Company is making every effort to reduce the outstanding interest-bearing debt in order to strengthen its financial condition.

Therefore, changes in interest rates have only a limited effect on the performance.

### (2) Risks concerning group companies' business activities

#### (a) Trends of the Electricity Utilities Industry Structure

In the electric utility business, the scope of liberalization of the electric power retail sector will be expanded starting from April 2005. In addition, the Japan Electric Power Exchange and Electric Power System Council, an independent organization, is scheduled to start operating and the transmission network utilization rate system will be reviewed.

Regarding the nuclear power back-end business, which is an ultralong-term and uncertain business, measures will be taken to promote nuclear power generation and the relevant back-end businesses, and the detailed system is being developed accordingly.

To respond to these changing environments, the Group is making every effort to maximize the efficiency of management and develop aggressive sales activities that will appropriately meet the needs of customers. Nevertheless, revisions to the system and intensifying competition in the future could have an effect on the performance.

#### (b) Businesses other than Electric Utility Business

Our Group (comprising Chubu Electric Power Company and its affiliates) is committed to the effective deployment of its business assets in the core business of supplying electric power. The Group is also involved in other energy businesses that utilize electric power supply facilities, stored fuels and technologies. In addition, it establishes networks for its IT/telecommunications business that supply information with added value. Other businesses in which the Group is involved include construction for development and maintenance of various facilities, the manufacturing of materials and machinery, and the development of various businesses. If these businesses fail to deliver the results expected by the Group under changing business environments as competition with other enterprises becomes stiffer, they could have an effect on the performance.

#### (3) Other Risks

##### (a) Natural Disasters

The Group's unified power supply system operates at every level from generation to distribution. In order to supply electric power of high quality in an economical and stable manner, the Group has constructed and is maintaining various facilities for minimizing service interruptions caused by lightning and other natural phenomena. However, large-scale natural disasters, such as typhoons, and accidents are likely to affect the Group's performance

##### (b) Leakage of Personal Information

Customers' personal information is collected and maintained in order to offer services as a public utility, but any leakage of such information could cause problems that could have an effect on the performance.

##### (c) Shutdown of Units No.1 and No.2 of the Hamaoka Nuclear Power Plant

Regarding Units No.1 and No.2 of the Hamaoka Nuclear Plant, the inside of each reactor core was inspected for a technical evaluation of aging and cracks were found in the core shrouds and other parts. All equipment in which cracks were found will be repaired in order to ensure stable operations, conserve labor for continuous monitoring of those cracks, and avoid prolonging regular inspections in the future. In consideration of the time required for replacing the core shrouds, the regular inspection period was extended to March 2007 for Unit No.1 and to June 2006 for Unit No.2. Since it is difficult to determine specific processes at present, the upcoming shutdown could affect performance.

#### 4. 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. In June 2004, the number of auditors was increased from six including two external auditors, to seven including four external auditors in order to strengthen the auditing capacity. The four external auditors and our Company are independent from each other.

The Internal Audit which was expanded from the Internal Audit Department 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.

Regarding compliance management, we have established the “Chubu Electric Power Group Compliance Declaration” and “Eight Codes of Conduct” at the initiative of the Compliance Promotion Committee. Also, we are actively working to raise awareness among all employees. In addition to the internal consultation department, we have appointed a lawyer as a contact for compliance-related consultations (such as for whistle-blowing), thereby offering diverse approaches to consultation.

The Chubu Electric Power Group Compliance Promotion Committee is developing a compliance-related contact shared by the Group and making other efforts to establish the Chubu Electric Power Group’s compliance

## Operating Results and Financial Standing

### 1. Overview of results of the first-half term

#### (1) Summary of Consolidated Revenues and Expenditure

With the growth in capital investment attributable to improvement in corporate profits and with the healthy trend in consumer spending due to improving employment conditions, the Japanese economy in the first half of FY2005 was on course to recovery.

Under these economic conditions, operating revenues for the first-half term were ¥1,075.9 billion, an increase of ¥32.3 billion from the same period last year, and ordinary revenues were ¥1,080.6 billion, an increase of ¥33.3 billion from the preceding period, mainly due to an increase in electric power revenues in the electric utility business.

Ordinary expenses were ¥917.0 billion, a decrease of ¥9.3 billion from the preceding period as a result of a reduction in personnel expenses and maintenance expenses in the electricity business.

Consequently, ordinary income was ¥163.6 billion, an increase of ¥42.7 billion from the preceding period.

Impairment loss of ¥44.6 billion was recorded as extraordinary loss through early adoption of the “accounting standard for impairment of fixed assets” in the first half of this fiscal year, and accordingly, interim net income decreased by ¥5.6 billion from the preceding period to ¥68.1 billion.

#### a. Operating Revenues and Expenditure (Before offset elimination)

##### (i) Electric Utility Business

Electric energy sold increased by 5.8% from the preceding period to 64.1 billion kWh mainly due to the economic recovery and increased demand for air conditioning. Specifically, demand for electric lighting increased by 7.7% to 16.5 billion kWh mainly due to increased demand for air conditioning during the summer, which was hotter than the previous summer. Demand for electric power increased by 5.0% to 18.8 billion kWh mainly due to the effect of air temperature and steady production activities. Demand from customers under liberalization increased by 5.3% to 28.8 billion kWh on the back of strong exports to Asian countries and the United States and the effect of air temperature.

Regarding electric energy supply, hydroelectric power output was 6 billion kWh, or a 6.2% decrease from the preceding period due to a decline in water supply rate from 116.0% for the same term last year to 106.3% for this term, although the water supply remains ample.

Nuclear power output increased by 140.7% from the preceding period to 12.2 billion kWh mainly due to smooth operations at Units No.3 and No.4 of the Hamaoka Nuclear Power Plant, which had been closed during the first half of the previous fiscal year.

Under these circumstances, the amount of electric energy generated by thermal power plants decreased by 5.8% from the preceding period to 43.8 billion kWh.

Operating revenues generated by the electric utility business increased by ¥32.4 billion from the preceding period to ¥1,038.5 billion largely due to an increase in electric power revenues as a result of increased electric energy sold.

Although the amount of depreciation and amortization increased due to the trial running of Unit No.5 of the Hamaoka Nuclear Power Plant, operating costs decreased by ¥8.8 billion from the preceding period to ¥818.4 billion due to a reduction in personnel expenses including employee retirement benefits and a decrease in maintenance expenses attributable to fewer regular inspections and maintenance works at the nuclear power plants.

Under these circumstances, operating income increased by ¥41.2 billion from the preceding period to ¥220.1 billion.

##### (ii) Other Businesses

Operating revenues from other businesses were ¥124.8 billion, a decrease of ¥6.5 billion from the preceding period mainly due to declining revenues from the construction business and the IT-telecommunication business as a consequence of increased competition in the industry.

Operating costs were ¥122.0 billion, a decrease of ¥6.2 billion from the preceding period mainly due to a reduction in costs caused by a drop in revenues from the



construction business and the IT-telecommunication business.

Under these circumstances, operating income was ¥2.7 billion, a reduction of ¥0.3 billion from the preceding period.

#### b. Interim Ordinary Income

Non-operating revenues increased by ¥1 billion from the preceding period to ¥4.7 billion mainly due to improved performance of affiliated companies in the scope of the equity method. Total ordinary revenues including operating revenues were ¥1,080.6 billion, an increase of ¥33.3 billion from the preceding period.

Non-operating expenses amounted to ¥64.4 billion, a decrease of ¥0.4 billion from the preceding period, resulting from a decrease in expenses accruing from the buyback and cancellation of bonds while interest expenses increased with the increase in early repayment. Interim ordinary expenses including operating expenses totaled to ¥917.0 billion, a decrease of ¥9.3 billion from the preceding period.

Consequently, interim ordinary income amounted to ¥163.6 billion, an increase of ¥42.7 billion from the preceding period.

#### c. Interim Net Income

Because of the ample water supply available for hydroelectric power generation during the first-half term (water supply rate: 106.3%), the provision of reserve for fluctuations in water levels was ¥2.3 billion as required under Article 36 of the Japanese Electric Utility Law.

Gains on disposition of securities were recorded in the amount of ¥5.6 billion as extraordinary income. Impairment loss of ¥44.6 billion was recorded as extraordinary loss through early adoption of the “Accounting Standard for Impairment of Fixed Assets” starting from the first-half term of this fiscal year.

Consequently, interim net income before income taxes and minority interests amounted to ¥122.3 billion, and interim net income determined by deducting corporate taxes and other adjustment values from the above net income amounted to ¥68.1 billion, a decrease of ¥5.6 billion from the preceding period.

### (2) Summary of Consolidated Financial Conditions

#### a. Summary of Assets, Liabilities and Shareholders' Equity

##### (i) Assets

The value of property, plant and equipment assets for the electric utility segment was ¥4,165.6 billion, a decrease of ¥132.2 billion from the end of the previous term, mainly due to reduced capital expenditures and the effect of annual depreciation and also because no large-scale electric power sources were completed during the term.

The value of fixed assets for other businesses was ¥255.4 billion, a decrease of 38.2 billion from the end of the previous term, mainly due to the effect of annual depreciation and recording of impairment loss through early adoption of the accounting standard for impairment.

The value of assets regarding construction in progress was ¥500.6 billion, a decrease of ¥44.3 billion from the end of the previous term, mainly due to recording of depreciation expenses and impairment loss as a result of the trial running of Unit No.5 of the Hamaoka Nuclear Power Plant.

The impairment loss recorded through early adoption of the accounting standard for impairment was ¥44.6 billion, mainly including idle assets of ¥34.6 billion.

Current assets were ¥294.0 billion, an increase of ¥41.8 billion from the end of the previous term, mainly due to an increase in notes receivable and accounts receivable and an increase in inventories.

Consequently, total assets amounted to ¥5,885.7 billion, a decrease of ¥174.3 billion from the end of the previous term.

##### (ii) Liabilities

Total liabilities amounted to ¥4,450.7 billion, a decrease of ¥208.3 billion from the end of the previous term, mainly due to a reduction in interest-bearing debt as a result of early repayment of bonds and debts.

(iii) Shareholders' Equity

Interim net income amounted to ¥68.1 billion mainly due to an increase in electric power revenues as a result of increased electric energy sold and also due to a reduction in personnel expenses and maintenance expenses in the electric utility business. Accordingly, total shareholders' equity increased by ¥36.6 billion from the end of the previous term to ¥1,413.8 billion.

Consequently, the shareholders' equity ratio increased by 1.3% from the end of the previous term to 24.0%.

As a result of the share buyback during this first-half term, the remaining treasury stock amounted to ¥28.6 billion at the end of this first-half term.

(b) Cash Flows

(i) Cash flows conditions

The consolidated group mainly uses cash and cash equivalents (hereinafter referred to as "cash") obtained from operating activities to mainly purchase in new capital assets, to improve its financial condition, and to return the profits to the shareholders by means of buybacking share and paying dividends.

Cash flows from operating activities resulted in an increase in cash of ¥300.1 billion, or a 22.5% increase from the preceding period, due to an increase in electric power revenues with the increased electric energy sold and due to a reduction in cash expenditure for settlement of notes payable and accounts payable.

Cash flows from investing activities resulted in a decrease in cash of ¥67.8 billion, or a 36.3% decline from the preceding period, owing to cost reduction efforts such as the restraint of capital investment.

Cash flows from financial activities contributed to a decrease in cash of ¥231.9 billion, or a 74.1% increase from the preceding period, attributable to the repayment of interest-bearing debts, share buybacks, and dividend payouts.

Consequently, the cash balance at the end of this first-half term increased 0.7% compared with the end of the previous term to ¥60.2 billion.

The outstanding interest-bearing debt was ¥3,608.1 billion at the end of this first-half term, a 5.3% decrease from the end of the previous term.

(ii) Cash flows indexes

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

	9/04	9/03	FY2004	FY2003	FY2002
Shareholders' equity ratio	24.0%	21.8%	22.7%	20.8%	19.1%
Shareholders' equity ratio at market value	28.7%	25.5%	27.5%	24.7%	23.7%
Debt repayment term	-	-	6.4years	6.9years	6.5years
Interest coverage ratio	6.0	5.1	6.0	4.9	4.4

(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: Total shares at market value/Total assets

- Total shares at market value is calculated as follows: [ Last price of shares 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 cash flows statements apply to cash flows from operating activities used on this calculation. (So is a note below)

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

- Interest payments on the consolidated cash flows apply to interest payments used on this calculation.

(3) Interim Dividend Period

Board of directors has decided to pay the interim dividend of ¥30 at the board of directors on November 9, 2004.

2. Outlook for the full full FY 2005

Electric energy sales in the electricity business for the period ending March 31, 2005 will be approximately 1,250 billion kWh, a 2.3% increase from the previous period.

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

(Outlook for performance in the full FY 2005)

	Consolidated	Non-Consolidated
Operating revenues	(0.0% decrease) approximately ¥2,100.0 billion	(0.1% increase) approximately ¥2,025.0 billion
Operating income	(10% decrease) approximately ¥302.0 billion	(9% decrease) approximately ¥294.0 billion
Ordinary Income*	( 3% increase) approximately ¥190.0 billion	(6% increase) approximately ¥185.0 billion
Net income	( 22% decrease) approximately ¥90.0 billion	(19% decrease) approximately ¥90.0 billion

\* Ordinary Income

consolidated: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests

non-consolidated: Income before provision of reserve for fluctuation in water levels and income taxes

(Principal figures on which outlook are based)

Item	9/04	3/05(assumed)	9/03	3/04
CIF crude oil prices (\$/b)	36.8	approx.41	28.4	29.4
Exchange rate (Inter-bank) (¥/\$)	110	approx.110	118	113

\*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, %)

	9/04 (A)	9/03 (B)*	Change	
			(A-B)	(A-B)/ B
Customers other than those under liberalization				
Electric lighting	165	153	12	7.7
Electric power	188	179	9	5.0
Sub total	353	332	21	6.3
Customers under liberalization	288	274	14	5.3
Total	641	606	35	5.8

Note: Customers under Liberalization in FY 2004 is re-categorized in the same definition as is in FY 2005, ie. customers whose demand is 500 kW or above to calculate the yoy ratios.

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

		9/04 (A)	9/03 (B)	Change	
				(A-B)	(A-B)/B
Chubu Electric	Hydroelectric power (water supply rate)	60 (106.3)	65 (116.0)	-5 (-9.7)	-6.2
	Thermal power	438	465	-27	-5.8
	Nuclear power (utilization rate)	122 (61.8)	50 (31.8)	72 (30.0)	140.7
Interchanged power		15	20	-5	-26.6
Purchased power		74	69	5	7.2
Power used for pumped storage		-12	-9	-3	28.1
Total		697	660	37	5.6

## Consolidated Balance Sheets

(million yen)

Assets	2004.9	2004.3	2003.9
Property, Plant and Equipment	5,591,666	5,807,837	5,905,850
Electric utility property, plant and equipment	4,165,674	4,297,914	4,393,356
Hydroelectric power production facilities	363,712	374,308	384,549
Thermal power production facilities	854,301	901,843	962,084
Nuclear power production facilities	179,502	190,335	199,773
Transmission facilities	1,252,815	1,281,878	1,281,736
Transformation facilities	499,177	516,937	519,979
Distribution facilities	850,892	858,337	865,145
General facilities	165,272	174,273	180,087
Other property, plant and equipment	255,475	293,733	300,074
Construction in progress	500,687	545,076	536,313
Nuclear fuel	248,961	246,266	240,805
Loaded nuclear fuel	47,898	54,294	41,210
Nuclear fuel in processing	201,063	191,972	199,594
Investments and other	420,868	424,847	435,300
Long-term investments	215,759	228,744	223,241
Deferred tax assets	153,527	147,123	128,582
Other	51,581	48,979	83,477
Current Assets	294,055	252,241	308,778
Cash	43,987	45,666	51,594
Trade notes and accounts receivable	120,936	102,509	118,879
Inventories	59,454	55,390	61,612
Deferred tax assets	18,009	17,660	18,866
Other	51,666	31,013	57,825
Deferred Assets	61	98	107
Total Assets	5,885,782	6,060,177	6,214,735
Liabilities, Minority interests and Shareholders' Equity			
Long-Term Liabilities and Reserves	3,544,800	3,772,170	3,965,214
Bonds	1,758,311	1,953,774	2,086,006
Convertible bonds	146,207	146,251	146,254
Long-term loans	1,075,905	1,122,521	1,207,019
Employee retirement benefit liability	201,366	200,944	181,898
Reserve for reprocessing of irradiated nuclear fuel	238,238	231,219	222,920
Reserve for decommissioning nuclear power plant	81,314	80,000	80,137
Deferred tax liabilities	14	20	22
Other	43,443	37,439	40,954
Current Liabilities	894,957	878,247	866,145
Current portion of long-term debt and other	165,762	175,677	137,189
Short-term borrowings	290,868	308,235	326,149
Commercial paper	172,000	-	-
Accrued income taxes and other	91,986	91,636	88,859
Other	174,340	302,698	313,947
Reserve for Drought	10,991	8,647	5,766
Total Liabilities	4,450,749	4,659,064	4,837,126
Minority Interests in Consolidated Subsidiaries	21,166	23,932	24,013
Shareholders' Equity			
Common stock	374,519	374,519	374,519
Capital surplus	14,252	14,248	14,247
Retained earnings	1,024,478	978,360	959,287
Net unrealized gains on available-for-sale securities	29,419	34,999	26,886
Foreign Currency Translation Adjustment	-170	-67	-1
Less: Treasury stock	-28,633	-24,879	-21,343
Total Shareholder's Equity	1,413,866	1,377,180	1,353,595
Total Liabilities, Minority interests and Shareholders' Equity	5,885,782	6,060,177	6,214,735

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

## Consolidated Statements of Income

(million yen)

	2004.9	2003.9	2004.3
<b>Revenues</b>			
Operating Revenues	1,075,952	1,043,593	2,101,072
Electricity	1,036,871	1,004,556	2,014,818
Other	39,081	39,037	86,253
Other Revenues	4,709	3,673	5,995
Proceed from dividends	1,042	987	1,355
Proceed from interests	415	662	1,200
Equity in net earnings of affiliate	1,079	0	0
Other	2,171	2,023	3,439
<b>Total Ordinary Revenues</b>	<b>1,080,662</b>	<b>1,047,267</b>	<b>2,107,067</b>
<b>Expenses</b>			
Operating Expenses	852,534	861,486	1,766,660
Electric	815,663	824,190	1,684,670
Other	36,870	37,295	81,989
(Operating Income)	223,418	182,107	334,411
Other Expenses	64,469	64,890	155,481
Interest expenses	48,849	46,540	96,428
Other	15,619	18,350	59,052
<b>Total Ordinary Expenses</b>	<b>917,004</b>	<b>926,376</b>	<b>1,922,141</b>
<b>Ordinary Income*</b>	<b>163,658</b>	<b>120,890</b>	<b>184,925</b>
<b>Special Item</b>			
Provision for (reversal of) reserve for drought	2,344	5,766	8,647
<b>Extraordinary Gains</b>	<b>5,662</b>	<b>-</b>	<b>-</b>
Gain on sales of investment securities	5,662	-	-
<b>Extraordinary Losses</b>	<b>44,623</b>	<b>-</b>	<b>-</b>
Loss on impairment of fixed assets	44,623	-	-
<b>Income before income taxes</b>	<b>122,352</b>	<b>115,124</b>	<b>176,278</b>
<b>Income Taxes-Current</b>	<b>60,766</b>	<b>55,088</b>	<b>96,814</b>
<b>Income Taxes-Deferred</b>	<b>-3,752</b>	<b>-13,992</b>	<b>-35,608</b>
<b>Minority Interests in Earnings of Consolidated Subsidiaries</b>	<b>-2,789</b>	<b>201</b>	<b>354</b>
<b>Net Income</b>	<b>68,127</b>	<b>73,826</b>	<b>114,717</b>

\*: Income before provision of reserve for fluctuation in water levels, income taxes and minority interests

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

## Consolidated Statements of Cash Flows

(million yen)

Cash Flows from Operating Activities:	2004.9	2003.9	2004.3
Income before income taxes and minority interests	122,352	115,124	176,278
Depreciation and amortization	217,802	194,188	391,179
Loss on impairment of fixed assets	44,623	-	-
Loss of loaded nuclear fuel	6,358	3,261	9,882
Loss on disposal of property, plant and equipment	4,695	4,131	16,130
Increase(Decrease) in employee retirement benefit liability	421	13,519	32,559
Increase(Decrease) in reserve for reprocessing of irradiated nuclear fuel	7,019	2,286	10,584
Increase(Decrease) in reserve for decommissioning nuclear power plant	1,313	384	247
Reversal of reserve for drought	2,344	5,766	8,647
Interest and dividends income	-1,458	-1,650	-2,555
Interest expenses	48,849	46,540	96,428
Increase(Decrease) in trade notes and accounts receivable	-18,427	-5,652	11,976
Increase(Decrease) in inventories	-4,063	-8,149	3,631
Increase(Decrease) in trade notes and accounts payable	-3,690	-35,828	-23,921
Other	-22,286	3,608	45,148
Sub total	405,854	337,531	776,217
Interest and dividends received	1,467	1,649	2,582
Interest paid	-50,369	-48,291	-99,484
Income taxes paid	-56,770	-45,836	-86,953
Net cash provided by operating activities	300,182	245,052	592,362
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	-71,863	-101,588	-248,275
Increase in investments and other	-8,239	-18,466	-27,115
Proceeds for recoveries from investments and other	6,083	7,280	63,947
Acquisition	-	-	1,710
Other	6,173	6,249	10,407
Net cash used in investing activities	-67,844	-106,525	-199,324
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds	20,926	71,053	93,963
Redemption of bonds	-238,020	-101,101	-229,243
Proceeds from long-term loans	16,320	18,760	46,977
Repayment of long-term loans	-54,977	-87,813	-199,616
Proceeds from short-term borrowings	225,400	138,777	314,707
Repayment of short-term borrowings	-243,017	-151,889	-348,651
Proceeds from issuance of commercial paper	672,000	566,000	1,058,000
Redemption of commercial paper	-605,000	-545,000	-1,064,000
Dividends paid	-21,756	-22,074	-43,890
Other	-3,788	-19,919	-23,457
Net cash used in financing activities	-231,913	-133,208	-395,210
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4	-0	-33
Net Increase (Decrease) in Cash and Cash Equivalents	428	5,318	-2,206
Cash and Cash Equivalents at Beginning of the Period	59,854	62,061	62,061
Cash and Cash Equivalents at End of the Period	60,282	67,379	59,854

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, 2004

(million yen)

	Electric utility	Other	Total	Eliminations	Consolidated Results
Operating Revenues					
1. Operating Revenues to outside the Group	1,036,871	39,081	1,075,952	-	1,075,952
2. Inter-segment Operating Revenues and transfers	1,673	85,765	87,438	-87,438	-
Total	1,038,544	124,846	1,163,391	-87,438	1,075,952
Operating Expenses	818,443	122,062	940,505	-87,971	852,534
Operating Income	220,101	2,784	222,885	532	223,418

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 period ended March 31, 2004

(million yen)

	Electric utility	Other	Total	Eliminations	Consolidated Results
1. Operating Revenues					
(1) Operating Revenues to outside the Group	2,014,818	86,253	2,101,072	-	2,101,072
(2) Inter-segment Operating Revenues and transfers	3,168	199,206	202,374	-202,374	-
Total	2,017,986	285,459	2,303,446	-202,374	2,101,072
Operating Expenses	1,693,212	275,518	1,968,731	-202,071	1,766,660
Operating Income	324,774	9,941	334,715	-303	334,411



# Non-consolidated Interim Financial Report FY ending March 31, 2005

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

CHUBU ELECTRIC POWER COMPANY, INCORPORATED (November 9, 2004)

Code: 9502

Financial Report for the 6-months Period ended September 30, 2004

(Non-consolidated)

Contact: Toshihiko Suzuki, Manager, IR Section

Toshio Saitou, Manager, Accounting Section

Unit Stock: 100 shares per unit

Tel: 81-52-951-8211

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

Note: FY 2005 starts on April 1, 2004 and ends on March 31, 2005

. Performance Over the 6-months Ended September 30, 2004

(Figures are rounded down to the nearest million yen)

## 1. Operating Results

	9/04	Change	9/03	Change	3/04
Operating Revenues (million yen)	1,041,384	3.3%	1,008,366	-5.9%	2,023,209
Operating Income (million yen)	218,921	23.0%	177,955	-17.7%	322,534
Ordinary Income* (million yen)	160,490	35.2%	118,665	-19.5%	175,164
Net Income (million yen)	71,136	-3.4%	73,655	-22.0%	110,609
Net Income per Share (Primary ; yen)	98.18		100.82		151.72

\*Ordinary Income: Income before provision of reserve for fluctuation in water levels and income taxes

Notes: 1. Average number of shares outstanding

(9/04: 724,579,904 9/03: 730,531,806 3/04: 728,193,036 )

2. Changes in accounting methods: Yes (adoption of the "accounting standard for impairment of fixed assets")

---

## 2.Dividends

	Dividend per Share (Interim)	Dividend per Share (Annual)
6-Months Ended September 30, 2004 (yen)	30.00	-
6-Months Ended September 30, 2003 (yen)	30.00	-
The Year ended March 31, 2004 (yen)	-	60.00

---

## 3.Financial Standing

	9/04	9/03	3/04
Total Assets (million yen)	5,618,750	5,925,896	5,776,440
Shareholders' Equity (million yen)	1,305,210	1,246,191	1,265,516
Shareholders' Equity Ratio	23.2%	21.0%	21.9%
Shareholders' Equity per Share (yen)	1,802.74	1,713.53	1,743.78

---

Note: Number of shares outstanding at the end of period

(9/04: 724,014,166 9/03: 727,266,114 3/04: 725,655,566)

Number of treasury shares outstanding at the end of the period

(9/04: 12,843,021 9/03: 9,591,073 3/04: 11,201,621)

---

## .Forecasts of Results for the Six Months Ending the Year Ending March 31, 2005 (approximate estimates)

	3/05
Operating Revenues (billion yen)	2,025.0
Ordinary Income* (billion yen)	185.0
Net Income (billion yen)	90.0

---

\*Ordinary Income: Income before provision of reserve for fluctuation in water levels and income taxes  
(Reference) Estimation of Net Income per Share for the year ending March 31, 2005: 124.13 yen

There are the premise or matters related to these forecasts on page 11

## Non-consolidated Balance Sheets

(million yen)

	2004.9	2004.3	2003.9
<b>Assets</b>			
<b>Property, Plant and Equipment</b>	5,410,181	5,611,485	5,705,678
Electric utility property, plant and equipment	4,215,813	4,349,383	4,444,985
Hydroelectric power production facilities	367,147	377,837	388,119
Thermal power production facilities	860,162	908,125	968,835
Nuclear power production facilities	180,870	191,772	201,096
Internal combustion engine power production facilities	195	208	223
Transmission facilities	1,266,349	1,295,794	1,295,327
Transformation facilities	503,606	521,550	524,624
Distribution facilities	870,120	877,664	884,519
General facilities	167,360	176,430	182,239
Subsidiary enterprise property, plant and equipment	13,581	14,778	13,012
Other property, plant and equipment	14,716	35,843	33,391
Construction in progress	496,302	538,858	531,279
Nuclear fuel	248,961	246,266	240,805
Loaded nuclear fuel	47,898	54,294	41,210
Nuclear fuel in processing	201,063	191,972	199,594
Investments and other	420,806	426,354	442,203
Long-term investments	195,058	209,217	206,589
Investments in subsidiaries and affiliates	86,242	84,531	128,868
Deferred tax assets	128,919	121,913	103,321
Other	10,586	10,691	3,422
<b>Current Assets</b>	208,508	164,856	220,110
Cash	13,332	13,535	23,362
Accounts receivable-customers	109,124	84,623	106,847
Inventories	42,766	39,786	43,388
Deferred tax assets	15,532	14,816	16,211
Other	27,753	12,094	30,301
<b>Deferred Assets</b>	61	98	107
<b>Total Assets</b>	<b>5,618,750</b>	<b>5,776,440</b>	<b>5,925,896</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Long-Term Liabilities and Reserves</b>	3,453,040	3,673,687	3,860,099
Bonds	1,759,111	1,954,574	2,086,806
Convertible bonds	146,300	146,344	146,347
Long-term loans	1,008,505	1,047,267	1,124,756
Employee retirement benefit liability	180,733	181,115	161,801
Reserve for reprocessing of irradiated nuclear fuel	238,238	231,219	222,920
Reserve for decommissioning nuclear power plant	81,314	80,000	80,137
Other	38,837	33,166	37,330
<b>Current Liabilities</b>	849,509	828,589	813,838
Current portion of long-term debt and other	147,685	156,956	116,459
Short-term borrowings	285,288	300,288	320,372
Commercial paper	172,000	105,000	132,000
Accrued income taxes and other	89,956	85,673	85,344
Other-mainly accounts payable	154,579	180,671	159,662
<b>Reserve for Drought</b>	10,991	8,647	5,766
<b>Total Liabilities</b>	<b>4,313,540</b>	<b>4,510,924</b>	<b>4,679,704</b>
<b>Shareholders' Equity</b>			
Common stock	374,519	374,519	374,519
Capital surplus	14,247	14,247	14,247
Retained earnings	916,284	867,048	851,913
Net unrealized gains on available-for-sale securities	28,710	34,504	26,779
Less: Treasury stock	-28,557	-24,804	-21,268
<b>Total Shareholder's Equity</b>	<b>1,305,210</b>	<b>1,265,516</b>	<b>1,246,191</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,618,750</b>	<b>5,776,440</b>	<b>5,925,896</b>

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

## Non-consolidated Statements of Income

(million yen)

	2004.9	2003.9	2004.3
<b>Revenues</b>			
Operating Revenues	1,041,384	1,008,366	2,023,209
Electric utility revenues	1,038,544	1,006,140	2,017,986
Residential	352,317	330,195	696,885
Commercial and Industrial	666,232	656,681	1,286,090
Sold power to other electric utilities and other companies	10,854	9,675	15,762
Other	9,140	9,588	19,248
Subsidiary enterprise revenues	2,840	2,225	5,223
Other Revenues	3,038	3,020	4,994
Financing revenues	1,638	1,755	2,764
Non-operating revenues	1,400	1,265	2,230
Profit from sale of fixed asset	200	187	396
Other	1,199	1,078	1,834
Total Ordinary Revenues	1,044,423	1,011,386	2,028,204
<b>Expenses</b>			
Operating Expenses	822,463	830,411	1,700,675
Electric utility expenses	818,443	827,335	1,693,212
Hydro electric power production expenses	23,933	25,775	53,166
Thermal power production expenses	283,973	305,243	623,981
Nuclear power production expenses	96,518	46,888	109,663
Internal combustion engine power production expenses	46	52	93
Purchased power from other electric utilities and other companies	77,090	74,577	141,198
Transmission expenses	62,662	67,007	135,191
Transformation expenses	35,358	37,087	77,261
Distribution expenses	85,133	87,286	179,412
Selling expenses	32,254	32,416	64,936
General and administrative expenses	81,509	111,736	230,565
Electric power development promotion tax	27,342	27,064	53,345
Enterprise tax	12,798	12,430	25,027
Other operating expenses	-180	-230	-631
Subsidiary enterprise expenses	4,020	3,075	7,462
(Operating Income)	218,921	177,955	322,534
Other Expenses	61,469	62,310	152,365
Financing expenses	47,788	45,377	94,121
Interest expenses	47,680	45,123	93,769
Other	108	254	351
Non-operating expenses	13,680	16,932	58,244
Loss from sale of fixed asset	631	1,447	1,664
Other	13,048	15,484	56,579
Total Ordinary Expenses	883,932	892,721	1,853,040
Ordinary Income*	160,490	118,665	175,164
<b>Special Item</b>			
Provision for (reversal of) reserve for drought	2,344	5,766	8,647
Extraordinary Gains	5,605	-	-
Gain on sales of investment securities	5,605	-	-
Extraordinary Losses	37,668	-	-
Loss on impairment of fixed assets	37,668	-	-
Income before Income Taxes	126,083	112,898	166,517
Income Taxes-Current	59,451	54,772	90,923
Income Taxes-Deferred	-4,504	-13,529	-35,015
Net Income	71,136	73,655	110,609

\*: Income before provision of reserve for fluctuation in water levels and income taxes

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