

# **Outline of Interim Financial Results Ended September 30, 2007**

**October 31, 2007**

**Chubu Electric Power Company, Inc.**

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**1st Half Year Financial Results**  
**(April 1, 2007 to September 30, 2007)**

# Summary

**[Consolidated]** Revenues and income increased  
(First time since 1st half of FY2004)

(billion yen,%)

	9/2007 (A)	9/2006 (B)	Change	
			(A-B)	(A-B)/B
Operating Revenues	1,182.2	1,101.5	80.6	7.3
Operating Income	166.4	152.1	14.3	9.4
Ordinary Income	146.4	110.2	36.1	32.8
Net Income	93.2	67.3	25.8	38.4

*Rounded down to nearest 100 million yen.*

**[Non-consolidated]** Revenues and income increased  
(First time since 1st half of FY2004)

(billion yen,%)

	9/2007 (A)	9/2006 (B)	Change	
			(A-B)	(A-B)/B
Operating Revenues	1,092.0	1,056.0	35.9	3.4
Operating Income	158.8	145.6	13.1	9.1
Ordinary Income	137.4	105.6	31.8	30.1
Net Income	89.8	65.7	24.0	36.6

*Rounded down to nearest 100 million yen.*

# Electric Energy Sold

		(TWh, %)			
		9/2007	9/2006	Change	
		(A)	(B)	(A-B)	(A-B)/B
Demand from customers under regulation	Electric lighting	16.9	16.9	0.0	0.2
	Electric power	3.7	3.9	-0.2	-3.9
	Subtotal	20.6	20.8	-0.2	-0.6
Demand from customers under liberalization	Commercial power	12.2	11.8	0.4	2.7
	Industrial power, etc	35.3	33.9	1.4	4.4
	Subtotal	47.5	45.7	1.8	3.9
Total		68.1	66.5	1.6	2.5

# Output & Purchase of Electric Power

## ◆ Hydroelectric power output

Decrease by 0.4TWh due to low water supply rate (91.8%)

## ◆ Nuclear power output

Increase by 5.3TWh mainly due to shorter suspension period for regular inspection

## ◆ Thermal power output

Consequently, and with other factors such as decrease of interchanged power, thermal power output decreased by 1.3TWh.

		(TWh, %)			
		9/2007	9/2006	Change	
		(A)	(B)	(A-B)	(A-B)/B
<b>Internally generated</b>	<b>Hydro</b>	5.0	5.4	-0.4	-6.6
	(water supply rate)	(91.8)	(98.7)	(-6.9)	
	<b>Thermal</b>	49.0	50.3	-1.3	-2.5
	<b>Nuclear</b>	13.3	8.0	5.3	66.1
	(utilization rate)	(62.1)	(36.6)	(25.5)	
<b>Interchanged power</b>		0.8	2.2	-1.4	-65.8
<b>Purchased power</b>		6.9	6.7	0.2	2.6
Power used for pumped storage		-1.1	-0.9	-0.2	24.8
<b>Total</b>		73.9	71.7	2.2	3.0

# Non-consolidated Statements of Income <1>

	(billion yen, %)				
	9/2007 (A)	9/2006 (B)	Change (A-B)   (A-B)/B		
Electricity sales revenues	1,053.9	1,021.8	32.1	3.1	*Increase of electric energy sold: 25.8 *Increase of unit sales price: 6.3
Sold power to other electric utilities and transmission revenues, etc.	15.2	11.2	4.0	35.9	Sold power to other electric utilities: 2.1
Other	9.9	9.8	0.0	0.3	
Electric utility operating revenues	1,079.1	1,042.9	36.1	3.5	
Ancillary businesses operating revenues	12.9	13.1	-0.2	-1.6	
<b>Total operating revenues</b>	<b>1,092.0</b>	<b>1,056.0</b>	<b>35.9</b>	<b>3.4</b>	

*Rounded down to nearest 100 million yen*

# Non-consolidated Statements of Income <2>

	(billion yen, %)				
	9/07 (A)	9/06 (B)	Change		
			(A-B)	(A-B)/B	
Salaries and employee benefits	78.0	71.4	6.6	9.3	Retirement benefit: 8.1
Fuel	340.6	318.8	21.7	6.8	Thermal: 19.6 (decrease of consumption volume: -8.0) (increase of unit consumption price: 27.6)
Nuclear back-end expenses	19.8	16.0	3.8	24.0	
Purchased power and transmission charges, etc.	93.3	89.1	4.2	4.8	Purchased power from other utilities: -2.6 from other companies: 6.4
Maintenance	88.5	94.3	-5.8	-6.2	Nuclear: -6.3
Depreciation	145.4	149.8	-4.4	-2.9	*Transmission: -1.8, *Nuclear: -1.2
Taxes other than income taxes	66.9	68.8	-1.9	-2.8	
Others	88.1	92.0	-3.9	-4.3	
Electric utility operating expenses	920.9	900.5	20.4	2.3	
Ancillary business operating expenses	12.2	9.8	2.3	24.2	Gas sales business: 3.5
<b>Total operating expenses</b>	<b>933.2</b>	<b>910.4</b>	<b>22.7</b>	<b>2.5</b>	

	9/07	9/06
Crude oil CIF (\$/b)	68.1	67.8
FX rate (yen/\$)	119	115

Rounded down to nearest 100 million yen.



# Non-consolidated Statements of Income <3>

(billion yen, %)

	9/07	9/06	Change	
	(A)	(B)	(A-B)	(A-B)/B
Operating Income	158.8	145.6	13.1	9.1
Other Revenues	6.3	5.1	1.2	23.7
Interest expense	26.3	38.4	-12.0	-31.4
Other	1.4	6.7	-5.3	-79.1
Other Expenses	27.7	45.1	-17.4	-38.6
Ordinary Income	137.4	105.6	31.8	30.1
Provision for (reversal of) reserve for drought	-4.0	-0.6	-3.3	490.8
Income before income taxes	141.4	106.3	35.1	33.1
Income taxes	51.6	40.5	11.0	27.3
Net Income	89.8	65.7	24.0	36.6

\*Decrease of early repayment of  
debt: -10.6  
\*Decrease of loan: -1.4

*Rounded down to nearest 100 million yen*

# Consolidated Statements of Income

		(billion yen, %)			
		9/07	9/06	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electricity business	Operating revenues	1,076.1	1,040.0	36.0	3.5
	Operating expenses	914.5	893.7	20.7	2.3
	Operating income	161.6	146.3	15.3	10.5
Other business	Operating revenues	106.1	61.5	44.5	72.5
	Operating expenses	101.2	55.7	45.5	81.8
	Operating income	4.8	5.8	-0.9	-16.9
Total	Operating revenues	1,182.2	1,101.5	80.6	7.3
	Operating expenses	1,015.8	949.4	66.3	7.0
	Operating income	166.4	152.1	14.3	9.4
Other revenues		8.8	5.9	2.8	48.3
Other expenses		28.9	47.8	-18.9	-39.6
Ordinary income		146.4	110.2	36.1	32.8
Net income		93.2	67.3	25.8	38.4
Ratios of consolidated size over non-consolidated size					
				Operating revenues	1.08
				Operating income	1.05
				Ordinary income	1.06
				Net income	1.04

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

# Segment Information

		9/2007	9/2006	(bn. yen)	Note:Major factors of revenues increase/decrease
		(A)	(B)	change (A-B)	
Electricity	External Revenues	1,076.1	1,040.0	36.0	
	Operation Income*	158.1	142.4	15.7	
Energy	External Revenues	15.4	14.5	0.9	▪ Sales increase in gas sales and on-site energy businesses
	Operation Income	0.4	4.0	-3.6	
IT/Communication	External Revenues	15.6	13.4	2.1	▪ Expansion of FTTH service areas
	Operation Income	-1.9	0.7	-2.6	
Construction	External Revenues	60.0	18.4	41.5	▪ TOENEC is consolidated as subsidiary
	Operation Income	4.9	1.9	2.9	
Other	External Revenues	15.0	15.0	-0.0	
	Operation Income	4.9	2.2	2.7	
Total	External Revenues	1,182.2	1,101.5	80.6	
	Operation Income	166.6	151.4	15.1	

\*Before cancellation of internal transaction

# Consolidated Balance Sheets

(billion yen, %)

	9/07 (A)	3/07 (B)	Change (A-B)
Total Assets	5,657.1	5,701.7	-44.5
Liabilities	3,835.7	3,931.8	-96.0
Net Assets	1,821.4	1,769.8	51.5

Decrease due to ongoing depreciation

(billion yen, %)

Shareholders' Equity	31.5	30.3	1.2
Ratio	(31.0)	(29.9)	(1.1)
Outstanding Interest-bearing Debt	2,908.0 (2,833.4)	3,001.7 (2,925.0)	-93.7 (-91.6)
Average Interest Rate*	(1.77)	(1.73)	(0.04)

\*As of the end of 9/07

Non-consolidated figures in parentheses.

Rounded down to nearest 100 million yen.

# Consolidated Statements of Cash Flows

	(billion yen)		
	9/07 (A)	9/06 (B)	Change (A-B)
Cash flows from operating activities <1>	249.2	206.8	42.3
Cash flows from investment activities <2>	-119.1	-81.3	-37.8
Cash flows from financing activities <3>	-130.2	-117.2	-13.0
Free cash flow <1+2>	130.0	125.5	4.5
	9/07 (A)	3/07 (B)	Change (A-B)
Cash and cash equivalents	97.6	97.8	-0.1

*Rounded down to nearest 100 million yen*

**Forecast for Full Fiscal Year Ending  
March 31, 2008**

# Principal Assumption for the Forecast

[Electric Energy Sold for the Year Ending 3/08]

(TWh)

		3/08 Current forecast (A)	3/08 Previous forecast* (B)	Change (A-B)	3/07 Results
Demand from customers under regulation	Electric lighting	35.7	35.5	0.2	34.7
	Electric power	7.3	7.3	0.0	7.4
	Subtotal	43.0	42.8	0.2	42.1
Demand from customers under liberalization	Commercial power	23.5	23.5	0.0	22.9
	Industrial power, etc.	69.5	69.1	0.4	67.7
	Subtotal	93.0	92.6	0.4	90.6
Total (yoy change)		136.0 (2.5%)	135.4 (2.1%)	0.6	132.7 (1.6%)

\*Released in July 2007

[Major Factors]

Items	3/08 Current forecast (A)	3/08 Previous forecast* (B)	Change (A-B)	3/07 Results
Crude oil CIF price (\$/b)	approx. 69	approx. 65	approx. 4	63.5
Foreign exchange rate (yen/\$)	approx. 120	approx. 120	-	117
Nuclear power utilization rate (%)	approx. 60	approx. 59	approx. 1	41.5

\*Released in July 2007

# Highlights of Forecast <1>

## [Consolidated] Revenues increase, income decreases

	(billion yen)			3/07 Results
	3/08 Current forecast (A)	3/08 Previous forecast* (B)	Change (A-B)	
Operating Revenues	2,400.0	2,375.0	25.0	2,213.7
Operating Income	211.0	236.0	-25.0	246.7
Ordinary Income	145.0	170.0	-25.0	178.6
Net Income	89.0	104.0	-15.0	90.5

\*Released in July 2007

## [Non-consolidated] Revenues increase, income decreases

	(billion yen)			3/07 Results
	3/08 Current forecast (A)	3/08 Previous forecast* (B)	Change (A-B)	
Operating Revenues	2,200.0	2,175.0	25.0	2,117.0
Operating Income	198.0	223.0	-25.0	232.3
Ordinary Income	130.0	155.0	-25.0	162.7
Net Income	83.0	98.0	-15.0	64.1

\*Released in July 2007



# Highlights of Forecast <2> (Non-consolidated)

	(billion yen)		
	3/08 Current forecast (A)	3/08 Previous forecast* (B)	Change (A-B)
Operating revenues	2,200.0	2,175.0	25.0
Operating expenses	2,002.0	1,952.0	50.0
Operating income	198.0	223.0	-25.0
Other revenues	9.0	9.0	—
Other expenses	77.0	77.0	—
Ordinary income	130.0	155.0	-25.0
Net income	83.0	98.0	-15.0

\*Increase of electric energy sold: +9.0  
 \*Increase of unit sale price: +5.0  
 \*Increase of power sales to other utilities: +11.0

\*Increase of fuel expenses due to  
 - increase of power sales: +5.0  
 - increase of CIF price: +40.0  
 - stronger yen: -3.0  
 - change of composition of thermal fuels, etc.: +10.0  
 and others

*\*Released in July 2007*

# Dividends

	Dividend per Share (yen)			Total dividend (bn. yen)	Payout ratios (non-consolidated)
	Interim	Year-end	Full year		
FY2005	30	30	60	45.5	<b>39.6%</b>
FY2006	30	30	60	46.9	<b>73.2%</b>
FY2007	30	—	60	—	<b>56.3%</b>
FY2007 (forecast)	—	30			

# Income Sensitivity of Major Factors

	units	(billion yen)
		FY2007
Electric energy sold	1%	4.5
Crude oil price (All-Japan CIF) <sup>(1)</sup>	1\$/b	7.6
Foreign exchange rate	1 yen/\$	5.2
Nuclear power utilization rate <sup>(2)</sup>	1%	3.0
Water supply rate	1%	0.8
Interest rate	1%	5.5

(Notes 1) Impact of Crude oil price

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

(Notes 2) Nuclear power utilization

The impact value is calculated based on the generation cost per MWh between nuclear power and thermal power.  
Cost of thermal power generation is average of total thermal power generation.

# **Appendices**

# Financial Targets

Item	Target (Consolidated)	Target Year
Ordinary Income <sup>1</sup>	<b>160</b> bn yen or above	4-Year Average from FY2007 to FY2010
ROA (Return <sup>2</sup> on Assets)	<b>4.1%</b> or above	
Operating Cash Flow	<b>470</b> bn yen or above	
Outstanding Interest-bearing Debt	<b>2,600</b> bn yen or below	By the end of FY2010

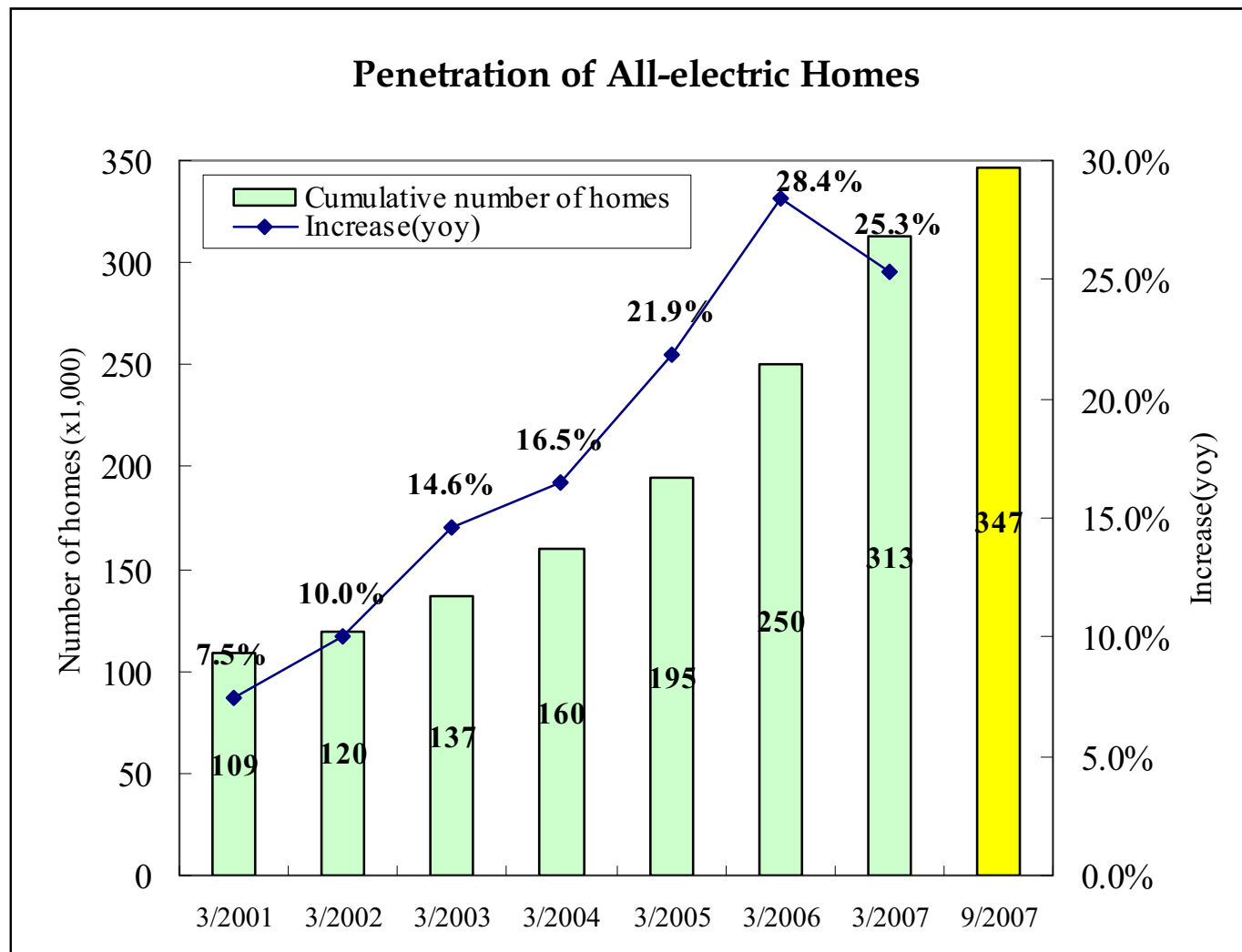
Note: 1) Ordinary Income = Income before provision of reserve for fluctuation in water levels, income taxes and minority interests +/-extra-ordinary loss/gain.

2) Return = Ordinary Income + Interest expenses

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

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



# Industrial Large-lot Demand (year on year basis change)

								(%)
		Apr.	May	Jun.	Jul.	Aug.	Sep.	Apr-Sep
<b>Material Suppliers</b>	Pulp & Paper	1.1	7.0	1.6	-3.6	2.9	-7.6	0.2
	Chemicals	2.3	7.2	5.3	8.1	6.6	8.1	6.3
	Glass & Ceramics	6.5	9.5	9.6	4.5	10.0	6.1	7.7
	Steel	2.3	1.0	11.4	6.7	3.6	3.5	4.8
	Nonferrous Metal	17.5	16.2	11.7	-1.2	7.5	4.1	8.8
	Subtotal	4.3	5.6	8.8	4.6	5.7	3.7	5.5
<b>Manufactures</b>	Foods	11.5	9.7	8.9	8.4	9.3	10.5	9.7
	Textile & Apparel	3.0	4.2	2.1	1.7	0.5	1.1	2.1
	Machinery	7.2	12.0	7.8	5.4	9.0	10.6	8.6
	Others	5.9	7.0	3.3	4.2	4.2	4.5	4.8
	Subtotal	7.1	10.5	6.8	5.3	7.9	9.1	7.7
<b>Utilities</b>	Railway	0.5	0.3	0.1	-1.4	0.6	1.4	0.3
	Others	-1.3	-1.2	-1.4	-1.4	0.9	1.1	-0.5
	Subtotal	-0.5	-0.5	-0.7	-1.4	0.8	1.3	-0.2
<b>Total</b>		5.4	7.6	6.5	4.3	6.4	6.7	6.1

# Components of retirement benefits cost

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

(billion yen)

	Amount			Change		
	FY2005(C)	FY2006(B)	FY2007(A)	(B-C)	(A-B)	
Amortization of actuarial differences						
FY2002	35.2	11.7	-	-	-11.7	-
FY2003	-10.1	-3.3	-3.3	-	-	3.3
FY2004	-26.5	-8.8	-8.8	-8.8	-	-
FY2005	-74.7	-	-24.9	-24.9	-24.9	-
FY2006	6.7	-	-	2.2	-	2.2
Subtotal(D)		-0.4	-37.0	-31.5	-36.6	5.5
Amortization of prior service cost						
FY2004(E)	-41.1	-13.7	-13.7	-	-	13.7
Total(D+E)		-14.1	-50.7	-31.5	-36.6	19.2



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