

The information shown below is an English translation of excerpts from the Dai-ichi-shihanki Zaimu Gyouseki no Gaikyou (Renketsu), the Consolidated Financial Report for the first three months period ended June 30, 2006.

※This English translation is prepared for convenience.

July 31, 2006

## Consolidated Quarterly Financial Report (Financial Report for the first three months period ended June 30, 2006)

Name of Listed Company : THE CHUGOKU ELECTRIC POWER CO., INC.

Code : 9504

(URL <http://www.energia.co.jp>)

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Performance Over the First Three Months Period Ended June 30, 2006 (April 1, 2006 ~ June 30, 2006)

(1) Consolidated Operating Results

(Figures are rounded down to the million)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
1st Period Ended June 30, 2006	248,705	7.1	25,444	93.8	19,064	182.1	7,467	49.9
1st Period Ended June 30, 2005	232,111	5.0	13,128	-30.9	6,757	-40.7	4,982	2.9
(Reference) Year Ended March 31, 2006	1,040,289		100,095		74,142		45,166	

	Earnings per Share	EPS after adjusting residual securities
	yen	yen
1st Period Ended June 30, 2006	20.52	—
1st Period Ended June 30, 2005	13.69	—
(Reference) Year Ended March 31, 2006	123.44	—

Note : % of Operating Revenues, Operating Income, Ordinary Income and Net Income indicates the change from the same period of the previous year

[Qualitative information concerning operating results]

Operating revenues increased by ¥16.5 billion from the same period of the previous year to ¥248.7 billion mainly due to the increase in sales of the electricity business resulting from increased air conditioning demand because of the lower temperatures in Spring and robustly increased electricity sales in the industrial sector.

Operating expenses increased by ¥4.2 billion from the same period of the previous year to ¥223.2 billion mainly due to the increase in raw material cost resulting from high fuel prices. Operating income increased by ¥12.3 billion from the same period of the previous year to ¥25.4 billion.

Ordinary income increased by ¥12.3 billion from the same period of the previous year to ¥19.0 billion.

As a result, net income increased by ¥2.4 billion from the same period of the previous year to ¥7.4 billion mainly due to the reserve for drought and the extraordinary loss related to CHUDENKO CORPORATION, the affiliated company accounted for by the equity method.

※The extraordinary loss related to CHUDENKO has incurred mainly due to the amortization of prior service cost resulting from the change of retirement benefit levels.

(2) Consolidated Financial Standing

	Total Assets	Net Assets	Stockholders' Equity Ratio	Book-value per Share
	million yen	million yen	%	yen
1st Period Ended June 30, 2006	2,639,513	694,777	26.1	1,896.21
1st Period Ended June 30, 2005	2,631,760	653,534	24.8	1,795.52
(Reference) Year Ended March 31, 2006	2,655,467	695,494	26.2	1,910.41

[Qualitative information concerning operating results]

Total assets decreased by ¥15.9 billion from the same period of the previous year mainly due to progress of the fixed-rate depreciation and the decrease in the reserve for reprocessing of irradiated nuclear fuel while current assets increased because of the partial payment of tax and dues in lump-sum.

Net assets decreased by ¥0.7 billion from the end of March 31, 2006 to ¥694.7 billion resulting from record of net income and then appropriation of earnings such as dividend payment.

(Net assets include minority equity from this quarterly period. If excluding minority equity from net assets to compare with those at the end of March 31, 2006, net assets decreased by ¥5.4 billion from the end of March 31, 2006 to ¥690.0 billion.)

Stockholders' equity ratio is 26.1%.

[Application of Consolidated Cash Flow]

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash or Cash Equivalent at the End of the Period
	million yen	million yen	million yen	million yen
1st Period Ended June 30, 2006	6,473	-31,519	25,937	18,771
1st Period Ended June 30, 2005	-3,857	-26,746	26,132	19,414
(Reference) Year Ended March 31, 2006	158,096	-109,331	-55,145	17,848

[Qualitative information concerning operating results]

Cash flow from operating activities increased by ¥10.3 billion from the same period of the previous year to ¥6.4 billion mainly due to the increase in operating revenues resulting from increased air conditioning demand because of the lower temperatures in Spring and robustly increased electricity sales in the industrial sector despite the increase in raw material cost resulting from high fuel prices.

Cash flow from investing activities was ¥-31.5 billion mainly due to the acquisition of assets, ¥32.5 billion.

Free cash flow decreased to ¥-25.0 billion and then raised funds by debt resulting in cash flow from financing activities with ¥25.9 billion.

Forecasts of Consolidated Results for the Year Ending March 31, 2007

	Operating Revenues	Ordinary Income	Net Income
	billion yen	billion yen	billion yen
6-months Period Ending September 30, 2006	520	41	26
Year Ending March 31, 2007	1,040	61	38

(Reference) Estimated earnings per Share for the year ending March 31, 2007 : 104.42 yen

[Qualitative information concerning operating results]

Operating revenues for the half-year ending September and the year ending March, 2007 were upwardly revised mainly due to the increase in electricity sales of 1st quarter which exceeded the expected level.

Ordinary income and net income for the half-year ending September were upwardly revised mainly due to the increase in water flow rate and coal power utilization despite the increase in fuel and purchased power expenses resulting from high oil price. Ordinary income for the year ending March, 2007 were left unchanged because the increase in fuel and purchased power expenses which is also resulting from high oil price could be expected.

※ All non-empirical information above is projected based on facts available to company management at the time of the release of this document. Economic and other factors may cause actual performance to differ from projections.