



Investors Meeting for FY2007 Interim Financial Results

The Chugoku Electric Power Co., Inc.
November 2, 2006

In this presentation, the term “Fiscal Year 2007” describes the period ending March, 2007.

Contents

I . Direction and Efforts of Chugoku Electric Power	.....	1
II . FY2007 Interim Financial Results		
1. Summary	.....	5
2. Non-consolidated	.....	6
3. Consolidated	.....	13
III . Performance Outlook for FY2007		
1. Summary	.....	18
2. Non-consolidated	.....	19
3. Consolidated	.....	21

I . Direction and Efforts of Chugoku Electric Power

Direction of Chugoku Electric Power

Strengthen the management base

Increase sales in the area of energy

- Achieve the demand acquisition target
- Promote the comprehensive energy supply business

Increase management efficiency

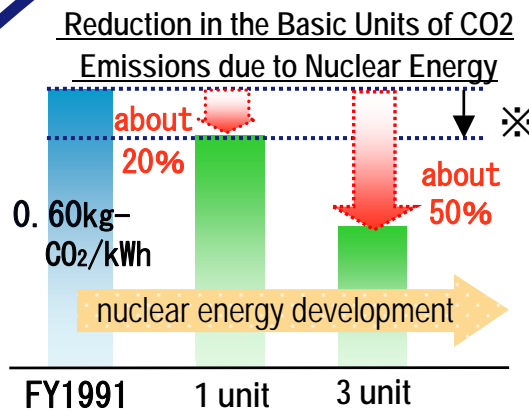
Sustainable Growth
(enhance the competitiveness)

Achieve the best mix of power sources
(development of nuclear energy)

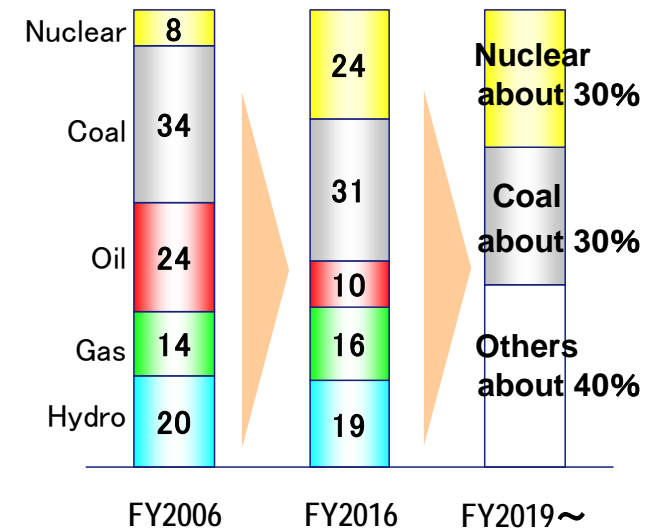
simultaneously solve the "3E"s

[Business Environment]

- Promotion of inter-energy competition
- Social trend to strengthen environmental regulations
- Tight energy supply and inflating oil prices



Financial Year End Facility Type Comparison (%)

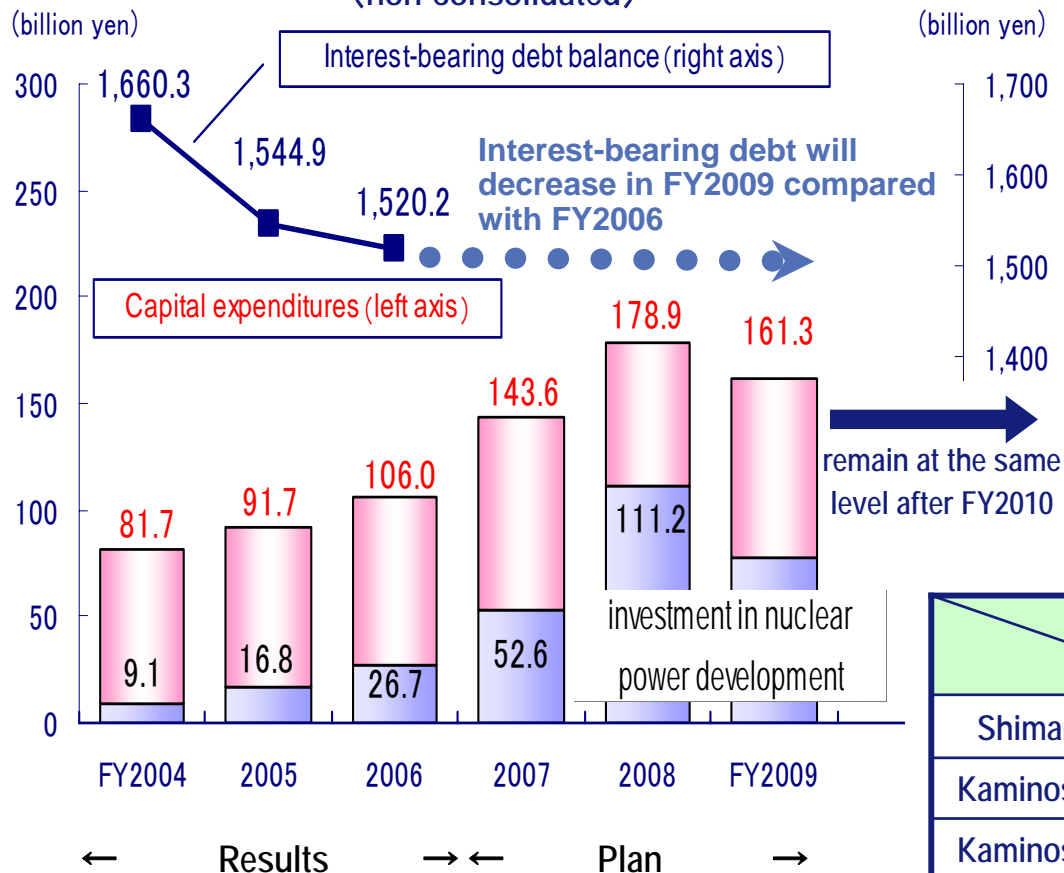


※Target: 20% reduction in basic unit of CO2 emissions compared with FY1991

Efforts to Development of Nuclear Energy

- Strengthen the management base to limit the effect of capital expenditures related to the construction of nuclear power on financial base and income and expenditures.
- Enhance activities related to the construction of nuclear power based on the creation of relationships of trust with local communities.

Interesting-bearing Debt and Capital Expenditures
(non-consolidated)



【Shimane Nuclear Power Station Unit No. 3】

- Total construction cost: Approx. 430 billion yen
- Conditions :
Main construction has begun in October, 2006
Overall progress 19.4%
(as of the end of September 2006)



	Output (Million kW)	Start of Construction	Start of Business
Shimane No. 3	1.373	December, 2005	December, 2011
Kaminoseki No. 1	1.373	FY2010	FY2015
Kaminoseki No. 2	1.373	FY2013	FY2018

II . FY2007 Interim Financial Results

FY2007 Interim Results Summary

5

Increase in Revenue and Profit (Consolidated and Non-consolidated)

Consolidated

[Unit: billion yen, round down to the hundred million]

	FY2007 Interim (A)	FY2006 Interim (B)	Difference (A-B)	Comparison (A/B)
Operating Revenue	532.0	501.2	30.7	106.1%
Interim Ordinary Profit	57.7	34.2	23.5	168.7%
Interim Net Income	37.0	22.5	14.4	164.1%

Non-consolidated

[Unit: billion yen, round down to the hundred million]

	FY2007 Interim (A)	FY2006 Interim (B)	Difference (A-B)	Comparison (A/B)
Operating Revenue	499.8	472.4	27.4	105.8%
Interim Ordinary Profit	55.6	31.1	24.5	178.7%
Interim Net Income	36.7	20.8	15.9	176.4%

【Non-consolidated】 Interim Results Major Factors [1/2]

- Electricity sales experienced 3 consecutive years of increase, 103.9% from the same period last year.
- Lighting demand exceeded the same period last year due to the increase in completely electrical housing and electric water-heater, in addition to the increase in demand for air conditioning.
- Commercial demand exceeded the same period last year due to acquiring the demand from self-generation, etc.
- Large-scale industrial demand exceeded the same period last year due to the high demand from most industries and the acquisition of demand from self-generation, etc.

【Unit: GWh, %】

		FY2007 Interim (A)	FY2006 Interim (B)	Difference (A-B)	Comparison (A/B)
Other than Eligible Customers	Lighting	8,770	8,470	300	103.5
	Low Voltage	1,550	1,630	▲80	95.4
	Subtotal	10,320	10,100	220	102.2
Eligible Customers	Commercial	5,740	5,560	180	103.3
	Industrial	14,570	13,810	760	105.4
	[Details] Large-scale	(12,050)	(11,290)	(760)	(106.7)
	Subtotal	20,310	19,370	940	104.8
Total		30,630	29,470	1,160	103.9

【Non-consolidated】 Interim Results Major Factors [2/2]

【Own Facilities】 Hydroelectric increased due to high water flow, while nuclear power decreased due to maintenance.

【Purchased Power】 Decreased due to the decrease in electricity received from J-Power.

【Interchanged Power】 Decreased due to the decrease in electricity to other companies.

				FY2007 Interim (A)	FY2006 Interim (B)	Difference (A-B)
Supply Capacity	Own Facilities	(Water Flow Rate) Hydroelectric	(%) GWh	(129.6) 2,640	(78.2) 1,630	(51.4) 1,010
		Thermal	GWh	17,870	18,340	▲470
		(Capacity Factor) Nuclear	(%) GWh	(73.6) 4,140	(76.2) 4,290	(▲2.6) ▲150
	Purchased Power		GWh	10,000	10,530	▲530
	Interchanged Power		GWh	▲780	▲2,030	1,250
	Pumping Use		GWh	▲560	▲430	▲130
	Total		GWh	33,310	32,330	980
Fuel	Exchange Rate (Inter Bank, ¥/\$)			115	110	5
	Crude Oil Prices (All Japan CIF, \$/b)			67.8	53.1	14.7
	Foreign Coal Prices (All Japan CIF, \$/t)			62.4	62.9	▲0.5

【Revenue】

[Unit : billion yen, round down to the hundred million]

		FY2007 Interim (A)	FY2006 Interim (B)	Difference (A-B)	Comparison (A/B)	Breakdown	
Interim Ordinary Revenue	Interim Operating Revenue	Electricity Sales					
		Lighting	184.9	174.3	10.6	106.1	Increase in electricity sales 17.4 Fuel cost adjustment 15.1 Decrease due to the rate cut etc. ▲1.7
		Commercial & Industrial	286.3	266.0	20.2	107.6	
	Subtotal	471.2	440.4	30.8	107.0		
		Sales to Other Companies etc.	28.6	32.0	▲3.4	89.3	Decrease in inter-company sales ▲8.1 Increase in incidental businesses 2.5 Increase in sales to other companies 1.8
		Subtotal	499.8	472.4	27.4	105.8	
		Other Revenues	4.2	4.4	▲0.1	96.1	
	Total	504.1	476.9	27.2	105.7		

【Non-consolidated】 Income Statement [2/3]

9

[Expense]

[Unit: billion yen, round down to the hundred million]

		FY2007 Interim (A)	FY2006 Interim (B)	Difference (A-B)	Comparison (A/B)	Breakdown		
Interim Ordinary Expense	Operating Expense	Personnel	58.7	62.9	▲4.1	93.4	Decrease in retirement allowances ▲4.0	
		Material	Fuel	97.3	84.2	13.1	115.6	High CIF price (Oil, LNG) 15.4
			Purchased Power	73.6	78.9	▲5.2	93.3	Increase in electricity sales 14.6
			Subtotal					Weak yen rate 5.3
					171.0	163.2	7.8	104.8	Increase in water flow rate ▲12.9
		Maintenance	40.8	40.7	0.1	100.3	Decrease due to the end of purchasing contract ▲7.5	
		Depreciation	63.3	68.1	▲4.8	92.9	Decrease in transmission loss rate ▲2.7	
		Nuclear Power Back-end	7.2	7.6	▲0.3	95.6	Decrease in irradiated nuclear fuel reprocessing expenses ▲0.4	
		Other Expenses	89.7	86.3	3.4	103.9	Increase in expenses for incidental businesses 2.5	
		Subtotal	431.0	429.0	2.0	100.5		
	Interests	14.0	14.0	0.0	100.2	Decrease in average balance of interest-bearing debt ▲0.1		
	Other Expenses	3.3	2.7	0.6	123.0	Increase in average interest rate 0.2		
	Total	448.4	445.7	2.7	100.6			

【Non-consolidated】 Income Statement [3/3]

10

[Profit, etc.]

[Unit: billion yen, round down to the hundred million]

	FY2007 Interim (A)	FY2006 Interim (B)	Difference (A-B)	Comparison (A/B)	Breakdown
(Operating Profit) Interim Ordinary Profit	(68.8) 55.6	(43.4) 31.1	(25.3) 24.5	(158.3) 178.7	
Reserve for Drought	2.2	▲1.6	3.9	—	Increase in water flow rate (129.6%←78.2%)
Income Taxes- Current	13.2	9.2	4.0	143.5	
Income taxes- Deferred	3.3	2.7	0.6	122.2	
Interim Net Income	36.7	20.8	15.9	176.4	

【Non-consolidated】 Balance Sheet ~Assets~

11

- Electric utility fixed assets decreased due to progress in the fixed-rate depreciation, etc.
- Construction in progress decreased due to the start of operation of Shin-taishakugawa power plant (hydroelectric), etc.
- Current assets increased due to lump-sum payment of fixed property tax, etc.

[Unit: billion yen, round down to the hundred million]

		FY2007 Interim (A)	FY2006 End (B)	Difference (A-B)	Breakdown
Fixed Assets	Electric Utility Fixed Assets	1,829.6	1,852.0	▲22.3	Investments 44.0
	Incidental Business Fixed Assets	1.9	2.1	▲0.1	Depreciation ▲63.4
	Non-business Fixed Assets	5.0	5.4	▲0.3	Retirement, etc. ▲2.9
	Construction in Progress	167.3	171.0	▲3.7	Difference ▲22.3
	Nuclear Fuel	120.8	122.0	▲1.1	Accumulated Depreciation Rate 67.8 %
	Other	191.7	193.4	▲1.6	Start of operation of Shin-taishakugawa power plant ▲14.1
	Subtotal	2,316.7	2,346.1	▲29.4	Shimane Nuclear Power Station Unit No.3 12.5
Current Assets	126.1	107.1	19.0	Increase in prepaid expenses due to lump-sum payment of fixed property tax 119	
Total	2,442.8	2,453.3	▲10.4		

【Non-consolidated】 Balance Sheet ~Liabilities and Stockholders' Equity~

12

【Liabilities】 Decreased due to the decrease in interest-bearing debt, etc.

【Stockholders' Equity】 Increased due to appropriation of interim net income.

[Unit: billion yen, round down to the hundred million]

		FY2007 Interim (A)	FY2006 End (B)	Difference (A-B)	Breakdown																								
Liabilities	Long-term Liabilities	1,581.0	1,555.6	25.3	【Breakdown of Interest-bearing Debt】 <table border="1"> <thead> <tr> <th></th> <th>FY2007 Interim</th> <th>FY2006</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Corporate Bond</td> <td>830.0</td> <td>815.0</td> <td>15.0</td> </tr> <tr> <td>Long-term Debt</td> <td>588.8</td> <td>608.8</td> <td>▲19.9</td> </tr> <tr> <td>Short-term Debt</td> <td>64.3</td> <td>64.4</td> <td>▲0.1</td> </tr> <tr> <td>CP</td> <td>19.0</td> <td>32.0</td> <td>▲13.0</td> </tr> <tr> <td>Total</td> <td>1,502.1</td> <td>1,520.2</td> <td>▲18.0</td> </tr> </tbody> </table>		FY2007 Interim	FY2006	Difference	Corporate Bond	830.0	815.0	15.0	Long-term Debt	588.8	608.8	▲19.9	Short-term Debt	64.3	64.4	▲0.1	CP	19.0	32.0	▲13.0	Total	1,502.1	1,520.2	▲18.0
		FY2007 Interim	FY2006	Difference																									
	Corporate Bond	830.0	815.0	15.0																									
	Long-term Debt	588.8	608.8	▲19.9																									
Short-term Debt	64.3	64.4	▲0.1																										
CP	19.0	32.0	▲13.0																										
Total	1,502.1	1,520.2	▲18.0																										
Current Liabilities	247.5	311.7	▲64.1																										
Reserves for Drought	2.8	0.5	2.2																										
Total Liabilities	1,831.4	1,867.8	▲36.4																										
Stockholders' Equity	Common Stock	185.5	185.5	—	<table border="1"> <tr> <td>Dividend paid in June FY2006</td> <td>▲9.1</td> </tr> <tr> <td>Interim net income FY2007</td> <td>36.7</td> </tr> </table>	Dividend paid in June FY2006	▲9.1	Interim net income FY2007	36.7																				
	Dividend paid in June FY2006	▲9.1																											
	Interim net income FY2007	36.7																											
	Capital Surplus	16.6	16.6	0.0																									
	Retained Earnings	405.8	378.3	27.5																									
	Treasury Stock	▲11.8	▲11.6	▲0.1																									
Net Unrealized Holding Gains on Securities	15.1	16.6	▲1.4																										
Total Stockholders' Equity	611.4	585.4	25.9																										
Total		2,442.8	2,453.3	▲10.4	<table border="1"> <tr> <th colspan="2">Stockholders' Equity Ratio</th> </tr> <tr> <td>FY2007 Interim</td> <td>FY2006 End</td> </tr> <tr> <td>25.0%</td> <td>23.9%</td> </tr> </table>	Stockholders' Equity Ratio		FY2007 Interim	FY2006 End	25.0%	23.9%																		
Stockholders' Equity Ratio																													
FY2007 Interim	FY2006 End																												
25.0%	23.9%																												

【Operating Revenue】

- Increased 30.7 billion due to the increase in sales of comprehensive energy supply business such as LNG sales in addition to the increase in Chugoku Electric Power's operating revenue mainly resulting from high electricity sales.

【Interim Ordinary Profit】

- Operating expenses rose only 4.6 billion because expense of electric power business decreased while expense of comprehensive energy supply business increased.
- As a result, interim ordinary profit increased by 23.5 billion to 57.7 billion.

【Interim Net Income】

- Increased 14.4 billion as a result of making an allowance for the reserve for drought, credit against corporation tax, etc.

[Unit: billion yen, round down to the hundred million]

	FY2007 Interim (A)	FY2006 Interim (B)	Difference (A-B)	Comparison (A/B)
Operating Revenue	532.0	501.2	30.7	106.1%
Operating Profit	72.6	46.6	26.0	155.9%
Interim Ordinary Profit	57.7	34.2	23.5	168.7%
Interim Net Income	37.0	22.5	14.4	164.1%

【Consolidated】 Balance Sheet

【Assets】 Decreased 13.2 billion due to progress in the depreciation of electric utility fixed assets, etc.

【Liabilities】 Decreased 37.9 billion due to the cut of interest-bearing debt of 22.0 billion, etc.

【Total Stockholders' Equity】 Increased 24.7 billion due to record of net income, etc.

This resulted in 1.1% increase of stockholders' equity ratio to 27.3%.

[Unit: billion yen, round down to the hundred million]

	FY2007 Interim (A)	FY2006 End (B)	Difference (A-B)
Assets (A)	2,642.2	2,655.4	▲13.2
(electric utility fixed assets)	(1,785.4)	(1,807.1)	(▲21.7)
Liabilities	1,917.3	1,955.3	▲37.9
(interest-bearing debt)	(1,552.9)	(1,575.0)	(▲22.0)
Total Stockholders' Equity	724.8	700.1	24.7
[Total stockholders' equity minus minority interests] (B)	(720.0)	(695.4)	(24.5)
Stockholders' Equity Ratio (B/A)	27.3 %	26.2 %	1.1 %

【Consolidated】 Application of Free Cash Flow

15

- Cash flow from operating activities increased by 15.0 billion due to the increase in interim net income, etc.
- Cash flow from investing activities increase by 4.0 billion due to the investment in Shimane Nuclear Power Plant Unit 3, etc.
- As a result, free cash flow increased by 11.0 billion.
- 31.3 billion yen (the cash flow + 1.2 billion yen from reduction in cash reserves) is reserved for dividend payouts, repayment of loans, etc.

[Unit: billion yen, round down to the hundred million]

	FY2007 Interim (A)	FY2006 Interim (B)	Difference (A-B)
Cash Flow form Operating Activities	83.7	68.6	15.0
Cash Flow from Investing Activities	▲53.7	▲49.7	▲4.0
Free Cash Flow	30.0	18.9	11.0
Cash Flow from Financing Activities	▲31.3	▲27.0	▲4.2
Cash and Cash Equivalents	▲1.2	▲8.0	—

Segment Information

[Unit: billion yen, round down to the hundred million]

		Electricity	Information & Telecommunication	Comprehensive Energy Supply
Operating Revenue	FY2007 Interim	494.1	16.9	10.1
	FY2006 Interim	469.3	17.3	6.6
	Difference	24.8	▲0.3	3.5
Operating Expense	FY2007 Interim	425.3	15.7	9.8
	FY2006 Interim	425.8	16.1	6.3
	Difference	▲0.5	▲0.3	3.5
Operating Profit	FY2007 Interim	68.8	1.2	0.2
	FY2006 Interim	43.4	1.2	0.3
	(Comparison) Difference	(58.5%) 25.3	(▲2.1%) ▲0.0	(▲9.2%) ▲0.0

III. Performance Outlook for FY2007

FY2007 Performance Outlook Summary

18

Consolidated

[Unit : billion yen, round down to the hundred million]

	FY2007		Difference (A-B)	Comparison (A/B)
	Updated Estimate (A)	Initial Estimate (B)		
Operating Revenue	1,060.0	1,030.0	30.0	102.9%
Ordinary Profit	61.0	61.0	–	100.0%
Net Income	36.0	38.0	▲2.0	94.7%

Non-consolidated

[Unit : billion yen, round down to the hundred million]

	FY2007		Difference (A-B)	Comparison (A/B)
	Updated Estimate (A)	Initial Estimate (B)		
Operating Revenue	990.0	960.0	30.0	103.1%
Ordinary Profit	57.0	57.0	–	100.0%
Net Income	34.0	36.0	▲2.0	94.4%

【Non-consolidated】 Major Factors

[Electricity Sales]

		FY2007		Difference (A-B)	FY2006 Result
		Updated Estimate (A)	Initial Estimate (B)		
(Over the Previous Year) Total Electricity Sales	(%) GWh	(102.0) 60,710	(98.4) 58,530	2,180	59,500

[Major Factors]

		FY2007		Difference (A-B)	FY2006 Result
		Updated Estimate (A)	Initial Estimate (B)		
Exchange Rate	¥/\$	115	117	▲2	113
Crude Oil Price (All Japan CIF)	\$/b	68	60	8	55.8
Foreign Coal Price (All Japan CIF)	\$/t	63	64	▲1	63.2
Water Flow Rate	%	115.8	100	15.8	87.2
Nuclear Capacity Factor	%	81.6	82.7	▲1.1	82.9

【Non-consolidated】 Performance Outlook for FY2007
 (comparison with the initial estimate)

20

【Operating Revenue】

- Increase due to the increase in electricity sales resulting from strong growth of industry demand, especially large scale customers, in addition to the increase in demand for air-conditioning.

【Ordinary Profit】

- Leave the initial estimate unchanged, despite of the increase in operating revenue, due to the inclusion of nuclear back-end related expenses in addition to the increase in material cost resulting from high oil CIF price and the increase of maintenance cost.

【Net Income】

- Decrease due to the inclusion of nuclear related cost, which is to level the burden of initial depreciation of a nuclear power station, while the ordinary profit remains unchanged.

[Unit: billion yen, round down to the hundred million]

	FY2007		Difference (A-B)	Comparison (A/B)	FY2006 Result
	Updated Estimate (A)	Initial Estimate (B)			
Operating Revenue	990.0	960.0	30.0	103.1%	976.8
Operating Profit	82.0	82.0	–	100.0%	91.8
Ordinary Profit	57.0	57.0	–	100.0%	65.5
Net Income	34.0	36.0	▲2.0	94.4%	30.2

【Consolidated】 Performance Outlook for FY2007
 (comparison with the initial estimate)

【Operating Revenue】

- Increase due to the increase in Chugoku Electric Power's increase.

【Operating Profit】

- Leave unchanged due to the increase in expenses of Chugoku Electric Power though electricity sales increase.

【Ordinary Profit】

- Decrease due to the decrease in operating profit.

【Net Income】

- Decrease due to the decrease in Chugoku Electric Power's decrease resulting from the inclusion of nuclear related cost to level the initial depreciation cost.

[Unit: billion yen, round down to the hundred million]

	FY2007		Difference (A-B)	Comparison (A/B)	FY2006 Result
	Updated Estimate (A)	Initial Estimate (B)			
Operating Revenue	1,060.0	1,030.0	30.0	102.9%	1,040.2
Operating Profit	87.0	87.0	—	100.0%	100.0
Ordinary Profit	61.0	61.0	—	100.0%	74.1
Net Income	36.0	38.0	▲2.0	94.7%	45.1

Segment Information (comparison with the initial estimate)

[Unit : billion yen, round down to the hundred million]

		Electricity	Information & Telecommunication	Comprehensive Energy Supply
Operating Revenue	Updated Estimate	976.0	34.5	22.1
	Initial Estimate	946.0	33.5	21.9
	Difference	30.0	1.0	0.2
Operating Expense	Updated Estimate	894.0	33.2	21.6
	Initial Estimate	864.0	32.3	21.5
	Difference	30.0	0.9	0.1
Operating Profit	Updated Estimate	82.0	1.2	0.4
	Initial Estimate	82.0	1.1	0.3
	(Comparison)	(-)	(9.1%)	(33.3%)
	Difference	0.0	0.1	0.1

【Performance Outlook for FY2007】

- Expect the operating revenue to increase by 1.0 billion to 34.5 billion due to the increase in sales of FTTH and telecommunication service to corporate customers.
- Expect the operating profit to increase by 0.1 billion to 1.2 billion due to the increase of expenses for sale commission and internet connecting operation despite of the increase in sales of FTTH.
- Expect the ordinary profit and net income to be 0.6 billion and 0.4 billion respectively.

[Unit: billion yen, round down to the hundred million]

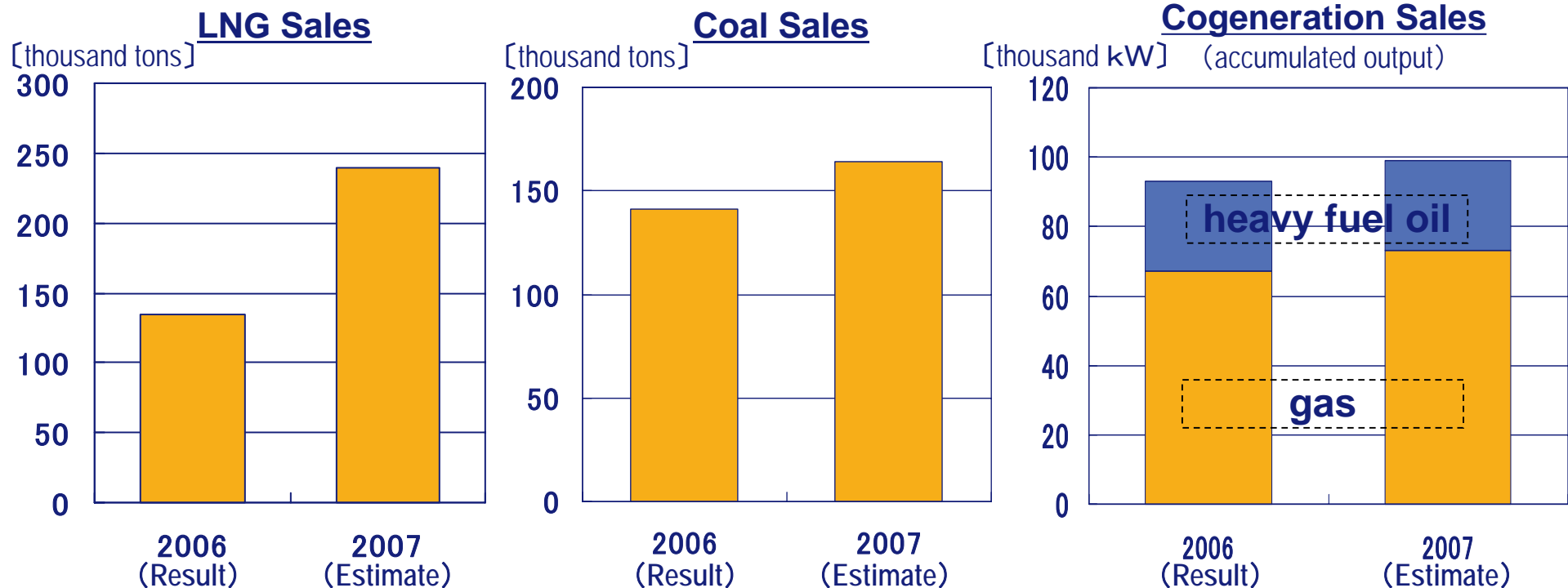
	FY2007 Interim Result	FY2007		Difference (A-B)	Comparison (A/B)	FY2006 Result
		Updated Estimate (A)	Initial Estimate (B)			
Operating Revenue	16.9	34.5	33.5	1.0	103.0%	36.7
Operating Profit	1.2	1.2	1.1	0.1	109.1%	2.4
Ordinary Profit	0.9	0.6	0.6	-	100.0%	1.8
Net Income	0.6	0.4	0.4	-	100.0%	▲1.9

【Fuel Sales】

- LNG sales is expected to increase with the start of Mizushima LNG station.
- The feasibility study on enhancement of Mizushima LNG Station including addition of a gas tank is underway.
- There is a definite demand for coal, which is economical and stable in supply, with the rise in crude oil prices.

【Cogeneration Sales】

- With the rise in crude oil prices, the demand for LNG cogeneration is increasing.



【DATA】

1. Electricity Sales

【Unit: million kWh】 []: Over the previous year

[FY2007 Interim Results]

		FY2007 Interim Result		Comparison with the Estimate
Other than Eligible Customers' Use	Lighting	[103.5]	8,769	103.2
	Low Voltage	[95.4]	1,556	99.6
	Subtotal	[102.2]	10,325	102.6
Eligible Customers' Use		[104.8]	20,307	105.3
Total		[103.9]	30,632	104.4

[FY2007 Estimate]

【Unit: billion kWh】

	FY2007 Estimate	FY2006 Result
Total	Approx. 60. 7	Approx 59. 5

2. Revenue and Expense (Non-consolidated)

【Unit: billion yen】

	FY2007			FY2006 Result
	Updated Estimate (A)	Initial Estimate (B)	Difference (A-B)	
Sales Amount (Electric Utility Operating Revenue)	990.0	960.0	30.0	976.8
(Details) Electricity Sales	933.0	906.0	27.0	907.0
(Details) Sales to Other Companies, etc	57.0	54.0	3.0	69.7
Other Revenues	9.0	8.0	1.0	8.2
Total Revenue	999.0	968.0	31.0	985.1
Material Cost	348.0	329.0	19.0	340.4
Capital Expense	157.0	157.0	—	164.4
Other Expenses	437.0	425.0	12.0	414.7
Total Expenses	942.0	911.0	31.0	919.6
Ordinary Profit	57.0	57.0	—	65.5
Operating Profit	82.0	82.0	—	91.8

3. Variables

【Unit : billion yen】

		FY2007 Estimate	FY2006 Result
Exchange Rate	¥/\$	2. 1	2. 1
Crude Oil Prices (All Japan CIF)	\$/b	2. 1	2. 0
Water Flow Rate	%	0. 5	0. 4
Nuclear Capacity Factor	%	1. 3	1. 0
Interest Rate	%	3. 4	3. 3

4. Interest-bearing Debt

【Unit : billion yen】

	FY2007 Estimate	FY2007 Interim Result
Non-consolidated	1, 535. 0	1, 502. 1
Consolidated	1, 585. 0	1, 552. 9

5. Interest Rate (Non-consolidated)

	FY2007 Interim Result
Average	1. 77%
End of First Half	1. 87%

6. Capital Expenditure (Non-consolidated)

【Unit: billion yen】

			FY2007 Interim Result	FY2007		FY2006 Result
				Updated Estimate	Initial Estimate	
Expansion	Power Source	Hydroelectric	0.8	0.9	0.9	4.2
		Thermal	0.1	1.6	1.4	2.2
		Nuclear	13.1	52.6	52.6	26.7
		Subtotal	14.0	55.1	54.9	33.1
	Network and Others	6.8	19.7	19.7	13.4	
	Subtotal	20.8	74.8	74.6	46.5	
Improvements			20.9	46.8	47.2	44.2
Nuclear Fuel			3.4	21.8	21.1	14.2
Subtotal			45.1	143.4	142.9	104.9
Incidental Businesses			0.0	0.2	0.2	1.1
Total			45.1	143.6	143.1	106.0

7. Completely Electrical Housing / Electric Water Heater

		Unit	FY2006 Result	FY2007		FY2008 Plan	FY2009 Plan
				Interim Result	Yearly Estimate		
Completely Electrical Housing		Number of Housing (thousand)	44	26	44	49	55
Newly Constructed		"	16	9	17	17	18
Remodeled		"	28	17	27	32	37
The Ratio of Newly Constructed Electrical Housing	Single-family Houses	%	57.1	56.1*	62.5	63.4	64.0
	Apartment Houses	%	6.4	5.7*	11.8	13.8	15.5
	Total	%	26.5	26.8*	32.7	34.1	35.2
The Diffusion Rate of Completely Electrical Housing		%	6.6	7.5	8.1	9.7	11.5
Electric Water Heater		Number of Heater (thousand)	53	29.8	51.4	55.8	60.2
Eco-cute		"	21.1	15.1	–	–	–
The Diffusion Rate of Electric Water Heater		Number of Housing (thousand)	16.8	17.7	18.2	19.7	21.3

* Figures are as of the end of August because the figures as of the end of September are not available yet.

8. Demand Acquisition from Self-generation

	FY2007 Interim Result	FY2006 Result
Number of Customers	120	122
Scale of Demand (thousand kW)	130	160

9. Management Goals (Consolidated)

		Goals (FY2007~2009 Avg.)	FY2007 Estimate
Profitability	Ordinary Profit	No less than 74 Billion Yen per Year	61.0 Billion Yen
Efficiency	ROA (Return on Assets, operating profit)	No less than 2.5% per Year	2.1%
Soundness	Stockholders' Equity Ratio	No less than 28% (End of FY2009)	26.5%

-
- **None of the information on this document is intended to solicit or induce purchase or selling of the Company's stocks. Moreover Chugoku Electric makes no guarantees whatever regarding the contents of this website.**
 - **Persons considering investment in the Company should without fail read in advance the stock and bond reports and other financial literature issued by the Company, and make decisions on their own judgment. Though great care is exercised in the preparation of such literature, Chugoku Electric and the other information providers shall not be liable in any manner for any loss whatever incurred as a result of erroneous information contained therein or in this document.**
 - **Items in Chugoku Electric's current plans and strategies, etc., published on this document which are not yet historical fact are projections concerning future performance and as such involve factors of risk and uncertainty which means that actual performance in the future may differ to a large extent from projections published here. Therefore Chugoku Electric does not guarantee the reliability of such projections.**

For Questions or Comments, Please Contact the Investor
Relations Section at the Address Below :

730-8701

Hiroshima-Shi, Naka-ku, Komachi 4-33
The Chugoku Electric Power Co., Inc.
Corporate Planning Division

F A X : +81 82 523 6090

E-mail: ir@inet.energia.co.jp