

# Consolidated Financial Report

The information shown below is an English translation of extracts from the Kessan Tanshin (Renketsu) (Consolidated Financial Report). Fiscal year 2003 dates from 1st April 2003 to 31st March 2004.

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CHUBU ELECTRIC POWER COMPANY, INCORPORATED (May 12, 2004)

Code: 9502

Financial Report for the 12-months Period ended March 31, 2004

(Consolidated)

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Adaptation of U.S. accounting standard : None

. Performance Over the Year Ended March 31, 2004

(Figures are rounded down to the nearest million yen)

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## 1. Consolidated Operating Results

	3/04	Change	3/03	Change
Operating Revenues (million yen)	2,101,072	-3.4%	2,176,071	-2.4%
Operating Income (million yen)	334,411	7.0%	312,471	-6.1%
Income before Income Taxes & Minority Interests (million yen)	184,925	8.1%	171,088	-2.8%
Net Income (million yen)	114,717	7.7%	106,494	-3.5%
Net Income per Share (Primary ; yen)	157.21		144.24	
Net Income per Share (Fully diluted ; yen)	146.64		134.75	

Notes: 1. Equity in earnings of affiliates

(3/04: -1,157 million yen, 3/03: -432 million yen)

2. Average number of shares outstanding (consolidated)

(3/04: 728,073,170 3/03: 736,383,365 )

3. Changes in accounting methods: None

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## 2.Consolidated Financial Standing

	3/04	3/03
Total Assets (million yen)	6,060,177	6,282,500
Shareholders' Equity (million yen)	1,377,180	1,307,179
Shareholders' Equity Ratio	22.7%	20.8%
Shareholders' Equity per Share (yen)	1,897.81	1,775.44

Note : Number of shares outstanding at the end of the period. (consolidated)  
(3/04: 725,535,700 3/03: 736,099,577 )

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## 3.Outline of Consolidated Cash Flows

	3/04	3/03
Cash Flows from Operating Activities (million yen)	592,362	599,370
Cash Flows from Investing Activities (million yen)	-199,324	-334,190
Cash Flows from Financing Activities (million yen)	-395,210	-278,720
Cash or Cash Equivalent at the End of the Period (million yen)	59,854	62,061

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## 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: 18

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

Inclusion of subsidiaries to consolidation: 3

Exclusion of subsidiaries from consolidation: 3

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

Exclusion of subsidiaries or affiliates accounted for under the equity method: 3

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.Forecasts of Consolidated Results for the 6-months period Ending September 30, 2004, and the Year Ending March 31, 2005(approximate estimates)

	9/04	3/05
Operating Revenues (billion yen)	1,040.0	2,080.0
Income before Income Taxes & Minority Interests (billion yen)	131.0	185.0
Net Income (billion yen)	65.0	100.0

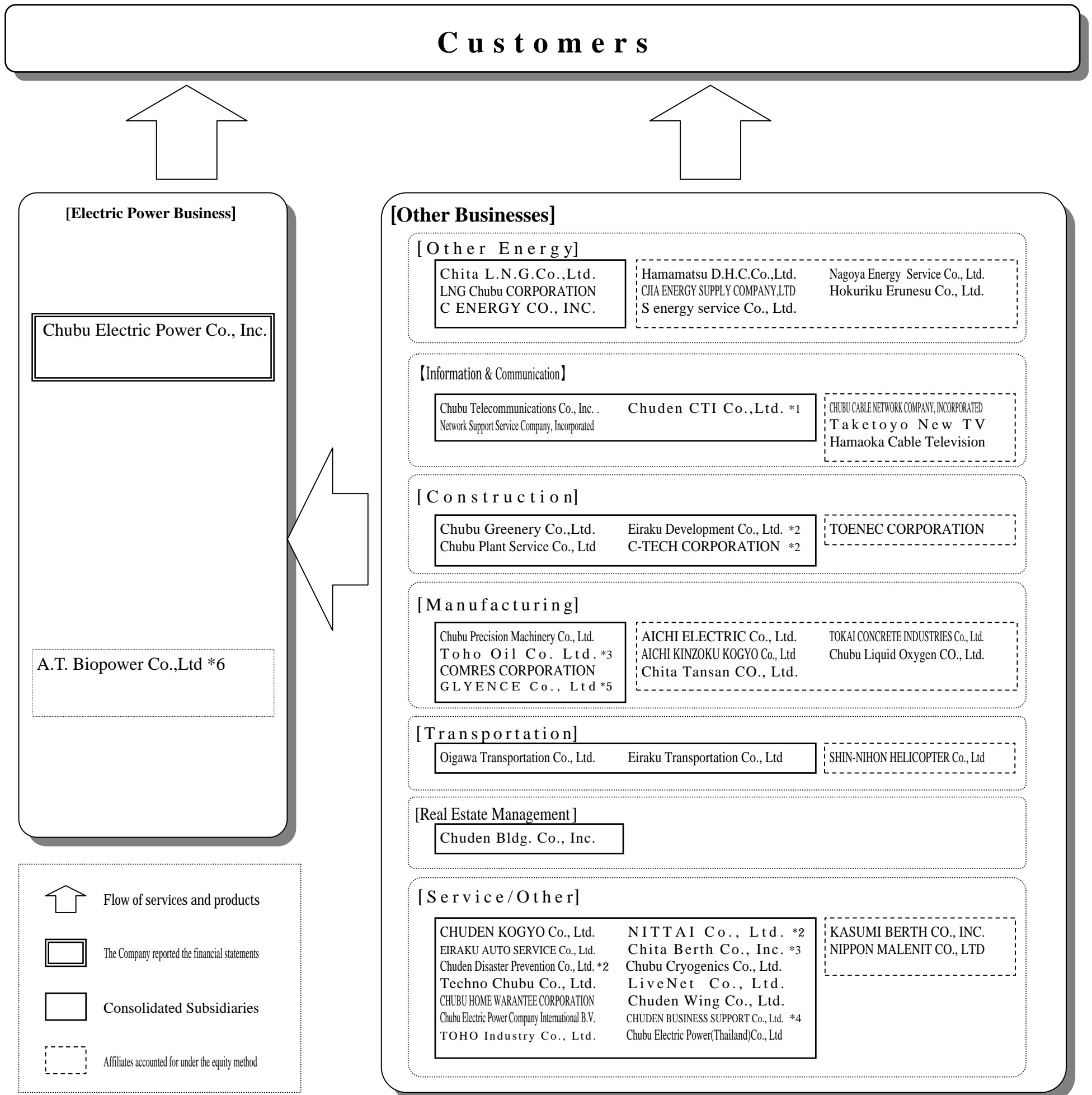
(Reference) Estimation of Net Income per Share for the year ending March 31, 2005: 137.48 yen

There are the premise or matters related to these forecasts on page 10.

## 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.



- (Notes) \* 1 CTI Co., Ltd. absorbed Chuden Computer Service Co., Ltd. on October 1, 2003 and changed its trade name to Chuden CTI Co., Ltd.
- \* 2 C-TECH CORPORATION, NITTAI Co., Ltd. and Chuden Disaster Prevention Co., Ltd. took over part of the businesses of Chuden Engineering and Sales Service Shizuoka Co., Ltd. and Chuden Engineering and Sales Services Nagano Co., Ltd. on October 1, 2003. Eiraku Development Co., Ltd. took over the rest of the above businesses to absorb Chuden Engineering and Sales Service Shizuoka Co., Ltd. and Chuden Engineering and Sales Services Nagano Co., Ltd. on the same day.
- \* 3 Toho Oil Co., Ltd. and Chita Berth Co., Inc. individually changed from affiliated companies by the equity method to consolidated subsidiaries as a result of additional stock acquisition.
- \* 4 CHUDEN CAPITAL CO., LTD. changed its trade name to CHUDEN BUSINESS SUPPORT Co., Ltd. on January 1, 2004.
- \* 5 GLYENCE Co., Ltd has been included in the scope of consolidation as of this period.
- \* 6 A. T. Biopower Co., Ltd. has been included in the scope of the equity method as of this period.
- 7 Joetsu Co-operative Thermal Power Co., Inc. has been excluded from the scope of the equity method following the completion of liquidation procedures on January 16, 2004.

## 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 FY2005, 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 will be established and the network utilization rate system will be revised.

Under these conditions, our Company, as an integrated energy enterprise in the central region of Japan, aims to provide new services and values as well as energy in order to continue to grow in unity with the Group. The Company has therefore defined new business targets and concrete operational policies, as described below, in order to accelerate efforts toward meeting the expectations of customers, shareholders and investors.

#### [Business Targets]

Item	Consolidated Target	Non-consolidated Target	Target Year
ROA (Return on Assets)*1	4.5% or more	4.5% or more	Average for three years from FY2004 to FY2006
Income before special item and income taxes	¥165,000 million or more	¥160,000 million or more	
Capital expenditure	¥200,000 million or less	¥170,000 million or less	
Free cash flow *2	¥360,000 million or more	¥350,000 million or more	
Outstanding interest-bearing debts	¥3,100,000 million or less	¥3,000,000 million or less	By the end of FY2006

\*1 --- ROA (Return on Assets) = (Income before special item and income taxes + Interest expenses) / Average total assets at beginning and end of the period.

\*2 --- 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 management 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 2005".

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

The Company will set up and securely reach managerial goals of increasing profitability, further improving the financial strength and collective strengths of the Group. In pursuit of sustainable growth, the Company will effectively allocate its management resources 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 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 Fluctuation Factors Concerning Operating Results

The following are major variables that could affect the operating results and financial conditions of the Group.

Descriptions about the future are based on the judgment as of the announcement date of this statement.

### (1) Economic Conditions and Weather Conditions

In the electricity business, which is the Company's core business, the amount of electric energy sold 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.

### (2) 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.

### (3) 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) and coal.

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

### (4) Changes in Interest Rates

The Group's interest-bearing debt outstanding was ¥3,809.3 billion as of March 2004, or 62.9% 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, 89.1% of the outstanding interest-bearing debt is long-term funds including corporate bonds, convertible bonds and long-term borrowings, 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 structure. Therefore, changes in interest rates have only a limited effect on the performance.

### (5) Shutdown of 1st Unit at the Hamaoka Nuclear Power Plant

At the Hamaoka Nuclear Power Plant, investigation and evaluation of a crack found in the core shroud are required for the 1st Unit. The inside of the reactor core also needs to be inspected for a technical evaluation of aging, which will take a considerably long period in total. In consideration of the period necessary for replacing the recirculation system piping as well, the regular inspection period was extended to the end of FY2004. Since it is difficult to judge the definitive process at present, the current shutdown could have an effect on the performance.

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

Regarding the electricity business, the scope of liberalization has been expanded in phases since April 2004. 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 will be established and the network utilization rate system will be revised.

Regarding the nuclear power back-end business, which is an ultralong-term and uncertain business, the system and measure review panel in the Electricity Industry Committee of the Advisory Committee for Natural Resources and Energy is discussing economic measures and concrete methods in order to smoothly promote nuclear power generation and the relevant back-end businesses.

To cope with these changing environments, the Group continues to make every possible effort to maximize the efficiency of management and develop aggressive sales activities that will appropriately meet the needs of customers. Nevertheless, future system revisions and the resulting stiffer competition could have an effect on the 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. Currently, two out of six auditors are out-of-house 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, while deciding upon "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 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.

(3)Directors' remuneration and an auditing fee

The directors' remuneration to the directors and auditors of our company in this term and the auditing fee to an auditing firm are as follows.

Directors' remuneration		Auditing fee	
Remuneration paid to the directors	¥ 498 million	Remuneration concerning an audit certificate	¥ 45 million
Remuneration paid to the auditors	¥ 107 million	Remuneration other than the above	¥ 4 million
Total	¥ 606 million	Total	¥ 50 million

## Operating Results and Financial Standing

### 1. Results for this period under review

#### (1) Summary of Income and Expenditure

With the improvement in companies' performance attributable to increases in exports and production and with the growth in capital investment, the Japanese economy in FY2003 was back on track to recovery, particularly in the private sector.

Under these economic conditions, consolidated operating revenues for this period were ¥2,101.0 billion, a decrease of ¥74.9 billion from the preceding period, mainly because revenues for electric power operations decreased due to a drop in electric energy sold and the reduction in electricity charges.

However, as a result of cost reductions in overall business, the consolidated income before income taxes and minority interests were ¥184.9 billion, an increase of ¥13.8 billion from the preceding period. Accordingly, the consolidated net income also increased by ¥8.2 billion, to ¥114.7 billion.

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

##### (i) Electricity Business

Despite a solid basis in general, electric energy sold decreased by 0.7% from the preceding period to 122.2 billion kWh partly due to the unusually cold summer and warm winter. Specifically, demand for electric lighting decreased by 1.0% to 32.5 billion kWh and demand for electric power decreased by 0.9% to 55.6 billion kWh, mainly due to lower demand for air conditioning. Demand from customers under liberalization decreased by 0.1% to 34.1 billion kWh mainly due to the temporary stagnation of production during the cold summer while exports to Asian countries and the United States remained strong.

Regarding electric energy supply, hydroelectric power output increased by 31.2% compared with the previous period to 10.4 billion kWh due to ample water supply in this period (water supply rate: 113.9% for this period and 87.7% for the previous period). Nuclear power output increased by 58.1% to 16.9 billion kWh from the previous period following the resumption of operations of 3rd and 4th Unit at the Hamaoka Nuclear Power Plant.

Consequently, the amount of electric energy generated by thermal power plant decreased by 9.3% to 90.5 billion kWh from the previous period.

In real terms, revenues of electricity business amounted to ¥2,017.9 billion, a reduction of ¥63.2 billion from the preceding period. This was the result from a decrease in electric power revenues by ¥67.3 billion due to decrease of electric energy sold and rate reduction in September 2002. On the other hand, operating costs declined ¥90.0 billion from the previous period to ¥1,693.2 billion due to a reduction in fuel expenses as a result of the drop in thermal power output and due to efforts to suppress costs throughout the business such as facilities-related expenses.

Under these circumstances, our operating income increased ¥26.8 billion from the preceding period to ¥324.7 billion.

##### (ii) Other Businesses

Revenues from other businesses were ¥285.4 billion, a decrease of ¥21.5 billion from the previous period mainly due to decreased revenues for the IT-telecommunication business with the intensified competition in the industry. On the other hand, operating expenses were ¥275.5 billion, a reduction of ¥17.1 billion from the preceding period, as a result of cost reduction efforts in overall business segment.

Accordingly, operating income dropped to ¥9.9 billion, a decrease of ¥4.4 billion from the previous period.

#### (2) Cash Flows

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 structure, 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 ¥592.3 billion, although only a 1.2% decrease compared with the previous period due to cost reduction efforts in all areas of management, which included a reduction in fuel expenses, while electric power revenues decreased due to a drop in electric energy sold



and the reduction in electricity charges.

Cash flows from investing activities resulted in a decrease in cash of ¥199.3 billion, or a 40.4% decline compared with the previous period, as a result of cost reduction efforts such as the restraint of capital expenditures.

Cash flows from financial activities resulted in a decrease in cash of ¥395.2 billion, 41.8% higher than in the previous period, as a result of repayment of interest-bearing debts, share buybacks, and dividend payout.

Due to the aforementioned factors, cash balances decreased by 3.6%, to ¥59.8 billion, compared to those at the end of March 2003.

Interest-bearing debts outstanding were ¥3,809.3 billion at the end of March 2004 (7.4% decrease compared with the end of March 2003).

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

	FY1999	FY2000	FY2001	FY2002	FY2003
Shareholders' equity ratio	17.3%	17.9%	19.1%	20.8%	22.7%
Shareholders' equity ratio at market value	18.6%	22.0%	23.7%	24.7%	27.5%
Debt repayment term	8.2 years	7.4years	6.5years	6.9years	6.4years
Interest coverage ratio	3.3	3.8	4.4	4.9	6.0

(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) Profit Sharing

Dividends at the end of this period will be ¥30 per share, same as those at the end of the 6-months period. As a result, the payout ratio will be 39.5%.

## 2. Outlook for the next period

Electric energy sales in the electricity business for the period ending March 31, 2005 will be approximately 122.5 billion kWh, a 0.2% 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 consolidated performance in the next period)

Consolidated	9/04	3/05
Operating revenues	(0.3% decrease) approximately ¥1,040.0 billion	(1.0% decrease) approximately ¥2,080.0 billion
Operating income	(3% increase) approximately ¥188.0 billion	(11% decrease) approximately ¥298.0 billion
Income before special item & income taxes	( 8% increase) approximately ¥131.0 billion	(0% increase) approximately ¥185.0 billion
Net income	( 12% decrease) approximately ¥65.0 billion	(13% decrease) approximately ¥100.0 billion

(Principal figures on which outlook are based)

Item	FY04(assumed)	FY 03	FY 02
CIF crude oil prices (\$/b)	approx.29	29.4	27.4
Exchange rate (Inter-bank) (¥/\$)	approx.110	113	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.

## Situation of Generation and Sales

### [ Electric Power Business ]

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

	3/04 (A)	3/03 (B)	Change	
			(A-B)	(A-B)/B
Customers other than those under liberalization				
Electric lighting	325	328	-3	-1.0
Electric power	556	561	-5	-0.9
Sub total	881	889	-8	-0.9
Customers under liberalization	341	341	0	-0.1
Total	1,222	1,230	-8	-0.7

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

		3/04 (A)	3/03 (B)	Change	
				(A-B)	(A-B)/B
Chubu Electric	Hydroelectric power (water supply rate)	104 (113.9)	79 (87.7)	25 (26.2)	31.2
	Thermal power	905	998	-93	-9.3
	Nuclear power (utilization rate)	169 (53.2)	107 (33.7)	62 (19.5)	58.1
Purchased power		136	115	21	18.4
Interchanged power		33	56	-23	-40.5
Power used for pumped storage		-15	-11	-4	34.4
Total		1,332	1,344	-12	-0.9

## Consolidated Balance Sheets

(million yen)

Assets	2004.3	2003.3	Change
Property, Plant and Equipment	5,807,837	6,012,255	-204,417
Electric utility property, plant and equipment	4,297,914	4,525,201	-227,287
Hydroelectric power production facilities	374,308	392,962	-18,654
Thermal power production facilities	901,843	1,018,692	-116,848
Nuclear power production facilities	190,335	211,748	-21,412
Transmission facilities	1,281,878	1,311,983	-30,105
Transformation facilities	516,937	533,339	-16,402
Distribution facilities	858,337	870,906	-12,569
General facilities	174,273	185,568	-11,295
Other property, plant and equipment	293,733	313,217	-19,483
Construction in progress	545,076	522,699	22,376
Nuclear fuel	246,266	234,731	11,534
Loaded nuclear fuel	54,294	34,641	19,652
Nuclear fuel in processing	191,972	200,090	-8,118
Investments and other	424,847	416,404	8,442
Long-term investments	228,744	205,091	23,652
Deferred tax assets	147,123	126,150	20,973
Other	48,979	85,163	-36,183
Current Assets	252,241	270,125	-17,884
Cash	45,666	43,106	2,560
Trade notes and accounts receivable	102,509	113,227	-10,717
Inventories	55,390	53,462	1,927
Deferred tax assets	17,660	15,159	2,501
Other	31,013	45,169	-14,155
Deferred Assets	98	119	-20
Total Assets	6,060,177	6,282,500	-222,322
Liabilities, Minority interests and Shareholders' Equity			
Long-Term Liabilities and Reserves	3,772,170	4,022,002	-249,831
Bonds	1,953,774	2,090,300	-136,526
Convertible bonds	146,251	146,254	-3
Long-term loans	1,122,521	1,272,362	-149,840
Employee retirement benefit liability	200,944	168,379	32,565
Reserve for reprocessing of irradiated nuclear fuel	231,219	220,634	10,584
Reserve for decommissioning nuclear power plant	80,000	79,752	247
Deferred tax liabilities	20	17	2
Other	37,439	44,302	-6,862
Current Liabilities	878,247	929,482	-51,235
Current portion of long-term debt and other	175,677	157,047	18,630
Short-term borrowings	308,235	339,961	-31,726
Accrued income taxes and other	91,636	80,714	10,922
Other	302,698	351,760	-49,061
Reserve for Drought	8,647	-	8,647
Total Liabilities	4,659,064	4,951,485	-292,420
Minority Interests in Consolidated Subsidiaries	23,932	23,834	97
Shareholders' Equity			
Common stock	374,519	374,519	-
Capital surplus	14,248	14,247	0
Retained earnings	978,360	907,815	70,545
Net unrealized gains on available-for-sale securities	34,999	12,023	22,975
Foreign Currency Translation Adjustment	-67	5	-72
Less: Treasury stock	-24,879	-1,431	-23,448
Total Shareholder's Equity	1,377,180	1,307,179	70,000
Total Liabilities, Minority interests and Shareholders' Equity	6,060,177	6,282,500	-222,322

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

## Consolidated Statements of Income

(million yen)

Revenues	2004.3	2003.3	Change
Operating Revenues	2,101,072	2,176,071	-74,999
Electricity	2,014,818	2,078,170	-63,351
Other	86,253	97,901	-11,647
Other Revenues	5,995	5,735	259
Proceed from dividends	1,355	1,179	176
Proceed from interests	1,200	1,280	-80
Other	3,439	3,275	163
Total Ordinary Revenues	2,107,067	2,181,807	-74,740
Expenses			
Operating Expenses	1,766,660	1,863,600	-96,940
Electric	1,684,670	1,773,859	-89,189
Other	81,989	89,740	-7,750
(Operating Income)	334,411	312,471	21,940
Other Expenses	155,481	147,118	8,362
Interest expenses	96,428	121,236	-24,808
Other	59,052	25,882	33,170
Total Ordinary Expenses	1,922,141	2,010,718	-88,577
Income before Special Item and Income Taxes	184,925	171,088	13,836
Special Item			
Provision for (reversal of) reserve for drought	8,647	-	8,647
Income before income taxes	176,278	171,088	5,189
Income Taxes-Current	96,814	85,355	11,458
Income Taxes-Deferred	-35,608	-21,525	-14,083
Minority Interests in Earnings of Consolidated Subsidiaries	354	764	-409
Net Income	114,717	106,494	8,223

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

## Consolidated Statements of Cash Flows

(million yen)

Cash Flows from Operating Activities:	2004.3	2003.3
Income before income taxes and minority interests	176,278	171,088
Depreciation and amortization	391,179	432,813
Loss of loaded nuclear fuel	9,882	6,051
Loss on disposal of property, plant and equipment	16,130	11,998
Increase(Decrease) in employee retirement benefit liability	32,559	20,286
Increase(Decrease) in reserve for reprocessing of irradiated nuclear fuel	10,584	5,250
Increase(Decrease) in reserve for decommissioning nuclear power plant	247	1,999
Provision of reserve for drought	8,647	-
Interest and dividends income	-2,555	-2,460
Interest expenses	96,428	121,236
Increase(Decrease) in trade notes and accounts receivable	11,976	2,664
Increase(Decrease) in inventories	3,631	1,532
Increase(Decrease) in trade notes and accounts payable	-23,921	9,771
Other	45,148	27,479
Sub total	776,217	809,712
Interest and dividends received	2,582	2,385
Interest paid	-99,484	-122,357
Income taxes paid	-86,953	-90,370
Net cash provided by operating activities	592,362	599,370
Cash Flows from Investing Activities:		
Purchases of property, plant and equipment	-248,275	-322,463
Increase in investments and other	-27,115	-31,067
Proceeds for recoveries from investments and other	63,947	12,015
Purchases of the subsidiary stocks upon inclusion of additional subsidiaries on consolidation	1,710	-
Other	10,407	7,324
Net cash used in investing activities	-199,324	-334,190
Cash Flows from Financing Activities:		
Proceeds from issuance of bonds	93,963	198,682
Redemption of bonds	-229,243	-121,800
Proceeds from long-term loans	46,977	43,252
Repayment of long-term loans	-199,616	-210,280
Proceeds from short-term borrowings	314,707	354,870
Repayment of short-term borrowings	-348,651	-379,140
Proceeds from issuance of commercial paper	1,058,000	1,036,000
Redemption of commercial paper	-1,064,000	-1,155,000
Dividends paid	-43,890	-44,189
Other	-23,457	-1,114
Net cash used in financing activities	-395,210	-278,720
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-33	-16
Net Increase (Decrease) in Cash and Cash Equivalents	-2,206	-13,557
Cash and Cash Equivalents at Beginning of the Period	62,061	66,276
Increase(Decrease) in Cash and Cash Equivalents upon inclusion of Additional Subsidiaries on Consolidation	-	9,342
Cash and Cash Equivalents at End of the Period	59,854	62,061

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

## Segment Information

### 1. Segment Information By Business Sector

For the period ended March 31, 2004

(million yen)

	Electric	Other	Total	Eliminations	Consolidated Results
1. Operating Revenues, Operating Income					
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
2. Assets, Depreciation, Assets	5,760,679	426,182	6,186,862	-126,684	6,060,177
Depreciation	351,726	42,612	394,339	-3,159	391,179
Capital expenditures	205,336	29,188	234,525	-2,847	231,677

For the period ended March 31, 2003

(million yen)

	Electric	Other	Total	Eliminations	Consolidated Results
1. Operating Revenues, Operating Income					
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
2. Assets, Depreciations, Assets	5,965,802	436,124	6,401,926	-119,245	6,282,500
Depreciation	389,187	46,971	436,159	-3,345	432,813
Capital expenditures	259,535	27,307	286,843	-3,241	283,601

## Non-consolidated Financial Report

The information shown below is an English translation of extracts from the Kobetsu Zaimushohyo no Gaiyo (Non-consolidated Financial Report). Fiscal year 2003 dates from 1st April 2003 to 31st March 2004.

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CHUBU ELECTRIC POWER COMPANY, INCORPORATED (May 12, 2004)

Code: 9502

Financial Report for the 12-months Period ended March 31, 2004

(Non-consolidated)

Representative: Fumio Kawaguchi, President

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 Year Ended March 31, 2004

(Figures are rounded down to the nearest million yen)

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### 1. Operating Results

	3/04	Change	3/03	Change
Operating Revenues (million yen)	2,023,209	-3.0%	2,085,086	-2.9%
Operating Income (million yen)	322,534	8.5%	297,244	-5.2%
Income before Special Item & Income Taxes (million yen)	175,164	9.1%	160,613	1.4%
Net Income (million yen)	110,609	7.5%	102,905	0.4%
Net Income per Share (Primary ; yen)	151.72		139.53	
Net Income per Share (Fully diluted ; yen)	141.56		130.39	

Notes: 1. Average number of shares outstanding  
(3/04: 728,193,036 3/03: 736,503,231)

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

3. Changes in accounting methods: None



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## 2.Dividends

	3/04	3/03
Annual Dividends per Share (Yen)	60.00	60.00
Interim (Yen)	30.00	30.00
End of the period	30.00	30.00
Total Dividends paid (full-year)(million yen)	43,587	44,184
Payout Ratio	39.5	43.0
Dividends on equity	3.4	3.7

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## 3.Financial Standing

	3/04	3/03
Total Assets (million yen)	5,776,440	5,977,514
Shareholders' Equity (million yen)	1,265,516	1,200,397
Shareholders' Equity Ratio	21.9%	20.1%
Shareholders' Equity per Share (yen)	1,743.78	1,630.30

Note: Number of shares outstanding at the end of period

(3/04: 725,655,566 3/03: 736,219,443)

Number of treasury shares outstanding at the end of the period

(3/04: 11,201,621 3/03: 637,744)

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.Forecasts of Non-consolidated Results for the 6-months period Ending September 30, 2004, and the Year Ending March 31, 2005 (approximate estimates)

	9/04	3/05
Operating Revenues (billion yen)	1,005.0	2,005.0
Income before Special Item & Income Taxes (billion yen)	130.0	180.0
Net Income (billion yen)	65.0	100.0

(Reference) Estimation of Net Income per Share for the year ending March 31, 2005: 137.63 yen

There are the premise or matters related to these forecasts on page 10.

## Non-consolidated Balance Sheets

(million yen)

	2004.3	2003.3	Change
<b>Assets</b>			
<b>Property, Plant and Equipment</b>	5,611,485	5,801,502	-190,017
Electric utility property, plant and equipment	4,349,383	4,578,087	-228,704
Hydroelectric power production facilities	377,837	396,505	-18,667
Thermal power production facilities	908,125	1,025,936	-117,811
Nuclear power production facilities	191,772	213,138	-21,366
Internal combustion engine power production facilities	208	197	11
Transmission facilities	1,295,794	1,325,889	-30,095
Transformation facilities	521,550	538,148	-16,598
Distribution facilities	877,664	890,426	-12,761
General facilities	176,430	187,845	-11,415
Subsidiary enterprise property, plant and equipment	14,778	11,135	3,643
Other property, plant and equipment	35,843	38,199	-2,356
Construction in progress	538,858	516,039	22,819
Nuclear fuel	246,266	234,731	11,534
Loaded nuclear fuel	54,294	34,641	19,652
Nuclear fuel in processing	191,972	200,090	-8,118
Investments and other	426,354	423,308	3,045
Long-term investments	209,217	188,086	21,131
Investments in subsidiaries and affiliates	84,531	129,371	-44,840
Deferred tax assets	121,913	101,201	20,711
Other	10,691	4,648	6,042
<b>Current Assets</b>	164,856	175,893	-11,036
Cash	13,535	14,089	-553
Accounts receivable-customers	84,623	94,926	-10,303
Inventories	39,786	37,562	2,224
Deferred tax assets	14,816	12,728	2,088
Other	12,094	16,586	-4,491
<b>Deferred Assets</b>	98	119	-20
<b>Total Assets</b>	5,776,440	5,977,514	-201,074
<b>Liabilities and Shareholders' Equity</b>			
<b>Long-Term Liabilities and Reserves</b>	3,673,687	3,908,391	-234,703
Bonds	1,954,574	2,091,400	-136,826
Convertible bonds	146,344	146,347	-3
Long-term loans	1,047,267	1,181,091	-133,823
Employee retirement benefit liability	181,115	148,842	32,272
Reserve for reprocessing of irradiated nuclear fuel	231,219	220,634	10,584
Reserve for decommissioning nuclear power plant	80,000	79,752	247
Other	33,166	40,323	-7,156
<b>Current Liabilities</b>	828,589	868,725	-40,136
Current portion of long-term debt and other	156,956	134,474	22,481
Short-term borrowings	300,288	335,372	-35,084
Commercial paper	105,000	111,000	-6,000
Accrued income taxes and other	85,673	74,626	11,046
Other-mainly accounts payable	180,671	213,251	-32,580
<b>Reserve for Drought</b>	8,647	-	8,647
<b>Total Liabilities</b>	4,510,924	4,777,116	-266,192
<b>Shareholders' Equity</b>			
Common stock	374,519	374,519	-
Capital surplus	14,248	14,247	0
Retained earnings	867,048	800,484	66,564
Net unrealized gains on available-for-sale securities	34,504	12,502	22,001
Less:Tresury stock	-24,804	-1,356	-23,448
<b>Total Shareholder's Equity</b>	1,265,516	1,200,397	65,118
<b>Total Liabilities and Shareholders' Equity</b>	5,776,440	5,977,514	-201,074

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

## Non-consolidated Statements of Income

(million yen)

	2004.3	2003.3	Change
<b>Revenues</b>			
Operating Revenues	2,023,209	2,085,086	-61,876
Electric utility revenues	2,017,986	2,081,195	-63,208
Residential	696,885	717,661	-20,776
Commercial and Industrial	1,286,090	1,332,660	-46,570
Sold power to other electric utilities and other companies	15,762	12,127	3,634
Other	19,248	18,745	503
Subsidiary enterprise revenues	5,223	3,890	1,332
Other Revenues	4,994	5,273	-278
Financing revenues	2,764	3,318	-554
Non-operating revenues	2,230	1,954	276
Profit from sale of fixed asset	396	358	38
Other	1,834	1,596	238
<b>Total Ordinary Revenues</b>	<b>2,028,204</b>	<b>2,090,360</b>	<b>-62,155</b>
<b>Expenses</b>			
Operating Expenses	1,700,675	1,787,842	-87,166
Electric utility expenses	1,693,212	1,783,253	-90,040
Hydro electric power production expenses	53,166	57,929	-4,762
Thermal power production expenses	623,981	669,397	-45,415
Nuclear power production expenses	109,663	104,329	5,334
Internal combustion engine power production expenses	93	113	-19
Purchased power from other electric utilities and other companies	141,198	165,802	-24,603
Transmission expenses	135,191	150,667	-15,475
Transformation expenses	77,261	82,493	-5,231
Distribution expenses	179,412	182,772	-3,359
Selling expenses	64,936	64,545	390
General and administrative expenses	230,565	224,954	5,610
Electric power development promotion tax	53,345	54,919	-1,574
Enterprise tax	25,027	25,450	-423
Other operating expenses	-631	-120	-510
Subsidiary enterprise expenses	7,462	4,588	2,873
(Operating Income)	322,534	297,244	25,290
Other Expenses	152,365	141,905	10,460
Financing expenses	94,121	117,848	-23,727
Interest expenses	93,769	117,250	-23,480
Other	351	597	-246
Non-operating expenses	58,244	24,056	34,187
Loss from sale of fixed asset	1,664	1,044	620
Other	56,579	23,012	33,567
<b>Total Ordinary Expenses</b>	<b>1,853,040</b>	<b>1,929,747</b>	<b>-76,706</b>
<b>Income before Special Item and Income Taxes</b>	<b>175,164</b>	<b>160,613</b>	<b>14,551</b>
<b>Special Item</b>			
Provision for (reversal of) reserve for drought	8,647	-	8,647
<b>Income before Income Taxes</b>	<b>166,517</b>	<b>160,613</b>	<b>5,904</b>
<b>Income Taxes-Current</b>	<b>90,923</b>	<b>78,505</b>	<b>12,418</b>
<b>Income Taxes-Deferred</b>	<b>-35,015</b>	<b>-20,798</b>	<b>-14,217</b>
<b>Net Income</b>	<b>110,609</b>	<b>102,905</b>	<b>7,703</b>

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

## Proposed Appropriation of Retained Earnings

(million yen)

Item	3/04	3/03
Unappropriated retained earnings at the end of the period	182,420	175,855
Transferred from reserve for overseas investment	-	-
<i>Total</i>	182,420	175,855
Appropriations		
Dividends	21,769	22,086
	(¥30 per share)	(¥30 per share)
Bonuses to directors and corporate auditors	131	140
(to corporate auditors)	(22)	(26)
Provision of special voluntary reserve	70,000	60,000
Balance to be carried forward	90,519	93,629

(Notes)

Interim dividends for the period ended March 31, 2003 were ¥22,098 million. (¥30 per share)

Interim dividends for the period ended March 31, 2004 were ¥21,817 million. (¥30 per share)