CHUBU
Electric Power

Annual Report 2010

www.chuden.co.jp

Chubu Electric Power Group: Focused on Energy, Meeting a Range of Customer Needs

Chubu Electric Power Co., Inc. is Japan's third-largest electric power company in power generation capacity, electric energy sold, operating revenues, and total assets.

With its core business in electric utilities, Chubu Electric Power Group (hereafter the Group) has developed operations as a Comprehensive Energy Services Group. In addition to the electric utility business, we are active in a variety of other fields: energy businesses such as supplying gas and on-site energy, construction for development and maintenance of electric utilities-related facilities, and manufacturing of materials and machinery for these facilities.

Chubu Electric Power serves an area of nearly 39,000 square kilometers in five prefectures of central Japan (Chubu, in Japanese), home to some 16 million people. The Chubu region is known as one of Japan's leading manufacturing regions, and many world class Japanese industries, including manufacturers of automobiles, machine tools, electric components, aircraft, and new materials, are centered here.

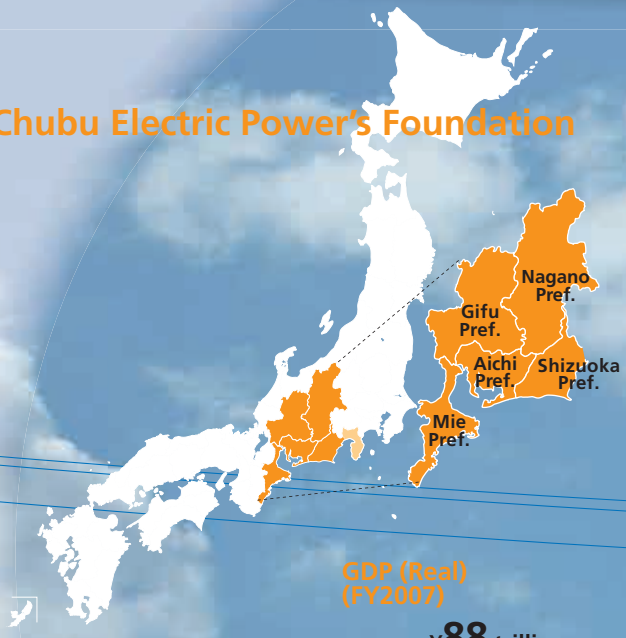
Comprehensive Energy Services Group

Value Chain in Comprehensive Energy Services

Fuel Procurement

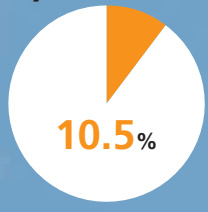
Fuels Department
Group Companies

Chubu Electric Power's Foundation



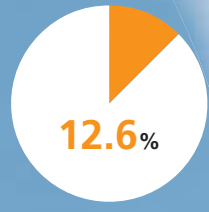
Area Served

approx. **39,000**km²



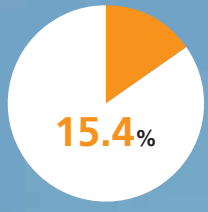
Population Served

approx. **16** million people



GDP (Real) (FY2007)

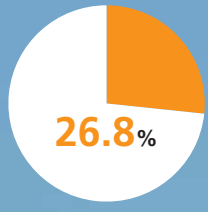
approx. ¥**88** trillion



Notes 1) Source: Annual Reports on Prefectural Accounts/Japan, Cabinet Office
2) Chubu Region: Aichi Pref., Gifu Pref., Mie Pref., Shizuoka Pref. and Nagano Pref.

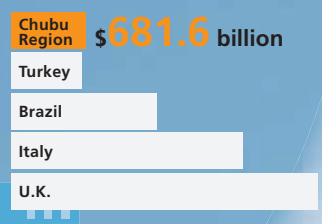
Share of Product Shipments in Japan (CY2008)

approx. ¥**90** trillion



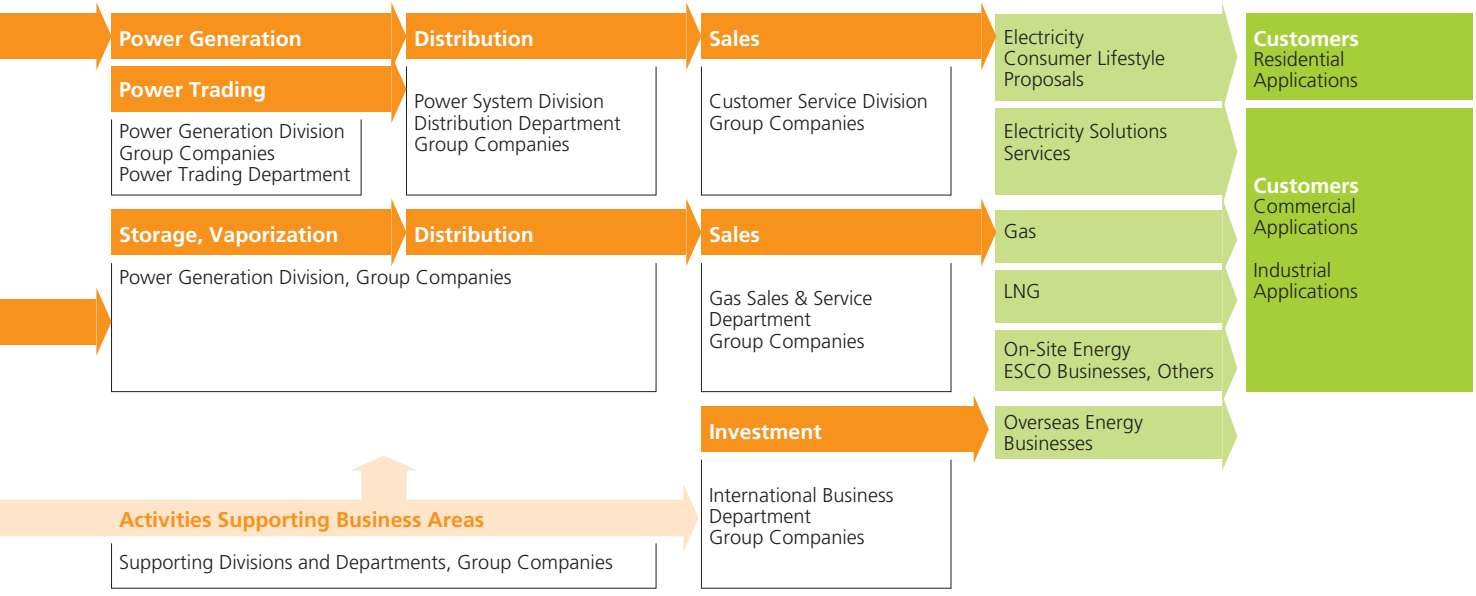
Notes 1) Source: Ministry of Economy, Trade and Industry/Census of Manufactures
2) Chubu Region: Aichi Pref., Gifu Pref., Mie Pref., Shizuoka Pref. and Nagano Pref.

Comparison of GDP (Nominal) With Major Countries



Notes 1) Statistics for the Chubu region are from April 2007 to March 2008; all others are from January to December 2007
2) Source: Economic and Social Research Institute, Cabinet Office
3) Chubu Region: Aichi Pref., Gifu Pref., Mie Pref., Shizuoka Pref. and Nagano Pref.

By leveraging the combined strengths of Chubu Electric Power Company and Group companies, the Chubu Electric Power Group works to provide energy services of a greater level of value throughout the value chain, from fuel procurement to power generation, distribution, and sales.



Chubu Electric Power's Performance

Inputs and Outputs of Business Activities (FY2009)

Fuel Consumption

Coal	9,409kt
Biomass	19kt
Heavy Oil	34,000kl
Crude Oil	296,000kl
Light Fuel Oil	15,000kl
LNG	9,553kt
LPG	1kt
Nuclear Fuel (Uranium)	38t

Power Generated by Chubu's Own Power Plants 115.0TWh

Hydroelectric Power Generation	8.6TWh
Thermal Power Generation	92.2TWh
Nuclear Power Generation	14.1TWh
Renewable Energy	0.002TWh

Power Purchased From Other Companies 20.1TWh

Electric Energy Sold 122.8TWh

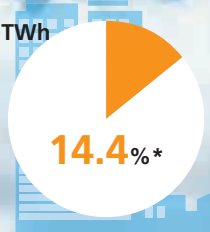
Customers Under Regulation	
Electric Lighting	35.0TWh
Electric Power	6.4TWh
Customers Under Liberalization	
Commercial Demand	23.1TWh
Industrial Demand	58.3TWh

In-house Electricity Consumption, Power-Transmission Loss –10.9TWh

Electricity for Water Pumping –1.2TWh

Electric Energy Sold (FY2009)

122.8TWh



* Share among 9 electric power companies.

Energy Business Results (FY2009)

FY2009 Gas Sales Volume
approx. 0.53 million t

March 31, 2010 Aggregate On-site Energy Service Contracts
101

Overseas Energy Business Accumulated Investments (FY2009)

March 31, 2010 Overseas Energy Business Investments
approx. ¥30.0 billion

Contents

About the Forecasts

The future plans and forecasts described in this document are based on information the company possesses at the present time and involve potential risk and uncertainty. Therefore, actual performance or business developments in the future may differ from those described. Examples of potential risk or uncertainty include changes in the economic or competitive circumstances affecting a business sector, fluctuations in fuel prices, or modifications of laws or regulations.

Consolidated Financial Highlights

Years ended March 31

	FY2005	FY2006	FY2007	FY2008	Millions of yen FY2009	Thousands of U.S. dollars*1 FY2009
For the Year:						
Operating Revenues	¥2,150,508	¥2,213,793	¥2,432,865	¥2,509,982	**¥2,238,552**	**$24,057,517**
Operating Income	322,105	246,712	167,863	182,235	**200,032**	**2,149,726**
Ordinary Income*2	219,692	178,611	123,389	130,505	**178,543**	**1,918,785**
Net Income (Loss)	119,458	90,551	70,619	(18,968)	**108,559**	**1,166,674**
Operating Cash Flow	307,157	441,515	471,958	358,880	**539,106**	**5,793,724**
At Year-End:						
Total Assets	5,741,876	5,701,715	5,636,258	5,470,129	**5,299,976**	**56,958,366**
Shareholders' Equity*3	1,659,313	1,729,950	1,712,665	1,616,655	**1,637,602**	**17,599,162**
Outstanding Interest-Bearing Debt	3,175,034	3,001,787	2,862,632	2,789,038	**2,539,552**	**27,292,337**
					Yen	U.S. dollars
Per Share of Common Stock:						
Net Income (Loss)	¥ 162.07	¥ 115.80	¥ 90.58	¥ (24.37)	**¥ 140.47**	**$ 1.51**
Cash Dividends	60	60	60	60	**60**	**0.64**
					%	
Financial Ratios:						
ROA	5.5	4.4	3.1	3.7	**4.0**	
ROE	7.8	5.3	4.1	(1.1)	**6.7**	

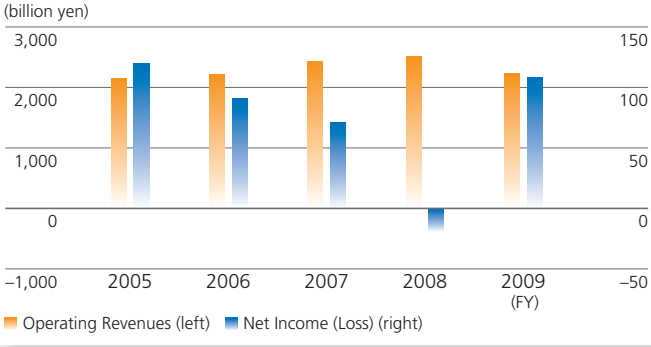
*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥93.05 = US$1

*2 Ordinary income = Income (loss) before provision (reversal) of reserve for fluctuation in water levels, income taxes and minority interests
+ Loss in conjunction with discontinued operations of Hamaoka Reactors No. 1 and No. 2 (fiscal 2008),
+ Reserve for decommissioning costs of nuclear power plants for prior periods (fiscal 2007),
+ Amortization of goodwill + Loss on discontinued construction of hydroelectric power plant (fiscal 2006),
+ Loss on discontinued construction of hydroelectric power plant (fiscal 2005)

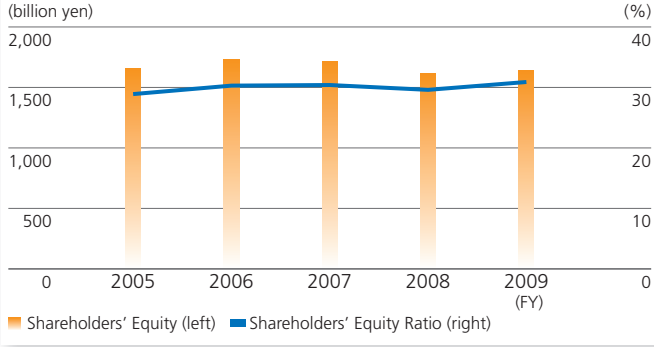
*3 Shareholders' Equity = Total Net Assets – Minority interests

*4 ROA (Return on Assets) = Operating income (Ordinary income + Interest) / Average of total assets at beginning and end of fiscal year

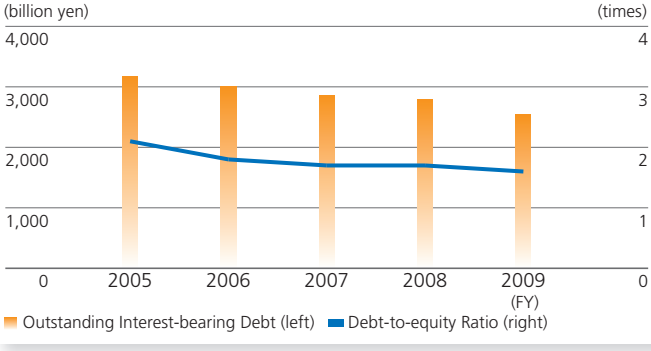
Operating Revenues/Net Income (Loss)



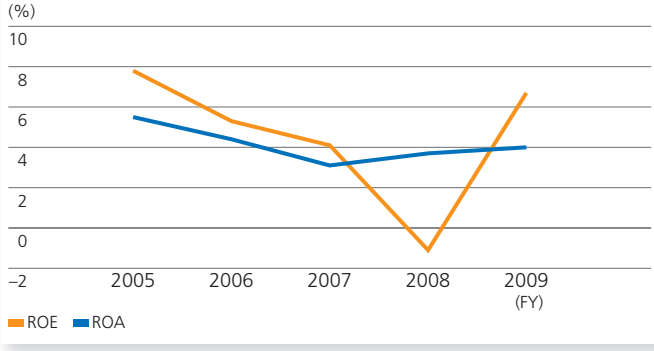
Shareholders' Equity/Shareholders' Equity Ratio



Outstanding Interest-bearing Debt/Debt-to-equity Ratio



ROE/ROA



To Our Shareholders and Investors

From left
Chairman of the Board of Directors
Toshio Mita

President & Director
Akihisa Mizuno

Message from Top Management

During 2009, discussions about medium- to long-term measures to combat global climate change took on increased urgency, concluding in December with the holding of the United Nations Climate Change Conference (COP 15), which discussed the international framework for curbing climate change. Countries throughout the world have become increasingly aware of the need to build a low-carbon society, and the companies charged with making such a change happen carry both high expectations and a huge responsibility.

Meanwhile, the global economy, which had been in a slump since 2008, has begun to show signs of a rebound, led by robust economic activity in China and other emerging nations, but the headwinds remain strong. Japan has reached a major turning point, as there are concerns about future economic growth given the declining population and other factors.

The energy market's supply-demand structure has begun to change based on the building of a low-carbon society. This transformation includes an increase in the use of solar power and other forms of renewable energy, as well as growing awareness of the need to conserve energy. This change has increased the level of competition not just in the electric power industry, but in the energy market as a whole.

Amid this business environment, the Chubu Electric Power Group will continue to provide customers with excellent energy services to meet their diverse needs, which include not only electricity but also natural gas, LNG, and on-site energy. In order to deliver these services without interruptions and at affordable prices, we will redouble our efforts to fulfill our unchanging mission as a utility company.

From the standpoint of meeting our responsibility to future generations, it is critical that we both provide a stable supply of energy and at the same time protect the environment. To achieve this, we will work to raise our non-fossil energy* ratio by increasing the focus on nuclear energy while prioritizing safety, and by using renewable energy even more proactively than before.

Now as always, the Chubu Electric Power Group is committed to achieving sustainable growth as a robust enterprise that can respond flexibly and effectively to structural changes in the energy market, a corporate citizen diligent about CSR with a record that inspires confidence. In this way, we will continue to meet the expectations of all of our stakeholders, including our customers, shareholders and other investors, local communities and business partners.

*Non-fossil energy refers to nuclear power and renewable energy (hydroelectric power, solar power, wind power, biomass energy, etc.). The Federation of Electric Power Companies of Japan has targeted the non-fossil energy (energy sources with zero emissions) ratio of 50%.

Our Corporate Group Vision

As a corporate group offering comprehensive energy services based in the Chubu region, we will deliver new value to our customers centering on energy, strive to protect the environment in all business areas, and achieve sustainable growth for the Group as a whole.

To achieve this objective, Chubu Electric Power Group is carrying out the following four measures:

1. Sales Efforts that Satisfy Customers

In order to satisfy our customers' diverse needs, we aim to be a corporate group that develops and delivers comprehensive energy services that combine electricity, gas, liquefied natural gas (LNG) and on-site energy. We will continue to enhance our services and proactively propose solutions to customers.

Towards this end, we will deliver a variety of new value to our customers. This will include proposing new ways of living based on the "all-electric" concept, providing solutions for customers' energy and environmental issues, delivering information and developing new technologies.

2. Stable Generation and Reliable Supply of Affordable, High-Quality Energy

We will continue to deliver affordable and high-quality energy to our customers in a stable manner. This will involve building power facilities for a balanced energy portfolio ensuring stable energy supply, environmental protection, and energy efficiency, as part of our overall effort to systematically and efficiently build and operate facilities from a medium- to long-term perspective. In particular, while maintaining safety as the highest priority, we will steadily pursue nuclear power due to its ample supply and environmental advantages.

3. Fulfilling our Corporate Social Responsibility in Environmental and Other Areas

We are proactive in fulfilling our corporate social responsibility as a good corporate citizen in order to co-exist with society. This includes steadfast regulatory compliance as well as redoubling our efforts to protect the environment and gain the trust of local communities. With respect to environmental protection, we will continue to increase our non-fossil energy ratio to meet the environment-related needs of customers and society and help to spread the use of renewable energy and energy-efficient technologies.

4. Strengthening our Business Base to Enhance Corporate Value

We aim to meet the expectations of our stakeholders by enhancing our corporate value as a competitive corporate group offering comprehensive energy services. To do so, we will continue to strengthen our business base by strategically utilizing our management resources, securing and developing the human capital that runs our businesses, and carrying out the technical R&D that will support our future business pursuits.

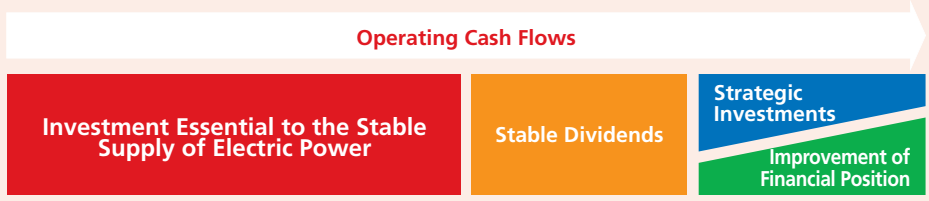
Basic Policy on Allocation of Operating Cash Flows

Operating cash flows are a representative indicator of the results of our business activities. In order to utilize operating cash flows in a manner that best suits our stakeholders overall, we have designated four areas for the allocation of operating cash flows and have established the following allocation policy. Despite the unpredictability inherent in this challenging business environment, we remain committed to this basic philosophy.

Allocation Policy

Priority is given to allocating operating cash flows to investments that are essential for the stable supply of electric power and to provide stable dividends to our shareholders. We will continue to allocate operating cash flows to strategic investments aimed at improving and bolstering our assets such as businesses and facilities, as well as for future growth, and to improve our financial position, with due consideration of both details and allocation balance.

Basic Policy on Allocation of Operating Cash Flows (Diagram)



< Investments Essential to the Stable Supply of Electric Power >

We use operating cash flows to fulfill our duty to the public, and we feel that our customers and all other stakeholders share our appreciation of the significance of these investments. We are developing efficient facilities to deliver a stable, safe, affordable supply of electricity, and to help protect the environment.

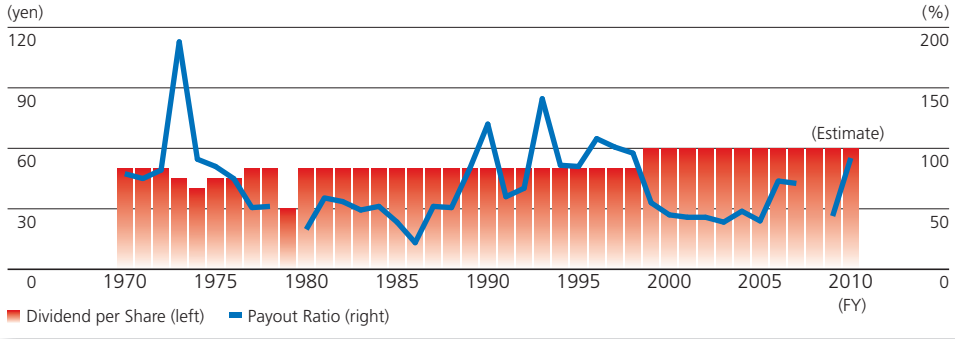
For details, please refer to "Electric Power Supply and Demand" (page 13–16).

< Stable Dividends to Shareholders >

Dividends are payments that serve as compensation to our shareholders and investors.

While continuing to invest in building and operating facilities that are essential to ensuring a stable supply of electric power, such as the Hamaoka Nuclear Power Station, we strive to meet shareholders' expectations by maintaining the current dividend (annual dividend of 60 yen per share).

Dividend per Share and Payout Ratio (Nonconsolidated)



* Net losses were posted in FY1979 and FY2008. As a result, the payout ratio for these years could not be calculated.

< Strategic Investments for Business Growth and Development >

We pursue strategic investments to meet the expectations of not only our shareholders and other investors, but also the expectations of our customers and local communities.

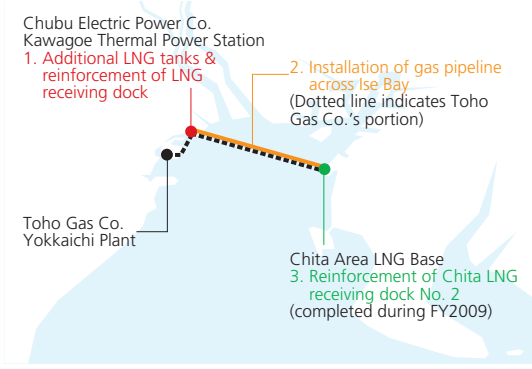
As we seek to achieve sustainable growth for the Group as a whole, we will pursue investments* that reinforce our electric power business and expand our investments in the overseas energy, gas, LNG, and the on-site energy services business that will help us to further develop our business portfolio. In addition, we will continue to make investments to develop and grow those businesses which compliment the electricity business well and which we expect to see an improvement in service and profitability.

* Includes building facilities aimed at improving future efficiency, infrastructure build-up targeting a higher degree of flexibility with respect to fuel procurement, and developing renewable energy sources.

Strategic Investment Example

1) Enhancing Fuel-Related Infrastructure

We are working to enhance our fuel-related infrastructure to support our ability to procure LNG in a stable and flexible manner. Such initiatives include reinforcing the LNG receiving docks to allow them to handle large vessels and adding more LNG tanks to boost storage capacity. Another initiative is installing a gas pipeline across Ise Bay to connect our Kawagoe Thermal Power Station and Toho Gas Co.'s Yokkaichi Plant with the Chita Area LNG Base co-operated by both companies.



	Project Name	Project Overview	Construction Start	Construction Completion
①	Additional LNG tanks in Kawagoe	Two additional tanks in Kawagoe Thermal Power Station (capacity: 180,000m³ each)	FY2007	Around FY2012
	Reinforcement of receiving dock in Kawagoe	Allowing it to accommodate the largest class LNG supertankers (over 200,000m³)	FY2010	Around FY2010
②	Gas pipeline across Ise Bay	Connecting Kawagoe Thermal Power Station and Chita Area LNG Base (App. 13.3km)	FY2008	Around FY2013
③	Reinforcement of Chita LNG No.2 receiving dock	Allowing it to accommodate the largest class LNG supertankers (over 200,000m³)	FY2008	FY2009

Strategic Investment Example

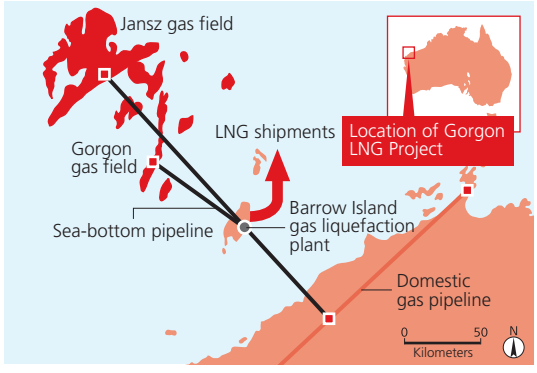
2) Purchase of Interest in the Gorgon Project

In November 2009, we decided to purchase LNG produced by the Gorgon Project in Western Australia, and to acquire an interest in the project.

This marked our first purchase of an interest in an LNG project.

Overview of LNG Purchase Contract and Interest Purchase

·Quantity: 1.44 million metric tons per year
·Period: 25 years from 2014
·Percentage interest acquired: 0.417%
(Secured the right to take approximately 60,000 metric tons of LNG per year)



Strategic Investment Example

3) Investment in Overseas Energy Business—Outlook Approximately 100 Billion Yen in Investments by FY2015—

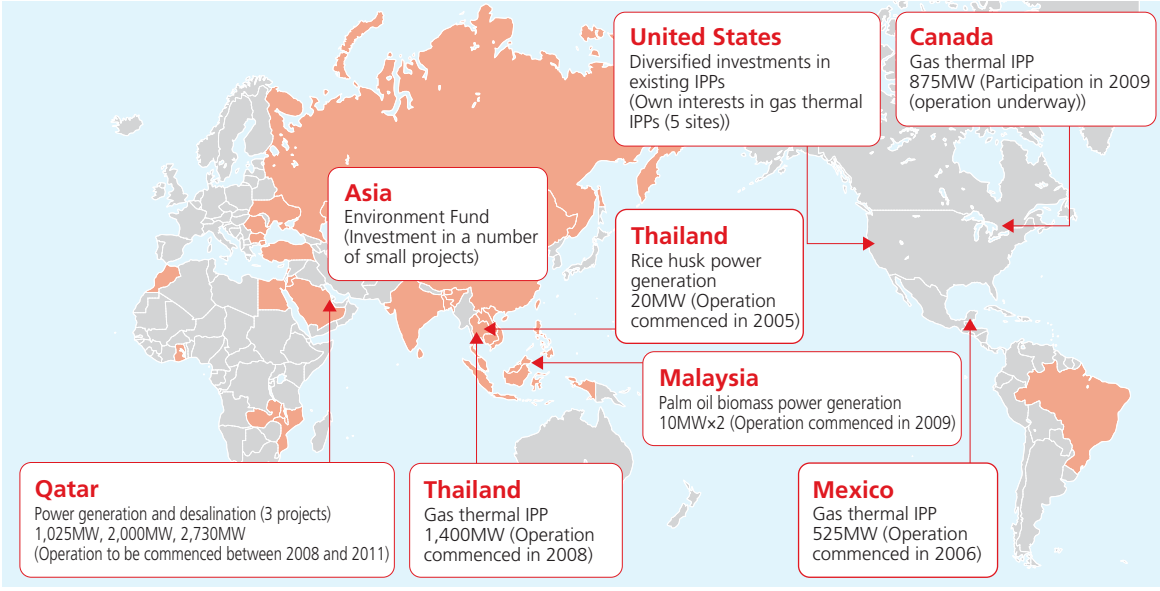
We have positioned the period through FY2010 as a period to develop our overseas energy business and secure new sources of revenues.

Over the medium term, we are aiming to leverage our accumulated know-how, personnel and other management resources to aggressively expand our business, outlooking to increase our investments to approximately 100 billion yen by FY2015. Going forward, we will strive to secure steady profits, contribute to the local communities in which we invest and help protect the global environment, all while paying due attention to business efficiency and risk management.

For details, please refer to "Strengthening Business Foundations" (page 22).

Provided Consulting Services in 35 Countries; 124 Projects (As of March 2010)

Consulting projects include formulating electric power development plans as well as designing and managing the installation of power facilities, primarily in developing countries in Asia and Africa.



< Improvement of Financial Position >

Improving our financial condition provides security to our creditors, financial institutions and other business partners, while reducing costs to improve our financial condition is in the interest of all of our stakeholders.

Outstanding Interest-Bearing Debt (Consolidated):

3/31/2009 **2,789.0 billion yen** → **3/31/2010** **2,539.6 billion yen**

Shareholders' Equity Ratio (Consolidated):

3/31/2009 **29.6%** → **3/31/2010** **30.9%**

We will strive to keep our shareholders' equity ratio at its current level and ensure the soundness of our financial position. From the standpoint of delivering shareholder returns that are both appropriate and timely, we will continue to conduct share buybacks when appropriate in light of our financial situation and market trends.

Share Buyback History

Period	Number of Shares (thousand shares)	Purchase Amount* (million yen)	Use
FY1998 – FY1999	10,000	21,858	Canceled
FY2003 – FY2004	12,026	26,791	Allocated to conversion of convertible bonds (March 2006 redemption)
FY2007	3,149	9,999	Cancelled
FY2009	13,686	29,999	Cancelled

* Purchase amounts are rounded down to the nearest million yen.

Sales Targets

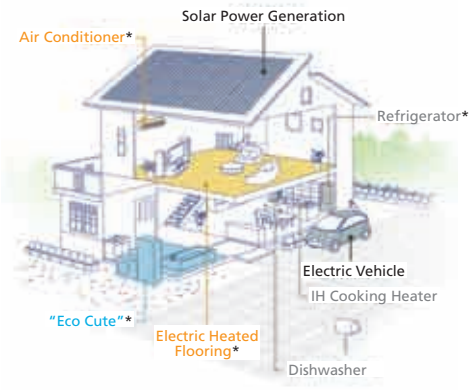
Residential Use

Sales Target:
Cumulative total of 600,000 "all-electric" homes by the end of FY2010

In October 2009, there were more than 500,000 all-electric homes in our sales region on a cumulative basis. These all-electric homes use electricity for air conditioning, water heating and cooking.

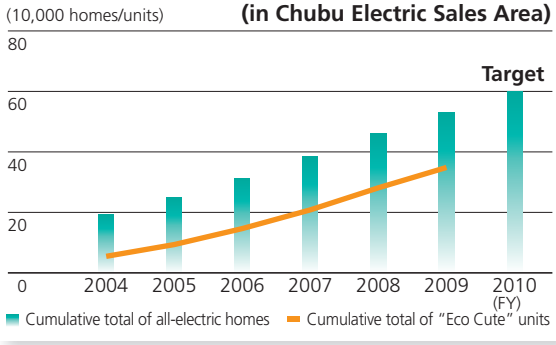
Going forward, we will continue to actively recommend the all-electric lifestyle using economical, comfortable, and environmentally-sound products such as the "Eco Cute" heat pump, as we look to meet our sales target of a cumulative total of 600,000 homes by the end of FY2010.

The All-Electric Home



* An energy-conserving device that uses heat pump technology.

Trends in Cumulative Adoption of All-Electric Homes and "Eco Cute"



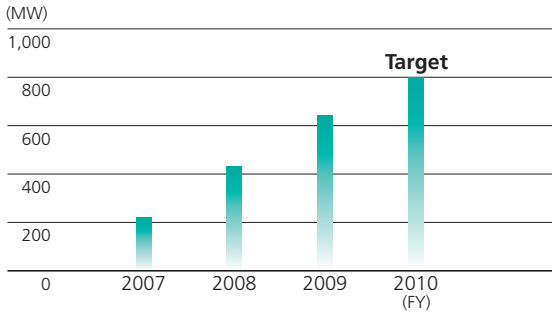
Business Use

Sales Target:
Generate 800MW of demand by promoting the use of electricity for cooking and air conditioning between FY2007 and the end of FY2010

The economic downturn has negatively impacted demand for electricity related to air conditioning, but sales related to kitchen appliances, water heating and industrial processes have gradually increased, reaching approximately 638MW at the end of FY2009.

Going forward, we will continue to deliver solutions that satisfy our customers' needs, particularly with respect to kitchen appliances, water heating and industrial processes, areas in which sales have been growing.

Electric Power Demand Generated as a Result of Shift to Electricity for Commercial and Industrial Applications



Gas, LNG and On-Site Energy Services

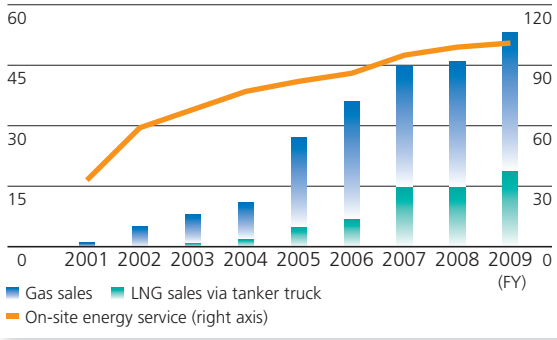
Sales Target:
FY2010 sales of approximately 45 billion yen (total of three business areas)

Sales in FY2009 totaled 37.7 billion yen for these three businesses.

Although the environment surrounding the energy business is challenging, customers' needs are becoming increasingly diverse with the rising level of interest in transitioning to a low-carbon society.

The Chubu Electric Power Group will continue to steadily promote sales activities by identifying our customers' needs and providing them with solutions.

Gas, LNG, and On-Site Energy Service Sales



Transportation of LNG via Tanker Truck

Sales Strategy Example

Example 1:
Proposing a New Lifestyle to Residential Customers

We are proposing the merits unique to electricity, such as safety, comfort, and environmental soundness, thereby improving customers' lifestyles and helping to protect the environment.

"Design no Ma" e-Lifestyle Information Center (Lifestyle Experience Center)

What electricity can do for you and what electricity can do for the Earth.

Promotional phrase, "ON!"

Proposing an Eco-Friendly and Comfortable Lifestyle

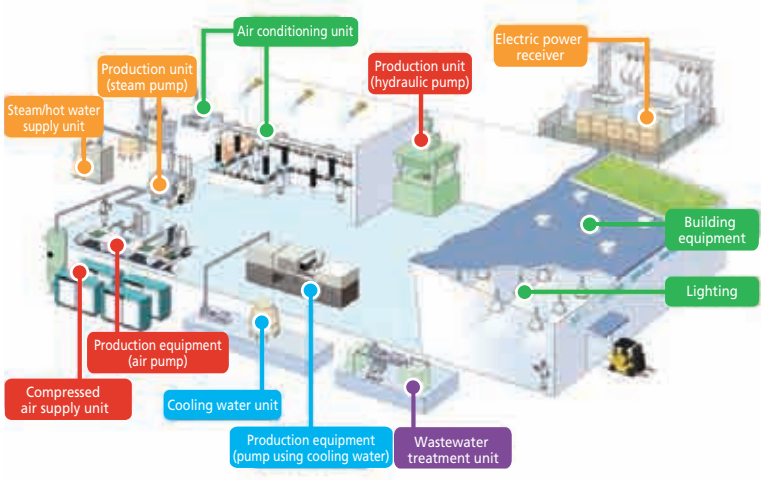
The environmentally-friendly and comfortable lifestyle provided by electricity continues to evolve. To provide the public with opportunities to experience the overall advantages of electricity, we actively promote the use of the "Eco Cute" and other aspects of the all-electric lifestyle. In addition, we will continue introduce the new style of electricity-based living using solar power, electric vehicles and other such new sources of energy.

Example 2:
Providing Solution Services to Business Customers

As our customers' business partner, we work with Group companies to offer comprehensive solution services to meet our customers' diverse needs.

ENE-WAY 2009 Exhibition

Proposal of Optimal Energy Use based on Customers' Equipment



Energy Services That Solve Customers' Issues

<Cost reductions, environmental impact mitigation and energy equipment management>

We assist customers by helping them to understand the way they use energy, and then proposing optimal energy combinations, efficient energy operation methods, and heat source systems (air conditioning, kitchen appliances, water heating, production process, etc.) that reduce costs and mitigate the impact on the environment. Together with Group companies, we respond to customers' specific needs with a full lineup of services, including installation, operation, and maintenance services for all of our customers' energy-related equipment, such as electric power receiving and transforming facilities and heat source systems.

<Raising the Quality of Electric Power>

We are actively working to raise the quality of our electric power so that our customers can utilize electricity in a safe and stable manner. By employing a superconducting magnetic energy storage (SMES) system that can store and quickly discharge (supply) large amounts of electricity as well as electrical double layer capacitors, we are able to avoid the impact caused by momentary voltage drops due to lightning and other factors.

Superconducting Magnetic Energy Storage System (SMES)

Providing Information about Solutions Activities

Through "ENE-WAY," our comprehensive exhibition about energy solutions, and the "Biz-Ene" website (http://www.chuden.co.jp/bizene/index.html; available in Japanese only), we provide information about our solutions activities, such as ways to improve customers' issues and examples of customers who have introduced electric systems.

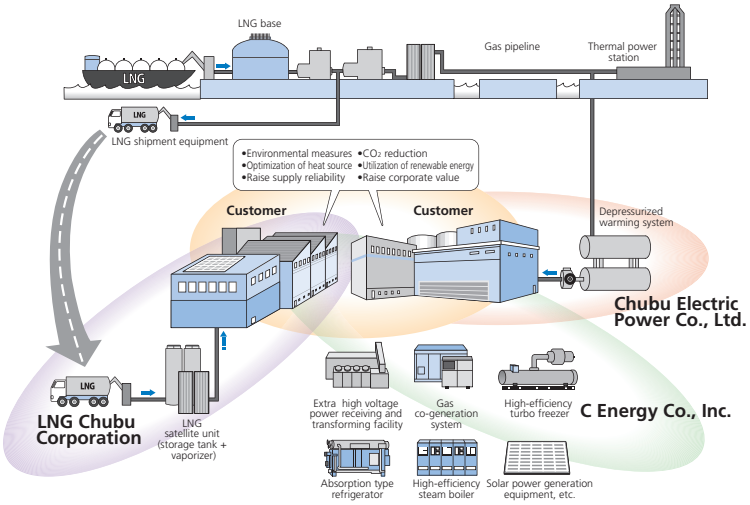
Biz-Ene website

Example 3: Gas and LNG Sales, On-Site Energy Services

As a corporate group offering comprehensive energy services, we provide gas, LNG and on-site energy services.

Gas supply facilities

Energy Services in Collaboration with Group Companies



Gas and LNG Sales, On-Site Energy Services

In the energy market, a new market is developing that goes beyond the traditional boundaries between industrial sectors and business categories, including the switch in fuel from heavy oil to natural gas, based on society's growing awareness of environmental issues.

Accordingly, we meet customers' diverse needs by working as a Group to provide electricity and a wide range of energy services as a one-stop energy solution provider. Chubu Electric Power sells gas using its own pipelines, LNG Chubu Corporation (a group company) sells LNG using tanker trucks, while C Energy Co., Inc. (another group company) provides on-site energy services. All of these services are comprehensively coordinated by the Company's Gas Sales & Services Department.

Electric Power Supply and Demand

Hamaoka Nuclear Power Station

At Chubu Electric Power, we aim to provide customers with an affordable supply of high-quality energy well into the future, safely and on a stable basis. Toward this end, we seek to systematically develop an optimal, balanced energy portfolio accounting for energy efficiency, stability of supply, and environmental soundness.

Although demand for electric power in the Chubu region has declined due to the global economic slowdown since 2008, conditions are turning around amid recovery in production activity. In the medium- to long-term, we expect to see gradual growth in demand based on progress in acquisition of energy demand from other energy sources by the environmental superiority and solid growth in all-electric homes.

To be prepared for future growth in electricity demand, we are developing nearly 4.21 GW of electric power sources over the next 10 years (FY2010 to 2019), including purchases of power from other companies.

Active Commitment to Nuclear Power

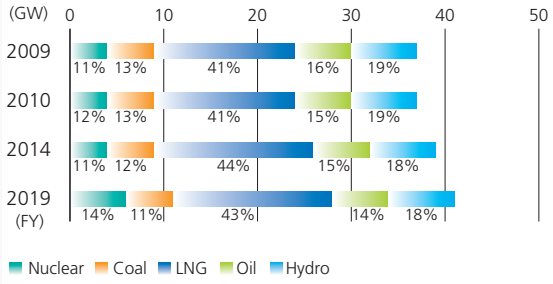
Nuclear power makes it possible to reprocess and recycle used uranium resources, and does not emit any CO_2 at time of power generation. It is therefore an excellent source of energy from the standpoints of supply stability and environmental soundness. With safety as the major prerequisite, nuclear power is clearly promoted as a matter of national policy in Japan.

For Chubu Electric Power, the proportion of electricity generated from nuclear power is low compared to other companies. We have therefore made nuclear power initiatives one of our priorities. With the future goal of achieving 40–50% of total power generation to be made by nuclear power generation, we are focusing efforts on further proprietary development of nuclear power.

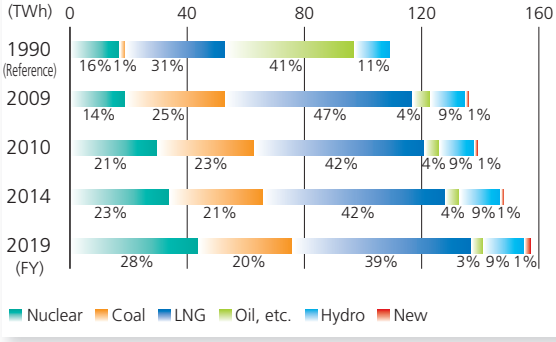
<Hamaoka Nuclear Power Station Replacement Plan>

In December 2008, we have decided that operations at Hamaoka Nuclear Power Station Reactors No. 1 and No. 2 to be terminated, and we established a plan to put Reactor No. 6 online in 2018 and within 5 years thereafter. In conjunction with the termination of operations at

Composition of Generating Facilities



Composition of Generated Electricity



Sales Plan		
Electric Energy Sold Average annual growth, FY2008–FY2019	(Growth rate is value-corrected for temperature)	0.7%
System Peak Load Average annual growth, FY2008–FY2019	(Growth rate is value-corrected for temperature)	0.2%
Power Generation Facilities Plan		Start of Operation
Joetsu Thermal Power Station Group No. 1	1,190 MW	FY2012
Joetsu Thermal Power Station Group No. 2	1,190 MW	FY2013, 2014
Tokuyama Hydro Power Station	153.4 MW	FY2014
Hamaoka Nuclear Power Station Reactor No. 6	1,400 MW class	FY2018 and within 5 years thereafter
Power Purchased		
Oma Nuclear Power Station	205 MW	FY2014
Tsuruga Nuclear Power Station Reactors No. 3 and 4	1,446 MW	FY2015, 2016
Power Transmission Facilities Plan		
275 kV Joetsu Thermal Power line		FY2011
275 kV Suruga-Higashi Shimizu line 275 kV Higashi Shimizu Substation		FY2013
Higashi Shimizu Substation FC		FY2014 (Partial operation from FY2005)
500kV Sekigahara-Kitaomi line 500kV Sekigahara Switching Station 500 kV Sangi Trunk Line: π connection with Sekigahara Switching Station		FY2016

Reactors No. 1 and No. 2, we made plans to construct dry storage facilities for spent fuel from all reactors. We will build the facility on-site and aim to have it in use in FY2016.

On November 18, 2009 Chubu Electric Power received approval from the Minister of Economy, Trade and Industry for its "Application for Approval of Hamaoka Nuclear Power Station Reactors No. 1 and No. 2 Decommissioning Plan," and subsequently began the decommissioning of Reactors No. 1 and No. 2.

<Introducing MOX Fuel* Program to Establish a Nuclear Fuel Cycle>

Chubu Electric Power is proceeding with plans to introduce the MOX fuel program to Reactor No. 4 of the Hamaoka Nuclear Power Station from FY2010.

The first shipment of MOX (plutonium-uranium mixed oxide) fuel for Chubu Electric Power was fabricated in January 2009 and delivered to the plant in May 2009. Intake inspection began in July 2009, and was completed in May 2010. The imported fuel inspection by the national government has also been completed.

Looking ahead, with safety as our foremost priority, we will continue to keep the community informed as we prepare to begin MOX fuel use.

* MOX fuel takes the plutonium extracted from reprocessed uranium fuel used at nuclear power plants and reuses it in nuclear power plants. From the perspective of efficient use of uranium resources, use of MOX fuel is now Japanese national policy, and is to be introduced all Japanese electric power companies going forward.

MOX fuel intake inspection

Efforts to Increase Nuclear Power Generation Ratio

(March 31, 2010)	FY2014	FY2015	FY2016	FY2020–	Target
Chubu Electric Power (3,504MW)	**Chubu Electric Power Development: approx. 1,400MW**			Hamaoka Reactor No. 6 **1,400MW class** FY2018 and within 5 years thereafter (target)	Develop new power supply
Other Companies (526MW)	**Other Companies' Power: 1,651MW**				
	Oma (J-Power) **205MW** Output: 1,383MW November 2014–	Tsuruga No. 3 (JAPC) **723MW** Output: 1,538MW March 2016–	Tsuruga No. 4 (JAPC) **723MW** Output: 1,538MW March 2017–		New purchase contracts
Total: (4,030MW)	**Total: approx. 3,050MW**				
Nuclear power ratio* (Composition of electricity generated from nuclear power) **14%**	**Improve Ratio**		**28%**		**40–50%**

* Indicates composition of electricity generated from nuclear power to meet Chubu Electric Power demand.

Ratio will improve further with opening of Hamaoka Reactor No. 6

Proactive Introduction of High-Efficiency LNG Thermal Power Stations

Following the completion of the high-efficiency combined-cycle Shin-Nagoya Thermal Power Station Group No. 8, which went on-line in FY2008, Joetsu Thermal Power Station Groups No. 1 and No. 2 (scheduled for startup between FY2012 and 2014) employ exceptionally efficient power-generation technology and will also use less fuel and help reduce CO_2 emissions.

This use of high-efficiency combined-cycle plants effectively reduce annual use of LNG by approximately 0.6 million tons and reduces annual CO_2 emissions by approximately 1.6 million tons at Joetsu Thermal Power Station Groups No. 1 and No. 2.

Joetsu Thermal Power Station (March 2010)

Initiatives in Smart Grids

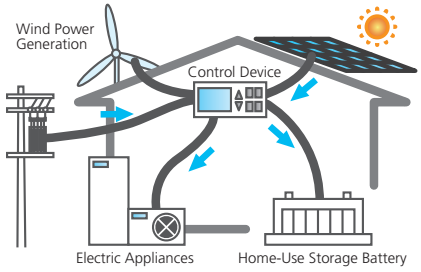
For a power system to operate stably and efficiently, steady efforts are needed both in electrical power supply facilities and in the power control system. The renewable energy sources envisioned for the future, such as solar power, have unstable output. In order to support both the widespread, high-volume production of such energy sources and the stable operation of the power system, society needs smart grids— "smart" electrical power grids that leverage information technology to control power supply. Recently use of smart meters, one type of device needed to build such grids, have been drawing attention.

For years Chubu Electric Power has been working on development of online TSC (Transient Stability Control) systems* and other smart control technologies that maximize utilization of power facility capacity while minimizing power grid failures. Going forward, we will both work to adapt to the spread of renewable energies and other changes in the environment and also promote technological development from the perspective of boosting business efficiency and improving customer service.

* Lightning strikes and similar events can cause large-scale power outages, but this highly economical and stable system prevents such problems from occurring. In 2003, the system was recognized by the Edison Electric Institute in the United States with the Edison Award.

Evaluative Research by Technological Development Departments on Next-Generation Homes and Solar Panels (Launched in Fiscal 2009)

Chubu Electric Power is engaged in verification testing of a next-generation home ("smart home") that can use renewable energies to their fullest extent. It is also conducting evaluations of the power generation characteristics of various solar generation panels.

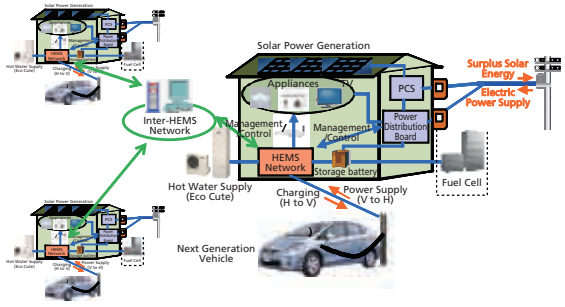


A next-generation home (smart home)

Participation in Next-Generation Energy and Social Systems Demonstration Areas Project

Chubu Electric Power has been selected to participate along with Toyota City and Toyota Motor Corporation in the household/community type Next-Generation Energy and Social System demonstration project in Toyota City, Aichi Prefecture, which was selected as a demonstration city in April 2010.

The project is part of an effort to realize a low-carbon society by creating a system in which households and communities use energy effectively, as well as low-carbon transportation systems.



Chubu Electric Power will look particularly at "visualization" of household power use and controls, as well as development and evaluation of home energy management system (HEMS) that enable effective household use of solar energy generated within the house. In collaboration with partners such as Toyota Motor Corporation and DENSO Corporation, we will gain ne knowledge about the future of energy supply and effective ways of using energy.

Continuous Measurement and Analysis to Prepare for the Spread and Growth of Solar Power Generation and the Effects on the Power Grid (Launched in Fiscal 2009)

See R&D for details (pages 23–24).

Participation in Verification Project for Optimal Control Technologies for Next-Generation Power Grids (Launched in Fiscal 2010)

There are a number of problems that need to be solved in order for high-volume use of solar power generation to become widespread. Examples include development of technologies to control fluctuations in voltage in the grid, and development of low-loss, low-cost devices that utilize next-generation converter technology.

Verification Test for New Distance-Monitoring Electronic Meter

Chubu Electric Power has been investigating technical specifications for "smart meters" a new type of electronic meter equipped with a communication function. As part of our efforts in this area, starting in April 2011 we will conduct a test installation of approximately 1,500 of these new electronic meters at households in Kasugai City, Aichi Prefecture. While the meters are installed, we will conduct verification of the basic remote meter reading function* and other functions. Details of the verification are described later in this section. We believe that the introduction of these new meters will improve customer service and operational efficiency, as well as promote the efficient use of energy, thereby contributing to the realization of a low-carbon society. Based on the data gathered in this experiment, Chubu Electric Power will proceed with development of new meters, and consider the potential for commercialization.

* The remote meter reading function enables usage data to be sent from the smart meters to the server of the power provider via a transponder.

New Electronic Smart Meter

Upper Portion: Transmission Unit
- Transmits the meter data

Middle Portion: Meter Unit
- Measures the amount of electricity consumed

Lower Portion: Switching Unit, etc.
- Turn electric power on and off as needed

Details of Test

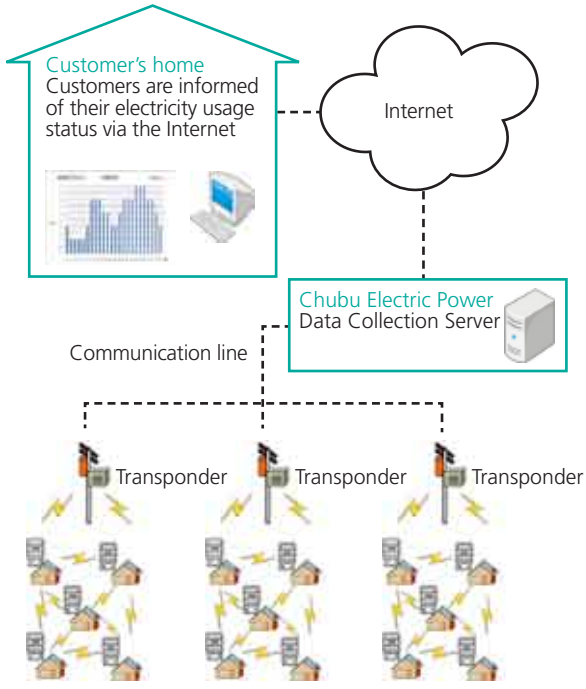
<Verification of Remote Meter Reading Function>

In order to remotely measure the amount of electric power used by customers, data must be transmitted accurately from the meter to our servers. We will therefore test transmissibility of the smart meters in various structural conditions.

<Testing the Effectiveness of "Visualization">

Customers will be informed of the detailed electricity use data gathered from the remote readings via the Internet (allowing them to "visualize" their electricity usage). We will conduct surveys to assess how this information is changing customer behavior, and what types of information are effective in helping customers use electricity efficiently.

Remote Meter Transmission



Meter data is transmitted wirelessly between the electronic meters acting as relay stations, and sent to the transponder

Measures to Improve Management Efficiency

We will further use our creative ingenuity to reduce costs in all aspects of building and managing facilities, procurement and operations.

Shin-Nagoya Thermal Power Station Group No. 8

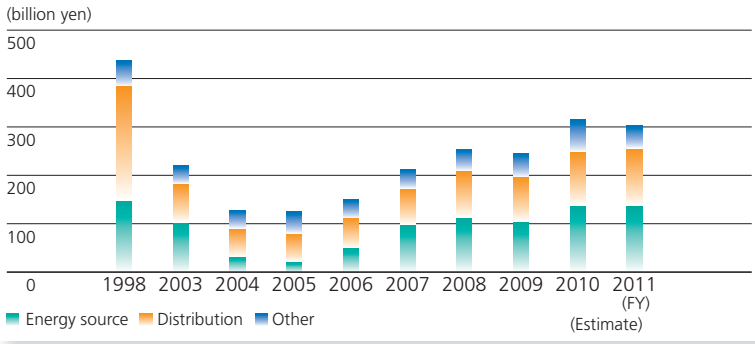
Increasing the Efficiency of Facilities

We have worked to curb capital investment by efficiently building new facilities and efficiently operating our existing facilities. As a result, the amount of investment declined from FY1994 through FY2005. Since FY2006, the level of capital investment has increased in conjunction with the investment in combined-cycle thermal power plant, fuel-related infrastructure, and facilities renewal.

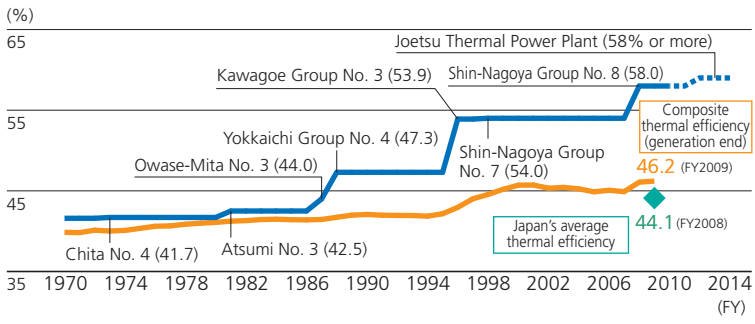
Capital investment (nonconsolidated) in FY2009 totaled 245.1 billion yen, which was roughly the same level as FY2008. Despite the investments made in association with the construction of the Joetsu Thermal Power Plant and fuel-related infrastructure improvements, efforts made to boost efficiencies in all areas of overall investment helped keep the investment amount in check.

Going forward, we will continue to cut costs while ensuring a stable supply of electric power in the future, addressing global climate change, and making steady investments to build facilities aimed at sustainable growth.

Amount of Capital Investment



Thermal Efficiency of Thermal Power Generation Facilities and Composite Thermal Efficiency (LHV basis)



Source: Environmental Action Plan (September 2009), Federation of the Electric Power Companies of Japan

Increasing Composite Thermal Efficiency of Thermal Power Plants through Efficient Operations

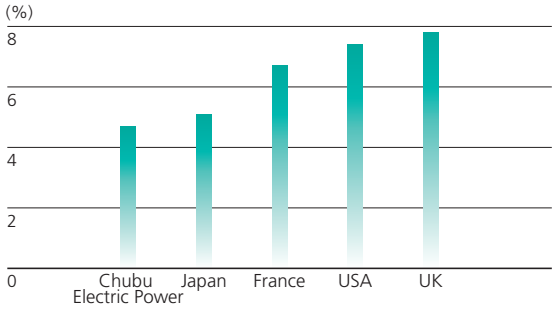
Our efforts to efficiently operate our facilities include use of high-efficiency LNG combined-cycle power plants with high capacity utilization, and installing auxiliary boilers which enable us to temporarily shut down oil-fired thermal power plants when demand is low.

Consequently, we maintained one of the top composite thermal efficiency rates nationwide in FY2009, at 46.21% (LHV basis).

Reducing Losses in Power Transmission and Distribution

We have been working to reduce losses in power transmission and distribution by increasing voltage in power transmission lines and substations which generate low transmission losses, and by operating distribution networks designed to minimize power loss. Through these efforts, we have kept losses in our power transmission and distribution below 5% since 1993, and we are one of the top performers both in Japan and throughout the world in terms of losses in transmission and distribution.

Comparison of Losses in Transmission and Distribution among Major Countries



Chubu Electric Power data is from FY2009 data, Japan data is from FY2008, other data are from 2007.

Source: Japan data from *Hand Book of Electric Power Industry*, Federation of the Electric Power Companies of Japan.
France, US, and UK data from *Overseas Electric Power Industry Statistics 2009*, Japan Electric Power Information Center, Inc.

Initiatives for CSR and Global Environmental Preservation

CSR at the Chubu Electric Power Group

Chubu Electric Power actively contributes to the sustainable development of society through highly transparent business management practices, working diligently to meet the expectations of our stakeholders. Because we manage infrastructure that serves many customers in particular, public and employee safety is paramount. Our most fundamental concern is the safe and stable operation of all of our many facilities, and because we view this as the basis for trust, we will continue to work diligently in this regard.

Chubu Electric Power Group CSR Declaration — Fulfilling our responsibilities and meeting society's expectations

Chubu Electric Power Group, as a Multi-Energy Services Group, is committed to:

Contributing to the development of a sustainable society by giving top priority to safety and striving to both provide a stable supply of energy and protect the global environment. We aim to accomplish these goals through business activities that allow the individuality of group companies to be fully expressed while achieving group synergy in enterprises within our core competence in energy;

Managing our businesses in a fair and sincere manner by observing national and international laws, regulations, and social rules, and by respecting corporate ethics; and

Giving priority to dialogue with all our stakeholders and maintaining high levels of transparency and openness in our business activities.

Customers: We are committed to providing our customers with safe, reliable, convenient, and affordable energy services, as well as other services of value that meet their needs.

Shareholders and Investors: We strive to maintain and increase profits for our shareholders and investors through efficient management and effective investment.

Local Communities: We are determined to contribute to sustainable local development in partnership with local communities.

Business Partners: We promise to deal fairly with our suppliers as equal business partners.

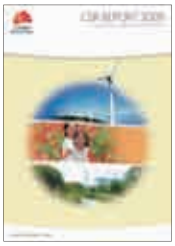
Employees: We respect individuals and endeavor to create a cheerful and motivating workplace.

The Framework for Promotion of CSR

The CSR Group is the center point of the Chubu Electric Power Group's efforts to identify CSR issues and undertake improvement activities, working from stakeholder views and opinions. In tandem, the CSR Promotion Council, with a membership comprising the heads of all company divisions, meets to consider addressing stakeholder expectations from a medium- to long-term perspective.

The Group compiles and issues a CSR report on the status of activities each year.

"CSR Report 2010" is scheduled for release in July, 2010.



Promotion of Compliance Management

As a key pillar in executing CSR, under the guidance of our Compliance Committee, we have formed a companywide framework encouraging each division and facility to practice CSR autonomously. We educate all employees on matters of compliance, and we feel these efforts represent proactive compliance management.

Moreover, we have established the Chubu Electric Power Group Compliance Council, in order to carry out activities to ensure group-wide compliance.

Initiatives for the Environment

Recognizing environmental initiatives as one of the Group's foremost commitments, we established the Chubu Electric Power Group Environmental Declaration defining the Group's philosophy and vision with respect to the environment. Under this declaration, we continue to evolve into a corporate group that shares society's regard for the environment and one that contributes to the sustainable development of our local communities.

Chubu Electric Power Group Environmental Declaration

Environmental Philosophy We will conduct ourselves responsibly and in good faith as members of the energy industry, and strive to protect the global environment through local, regional, and international cooperation.

Environmental Vision We will promote global environmental conservation and contribute to the development of local communities capable of sustainable growth.

— Transforming ourselves into a corporate group that enables each member to share in the environmental culture —

Guideline 1. We will use resources effectively.

- We will work toward the development and practical application of renewable energy.
- We will promote the efficient use of energy.

Guideline 2. We will reduce our environmental impact.

- We will proactively reduce emissions of CO_2 and other greenhouse gases.
- We will aim for zero emissions and realization of a society dedicated to recycling.

Guideline 3. We will improve our level of environmental management.

- We will clearly recognize the environmental impact of our operations and undertake thorough environmentally conscious administration.
- We will cultivate personnel capable of independently taking action on environmental concerns.

Guideline 4. We will promote environment-related communication and improve cooperation with the community on a local and global level.

- We will improve interactive communication related to the environment and energy.
- We will cooperate with people in a wide range of fields outside the conventional framework.

Global Environmental Preservation Initiatives

Chubu Electric Power aims to reduce average CO_2 emission intensity by 20% relative to FY1990 levels during the first commitment period of the Kyoto Protocol (FY2008 to FY2012).

Omaezaki Wind Power Station (Phase 1)

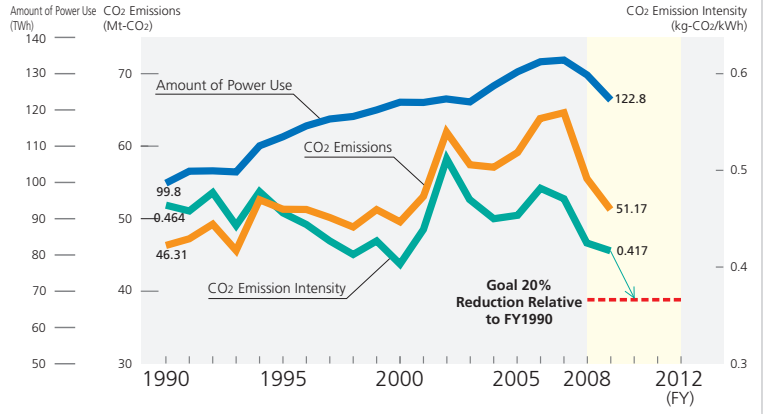
Reducing CO_2 Emission Intensity

We will continue to aggressively promote zero-emissions energy sources that do not emit CO_2 when power is generated, including nuclear power and renewable energy. At the same time, we will push forward with efforts to efficiently use and conserve energy.

Initiatives will be taken in all business areas. On the power generation front, we will increase the utilization ratio of the Hamaoka Nuclear Power Station, introduce renewable energy electric power generation such as solar, wind and biomass power generation, and raise the thermal efficiency of thermal power generation, focusing on the development of high-efficiency LNG thermal power such as the Joetsu Thermal Power Station. On the distribution front, we will work to reduce loss in transmission and distribution. In terms of demand, we will continue to actively promote energy conservation by raising the level of interest in the "Eco Cute" electric water heater and other heat pumps that have high energy efficiency.

In addition to these initiatives, we will procure CO_2 emissions credits under the Kyoto Mechanism and continue to spare no effort to reduce CO_2 emissions related to our operations.

Chubu Electric Power CO_2 Emission Intensity



* CO_2 emissions intensity indicate figures after reflecting CO_2 credits

Promoting Renewable Energy

As an initiative to protect the global environment, we are promoting the use of renewable energy. This effort

Initiative		Output (MW)	Amount of CO_2 Reduction* (t-CO_2/year)	Launch of Operation
Solar				
Mega Solar Taketoyo		7.5	3,000	FY2011 (Plan)
Mega Solar Iida		1	400	FY2010 (Plan)
Solar Total		8.5	3,400	–
Wind				
Chubu Electric Power (Actual)	Omaezaki (Phase 1)	6	30,000	FY2009
Chubu Electric Power (Plan)	Omaezaki (Phase 2)	16		FY2010 (Plan)
Chubu Electric Power Sub-Total		22		–
Group Company Development (Actual)	AOYAMA-KOGEN WIND FARM	15	50,000	FY2002
	C-TECH	16		FY2005
		20		FY2009
Group Company Development (Plan)	C-TECH	18	100,000	FY2010 (Plan)
	AOYAMA-KOGEN WIND FARM	92		FY2015 (Plan)
Wind Total		183	180,000	–
Biomass				
Wood chips (Mixed combustion accounting for approximately 1.5% of the 4.1GW of total output from all facilities at Hekinan Thermal)		–	300,000	FY2010 (Plan)
Sewage Sludge Carbonization Fuel (Mixed combustion of a maximum of approximately 2% of the 2.1GW output from Hekinan Thermal No. 1–3)		–	4,000	FY2012 (Plan)
Total		191.5	Approx. 500,000	–

* Estimated

involves actively working with Group companies to develop and introduce renewable energy sources such as solar power, wind power and biomass power generation, as well as actively purchasing surplus power.

Developing Mega Solar Power Stations

Chubu Electric Power believes that Japan must take its advanced technological capabilities to an even higher level in order to effectively utilize renewable energy sources. To contribute to the promotion of solar power generation, we are taking aggressive action and aim to develop 15–20MW of mega solar power generation capacity by FY2020.

We are currently constructing Mega Solar Taketoyo, a 7.5MW solar power station on the grounds of the Taketoyo Thermal Power Station in Taketoyo Town, Chita County, Aichi Prefecture. We are planning to bring Mega Solar Taketoyo online before the end of FY2011.

We are in the process of building Mega Solar Iida, a 1MW solar power station in Iida City, Nagano Prefecture. We are planning to bring this facility, which is being carried out in cooperation with Iida City, online in February 2011.

Mega Solar Taketoyo (artist's rendition)

Mega Solar Iida (artist's rendition)

Developing Wind Power Stations

In February 2010, Chubu Electric brought online three wind turbines (6MW) as Phase 1 of the Omaezaki Wind Power Station, and we expect to bring an additional eight turbines (16MW) online at this station during FY2010.

Group Companies C-TECH and AOYAMA-KOGEN WIND FARM currently operate 38 turbines generating 51MW of electric power on the Aoyama Plateau in Mie Prefecture.

C-TECH is also in the process of building Wind Park Kasadori, a 38MW facility in the northern part of the Aoyama Plateau (in the cities of Tsu and Iga in Mie Prefecture), and is aiming to complete construction before the end of FY2010. The initial 20MW portion of the facility was brought online in February 2010. Furthermore, studies are being done on expansion by AOYAMA-KOGEN WIND FARM, with an aim to complete the expansion in FY2015.

Biomass Power Generation

We are progressing with our plan to start mixed combustion using woody biomass as fuel at our Hekinan Thermal Power Station. The plan calls for approximately 1.5% of the power output from this power station to be based on woody biomass fuels, which consequently reduces the amount of coal that is used.

We are currently carrying out combustion testing, and will begin full-scale operations during FY2010.

Furthermore, we have teamed with METAWATER Co., Ltd. on a project to turn sewage sludge into fuel at the Kinuura East Purification Center in Aichi Prefecture. This project aims to generate biomass fuel from sewage sludge, which has traditionally been incinerated, by carbonizing it in a fuel-producing facility built within the purification center. The plan calls for burning the fuel that is produced together with coal (mixed combustion) at the nearby Hekinan Thermal Power Station over a period of 20 years, beginning in April 2012.

Biomass fuel facility (Hekinan Thermal Power Station)

Purchasing Surplus Electric Power

We are helping to promote new energy* such as solar power and wind power by purchasing excess electric power from such sources.

In November 2009, a new purchase system for solar power was launched as part of the Japanese government's policy to create a low-carbon society by promoting an increase in solar power generation.

The system seeks to create a low-carbon society with the participation of all the people of Japan. Under the system, electric power companies will purchase surplus electricity from solar power generation at a price specified by the national government. The cost of such purchases is to be charged to all customers who use the power company networks.

* Includes solar, wind, biomass and other forms of energy set forth in the *Act on Special Measures Concerning New Energy Use by Operators of Electric Utilities* (the "RPS Law").

Purchases in FY2009	Solar	Wind	Waste materials	Small-scale hydroelectric
No. of Contracts	92,215	37	35	9
Contracted kW (MW)	347	170	156	2
Volume of Power Purchased (GWh)	188	241	224	12

* Small-scale hydroelectric refers to power generation facilities no greater than 1MW.
* Figures include wind power generated by Group companies.

Developing Environment-Related Projects Overseas

Chubu Electric Power will effectively utilize the technological capabilities cultivated in Japan, our personnel, and other management resources to participate in overseas environmental projects. We will continue to carry out initiatives overseas aimed at protecting the environment as part of our effort to contribute to society on a global basis.

<Thailand Rice Husk Biomass Power Generation Project>

This was a project to develop and operate a 20MW power plant using rice husks as fuel in Thailand's rice-growing region. The project helped to diversify Thailand's energy sources and protect the environment.

(Approximately 70,000 tons of annual CO_2 emissions credits acquired)

Rice Husk Power Station
(North-central Thailand's Phichit Province)

<Malaysia Oil Palm Empty Fruit Bunch Biomass Power Generation Project>

This project developed and operates two 10MW power plants on the island of Borneo in Malaysia fueled by oil palm empty fruit bunches, which were formerly thrown away.

(Approximately 500,000 tons of annual CO_2 emissions credits acquired)

Helping to Expand the Spread of Electric Vehicles

We plan to introduce approximately 1,500 electric vehicles (including plug-in hybrid vehicles) to our corporate fleet by the end of FY2020, and in FY2009 we added 100 electric vehicles to the fleet. (By adding 1,500 electric vehicles to our fleet we can reduce our annual CO_2 emissions by about 1,500 tons.)

In addition, as one example of an initiative in the transportation sector to build a low-carbon society, we worked with Aichi Prefecture, local governments in Aichi Prefecture, automobile manufacturers and retailers to form the Aichi EV/PHV Promotion Network, which is working to generate initial demand for electric vehicles and to educate the public.

In March 2010, we installed high-speed battery chargers for electric vehicles at our Nagoya regional office and Okazaki regional office. These high-speed battery chargers are able to charge a vehicle battery to 80% capacity in approximately 30 minutes, a significant reduction compared to regular battery chargers.

Going forward, we plan to collect and analyze data concerning usage frequency and charging amount, and use such information to explore ways to improve the electric vehicle charging infrastructure.

Electric vehicle

Plug-in hybrid vehicle

High-speed battery charger
installed at Nagoya regional office

Strengthening the Foundations of Business

In order to further enhance the earnings foundation, Chubu Electric Power will actively pursue overseas energy projects, seeking to further raise the corporate value and meet the expectations of our stakeholders.

Goreway Power Plant, Canada

Active Development of Overseas Energy Projects

<Ongoing Participation in Power Generation>

Aiming to secure long-term, stable profits, Chubu Electric Power is taking steps to participate in prime overseas projects, including high-efficiency gas thermal generation, mainly in Asia, North America and the Middle East, where the company has an established track record. We are also working to strengthen the earnings base through careful management of existing investments.

<Promoting Participation in Environmental Projects>

With the aim of securing earnings and acquiring CO_2 emissions rights, Chubu Electric Power participates in environment-related projects, including biomass power generation projects in Thailand and Malaysia. Going forward, the Group will continue to pursue such investments, while monitoring results.

Overseas Investments (As of March 31, 2010)

	Output (MW)	Chubu Electric Power's Investment	Start of Construction	Start of Operation
Power Generation Projects				
Thailand Gas Thermal IPP Project	1,400	15%	Feb. 2006	Jun. 2008
Mexico Gas Thermal IPP Project	525	50%	Apr. 2004	Jun. 2006
Qatar Ras Laffan B Independent Water and Power Project	1,025	5%	Apr. 2005	Jun. 2008
Qatar Ras Laffan C Independent Water and Power Project	2,730	5%	May 2008	2011 (Planned)
Qatar Mesaieed A Independent Power Project	2,000	10%	Jun. 2007	2010 (Planned)
U.S.A. Investments in Various Existing IPPs	50	25%	2004–2013 (Purchase and Sales Period)	
Canada Gas Thermal IPP Project	875	25%	Feb. 2006	Jun. 2009
Environmental Projects				
Thailand Rice Husk Biomass Power Generation Project (expected to acquire approx. 490,000 tons of CO_2 credits*)	20	34%	Dec. 2003	Dec. 2005
Malaysia Oil Palm Empty Fruit Bunch Biomass Power Generation Project (expected to acquire approx. 200,000 tons of CO_2 credits*)	10×2	18%	Oct. 2006 (Base 1) Feb. 2007 (Base 2)	Jan. 2009 (Base 1) Mar. 2009 (Base 2)
Asian Environmental Funds	–	26%	2004–2014 (Fund Operation Period)	

* CO_2 credits indicates the amount of credits to be purchased under the first commitment phase of the Kyoto Protocol.

Total cumulative investment in fiscal 2009: approx. ¥30.0 billion
Total output attributable to Chubu Electric Power: approx. 1,100 MW

Promoting Group Management

We view harnessing and improving the overall strengths of the Group as a key issue for realizing our vision for the Group and achieving continuous growth for the Group as a whole. To this end, we have clarified the roles of Chubu Electric Power and the Group companies, and pursue business operations through an efficient collaboration within the Group.

While promoting business structure strengthening including through realignment of Group companies, we are working to enhance Group management. In addition, we are strengthening the business foundations to build an integrated and efficient structure for business management in each of our business domains—power generation, transmission and transformation, and distribution—including for Group companies.

Initiatives to Improve Productivity

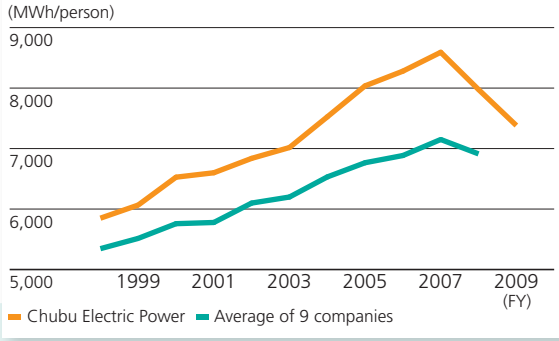
The environment surrounding the electric power business is changing that require us to respond in a both flexible and prompt manner, and Chubu Electric Power is examining the overall way of working up to now, and considering and implementing various measures to improve productivity.

Through these initiatives, we are working to cultivate a corporate culture of improvement and further raise corporate value.

<Industry-Leading Labor Productivity>

As a result of efforts to promote operational efficiency, Chubu Electric Power has achieved per-employee electric power sales, a measure of productivity, among the highest of any in Japan's domestic power industry. Going forward, the Company will take active steps to improve efficiency in business operations and strive to maintain this high level of productivity.

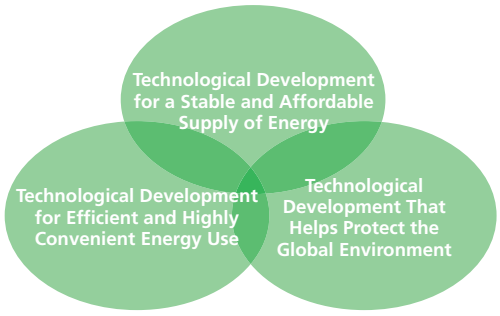
Per-Employee Electric Power Sales



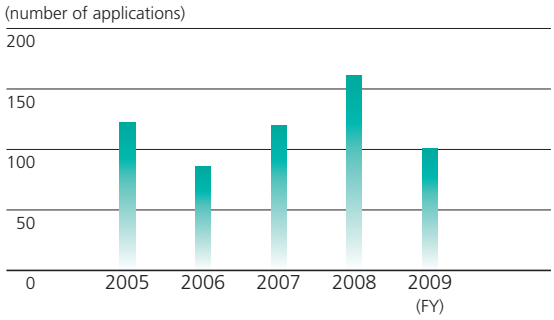
Research and Development

Chubu Electric Power is actively engaged in technological development in the three main areas shown in the diagram below, led by the Research & Development Division. The Company responds flexibly and strategically to changes in business conditions such as the movement to realize a low-carbon society, while maintaining an ever keener awareness of cost/benefit analysis of development activities. We prioritize research activities with potential for profitability and apply the results in all aspects of business, including sales activities.
We also acquire and exercise intellectual property rights for the results obtained through our technical development and innovative business activities.

Fields of Technological Development



Number of Patent Applications



Development of Direct Water-Pressured "Eco Cute" Electric Water Heater

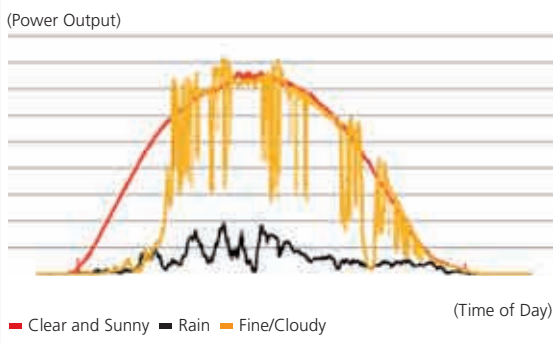
Thanks to their excellent energy-saving performance and economy, Eco Cute electric water heaters are becoming increasingly popular in Japan. At the same time, there have been calls from customers for increased shower flow in second- and third-floor bathrooms. Chubu Electric Power responded by developing the direct water-pressured "Eco Cute," which employs proprietary water heating technology. The newly developed system instantly heats tap water with a heat exchanger, using hot water in a hot-water tank as the heating source, achieving an increase of around 60% in shower flow compared with previous "Eco Cute" systems from high hot-water pressure created using direct water pressure. "Eco Cute" is now suitable for installation in three-storey dwellings and other locations, and has contributed to further market uptake of the "Eco Cute" system.

Direct water-pressured Eco Cute electric water heater

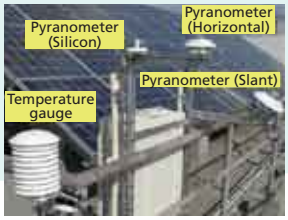
Research to Assess Impact on Power Grids of Large-Scale Introduction of Solar Power Generation

High hopes are harbored for solar power generation as a means of reducing CO_2 emissions. On the other hand, there are also concerns that large-scale introduction will affect the quality of the electricity supply because power output can fluctuate considerably depending on the weather and other conditions.

Weather-Related Output Fluctuations From Solar Power System



Chubu Electric Power has installed equipment to measure the amount of sunlight, solar power output and other variables at 61 locations within its service area. Using this equipment, we are researching the impact on the quality of the electricity supply from the large-scale introduction of solar power generation. This includes analyzing the smoothing effect on output fluctuations of power grids as a whole.



Sunlight and other measurement equipment and solar panels on the roof of a customer service office.

This research is being carried out with the cooperation of nine other power companies as a funded project of the Agency for Natural Resources and Energy in Japan.

Solar Power Generation Data Measurement Sites

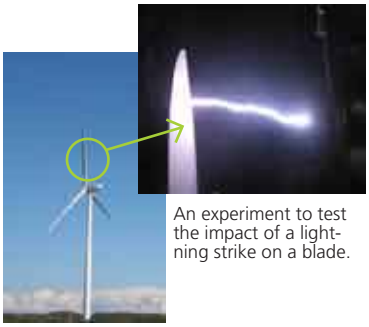
(In addition to the sites shown on this map, approximately 20 sites are located in Western Aichi Prefecture)

Increasing Ability of Wind Power Generators to Withstand Lighting Strikes

Wind power generation is being increasingly embraced from the standpoint of reducing CO_2 emissions. Often, however, this equipment is placed in locations where there are no other tall structures in the vicinity, such as mountain and coastal areas.

Chubu Electric Power is thus conducting R&D to prevent damage to facilities caused by lighting strikes and to raise the usage efficiency of wind power.

We are studying everything from receptors placed over the tips of wind turbine blades to structures that safely and efficiently transfer the current to earth.


An experiment to test the impact of a lightning strike on a blade.

Marine Environmental Protection Technologies

In order to restore underwater forests lost due to work in coastal areas, Chubu Electric Power has developed underwater forest re-establishment technologies based on experiments to propagate and transplant different types of seaweed such as paddle weed and eelgrass.


This paddle weed bed was formed near Chubu Centrair International Airport


We formed this eelgrass bed as part of an environmental technology testing project in Mie Prefecture, Japan

Seaweed beds provide a refuge and spawning ground for fish, shrimp, squid and other marine life. They also purify seawater by absorbing nutrients such as nitrogen and carbon dioxide. The technology we have developed to re-establish underwater forests is being used in an environmental technology testing project in Mie Prefecture and for restoring underwater forests at Chubu Centrair International Airport.

Governance Structure

In order to remain a trusted company and the first choice for shareholders, investors, and all stakeholders, Chubu Electric Power is working to take corporate governance to the next level, with fairness and transparency as central management tenets.

In addition to the corporate bodies prescribed by Japanese Corporate Law (such as a board of directors, board of auditors, and corporate auditors), our governance structure includes the Management Strategy Committee and Senior Executive Committee.

The Board of Directors meets monthly in principle to discuss and decide important matters of management and items governed by law or the articles of incorporation. The board also hears progress reports to monitor directors as they execute their duties. Additionally, two outside directors have been appointed in order to enhance monitoring functions.

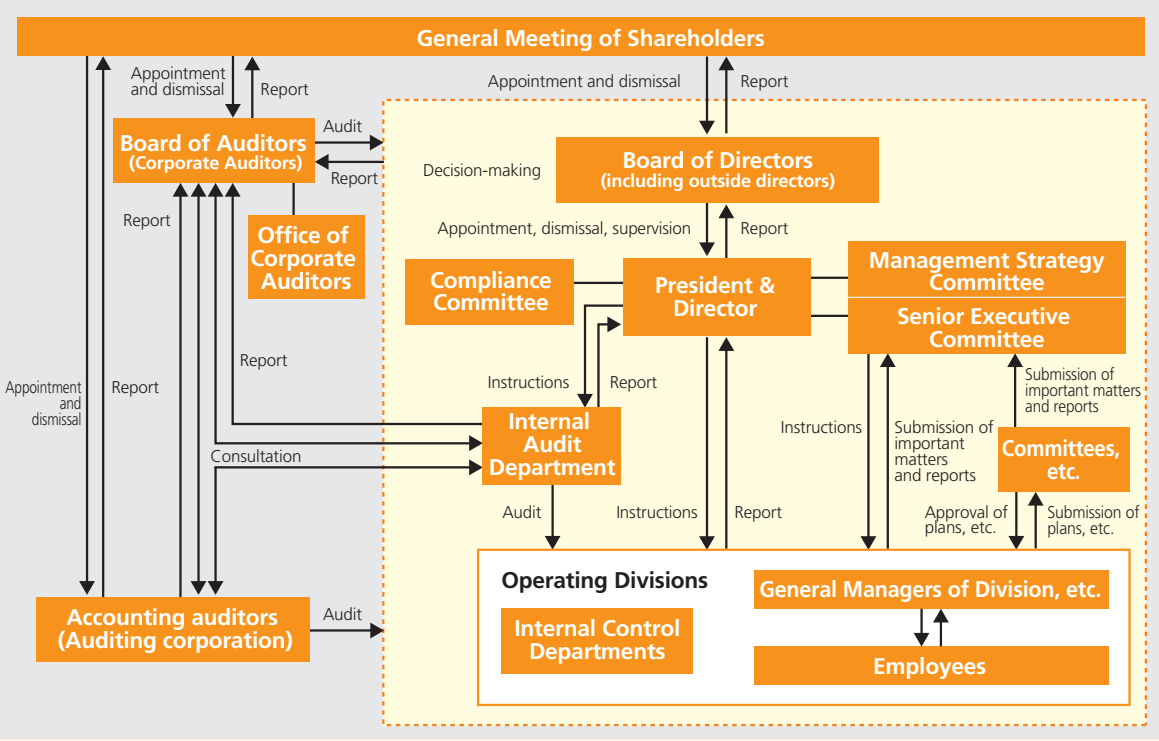
The Senior Executive Committee meets once a week in principle for preliminary deliberation of items on the agenda of the Board of Directors and to discuss other important business matters. Meanwhile, the Management Strategy Committee of representative directors and other officers discusses the course of action in medium- to long-term management. Matters requiring special attention are submitted to the Senior Executive Committee and the Board of Directors.

We have adopted an executive officer system to ensure that management's decision-making and supervision duties are separate from the execution side and to help accelerate execution. Substantial authority is delegated from the president to the managing executive officers with other responsibilities who serve as general managers, and the execution of duties in specified areas is completed by persons at or below the rank of general manager. In order to ensure consistency between managerial decisions and actual business operations in specified areas, as a rule, a director will serve in dual capacity when a managing executive officer must serve also as a general manager, by contributing his or her expertise in meetings of the Board of Directors.

To ensure that our management system is capable of responding quickly to changes in the business environment and that management responsibilities and executive responsibilities are clear, directors, managing executive officers, and executive officers serve a one-year term.

The Board of Auditors consists of seven Corporate Auditors (including four Outside Corporate Auditors), and works to allocate the roles of the Corporate Auditors and share information in order to conduct audits more systematically and efficiently. It also issues decisions and approvals regarding matters of law and the items prescribed by the articles of incorporation. Corporate Auditors audit every aspect of the performance of duties by the directors, for which purpose

Chubu Electric Power's Corporate Governance Framework



they deepen understanding of the Directors, the internal audit divisions, and other employees, attend meetings of the Board of Directors and other important meetings, hear from Directors regarding the performance of their duties, and examine the circumstances of company operations and finances. They also perform their duties for the purpose of thoroughly monitoring and verifying resolutions made by the Board of Directors regarding establishment of systems to ensure the quality of corporate administration and the operating status of the system (internal control) developed by such resolutions.

The Internal Audit Department, which is under the direct control of the president and independent of the operating divisions, is responsible for internal audits, and it performs these audits on the activities of the operating divisions such as quality control for safety at nuclear power plants, basing its perspective on internal control system (including internal control regarding financial reporting) effectiveness and CSR. The results of each of these initiatives are reported to the President.

Internal Controls

Preparation and Operation of Internal Control System

Chubu Electric Power set its basic stance on the preparation of an internal control system at an April 2006 meeting of the Board of Directors, where we formulated a set of guidelines to ensure the proper conduct of business operation, consisting of items related to business management, risk management, compliance, auditing, and so on. A revision was made at a March 2008 Board of Directors meeting that reflected internal control on financial reporting, among other matters, followed by a revision reflecting items relating to business management of Group companies, decided at an April 2009 meeting of the Board of Directors.

Chubu Electric Power maintains and operates its internal control system based on these guidelines in order to ensure appropriate conduct of the Company's business.

Group Initiatives

As part of initiatives to ensure the proper conduct of business operations, Chubu Electric Power has defined internal Group controls. We have set up a department to oversee relevant issues pertaining to our Group companies in order to adequately develop management strategies and policies applicable to the whole Group, and to effectively manage the Group companies. In FY2008, rules for the management of Group companies put into effect with the aim of more appropriate maintenance and operation of their internal controls.

Since FY2006, we have been conducting internal audits of consolidated subsidiaries, while extending support to the Group companies in their efforts to establish and operate internal controls.

Internal Controls on Financial Reporting

Concerning internal control on financial reporting as based on the Financial Instruments and Exchange Law, Chubu Electric Power has prepared a system to visualize, confirm, and evaluate important business processes relating to financial reporting. This system has been in operation since April 2008. We will continue to work to ensure appropriate financial reporting.

Risk Management

Risk management for the Company as a whole and for the individual divisions seeks to prevent risks, as well as preventing the spread of damage during emergencies that follow their occurrence. We are conducting organizational improvement and putting in place authorities and internal regulations accordingly.

Specifically, risks that can have a serious impact on management are subject to risk management protocol and other internal regulations. Based on these regulations, the Corporate Planning and Strategy Division and the various individual divisions are to ascertain and evaluate such risks, which are then to be reported at Management Meetings. They are also to act on the instructions of top management to formulate and implement management plans and business operation plans incorporating risk countermeasures.

In the event of an emergency or other such event that could have a serious impact on the Company's assets or credibility in society, actions are to be taken in accordance with disaster countermeasure procedures, crisis management regulations, and other such regulations. Such actions include reporting to command posts, emergency action for damage control, and response and restoration procedures.

Compensation for Officers

(million yen)

Group	Total amount of compensation	Compensation		Number of people compensated
		Salary	Bonus	
Directors*	690	591	99	17 people
Corporate auditors*	111	111	–	4 people
Outside directors	50	50	–	6 people

* Does not include outside directors.
The compensation listed above includes compensation for four directors and one corporate auditor who resigned at the end of the 85th General Meeting of Shareholders.

Directors and Corporate Auditors

(As of July 1, 2010)

Chairman of the Board of Directors

Toshio Mita

April 1969 Joined Chubu Electric Power
June 2003 Director, General Manager of Tokyo Office
June 2005 Director & Managing Executive Officer, General Manager, Customer Service Division
June 2006 President & Director
June 2007 President & Director (Executive Officer*)
June 2010 Chairman of the Board of Directors (Current)

* Introduction of current executive officer system in FY2007

President & Director

Akihisa Mizuno

April 1978 Joined Chubu Electric Power
June 2008 Director & Senior Managing Executive Officer
General Manager of Corporate Planning & Strategy Division
June 2009 Director & Executive Vice President
General Manager of Corporate Planning & Strategy Division, and Affiliated Business Planning & Development Dept.
June 2010 President & Director (Current)

Director, Executive Vice President

Yoshihito Miyaike
General Manager of Information Systems Dept.
General Manager of Environmental Affairs & Plant Siting Division

Norihisa Ito
General Manager of Corporate Communication Dept., Legal Affairs Dept., and General Affairs Dept.
General Manager of Secretary Services Dept., Personnel Dept., Human Resources Development Center, and Affiliated Business Planning & Development Dept.

Masatoshi Sakaguchi
General Manager of Power Generation Division

Kazuhiro Matsubara
General Manager of Finance & Accounting Dept., and Purchasing & Contracting Dept.

Director, Senior Managing Executive Officer

Ryosuke Mizutani	General Manager of Hamaoka Central Administration Office and affiliated with Environmental Affairs & Plant Siting Division
Masakazu Aida	General Manager of Research & Development Division
Tomohiko Ohno	General Manager of Customer Service Division
Satoru Katsuno	General Manager of Corporate Planning & Strategy Division
Katsuji Noda	General Manager of Fuels Dept., International Business Dept., and Gas Sales & Service Dept.
Akira Matsuyama	General Manager of Land Affairs Dept., and Telecommunications Engineering Dept. General Manager of Power System Division

Director

Yuji Kume
Hideko Katsumata
Shun Matsushita

Senior Corporate Auditor

Hitoshi Yoshida (Full-time)

Corporate Auditor

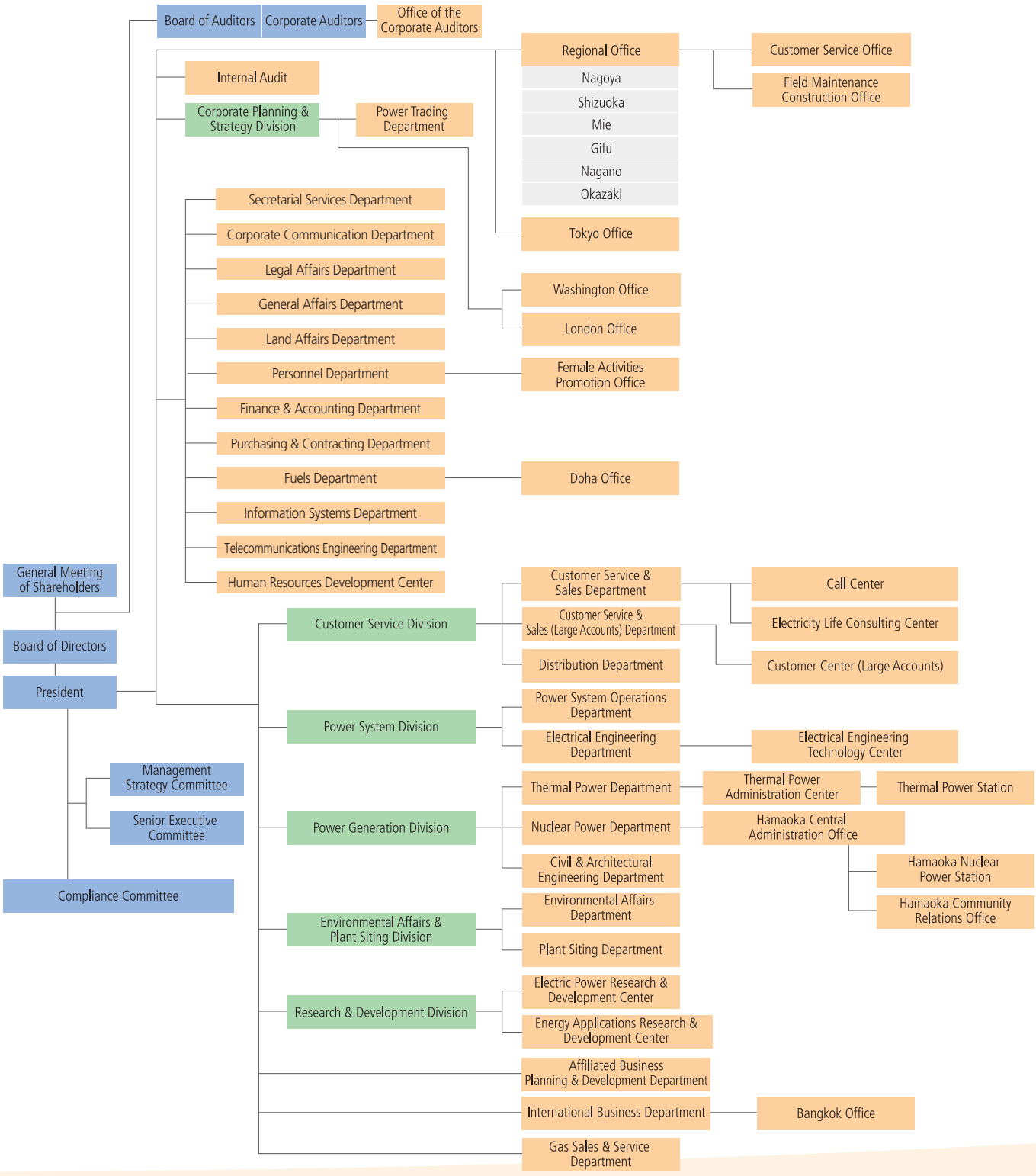
Hidetaka Tomita (Full-time)
Katsuyuki Naito (Full-time)
Minoru Matsuo
Toshiko Aburada
Kenji Matsuo
Shigehisa Sao

Notes 1) Directors Hideko Katsumata and Shun Matsushita are outside directors as defined in Article 2, Clause 15 of the Japanese Corporate Law.

2) Corporate auditors Minoru Matsuo, Toshiko Aburada, Kenji Matsuo, and Shigehisa Sao are outside corporate auditors as defined in Article 2, Clause 16 of the Japanese Corporate Law.

Chubu Electric Power Co., Inc. Organization Chart

(As of July 1, 2010)



Chubu Electric Power Group

(As of March 31, 2010)

The Company Reported the Financial Statements
Consolidated Subsidiaries
Affiliates Accounted for Under the Equity Method

Electric Power Business

Chubu Electric Power Co., Inc.

- AOYAMA-KOGEN WIND FARM CO., LTD.
- A.T. Biopower Co., Ltd.
- Compañia de Generación Valladolid, S. de R.L. de C.V.
- Sithe Global Power Goreway ULC

Energy Business

- Chita L.N.G. Co., Ltd.
- LNG Chubu CORPORATION
- C ENERGY CO., INC.
- Hamamatsu D.H.C. Co., Ltd.
- Centrair Energy Supply Co., Ltd.
- Nagoya City Energy Co., Ltd.
- Nagoya Energy Service Co., Ltd.
- Hokuriku Erunesu Co., Ltd.

Construction

- TOENEC CORPORATION
- TOENEC Service Co., Ltd.
- TOENEC (THAILAND) CO., LTD.
- Chubu Plant Service Co., Ltd.
- TOENEC (TAIWAN) CO., LTD.
- TOENEC CONSTRUCTION (SHANGHAI) CO., LTD.
- C-TECH CORPORATION
- TOENEC PHILIPPINES INCORPORATED

Other Businesses

IT and Telecommunications

- Chuden CTI Co., Ltd.
- Chubu Telecommunications Co., Inc.
- Omaezaki Cable Television
- CHUBU CABLE NETWORK COMPANY, INCORPORATED
- Community Network Center Inc.

Manufacturing

- CHUBU SEIKI Co., Ltd.
- AICHI ELECTRIC Co., Ltd.
- AICHI KINZOKU KOGYO Co., Ltd.
- Chita Tansan Co., Ltd.
- TOKAI CONCRETE INDUSTRIES Co., Ltd.
- Chubu Liquid Oxygen Co., Ltd.

Transportation

- Chuden Transportation Service Co., Ltd.
- SHIN-NIHON HELICOPTER Co., Ltd.

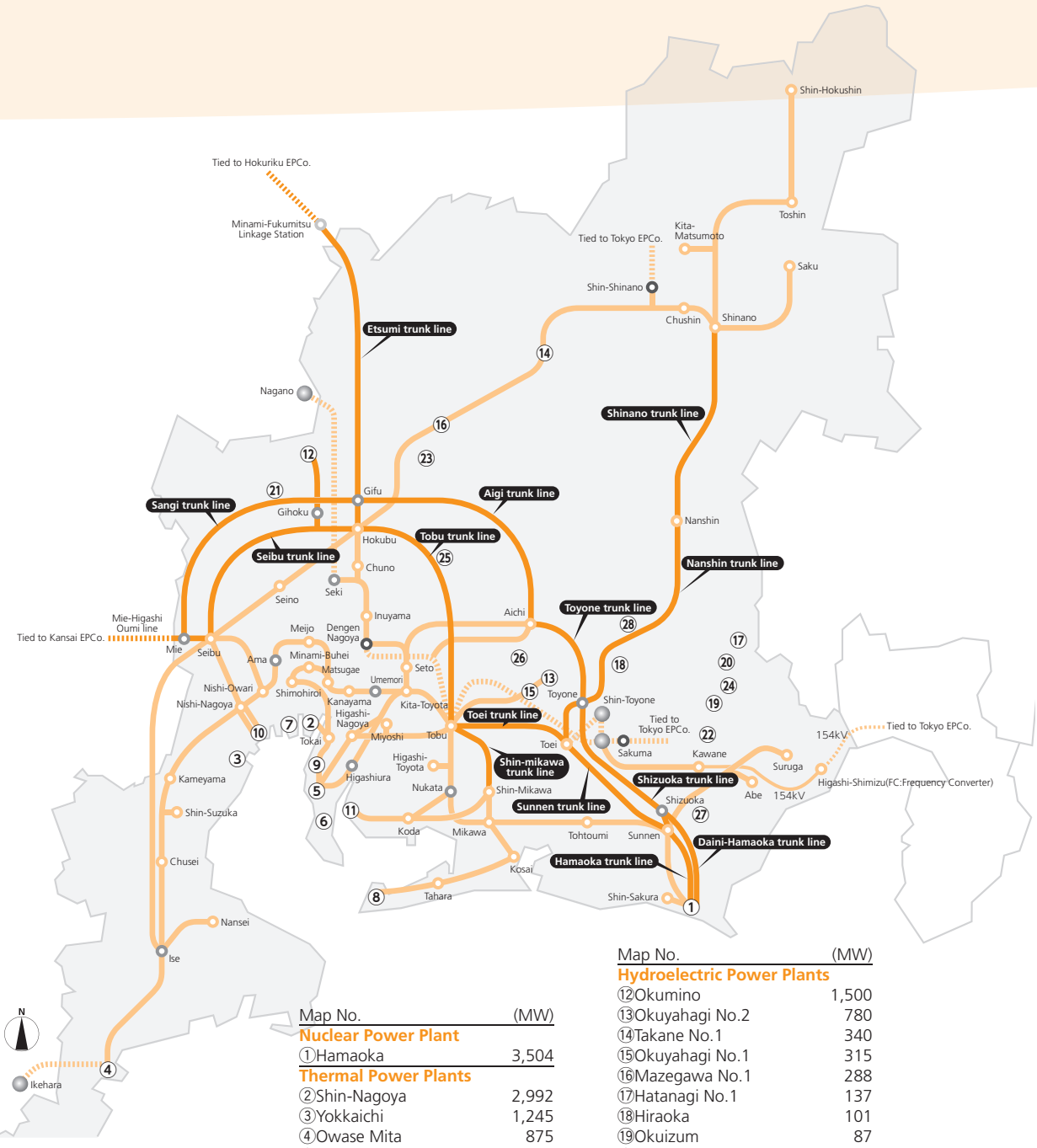
Real Estate Management

- Chuden Real Estate Co., Inc.

Services and Others

- CHUDEN KOGYO Co., Ltd.
- Chuden Auto Lease Co., Ltd.
- Chuden Disaster Prevention Co., Ltd.
- Techno Chubu Co., Ltd.
- Chubu Electric Power Company International B.V.
- Toho Industry Co., Ltd.
- Chubu Electric Power Company U.S.A. Inc.
- Chubu Energy Trading, Inc.
- Chubu Electric Power Southdown B.V.
- Chubu Electric Power Gorgon Pty Ltd.
- Chuden Haiden Support Co., Ltd.
- Chita Berth Co., Inc.
- Chubu Cryogenics Co., Ltd.
- Chuden Wing Co., Ltd.
- CHUDEN BUSINESS SUPPORT Co., Ltd.
- Chubu Electric Power (Thailand) Co., Ltd.
- FILLTECH CORPORATION
- Chubu Electric Power Goreway B.V.
- Chubu Electric Power Australia Pty Ltd.
- KASUMI BERTH CO., INC.
- NIPPON MALENIT CO., LTD.
- Compañia de Operación Valladolid, S. de R.L. de C.V.
- Chubu Ratchaburi Electric Services Co., Ltd.
- Tyr Capital, LLC
- PFI Toyokawa Hoisaijyo Co., Ltd.
- Ogaki School Lunch Support Co., Inc.

Power System Map and Generating Facilities



LEGEND

- Substations (275 kV or more system)
- Switching stations (275 kV or more system)
- Substations owned by other utilities
- Hydroelectric power plants owned by other utilities
- 500 kV Transmission line
- 275 kV Transmission line
- 500 kV Transmission line owned by other utilities
- 275 kV Transmission line owned by other utilities

Map No.	(MW)
Nuclear Power Plant	
①Hamaoka	3,504
Thermal Power Plants	
②Shin-Nagoya	2,992
③Yokkaichi	1,245
④Owase Mita	875
⑤Chita	3,966
⑥Taketoyo	1,125
⑦Nishi-Nagoya	1,190
⑧Atsumi	1,900
⑨Chita No.2	1,708
⑩Kawagoe	4,802
⑪Hekinan	4,100
Other (one plant)	0.4
Total	23,903
New Energy Power Plant	
Omaezaki	6

Map No.	(MW)
Hydroelectric Power Plants	
⑫Okumino	1,500
⑬Okuyahagi No.2	780
⑭Takane No.1	340
⑮Okuyahagi No.1	315
⑯Mazegawa No.1	288
⑰Hatanagi No.1	137
⑱Hiraoka	101
⑲Okuizum	87
⑳Hatanagi No.2	85
㉑Yokoyama	70
㉒Oigawa	68
㉓Mazegawa No.2	66
㉔Ikawa	62
㉕Shin-Kamiaso	61
㉖Yahagi No.1	61
㉗Kawaguchi	58
㉘Yasuoka	53
Other (165 plants)	1,087
Total	5,219

Total output capacity (195 plants) 32,632

Five-Year Operating and Financial Statistics

Years ended March 31

OPERATING STATISTICS

Electric Energy Sold

GWh

	FY2005	FY2006	FY2007	FY2008	**FY2009**
Customers Under Regulation					
Electric Lighting	35,291	34,753	36,125	35,336	**35,029**
Electric Power	7,864	7,366	7,305	6,747	**6,419**
Total	43,155	42,119	43,430	42,083	**41,448**
Customers Under Liberalization	87,406	90,568	94,054	87,651	**81,401**
Total Electric Energy Sold	130,561	132,687	137,484	129,734	**122,849**

Breakdown of Industrial Large-lot Demand Electric Energy Sold

GWh

Mining and Industry					
Mining	41	49	60	58	**50**
Manufacturing Industry: Foods	2,330	2,459	2,632	2,609	**2,546**
Textiles	820	818	824	722	**963**
Pulps and Papers	1,712	1,733	1,679	1,577	**1,522**
Chemicals	3,134	3,366	3,442	3,190	**2,666**
Oil and Coal Products	54	79	62	76	**76**
Rubber	939	872	822	758	**667**
Glass and Ceramics	2,444	2,632	2,826	2,709	**2,137**
Steel	6,426	6,574	6,883	5,705	**4,893**
Nonferrous Metals	1,570	1,698	1,841	1,429	**1,291**
Machinery	19,880	21,678	23,350	21,081	**18,701**
Others	5,147	5,547	5,875	5,373	**5,202**
Subtotal	44,456	47,456	50,236	45,229	**40,664**
Total	44,497	47,505	50,296	45,287	**40,714**
Others					
Railways	2,814	2,752	2,767	2,737	**2,703**
Others	3,306	3,342	3,327	3,290	**3,244**
Total	6,120	6,094	6,094	6,027	**5,947**
Grand Total	50,617	53,599	56,390	51,314	**46,661**

* Due to a change in the Japan Standard Industry Classification, industry classifications are different before and after April 2009.

Electric Energy Supplied

GWh

Internally-generated Power	126,234	127,399	137,121	125,656	**114,972**
Hydroelectric	7,564	8,651	8,158	7,877	**8,609**
Thermal	91,045	100,603	103,795	94,921	**92,232**
Nuclear	27,625	18,145	25,168	22,858	**14,129**
New	–	–	–	–	**2**
Purchased Power	13,347	13,669	12,664	12,925	**15,337**
Interchanged Power (Net)	3,793	4,583	1,483	4,112	**4,716**
Power Used for Pumped Storage	(1,275)	(1,590)	(2,148)	(1,471)	**(1,246)**
Total Electric Energy Supplied	142,099	144,061	149,120	141,222	**133,779**

Generating Capacity

MW

Hydroelectric	5,220	5,220	5,218	5,219	**5,219**
Thermal	22,369	22,369	22,369	23,903	**23,903**
Nuclear	4,997	4,884	4,884	3,504	**3,504**
New	–	–	–	–	**6**
Total Generating Capacity	32,586	32,473	32,471	32,626	**32,632**
Annual Peak Load (Three-day Average of Generating End)	26,339	26,852	27,849	27,938	**23,881**

Number of Employees

(number of persons)

Consolidated	23,557	28,697	28,854	28,611	**29,116**
Non-Consolidated	15,299	15,038	14,989	15,234	**15,507**

* Above figures represent number of employees with active duties

FINANCIAL STATISTICS (Consolidated)

					Millions of yen	Thousands of U.S. dollars*1
	FY2005	FY2006	FY2007	FY2008	**FY2009**	**FY2009**
For the Year						
Operating Revenues	¥2,150,508	¥2,213,793	¥2,432,865	¥2,509,982	**¥2,238,552**	**$24,057,517**
Operating Income	322,105	246,712	167,863	182,235	**200,032**	**2,149,726**
Ordinary Income*2	219,692	178,611	123,389	130,505	**178,543**	**1,918,785**
Income (Loss) Before Income Taxes and Minority Interests	195,497	159,659	113,700	(23,193)	**174,842**	**1,879,011**
Net Income (Loss)	119,458	90,551	70,619	(18,968)	**108,559**	**1,166,674**
Depreciation	365,296	335,262	341,567	312,464	**297,517**	**3,197,389**
Capital Investments	151,126	180,122	250,625	270,666	**265,942**	**2,858,055**
At Year-End						
Equity	¥1,659,313	¥ –	¥ –	¥ –	**¥ –**	**$ –**
Net Assets	–	1,769,825	1,752,459	1,654,759	**1,675,866**	**18,010,382**
Shareholders' Equity*3	1,659,313	1,729,950	1,712,665	1,616,655	**1,637,602**	**17,599,162**
Total Assets	5,741,876	5,701,715	5,636,258	5,470,129	**5,299,976**	**56,958,366**
Outstanding Interest-Bearing Debt	3,175,034	3,001,787	2,862,632	2,789,038	**2,539,552**	**27,292,337**
Per Share of Common Stock (Yen, U.S. dollars)						
Net Income (Loss) — Basic	¥ 162.07	¥ 115.80	¥ 90.58	¥ (24.37)	**¥ 140.47**	**$ 1.51**
Net Income — Diluted	152.72	115.79	–	–	**–**	**–**
Net Assets	2,121.40	2,212.67	2,199.76	2,076.93	**2,146.82**	**23.07**
Cash Dividends	60	60	60	60	**60**	**0.64**
Financial Indicators and Cash Flow Data						
ROA*4 (%)	5.5	4.4	3.1	3.7	**4.0**	**–**
ROE (%)	7.8	5.3	4.1	(1.1)	**6.7**	**–**
Shareholders' Equity Ratio	28.9	30.3	30.4	29.6	**30.9**	**–**
Cash Flows from Operating Activities	¥ 307,157	¥ 441,515	¥ 471,958	¥ 358,880	**¥ 539,106**	**$ 5,793,724**
Cash Flows from Investing Activities	(140,676)	(174,357)	(272,742)	(215,135)	**(242,394)**	**(2,604,987)**
Cash Flows from Financing Activities	(165,222)	(234,452)	(199,931)	(90,238)	**(333,496)**	**(3,584,052)**
Cash and Cash Equivalents at End of Year	65,150	97,861	97,109	149,696	**113,140**	**1,215,905**

*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥93.05 = US$1

*2 Ordinary income = Income (loss) before provision (reversal) of reserve for fluctuation in water levels, income taxes and minority interests
+ Loss in conjunction with discontinued operations of Hamaoka Reactors No. 1 and No. 2 (fiscal 2008),
+ Reserve for decommissioning costs of nuclear power plants for prior periods (fiscal 2007),
+ Amortization of goodwill + Loss on discontinued construction of hydroelectric power plant (fiscal 2006),
+ Loss on discontinued construction of hydroelectric power plant (fiscal 2005)

*3 Shareholders' Equity = Total Net Assets – Minority interests

*4 ROA (Return on Assets) = Operating income (Ordinary income + Interest) / Average of total assets at beginning and end of fiscal year

Analysis of Operating Results

Electric Power Business

The amount of electric energy sold declined 5.3% year on year, to 122.8 TWh, led by a significant decline in industrial demand caused by the global economic slowdown. In terms of demand from customers under regulation (other than specified-scale demand), although the number of contracts for electric lighting increased, such factors as a decline in operation of air conditioning facilities caused by cooler summer air temperatures in fiscal 2009 resulted in a 0.9% decline, to 35.0 TWh. Meanwhile, demand for electric power decreased 4.9% to 6.4 TWh, reflecting fewer contracts, a decline in operation of air conditioning facilities, and other factors. In terms of demand from customers under liberalization (specified-scale demand), demand for commercial power declined by 1.5% to 23.1 TWh due to a decline in operation of air conditioning facilities, along with other causes. Demand for industrial power declined by 9.2% to 58.3 TWh because of a drop in production resulting from the global economic recession.

Electric Energy Sold (TWh, %)

	FY2009	FY2008	Change	Change (%)
Demand From Customers Under Regulation				
Electric Lighting	35.0	35.3	–0.3	–0.9
Electric Power	6.4	6.8	–0.4	–4.9
Subtotal	41.4	42.1	–0.7	–1.5
Demand From Customers Under Liberalization				
Commercial Power	23.1	23.4	–0.3	–1.5
Industrial Power, etc.	58.3	64.2	–5.9	–9.2
Subtotal	81.4	87.6	–6.2	–7.1
Total	122.8	129.7	–6.9	–5.3

As for the electric power supply, hydroelectric power output increased by 0.7 TWh due to higher water flow (flow rate, 102.6% for fiscal 2009 and 89.1% for fiscal 2008). Meanwhile, nuclear power output decreased by 8.8 TWh from the previous fiscal year due to the suspension of operations at Hamaoka Nuclear Power Station because of an earthquake in Suruga Bay in August 2009. As a result of an increase in purchased power, combined with the above developments, the amount of thermally generated power decreased by 2.7 TWh over the previous period.

Electric Energy Supplied (TWh, %)

	FY2009	FY2008	Change	Change (%)
Chubu Electric Power				
Hydroelectric Power	8.6	7.9	0.7	9.3
(Flow Rate)	(102.6)	(89.1)	(13.5)	
Thermal Power	92.2	94.9	–2.7	–2.8
Nuclear Power	14.1	22.9	–8.8	–38.2
(Utilization Rate)	(46.0)	*(56.1)	(–10.1)	
New Energy	0	–	0	–
Interchanged Power (Net)	4.7	4.1	0.6	14.7
Purchased Power	15.4	12.9	2.5	18.7
Power Used for Pumped Storage	–1.2	–1.5	0.3	–15.3
Total	133.8	141.2	–7.4	–5.3

* Utilization rate without Hamaoka Reactors No. 1 and No. 2 was 74.5%

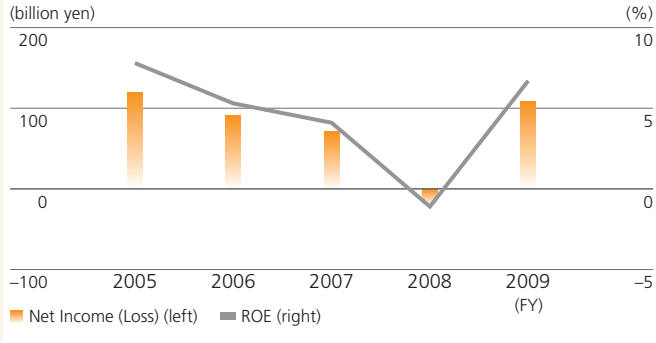
Regarding operating revenues and expenses in the electric power business, operating revenue (consolidated operating revenues for our electric power business) declined by ¥250.3 billion to ¥2,048.6 billion, due to such factors as a decrease in electricity sold and decreases in unit sales prices. In terms of expenses, operating expenses decreased by ¥279.1 billion to ¥1,847.2 billion, reflecting lower fuel expenses in line with declining fuel prices. As a result of these developments, operating income increased ¥28.8 billion from the previous fiscal year to ¥201.4 billion.

Other Businesses

Sales (total operating revenues in other businesses) declined ¥21.1 billion to ¥190.0 billion, owing to a decline in sales from the construction business, along with other factors. As for operating expenses, such factors as a decline in cost of

Operating Revenues/Operating Income

Net Income (Loss)/ROE



sales in the construction business contributed to a ¥10.2 billion decrease to ¥191.3 billion. As a result, other businesses recorded an operating loss of ¥1.3 billion, compared with operating income of ¥9.6 billion in the previous fiscal year.

Other Expenses (Net), and Net Income

Net other expenses decreased ¥183.9 billion from the previous fiscal year to ¥21.5 billion. One reason was an extraordinary loss of ¥153.7 billion recorded in the previous fiscal year in conjunction with the termination of operations at Reactors No. 1 and No. 2 at Hamaoka Nuclear Power Station, which includes a loss on power generation facilities. Another main reason was a decrease in interest expenses due to a decline in early repayments and other factors. Net income after income taxes and other adjustments was ¥108.6 billion, an improvement of ¥127.5 billion year on year.

Analysis of Financial Standing

Property, plant and equipment at March 31, 2010 amounted to ¥3,877.3 billion, a decrease of ¥79.4 billion compared to the end of the previous fiscal year. This decrease reflected depreciation and the absence of any major facility completions, among other factors. Current assets amounted to ¥470.4 billion, a decrease of ¥81.0 billion year on year, the result mainly of a decrease in cash and deposits. As a result, total assets declined ¥170.2 billion year on year to ¥5,300.0 billion.

Total liabilities decreased by ¥191.3 billion from the end of the previous fiscal year to ¥3,624.1 billion. A decrease in interest-bearing debt and other factors contributed to this change.

Total net assets increased by ¥21.1 billion from the end of the previous fiscal year to ¥1,675.9 billion, despite the payment of dividends and purchase of the Company's own shares. The increase was attributable to net income of ¥108.6 billion. As a result, the shareholders' equity ratio was 30.9%.

Analysis of Cash Flows

Net cash provided by operating activities increased by 50.2% over the previous fiscal year, to ¥539.1 billion, despite a decrease in revenues from the electric power business led by a decrease in the volume of electricity sold and lower unit sales prices. The main contributor to the increase was a decline in fuel expenses due to lower fuel prices.

Net cash used in investing activities rose 12.7% year on year to ¥242.4 billion. Although less cash was used for the acquisition of property, plant and equipment in the electric power business, the change mainly reflected proceeds from sales of Chubu Telecommunications Co., Inc. shares recorded in the previous fiscal year.

As a result, free cash flow increased 106.4% from the previous fiscal year, to ¥296.7 billion.

Net cash used in financing activities increased 269.6% to ¥333.5 billion due to the repayment of interest-bearing debt, acquisition of treasury stock and other factors.

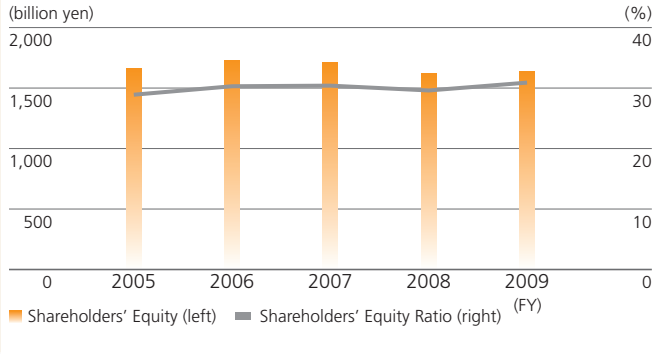
Consequently, cash and cash equivalents at the end of March 2010 were ¥113.1 billion, 24.4% lower than the end of the previous fiscal year. Total outstanding interest-bearing debt at the end of March 2010 was ¥2,539.6 billion, 8.9% lower than the end of the previous fiscal year.

Capital Investments

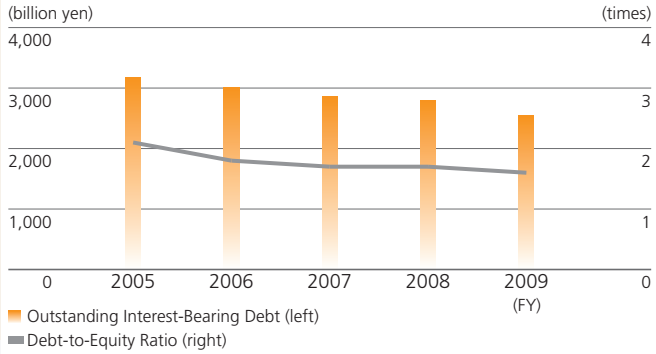
Capital investments in the electric power business in fiscal 2009 were ¥239.8 billion, the result of steadily and rationally building power generation and power transmission facilities, mindful of balancing the need for ensuring a stable supply of electricity and economic rationale. In other businesses, capital investments were ¥32.3 billion, consisting of ¥6.6 billion in the energy business, ¥12.9 billion in the construction business, and ¥12.8 billion in other businesses. For the Chubu Electric Group as a whole, capital investments were ¥272.1 billion.

* Figures in above paragraph represent figures before cancellation of internal transactions between segments.

Shareholders' Equity/Shareholders' Equity Ratio



Outstanding Interest-Bearing Debt/Debt-to-Equity Ratio



(Reference) Fiscal 2009 Capital Investments (Nonconsolidated)

(billion yen)

Item	Capital Investment
Electric Power Business	
Power Generation Facilities	104.4
Power Transmission Facilities	
Transmission Facilities	32.5
Transformation Facilities	27.1
Distribution Facilities	32.9
Total	92.5
Nuclear Fuel, etc.	42.6
Total	239.5
Incidental Businesses	5.6
Total	245.1

Note: The above figures do not include consumption tax.

Business and Other Risks

Of all the variables affecting the Chubu Electric Group's performance and financial standing, the primary factors most likely to have a major effect on investors' decisions are listed below.

Factors concerning future events discussed here are the Chubu Electric Group's viewpoint as of June 2010.

(1) Risks of the Economic Environment

1) Economic and Weather Conditions

In the electric power business, which is at the core of the Chubu Electric Group's business, the volume of electric energy sold fluctuates with economic and weather trends. Economic and weather conditions, therefore, can affect the performance of the Chubu Electric Group.

In addition, the amount of yearly precipitation affects the amount of hydroelectricity generated, which impacts overall power-generating costs. Chubu Electric Power, however, has set aside a reserve for fluctuation in water levels, which allows the company to make a certain adjustment against such impact within the balance of the reserve, thus limiting the effect on performance.

2) Changes in Fuel Prices, etc.

Fuel is one of the major cost items in the electric power business, which depends on foreign imports of such fuels as liquefied natural gas (LNG), coal and crude oil. As such, Chubu Electric Power's performance is susceptible to LNG, coal and crude oil import prices, foreign currency fluctuations, and other factors. However, since fluctuations of fuel prices within a certain range may be reflected in electricity rates under the "Fuel-cost Adjustment System," the impact of these factors on performance should be mitigated.

Meanwhile, the performance of the Chubu Electric Group could also be affected in cases where fuel becomes difficult to procure because of factors such as fluctuating supply and demand, supplier facility and/or operational issues, or changes in the political situation; or if amounts paid to purchase fuel are revised to reflect changing market conditions.

3) Changes in Interest Rates

The balance of interest-bearing debt at the Chubu Electric Group stood at ¥2,539.6 billion at the end of March 2010, an amount equivalent to 47.9% of our total assets. Interest payments on this debt, which constitute one of our major cost items, are susceptible to future market interest rates. Of this interest-bearing debt, however, 84.0% comes from long-term funds (bonds and long-term loans), and most of this funding was procured at fixed interest rates, so the effect of interest rate changes is considered limited.

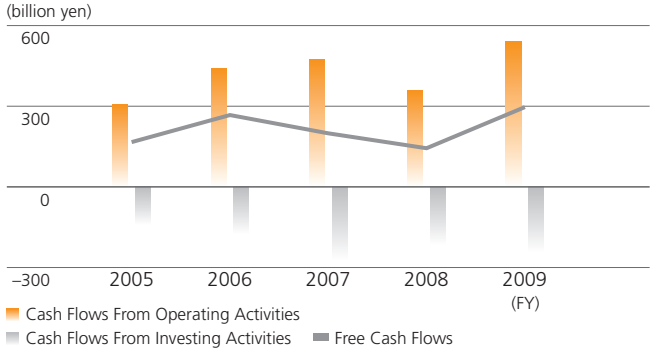
Part of the corporate pension plan assets held by our group could affect the group's performance as their market value fluctuates in tandem with movements in stock prices and interest rates, among other factors.

(2) Risk Associated With Chubu Electric Group Business Activities

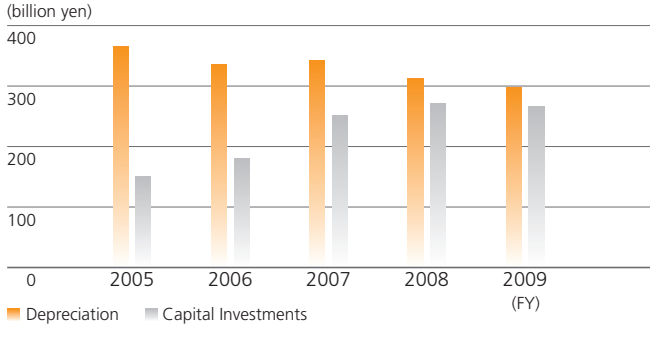
1) Changes in the Competitive Environment

Since the start of partial liberalization of electric power retailing in

Cash Flows From Operating Activities/ Cash Flows From Investing Activities/Free Cash Flows



Depreciation/Capital Investments



March 2000, the scope of liberalization has gradually expanded. And discussions are still underway concerning the creation of an even more competitive environment. Furthermore, competition has intensified in the energy market as a whole, transcending boundaries between various types of industry and business models. Moreover, amid changes in the fundamental structure of supply and demand, with "low carbon emissions" as the focal point, including the expanding use of renewable energies (such as hydro, solar, wind and bio-mass fuels), and growing interest in energy saving, competition has further intensified.

Given these changes in the business environment, the Chubu Electric Group is exerting maximum effort to enhance business efficiency, and is also conducting proactive sales initiatives to respond precisely to customer needs. Even so, future amendments in regulations, and more competition accompanying changes in the fundamental structure of supply and demand, could affect our performance.

2) Regulatory Amendments for Global Environmental Protection, etc.

As global warming comes under greater focus from the global society, the group recognizes the growing importance of contributing to the realization of a "low carbon society" by actively taking measures to reduce CO_2 emissions in the electric power business.

Based on the above recognition, the group established the "Chubu Electric Power Group Environmental Declaration". Under a detailed "Action Plan", the group is working systematically to use resources efficiently and reduce the burden on the environment. However, the Group's performance could be affected by the future tightening of environmental regulations or other factors.

3) Nuclear Power Back-End Costs, etc.

The back-end nuclear power business involves an extremely long time period and has many uncertainties. The Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations, which came into effect on October 1, 2005, as well as revised accounting regulations for Japanese electric utility companies, are designed to facilitate nuclear power generation and its back-end business. To prepare for future back-end costs associated with nuclear power in accordance with this law and revised accounting regulations, Chubu Electric has established reserve funds and set aside a reserve for the reprocessing of irradiated nuclear fuel.

With regard to costs related to spent fuel reprocessing (other than fuel to be reprocessed at the Rokkasho facility), the accounting regulations for Japanese electric utility companies were revised in March 2007 to allow specified amounts to be put aside every year in the accounts in the form of reserve funds, as a temporary measure, for use until specific reprocessing plans are determined. In accordance with the revised accounting regulations, Chubu Electric has established a reserve fund to prepare for such events as the reprocessing of spent fuel, thereby allocating for said costs.

Even so, the costs of the nuclear fuel cycle, including back-end costs, may vary depending on regulatory reform, changes in estimates of future expenses (mandated and voluntary), the operating status of reprocessing facilities, and changes to our own nuclear power plan. As a result, company performance may be affected.

4) Businesses Other Than Electric Power

The Chubu Electric Group is also active in a number of businesses making effective use of its management resources as an enterprise built around the electric power business. These include other energy services that take advantage of its electric power facilities, fuel and technology; construction services for expanding and maintaining electric power facilities; and manufacturing services for providing materials and equipment. These businesses are subject to changing business environments, including increasing competition with other enterprises, and could affect our performance if they fail to produce the results expected by the Chubu Electric Group.

(3) Other Risks

1) Operating Problems

Utilizing its integrated power supply system from generation to distribution, the Chubu Electric Group makes every effort to build and maintain facilities to enable it to continue providing high-quality electricity that is economical and stable. Regardless of these efforts, however, earthquakes, typhoons and other large-scale natural disasters, as well as accidents, acts of terrorism or other situations, may cause problems to facilities of either Chubu Electric or other businesses from which we receive power. The occurrence of such operating problems could impact the Group's performance.

2) Information Leaks

The Chubu Electric Group adheres to relevant laws, maintains internal systems and establishes rules on information handling to ensure proper management of personal and other critical information. We have also increased information system security as well as conduct employee training for this purpose.

Were an information leak to occur and cause problems, however, this could lead to tangible and intangible damage, including direct costs of responding to the situation and loss of public trust in the group.

Consolidated Balance Sheets

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries
As of March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	**2010**	2009	**2010**
Property, Plant and Equipment:			
Property, plant and equipment	**¥12,898,166**	¥12,874,129	**$ 138,615,433**
Construction in progress	**316,570**	232,998	**3,402,149**
	13,214,736	13,107,127	**142,017,582**
Less:			
Contributions in aid of construction	**(161,159)**	(157,312)	**(1,731,961)**
Accumulated depreciation	**(9,176,284)**	(8,993,123)	**(98,616,701)**
	(9,337,443)	(9,150,435)	**(100,348,662)**
Property, Plant and Equipment, Net (Notes 4 and 7)	**3,877,293**	3,956,692	**41,668,920**
Nuclear Fuel:			
Loaded nuclear fuel	**33,695**	27,791	**362,117**
Nuclear fuel in processing	**218,661**	219,712	**2,349,930**
Total Nuclear Fuel	**252,356**	247,503	**2,712,047**
Investments and Other Long-term Assets:			
Long-term investments (Notes 5, 6, 7)	**201,809**	192,049	**2,168,823**
Fund for reprocessing of irradiated nuclear fuel (Note 5)	**243,217**	244,759	**2,613,831**
Deferred tax assets (Note 13)	**214,121**	197,383	**2,301,139**
Other (Note 6)	**42,557**	82,660	**457,357**
Less allowance for doubtful accounts	**(1,776)**	(2,276)	**(19,087)**
Total Investments and Other Long-term Assets	**699,928**	714,575	**7,522,063**
Current Assets:			
Cash (Notes 3 and 5)	**97,938**	144,278	**1,052,531**
Trade notes and accounts receivable (Note 5)	**147,174**	165,161	**1,581,666**
Less allowance for doubtful accounts	**(1,236)**	(1,143)	**(13,283)**
Inventories	**94,249**	108,604	**1,012,886**
Deferred tax assets (Note 13)	**24,237**	26,672	**260,473**
Other (Note 6)	**108,037**	107,787	**1,161,063**
Total Current Assets	**470,399**	551,359	**5,055,336**
Total Assets (Note 15)	**¥ 5,299,976**	¥ 5,470,129	**$ 56,958,366**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of yen 2010	2009	Thousands of U.S. dollars (Note 1) 2010
Long-term Liabilities:			
Long-term debt (Notes 5 and 7)	**¥1,814,667**	¥1,988,204	**$19,502,063**
Employee retirement benefit liability (Note 8)	**204,728**	198,430	**2,200,193**
Reserve for reprocessing of irradiated nuclear fuel	**262,446**	263,780	**2,820,484**
Reserve for preparation for reprocessing of irradiated nuclear fuel	**12,726**	12,054	**136,765**
Reserve for decommissioning nuclear power plants	**119,858**	117,930	**1,288,103**
Reserve for loss in conjunction with discontinued operations of nuclear power plants	**86,558**	87,009	**930,231**
Other (Note 7)	**54,845**	48,361	**589,415**
Total Long-term Liabilities	**2,555,828**	2,715,768	**27,467,254**
Current Liabilities:			
Current portion of long-term debt and other (Notes 5 and 7)	**328,825**	189,395	**3,533,853**
Short-term borrowings (Notes 5 and 7)	**321,450**	323,560	**3,454,594**
Commercial paper (Notes 5 and 7)	**81,000**	294,000	**870,500**
Trade notes and accounts payable (Note 5)	**112,907**	139,652	**1,213,401**
Income taxes payable and other	**91,711**	31,714	**985,610**
Other (Note 5)	**128,688**	121,281	**1,382,998**
Total Current Liabilities	**1,064,581**	1,099,602	**11,440,956**
Reserve for Fluctuation in Water Levels	**3,701**	–	**39,774**
Total Liabilities	**3,624,110**	3,815,370	**38,947,984**
Commitments and Contingent Liabilities (Note 11)			
Net Assets (Note 12)**:**			
Common stock	**430,777**	430,777	**4,629,522**
Capital surplus	**70,777**	70,777	**760,634**
Retained earnings	**1,122,725**	1,096,215	**12,065,825**
Less treasury stock, at cost	**(302)**	(1,567)	**(3,246)**
Total Shareholders' Equity	**1,623,977**	1,596,202	**17,452,735**
Valuation and translation adjustments	**13,625**	20,453	**146,427**
Minority interests	**38,264**	38,104	**411,220**
Total Net Assets	**1,675,866**	1,654,759	**18,010,382**
Total Liabilities and Net Assets	**¥5,299,976**	¥5,470,129	**$56,958,366**

Consolidated Statements of Operations

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries
For the Years Ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	**2010**
Operating Revenues:			
Electricity	**¥2,048,571**	¥2,298,871	**$22,015,809**
Other	**189,981**	211,111	**2,041,708**
Total Operating Revenues (Note 15)	**2,238,552**	2,509,982	**24,057,517**
Operating Expenses:			
Electricity	**1,847,214**	2,126,285	**19,851,843**
Other	**191,306**	201,462	**2,055,948**
Total Operating Expenses (Note 15)	**2,038,520**	2,327,747	**21,907,791**
Operating Income (Note 15)	**200,032**	182,235	**2,149,726**
Other (Income) Expenses:			
Interest expense	**38,919**	77,679	**418,259**
Loss in conjunction with discontinued operations of Hamaoka Reactors No. 1 and No. 2 (Note 14)	**–**	153,698	**–**
Other, net	**(17,430)**	(25,949)	**(187,318)**
Total Other Expenses, Net	**21,489**	205,428	**230,941**
Income (Loss) Before Provision of Reserve for Fluctuation in Water Levels, Income Taxes and Minority Interests	**178,543**	(23,193)	**1,918,785**
Provision of Reserve for Fluctuation in Water Levels	**3,701**	–	**39,774**
Income (Loss) Before Income Taxes and Minority Interests	**174,842**	(23,193)	**1,879,011**
Income Taxes:			
Current	**76,292**	28,472	**819,903**
Deferred	**(10,344)**	(34,499)	**(111,166)**
Total Income Taxes	**65,948**	(6,027)	**708,737**
Minority Interests in Earnings of Subsidiaries	**335**	1,802	**3,600**
Net Income (Loss)	**¥ 108,559**	¥ (18,968)	**$ 1,166,674**

	Yen		U.S. dollars (Note 1)
	2010	2009	**2010**
Per Share of Common Stock:			
Net income (loss):			
Basic	**¥140.47**	¥(24.37)	**$1.51**
Cash dividends	**60**	60	**0.64**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries
For the Years Ended March 31, 2010 and 2009

Millions of yen

		Shareholders' equity					Valuation and translation adjustments					
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available -for-sale securities	Net deferred gains on hedging instruments	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2008	779,004,665	¥430,777	¥70,777	¥1,161,868	¥(1,156)	¥1,662,266	¥ 27,013	¥ 23,007	¥ 379	¥ 50,399	¥39,794	¥1,752,459
Net loss	–	–	–	(18,968)	–	(18,968)	–	–	–	–	–	(18,968)
Cash dividends	–	–	–	(46,717)	–	(46,717)	–	–	–	–	–	(46,717)
Purchase of treasury stock	–	–	–	–	(750)	(750)	–	–	–	–	–	(750)
Disposal of treasury stock	–	–	–	(59)	339	280	–	–	–	–	–	280
Change in scope of consolidation	–	–	0	91	(0)	91	–	–	–	–	–	91
Net changes other than shareholders' equity	–	–	–	–	–	–	(14,917)	(11,953)	(3,076)	(29,946)	(1,690)	(31,636)
Balance at March 31, 2009	779,004,665	¥430,777	¥70,777	¥1,096,215	¥(1,567)	¥1,596,202	¥ 12,096	¥ 11,054	¥(2,697)	¥ 20,453	¥38,104	¥1,654,759

Millions of yen

		Shareholders' equity					Valuation and translation adjustments					
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available -for-sale securities	Net deferred gains on hedging instruments	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests	Total net assets
Balance at March 31, 2009	779,004,665	¥430,777	¥70,777	¥1,096,215	¥ (1,567)	¥1,596,202	¥12,096	¥11,054	¥(2,697)	¥20,453	¥38,104	¥1,654,759
Net income	**–**	**–**	**–**	**108,559**	**–**	**108,559**	**–**	**–**	**–**	**–**	**–**	**108,559**
Cash dividends	**–**	**–**	**–**	**(46,652)**	**–**	**(46,652)**	**–**	**–**	**–**	**–**	**–**	**(46,652)**
Retirement of treasury stock	**(16,004,665)**	**–**	**–**	**(35,386)**	**35,386**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Purchase of treasury stock	**–**	**–**	**–**	**–**	**(34,189)**	**(34,189)**	**–**	**–**	**–**	**–**	**–**	**(34,189)**
Disposal of treasury stock	**–**	**–**	**–**	**(11)**	**68**	**57**	**–**	**–**	**–**	**–**	**–**	**57**
Net changes other than shareholders' equity	**–**	**–**	**–**	**–**	**–**	**–**	**2,578**	**(9,904)**	**498**	**(6,828)**	**160**	**(6,668)**
Balance at March 31, 2010	**763,000,000**	**¥430,777**	**¥70,777**	**¥1,122,725**	**¥ (302)**	**¥1,623,977**	**¥14,674**	**¥ 1,150**	**¥(2,199)**	**¥13,625**	**¥38,264**	**¥1,675,866**

Thousands of U.S. dollars (Note 1)

Balance at March 31, 2009		$4,629,522	$760,634	$11,780,924	$ (16,840)	$17,154,240	$129,995	$ 118,796	$(28,984)	$219,807	$409,500	$17,783,547
Net income		**–**	**–**	**1,166,674**	**–**	**1,166,674**	**–**	**–**	**–**	**–**	**–**	**1,166,674**
Cash dividends		**–**	**–**	**(501,365)**	**–**	**(501,365)**	**–**	**–**	**–**	**–**	**–**	**(501,365)**
Retirement of treasury stock		**–**	**–**	**(380,290)**	**380,290**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Purchase of treasury stock		**–**	**–**	**–**	**(367,426)**	**(367,426)**	**–**	**–**	**–**	**–**	**–**	**(367,426)**
Disposal of treasury stock		**–**	**–**	**(118)**	**730**	**612**	**–**	**–**	**–**	**–**	**–**	**612**
Net changes other than shareholders' equity		**–**	**–**	**–**	**–**	**–**	**27,705**	**(106,437)**	**5,352**	**(73,380)**	**1,720**	**(71,660)**
Balance at March 31, 2010		**$4,629,522**	**$760,634**	**$12,065,825**	**$ (3,246)**	**$17,452,735**	**$157,700**	**$ 12,359**	**$(23,632)**	**$146,427**	**$411,220**	**$18,010,382**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Cash Flows

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries
For the Years Ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	**2010**
Cash Flows from Operating Activities:			
Income (loss) before income taxes and minority interests	**¥ 174,842**	¥ (23,193)	**$ 1,879,011**
Adjustments for:			
Depreciation and amortization	**297,517**	312,464	**3,197,389**
Impairment loss	**–**	30,862	**–**
Loss on loaded nuclear fuel	**7,022**	33,769	**75,465**
Loss on disposal of property, plant and equipment	**7,915**	7,499	**85,062**
Increase in employee retirement benefit liability	**6,300**	5,532	**67,706**
Decrease in reserve for reprocessing of irradiated nuclear fuel	**(1,333)**	(1,100)	**(14,326)**
Increase in reserve for preparation for reprocessing of irradiated nuclear fuel	**673**	5,830	**7,233**
Increase in reserve for decommissioning nuclear power plants	**1,928**	4,860	**20,720**
Increase (decrease) in reserve for loss in conjunction with discontinued operations of nuclear power plants	**(452)**	87,009	**(4,858)**
Increase in reserve for fluctuation in water levels	**3,701**	–	**39,774**
Interest and dividend income	**(7,028)**	(8,141)	**(75,529)**
Interest expense	**38,919**	77,679	**418,259**
Decrease in fund for reprocessing of irradiated nuclear fuel	**1,542**	901	**16,572**
Decrease in trade notes and accounts receivable	**17,983**	12,180	**193,262**
Decrease (increase) in inventories	**14,243**	(207)	**153,068**
Decrease in trade notes and accounts payable	**(26,739)**	(67,206)	**(287,362)**
Other	**52,048**	1,917	**559,355**
Subtotal	**589,081**	480,655	**6,330,801**
Interest and dividends received	**7,259**	9,098	**78,012**
Interest paid	**(39,485)**	(79,356)	**(424,342)**
Income taxes paid	**(17,749)**	(51,517)	**(190,747)**
Net Cash Provided by Operating Activities	**539,106**	358,880	**5,793,724**
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	**(254,199)**	(269,810)	**(2,731,854)**
Payments for investments and other long-term assets	**(33,674)**	(46,194)	**(361,891)**
Proceeds from investments and other long-term assets	**37,000**	57,375	**397,636**
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	**(225)**	–	**(2,418)**
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation (Note 3)	**259**	35,882	**2,783**
Other	**8,445**	7,612	**90,757**
Net Cash Used in Investing Activities	**(242,394)**	(215,135)	**(2,604,987)**
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds	**109,656**	59,791	**1,178,463**
Redemption of bonds	**(40,977)**	(262,855)	**(440,376)**
Proceeds from long-term borrowings	**44,410**	51,740	**477,270**
Repayment of long-term borrowings	**(151,261)**	(147,964)	**(1,625,588)**
Proceeds from short-term borrowings	**358,310**	434,660	**3,850,725**
Repayment of short-term borrowings	**(357,770)**	(460,460)	**(3,844,922)**
Proceeds from issuance of commercial paper	**651,000**	917,000	**6,996,239**
Redemption of commercial paper	**(864,000)**	(634,000)	**(9,285,330)**
Purchase of treasury stock	**(34,189)**	(750)	**(367,426)**
Dividends paid	**(46,534)**	(46,672)	**(500,097)**
Dividends paid to minority shareholders	**(463)**	(462)	**(4,976)**
Other	**(1,678)**	(266)	**(18,034)**
Net Cash Used in Financing Activities	**(333,496)**	(90,238)	**(3,584,052)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**228**	(644)	**2,451**
Net Increase (Decrease) in Cash and Cash Equivalents	**(36,556)**	52,863	**(392,864)**
Cash and Cash Equivalents at Beginning of Year	**149,696**	97,109	**1,608,769**
Decrease in Cash and Cash Equivalents Resulting from Change in Scope of Consolidation	**–**	(276)	**–**
Cash and Cash Equivalents at End of Year (Note 3)	**¥ 113,140**	¥ 149,696	**$ 1,215,905**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Note 01 Basis of Consolidated Financial Statements

(a) Basis of presenting the consolidated financial statements

The accompanying consolidated financial statements of Chubu Electric Power Company, Incorporated (the "Company") and its subsidiaries (together with the Company, the "Chubu Electric Group") have been prepared in accordance with the provisions set forth in the Japanese Corporate Law, the Financial Instruments and Exchange Law of Japan, and the Japanese Electric Utility Law and on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

These consolidated financial statements are compiled from the original consolidated financial statements in Japanese, prepared by the Company as required by the Financial Instruments and Exchange Law of Japan and submitted to the Director of Kanto Finance Bureau in Japan.

(b) U.S. dollar amounts

The Chubu Electric Group maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the accompanying consolidated financial statements and notes thereto present the arithmetic results of translating yen amounts into U.S. dollar amounts on a basis of ¥93.05 to U.S. $1.00, the rate of exchange prevailing on March 31, 2010. The inclusion of the dollar amounts is solely for convenience of the reader and is not intended to imply that the assets and liabilities originating in yen have been or could readily be converted, realized or settled in dollars at the above rate or at any other rate.

(c) Reclassification

Certain comparative figures have been reclassified to conform to the current year's presentation.

Note 02 Summary of Significant Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. Investments in all affiliates are accounted for by the equity method. The differences between the acquisition cost of investments in subsidiaries and the underlying equity in their net assets adjusted based on the fair value at the time of acquisition are principally deferred and amortized over certain periods within twenty years on a straight-line basis. All significant intercompany transactions and accounts are eliminated on consolidation.

The number of subsidiaries and affiliates for the years ended March 31, 2010 and 2009 was as follows:

	2010	2009
Subsidiaries:		
Domestic	**24**	29
Overseas	**11**	7
Affiliates accounted for by the equity method	**25**	25

The Company's overseas subsidiaries close their books at December 31, three months earlier than the Company and its domestic subsidiaries. The Company consolidated the financial statements of the overseas subsidiaries as of their fiscal year-end. Significant transactions for the period between the subsidiaries' year-end and the Company's year-end are adjusted for on consolidation. The overseas subsidiaries adopt accounting principles generally accepted in their respective countries, and no adjustments to conform to accounting principles generally accepted in Japan have been made to their financial statements on consolidation as allowed under accounting principles and practices generally accepted in Japan.

(b) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed by the declining balance method over the estimated useful life of the asset. Contributions in aid of construction are deducted from the depreciable costs of the assets.

(c) Nuclear fuel and amortization

Nuclear fuel is stated at cost less amortization. The amortization of loaded nuclear fuel is computed based on the quantity of energy produced for the generation of electricity in accordance with the provisions prescribed by the regulatory authorities.

(d) Investments and marketable securities

The Chubu Electric Group classifies certain investments in debt and equity securities as "trading," "held-to-maturity" or "available-for-sale," the classification of which determines the respective accounting methods to be used to account for the investments, as stipulated by the accounting standard for financial instruments. The Chubu Electric Group had no trading securities in the fiscal years under review. Held-to-maturity securities are stated at amortized cost. Available-for-sale securities with market quotations are stated at fair value, and net unrealized gains or losses on these securities are reported as a component of net assets, net of applicable income taxes. Available-for-sale securities without available market quotations are carried at cost determined by the moving average method. Adjustments in the carrying values of individual securities are charged to income through write-downs when a decline in value is deemed other than temporary. Gains and losses on the disposition of investment securities are computed by the moving average method.

(e) Derivatives and hedge accounting

Derivatives are valued at fair value if hedge accounting is not appropriate or where there is no hedging designation, and the gains and losses on the derivatives are recognized in current earnings. Certain transactions classified as hedging transactions are accounted for under a deferral method, whereby unrealized gains and losses on hedging instruments are carried as net assets on the balance sheet until the gains and losses on the hedged items are realized. Foreign exchange forward contracts are accounted for by translating foreign currency denominated assets and liabilities at contract rates as an interim measure if certain hedging criteria are met. According to the special treatment permitted by the accounting standard for financial instruments, interest rate swaps are accounted for on an accrual basis, and the net amount received or paid is added to or deducted from the interest expense on the hedged items, if certain conditions are met. The Chubu Electric Group's derivative transactions are applied only to the assets and liabilities generated through the Chubu Electric Group's operations to hedge exposures to fluctuations in exchange rates, interest rates or fuel prices.

(f) Inventories

Inventories consisted of fuel, materials, supplies and construction work-in-process. Fuel is stated at cost determined by the periodic average method (a method that involves reductions in carrying amounts stated on the consolidated balance sheet based on reduced profitability).

(Accounting Changes)

The Company has adopted the Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan, Statement No. 9 issued on July 5, 2006), effective from the year ended March 31, 2009. The application of this standard in the year ended March 31, 2009 had no material impact on operating income or loss before income taxes and minority interests.

(g) Allowance for doubtful accounts

An allowance for doubtful accounts has been provided for at the aggregate amount of estimated credit loss for doubtful or troubled receivables based on a financial review of certain individual accounts and a general reserve for other receivables based on the historical loss experience for a certain past period.

(h) Employee retirement benefit liability

Employees who terminate their employment with the Chubu Electric Group, either voluntarily or upon reaching the mandatory retirement age, are entitled under most circumstances to a severance payment based on the rate of payment at the time of termination, years of service and certain other factors.

In accordance with the accounting standard for employee retirement benefits, the Chubu Electric Group recognizes retirement benefits, including pension cost and related liability, the actuarial present value of projected benefit obligation using an actuarial appraisal approach and based on the value pension plan assets available for benefits at the fiscal year-end. Unrecognized prior service cost is amortized using the straight-line method over a certain period within the average remaining service years of employees, such as five to fifteen years, from the year in which they occur. Unrecognized actuarial differences, including changes in the projected benefit obligation or value of pension plan assets resulting from the actual outcome being different from that assumed and from changes in assumptions themselves, are amortized on a straight-line basis over certain periods within the average remaining service years of employees, such as three to fifteen years, from the year following the fiscal year in which they arise.

(Accounting Changes)

Effective from the year ended March 31, 2010, the Company and consolidated domestic subsidiaries adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (Accounting Standards Board of Japan ("ASBJ") Statement No.19 issued on July 31, 2008). The new accounting standard requires domestic companies to use the rate of return on long-term government or gilt-edged bonds as of the end of the fiscal year for calculating the projected benefit obligation of a defined-benefit plan. Previously, domestic companies were allowed to use a discount rate determined by taking into consideration fluctuations in the yield of long-term government or gilt-edged bonds over a certain period. This change had no material impact on the consolidated financial statements for the year ended March 31, 2010.

(i) Reserve for reprocessing of irradiated nuclear fuel

Until March 31, 2005, a reserve for the reprocessing of irradiated nuclear fuel was recorded at an amount equal to 60% of the cost that would be required to reprocess all the Company's irradiated nuclear fuel. However, the ministerial ordinance that had regulated reserves for the reprocessing of irradiated nuclear fuel was repealed by the "Ministerial Ordinance to Repeal the Existing Ordinance Set for Reserve for Reprocessing of Irradiated Nuclear Fuel" (Ordinance No. 83 of the Ministry of Economy, Trade and Industry, 2005) and the accounting regulations applicable to electricity industry (Ordinance No. 57 of the Ministry of International Trade and Industry, 1965). Subsequently, expenses related to back-end businesses such as the disposal of equipment installed in reprocessing facilities for which there are no estimations available are provided based on reasonable valuation measures, according to the mid-term report titled "Economic Measures to Deal with Backend Business" (published by the Electric Industry Committee, a subcommittee of the Advisory Committee on Energy and Natural Resources, on August 30, 2004). Accordingly, effective April 1, 2005, the Company adopted the new accounting regulations to determine the reserve for the reprocessing of irradiated nuclear fuel. Pursuant to these regulations, the Company determines and provides the reserve as of the year-end based on the Company's estimates of the cost of reprocessing actually planned.

The difference that has arisen due to the accounting change specified by Article 2 of the supplementary provision in the Ordinance Revising the Accounting Regulations for Japanese Electric Utility Companies (Ministry of Economy, Trade and Industry Ordinance No. 92, 2005), ¥124,568 million is being allocated on a straight-line basis as operating expense over 15 years from the year ended 31, 2006. The amount determined by Article 2 changed when the Spent Nuclear Fuel Reprocessing Fund Act (Ministry of Economy, Trade and Industry Ordinance No. 84, June 13, 2007) was put into effect in the year ended March 31, 2009. After this change, ¥98,982 million will be treated as operating expense allocated using the straight-line method over a 12 year period starting from fiscal year 2008. The unrecognized difference from this estimate amounted to ¥82,485 million ($886,459 thousand) at March 31, 2010.

Regarding the difference in estimates for reprocessing costs, the Company provides for the cost estimated for reprocessing spent fuel with a specific reprocessing plan from the next fiscal year throughout the period in which it is generated, following the accounting regulations applicable to the electricity industry. The unrecognized difference for this estimate amounted to minus ¥2,749 million (minus $29,543 thousand) and ¥9,769 million at March 31, 2010 and 2009, respectively.

(j) Reserve for preparation for reprocessing of irradiated nuclear fuel

A reserve for preparation for reprocessing of irradiated nuclear fuel is provided as a portion of the estimated costs needed to reprocess the irradiated nuclear fuel without a definite plan of reprocessing. The amount of reserve recorded for a particular year, including the year ended March 31, 2010, is the amount recognized as attributable to that period.

(k) Reserve for decommissioning nuclear power plants

The Company provides for the costs of decommissioning nuclear power plants based on the amount of electricity supplied by nuclear power generation in accordance with the provisions prescribed by the regulatory authorities.

(l) Reserve for loss in conjunction with discontinued operations of nuclear power plants

In the year ended March 31, 2010, a reasonable estimate was made as a reserve for possible future expenses and losses related to the decommissioning of electric generating facilities that followed the termination of operations at Hamaoka Reactors No. 1 and No. 2.

(Additional Information)

At a meeting of the Board of Directors held on December 22, 2008, a decision was made on the Hamaoka Nuclear Power Station Replacement Plan under which operations at Hamaoka Reactors No. 1 and No. 2 would be terminated and a new reactor, No. 6, would be built. A reasonable estimate was made as a provision for related expenses at the year ended March 31, 2009.

(m) Reserve for fluctuation in water levels

The Company recognizes reserve at the amount required under the Japanese Electric Utility Law to stabilize its income position for fluctuation in water levels.

(n) Lease transactions

The Accounting Standard for Lease Transactions (Statement No. 13, issued by the First Committee of Business Accounting Council of the Accounting Standards Board of Japan on June 17, 1993 and revised on March 30, 2007) and the Implementation Guidance for the Accounting Standard for Lease Transactions (Statement No. 16, issued by the Accounting Standards Committee of the Japanese Institute of Certified Public Accountants on January 18, 1994 and revised on March 30, 2007) were adopted in the year ended March 31, 2009. Finance lease contracts that commenced on or before March 31, 2008 that are recognized as not transferring ownership of property will continue to be accounted for in the same manner as ordinary operating leases. This change will not have a material impact.

(o) Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

(p) Research and development costs

Research and development costs included in operating expenses for the years ended 31, 2010 and 2009 amounted to ¥13,905 million ($149,436 thousand) and ¥14,049 million, respectively.

(q) Income taxes

Income taxes are accounted for by the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

(r) Translation of foreign currency accounts

Receivables, payables and securities, other than stocks of subsidiaries and certain other securities, are translated into Japanese yen at the prevailing exchange rate at the fiscal year-end. Transactions in foreign currencies are translated based on the prevailing exchange rate on the transaction date. Resulting foreign exchange translation gains and losses are included in the consolidated statements of income.

For financial statement items of the overseas subsidiaries, all asset and liability accounts are translated into Japanese yen by applying the exchange rate in effect at the respective fiscal year-end. All income and expense accounts are translated at the average rate of exchange prevailing during the year. Translation differences, after allocating the portion attributable to minority interests, are reported in the consolidated balance sheets as foreign currency translation adjustments in net assets.

(s) Per share information

Basic net income (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of shares outstanding during the year. Cash dividends per share shown for each fiscal year in the consolidated statements of operations represents dividends declared as applicable to the respective year.

Note 03 Cash and Cash Equivalents

For the consolidated statements of cash flows, reconciliation between cash and cash equivalents and cash balances on the consolidated balance sheets was as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Cash	**¥ 97,938**	¥144,278	**$1,052,531**
Time deposits with an original maturity of more than three months included in cash	**(7,795)**	(20,054)	**(83,773)**
Short-term investments with an original maturity of three months or less included in other current assets	**22,997**	25,472	**247,147**
Cash and cash equivalents	**¥113,140**	¥149,696	**$1,215,905**

Chubu Telecommunications Co., Inc. and Network Support Service Co., Inc. were removed from the scope of consolidation through a sale of stock in the year ended March 31, 2009. The table below shows a breakdown of the assets and liabilities of both companies at the time of sale and the relationship between the amount of the stock and the net proceeds from the sale of the stock.

	Millions of yen
	2009
Property, plant and equipment and other	¥ 90,499
Current assets	6,974
Long-term liabilities	(40,533)
Current liabilities	(15,247)
Investment account after the sale	(8,129)
Decrease in retained earnings caused by change in the scope of consolidation	(7)
Gain on sale of marketable securities	3,374
Gain on sale of stock	36,931
Cash and cash equivalents held by subsidiaries	(1,049)
Proceeds from sales of subsidiaries' shares	¥ 35,882

Note 04 Property, Plant and Equipment

The major classifications of property, plant and equipment at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Hydroelectric power production facilities	**¥ 280,533**	¥ 291,041	**$ 3,014,863**
Thermal power production facilities	**562,145**	612,980	**6,041,322**
Nuclear power production facilities	**241,670**	272,426	**2,597,206**
Transmission facilities	**929,111**	982,729	**9,985,073**
Transformation facilities	**408,685**	419,407	**4,392,101**
Distribution facilities	**807,433**	817,450	**8,677,410**
General facilities	**126,054**	127,984	**1,354,691**
Other electricity related property, plant and equipment	**4,024**	2,295	**43,245**
Other property, plant and equipment	**201,069**	197,382	**2,160,870**
Construction in progress	**316,569**	232,998	**3,402,139**
Total	**¥3,877,293**	¥3,956,692	**$41,668,920**

Calculated according to the accounting principles and practices generally accepted in Japan, accumulated gains in relation to the receipt of contributions in aid of real property construction deducted from the original acquisition costs amounted to ¥161,159 million ($1,731,961 thousand) and ¥157,312 million at March 31, 2010 and 2009, respectively.

Note 05 Financial Instruments

(Additional Information)

Accounting Standards for Financial Instruments (Corporate Accounting Standards, Article 10, March 10, 2008) and Guidelines for Disclosure of Market Capitalization of Financial Instruments and Other Practices (Corporate Accounting Standards, Article 19, March 10, 2008) apply to financial instruments starting in the fiscal year ended March 31, 2010.

(a) Items relating to financial instruments

(1) Policy initiatives for financial instruments

The Chubu Electric Group ("the Group") will raise funds for the equipment necessary to run its core electric power business through bond issues, bank loans and other means. Short-term working capital will be secured principally through short-term borrowing.

Derivative transactions will be used for overcoming risk in Group operations and will not be used for speculative purposes. Subsidiaries that trade fuel may engage in derivative trading for the purpose of ensuring a stable fuel supply to the Group.

(2) Breakdown of financial instruments and associated risks

Marketable securities comprise shares in domestic companies acquired for aiding business operations or regional development, shares in overseas companies, bond holdings of subsidiaries, and other instruments acquired for tapping into new earnings sources and other purposes. These securities are exposed to risks from changes in market prices.

Reserves for reprocessing of irradiated nuclear fuel comprise funds allocated under provisions of the Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations (Article 48, May 20, 2005).

Operating bills receivables and trade account receivables are exposed to customer credit risks.

Most of the Group's interest-bearing debt balance consists of bonds and long-term fund holdings from long-term borrowings that have been raised principally for equipment funding. However, related interest rate fluctuations have a minimal impact on earnings because most funds are raised at fixed interest rates.

Accounts payable and notes payable for operating debts are all due within one year.

Derivative transactions consist of forward foreign exchange contracts for meeting fuel supply obligations, currency swaps, commodity swaps, and commodity options for the purpose of avoiding losses from future volatility in currency markets and fuel prices for fuel supplies, and currency swaps and interest rate swaps for financial liabilities in order to avoid losses from future volatility in currency markets and interest rates on financial liabilities. Hedging methods and hedging objectives in hedge accounting, hedging policies, effective valuation methods for hedges, and other related items are described in Note 2 (e), Summary of Significant Accounting Policies—Derivatives and Hedge Accounting. Subsidiaries with fuel transactions engage in commodities forward, commodities future, and commodities swap transactions. Some trading positions are exposed to risks from fuel price volatility.

(3) Risk management system for financial instruments

1) Credit risk management

For accounts receivable on electricity bills, due dates and account balances are managed for each customer based on terms and conditions for electricity supply.

For derivative transactions, financial institutions and other enterprises with high credit ratings are selected, and credit standing is assessed even after transaction contracts are completed. Subsidiaries that engage in fuel trading are managed by means of regularly assessing their credit information and market value.

2) Market risk management

For marketable securities, the market value of the securities and the financial and operating conditions of the issuers are regularly assessed.

Derivative transactions are enacted and managed based on the Company's internal rules established for authorizing trades and for managing and reporting them. A trade management department independently handles transactions and approves contract amounts (notional and other value) for each transaction by classification. For subsidiaries that engage in fuel trading, a management committee monitors approved transactions to ensure they are enacted within agreed upon parameters. In addition, transactions are strictly managed on a daily basis using Value at Risk (VaR) and other controls, and we are in the process of building stronger frameworks for risk management.

3) Volatility risk management in financing

Financing plans are formulated and daily receipts and payments are validated for managing risk.

(4) Supplementary explanation of market value for financial instruments

The market value of financial instruments reflects their value based on market prices or their value based on reasonable assessments if there is no market value. Since some variable factors are used in assessing value, the amounts calculated can change based on different assumptions that are applied. Derivative contract amounts noted below in "(b) Market value of financial instruments" do not denote the market risk from the derivatives themselves. In addition, market value and valuation losses are reasonably quoted values based on market indicators for valuations and other measures. They are not amounts that would be received from payments for asset sales in the future.

(b) Market value of financial instruments

Differences between the valuation amounts of financial instruments as they appear on the consolidated balance sheet and their market values as of March 31, 2010 are shown below. Items with market values that are difficult to assess are not included (See Note 2).

Millions of yen

As of March 31, 2010	Consolidated balance sheet	Market value	Difference amounts
Assets:			
(1) Marketable securities	**¥ 99,005**	**¥ 99,222**	**¥ 217**
(2) Fund for reprocessing of irradiated nuclear fuel	**243,217**	**243,217**	**–**
(3) Cash	**97,938**	**97,938**	**–**
(4) Trade notes and accounts receivable	**147,174**	**147,174**	**–**
Liabilities:			
(5) Bonds*1	**¥1,372,219**	**¥1,425,747**	**¥53,528**
(6) Long-term borrowings*1	**761,325**	**784,045**	**22,720**
(7) Short-term borrowings	**321,450**	**321,450**	**–**
(8) Commercial paper	**81,000**	**81,000**	**–**
(9) Trade notes and accounts payable	**112,907**	**112,907**	**–**
(10) Derivative transactions*2	**2,028**	**2,028**	**–**

Thousands of U.S. dollars

Assets:			
(1) Marketable securities	**$ 1,063,998**	**$ 1,066,330**	**$ 2,332**
(2) Fund for reprocessing of irradiated nuclear fuel	**2,613,831**	**2,613,831**	**–**
(3) Cash	**1,052,531**	**1,052,531**	**–**
(4) Trade notes and accounts receivable	**1,581,666**	**1,581,666**	**–**
Liabilities:			
(5) Bonds*1	**$14,747,114**	**$15,322,375**	**$575,261**
(6) Long-term borrowings*1	**8,181,891**	**8,426,061**	**244,170**
(7) Short-term borrowings	**3,454,594**	**3,454,594**	**–**
(8) Commercial paper	**870,500**	**870,500**	**–**
(9) Trade notes and accounts payable	**1,213,401**	**1,213,401**	**–**
(10) Derivative transactions*2	**21,795**	**21,795**	**–**

*1 (5) Bonds and notes payable and (6) Long-term borrowings include scheduled redemptions within one year.
*2 The amounts denote net of liabilities and obligations resulting from derivative transactions.

(Note 1) Methods for calculating the market value of financial instruments, marketable securities and derivative transactions

(1) Marketable securities

The value of an equity is determined from stock market prices and bonds from stock market prices or prices quoted by financial institutions. Also, see Note 6, Investments and Marketable Securities for purposes of retaining holdings.

(2) Fund for reprocessing of irradiated nuclear fuel

Assets are allocated as stipulated under the Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations (Article 48, May 20, 2005). Redemptions must meet requirements under the Ministry of Economy, Trade and Industry's plans for redeeming reserves for reprocessing irradiated nuclear fuel. Since book value is based on the current value of assets that are scheduled to be redeemed in the future according to plans at the end of the consolidated accounting period, market value is derived from book value.

(3) Cash and (4) Trade notes and accounts receivable

For cash, trade notes and accounts receivable, book value is used for these amounts because the accounts will be settled in the near future, meaning the market value is largely equivalent to book value.

(5) Bonds

Bonds with market prices are valued as such, and bonds without market prices are valued based on terms projected as if they were being newly issued. Some bonds are subject to special forward foreign exchange contracts or interest rate swaps in the allocation process. These are valued based on the same terms and conditions applied to derivative transactions.

(6) Long-term borrowings

The value of long-term borrowings are calculated using terms as if the borrowings were new loans. Some borrowings are subject to special forward foreign exchange contracts or interest rate swaps in the allocation process. These are valued based on the same terms and conditions applied to derivative transactions.

(7) Short-term borrowings, (8) Commercial paper, and (9) Trade notes and accounts payable

For short-term borrowings, commercial paper and trade notes and accounts payable, book value is used for these amounts because the accounts will be settled in the near future, meaning the market value is largely equivalent to book value.

(10) Derivative transactions

Refer to Note 10, Derivatives.

(Note 2) Financial instruments for which assessing market value is extremely difficult

	Millions of yen	Thousands of U.S. dollars
Unlisted securities	**¥64,113**	**$689,017**
Equity securities, etc.	**2,607**	**28,017**
Total	**¥66,720**	**$717,034**

These financial instruments do not have market prices and estimating their future cash flows would require considerable costs. Consequently, these securities are not included in "(1) Marketable securities" above.

(Note 3) Anticipated redemptions after consolidated account settlements for monetary claims and marketable securities

Millions of yen

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Marketable securities:				
Held-to-maturity debt securities:				
National and local government bonds, etc.	**¥ –**	**¥1,795**	**¥ 3,099**	**¥ –**
Corporate bonds and debentures	**100**	**1,428**	**3,999**	**200**
Other	**500**	**677**	**1,995**	**2,050**
Maturity of other marketable securities:				
Debt securities:				
National and local government bonds, etc.	**–**	**46**	**–**	**–**
Corporate bonds and debentures	**9,486**	**1,523**	**1,332**	**303**
Other	**674**	**114**	**612**	**1,465**
Other	**–**	**196**	**115**	**–**
Fund for reprocessing of irradiated nuclear fuel*	**25,012**	**–**	**–**	**–**
Cash	**97,938**	**–**	**–**	**–**
Trade notes and accounts receivable	**146,349**	**825**	**–**	**–**
Total	**¥280,059**	**¥6,604**	**¥11,152**	**¥4,018**

Thousands of U.S. dollars

	Within 1 year	Over 1 year but within 5 years	Over 5 years but within 10 years	Over 10 years
Marketable securities:				
Held-to-maturity debt securities:				
National and local government bonds, etc.	$ –	$19,290	$ 33,305	$ –
Corporate bonds and debentures	1,075	15,347	42,977	2,149
Other	5,373	7,276	21,440	22,031
Maturity of other marketable securities:				
Debt securities:				
National and local government bonds, etc.	–	494	–	–
Corporate bonds and debentures	101,945	16,368	14,315	3,256
Other	7,243	1,225	6,577	15,745
Other	–	2,106	1,236	–
Fund for reprocessing of irradiated nuclear fuel*	268,802	–	–	–
Cash	1,052,531	–	–	–
Trade notes and accounts receivable	1,572,800	8,866	–	–
Total	$3,009,769	$70,972	$119,850	$43,181

* Anticipated redemptions of the fund for reprocessing of irradiated nuclear fuel over more than one year are not disclosed due to contract requirements and because damages to profits may be incurred.

(Note 4) Anticipated redemptions after consolidated account settlements for bonds, long-term borrowings, and other interest-bearing debts

Millions of yen

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Bonds	¥138,000	¥139,100	¥183,000	¥166,000	¥170,000	¥576,210
Long-term borrowings	180,877	112,557	55,829	64,802	79,758	267,502
Short-term borrowings	321,450	–	–	–	–	–
Commercial paper	81,000	–	–	–	–	–
Total	¥721,327	¥251,657	¥238,829	¥230,802	¥249,758	¥843,712

Thousands of U.S. dollars

Bonds	$1,483,074	$1,494,895	$1,966,685	$1,783,987	$1,826,975	$6,192,477
Long-term borrowings	1,943,869	1,209,640	599,989	696,421	857,152	2,874,820
Short-term borrowings	3,454,594	–	–	–	–	–
Commercial paper	870,500	–	–	–	–	–
Total	$7,752,037	$2,704,535	$2,566,674	$2,480,408	$2,684,127	$9,067,297

Note 06 Investments and Marketable Securities

At March 31, 2010 and 2009, investments consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Long-term investments:			
Marketable securities:			
Equity securities	**¥ 49,342**	¥ 39,488	**$ 530,274**
Bonds	**26,985**	21,614	**290,005**
Other	**18,192**	1,043	**195,508**
	94,519	62,145	**1,015,787**
Other non-marketable securities	**43,723**	71,853	**469,887**
Investments in affiliates	**32,283**	30,002	**346,943**
Other	**31,284**	28,049	**336,206**
Total	**¥201,809**	¥192,049	**$2,168,823**
Short-term investments included in other current assets:			
Marketable securities:			
Bonds	**¥ 4,486**	¥ 2,472	**$ 48,211**
Other	**–**	–	**–**
	4,486	2,472	**48,211**
Other non-marketable securities	**22,997**	29,472	**247,147**
Total	**¥ 27,483**	¥ 31,944	**$ 295,358**

At March 31, 2010 and 2009, gross unrealized gains and losses for marketable securities were as follows:

			Millions of yen	
	Carrying value	Gross unrealized gains	Gross unrealized losses	Fair value
Held-to-maturity debt securities:				
As of March 31, 2010				
National and local government bonds	**¥ 4,894**	**¥190**	**¥ –**	**¥ 5,084**
Corporate bonds and debentures	**5,727**	**177**	**5**	**5,899**
Other	**5,222**	**106**	**251**	**5,077**
Total	**¥15,843**	**¥473**	**¥256**	**¥16,060**

			Millions of yen	
	Carrying value	Gross unrealized gains	Gross unrealized losses	Fair value
As of March 31, 2009				
National and local government bonds	¥ 6,245	¥116	¥ 2	¥ 6,359
Corporate bonds and debentures	5,176	71	12	5,235
Other	4,311	78	200	4,189
Total	¥15,732	¥265	¥214	¥15,783

			Thousands of U.S. dollars	
As of March 31, 2010				
National and local government bonds	**$ 52,595**	**$2,042**	**$ –**	**$ 54,637**
Corporate bonds and debentures	**61,548**	**1,902**	**54**	**63,396**
Other	**56,120**	**1,139**	**2,697**	**54,562**
Total	**$170,263**	**$5,083**	**$2,751**	**$172,595**

	Millions of yen			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
Available-for-sale securities:				
As of March 31, 2010				
Equity securities	**¥25,933**	**¥25,670**	**¥2,261**	**¥49,342**
Bonds:				
Corporate bonds and debentures	**12,590**	**65**	**11**	**12,644**
Other	**3,319**	**42**	**377**	**2,984**
Other	**18,263**	**17**	**88**	**18,192**
Total	**¥60,105**	**¥25,794**	**¥2,737**	**¥83,162**
As of March 31, 2009				
Equity securities	¥20,112	¥21,105	¥1,728	¥39,488
Bonds:				
Corporate bonds and debentures	5,442	19	42	5,419
Other	3,463	2	531	2,935
Other	1,408	–	365	1,043
Total	¥30,425	¥21,126	¥2,666	¥48,885

	Thousands of U.S. dollars			
As of March 31, 2010				
Equity securities	**$278,700**	**$275,873**	**$24,299**	**$530,274**
Bonds:				
Corporate bonds and debentures	**135,304**	**699**	**118**	**135,884**
Other	**35,669**	**451**	**4,052**	**32,069**
Other	**196,270**	**183**	**945**	**195,508**
Total	**$645,943**	**$277,206**	**$29,414**	**$893,735**

Note 07 Long-term Debt and Short-term Borrowings

At March 31, 2010 and 2009, long-term debt and short-term borrowings consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Bonds and notes payable:			
Domestic issue:			
0.628% to 4.0%, maturing serially through 2028	**¥1,108,219**	¥1,034,072	**$11,909,930**
Floating rate, maturing serially through 2013	**259,000**	259,000	**2,783,449**
Overseas issue:			
0.76%, maturing serially through 2013 (payable in Euros/yen)	**5,000**	10,000	**53,735**
Loans from the Development Bank of Japan, other banks and insurance companies, due through 2026	**761,325**	868,000	**8,181,891**
Lease obligations	**11,096**	10,498	**119,248**
Less intercompany elimination	**–**	(700)	**–**
	2,144,640	2,180,870	**23,048,253**
Less current portion of long-term debt	**(321,275)**	(184,111)	**(3,452,713)**
Total	**¥1,823,365**	¥1,996,759	**$19,595,540**

At March 31, 2010 and 2009, all assets of the Company were subject to certain statutory preferential rights as collateral for loans from the Development Bank of Japan in the amount of ¥180,632 million ($1,941,236 thousand) and ¥204,328 million, respectively, and for bonds (including those assigned under debt assumption agreements) of ¥2,033,330 million ($21,852,015 thousand) and ¥2,000,921 million, respectively.

At March 31, 2010 and 2009, property, plant and equipment, and long-term investments of certain subsidiaries pledged as collateral for long-term debt amounted to ¥43,693 million ($469,565 thousand) and ¥35,883 million, respectively.

Short-term borrowings consisted mainly of bank loans bearing an average interest rate of 0.438% per annum at March 31, 2010. At March 31, 2010, commercial paper bore an average interest rate of 0.115% per annum.

Note 08 Employee Retirement Benefits

The Chubu Electric Group has several defined benefit retirement plans, principally consisting of non-contributory pension plans, a welfare pension fund and lump-sum retirement benefit plans.

The following table reconciles the employee retirement benefit liability and net periodic retirement benefit expense as of and for the years ended March 31, 2010 and 2009:

	Millions of yen		Thousands of U.S. dollars
As of March 31	**2010**	2009	**2010**
Projected benefit obligation*	**¥ 626,015**	¥ 623,106	**$ 6,727,727**
Less fair value of pension plan assets at end of year	**(417,767)**	(386,787)	**(4,489,704)**
	208,248	236,319	**2,238,023**
Unrecognized actuarial differences	**(37,160)**	(110,552)	**(399,355)**
Unrecognized prior service cost	**506**	1,230	**5,437**
Prepaid pension cost	**33,134**	71,433	**356,088**
Employee retirement benefit liability	**¥ 204,728**	¥ 198,430	**$ 2,200,193**

* Projected benefit obligation of certain subsidiaries was calculated using the simplified calculation method permitted by the accounting standard for employee retirement benefits.

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	**2010**	2009	**2010**
Components of net periodic retirement benefit expense:			
Service cost	**¥18,500**	¥ 18,115	**$198,818**
Interest cost	**12,399**	12,325	**133,251**
Expected return on pension plan assets	**(5,985)**	(12,981)	**(64,321)**
Amortization of actuarial differences	**42,303**	(153)	**454,627**
Amortization of prior service cost	**(724)**	(723)	**(7,781)**
Net periodic retirement benefit expense	**¥66,493**	¥ 16,583	**$714,594**

Major assumptions used in the calculation of the above amounts for the years ended March 31, 2010 and 2009 were as follows:

		2010	2009
Amortization method for projected benefits over periods of services		**Straight-line method**	Straight-line method
Discount rate	(Company)	**2.00%**	2.00%
	(Subsidiaries)	**1.8, 2.0%**	2.0, 2.5%
Expected rate of return on pension plan assets	(Company)	**1.50%**	3.00%
	(Subsidiaries)	**0.5 – 2.5%**	2.0 – 6.0%
Amortization period for prior service cost	(Company)	**–**	–
	(Subsidiaries)	**5, 15 years**	5, 15 years
Amortization period for actuarial differences	(Company)	**3 years**	3 years
	(Subsidiaries)	**3, 5, 15 years**	3, 5, 15 years

Note 09 Lease Transactions

(a) Lessee

Because the corresponding amounts for the year ended March 31, 2010 and 2009 were immaterial, there is no disclosure for property leased under finance leases, including no disclosure of acquisition cost, accumulated depreciation or future minimum lease payments, all of which included imputed interest expense.

Information on future lease payments under non-cancelable operating leases at March 31, 2010 and 2009 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Within 1 year	**¥ 82**	¥ 82	**$ 881**
Over 1 year	**308**	334	**3,310**
Total	**¥390**	¥416	**$4,191**

(b) Lessor

Because the corresponding amounts for the year ended March 31, 2010 and 2009 were immaterial, there is no disclosure for property leased under finance leases, including no disclosure of acquisition cost, accumulated depreciation or future lease commitments to be received under these finance leases.

Information on the future lease commitments to be received under non-cancelable operating leases at March 31, 2010 and 2009 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Within 1 year	**¥ 315**	¥ 316	**$ 3,385**
Over 1 year	**2,130**	2,457	**22,891**
Total	**¥2,445**	¥2,773	**$26,276**

Note 10 Derivatives

The Chubu Electric Group enters into derivative financial instruments, including interest rate swaps, interest rate options, foreign currency forward contracts, currency swaps, commodity swaps, commodity options and commodity forward contracts. The fair value of the Chubu Electric Group's derivative financial instruments at March 31, 2010 was as follows:

(a) Derivatives without hedge accounting

				Millions of yen
As of March 31, 2010	Contracted amount	More than 1 year	Fair value	Unrealized gains or losses
Commodity future contracts:				
Long position	**¥ 2,242**	**¥ 1,421**	**¥ 76**	**¥ 76**
Short position	**12,609**	**4,025**	**(585)**	**(585)**
Commodity swaps and options contracts:				
Receive floating, pay fixed	**32,635**	**12,272**	**(1,814)**	**(1,814)**
Receive fixed, pay floating	**26,094**	**3,899**	**(1,156)**	**(1,156)**
Commodity forward contracts:				
Long position	**9,848**	**–**	**2,907**	**2,907**
Total	**¥ –**	**¥ –**	**¥ (572)**	**¥ (572)**

As of March 31, 2010				Thousands of U.S. dollars
Commodity future contracts:				
Long position	**$ 24,095**	**$ 15,272**	**$ 817**	**$ 817**
Short position	**135,508**	**43,256**	**(6,287)**	**(6,287)**
Commodity swaps and options contracts:				
Receive floating, pay fixed	**350,725**	**131,886**	**(19,495)**	**(19,495)**
Receive fixed, pay floating	**280,430**	**41,902**	**(12,423)**	**(12,423)**
Commodity forward contracts:				
Long position	**105,835**	**–**	**31,241**	**31,241**
Total	**$ –**	**$ –**	**$ (6,147)**	**$ (6,147)**

(b) Derivatives under hedge accounting

				Millions of yen
As of March 31, 2010		Contracted amount	More than 1 year	Fair value
General processing:	Object			
Foreign exchange contracts:				
Long position	Long-term investments	**¥ 2,875**	**¥ 1,593**	**¥ 66**
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	**50,000**	**50,000**	**(3,089)**
Receive fixed, pay floating	Long-term debt	**50,000**	**50,000**	**4,376**
Commodity swaps:				
Receive floating, pay fixed	Operating expenses	**19,927**	**17,251**	**1,247**
Deferred hedge accounting:				
Currency swaps	Long-term debt	**21,265**	**21,005**	*
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	**262,550**	**146,516**	*
Total		**¥ –**	**¥ –**	**¥ 2,600**

As of March 31, 2010		Thousands of U.S. dollars Contracted amount	More than 1 year	Fair value
General processing:	Object			
Foreign exchange contracts:				
Long position	Long-term investments	**$ 30,897**	**$ 17,120**	**$ 709**
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	**537,346**	**537,346**	**(33,197)**
Receive fixed, pay floating	Long-term debt	**537,346**	**537,346**	**47,029**
Commodity swaps:				
Receive floating, pay fixed	Operating expenses	**214,153**	**185,395**	**13,401**
Deferred hedge accounting:				
Currency swaps	Long-term debt	**228,533**	**225,738**	*
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term debt	**2,821,601**	**1,574,594**	*
Total		**$ –**	**$ –**	**$ 27,942**

* For Deferred hedge accounting and special treatment of interest rate swaps, their fair value was included in fair value of respective hedge objects.

Note 11 Contingent Liabilities

As of March 31, 2010 and 2009, contingent liabilities were as follows:

	Millions of yen 2010	2009	Thousands of U.S. dollars 2010
Co-guarantees of loans for others:			
Japan Nuclear Fuel Limited	**¥128,961**	¥134,748	**$1,385,932**
Nuclear Fuel Transport Co., Ltd. and other companies	**6,074**	6,832	**65,277**
Guarantees of housing and other loans for employees	**102,485**	103,209	**1,101,397**
Guarantees relating to electricity purchase agreements for affiliates and other companies	**8,600**	9,074	**92,423**
Recourse under debt assumption agreements	**661,020**	698,435	**7,103,923**

Note 12 Net Assets

The authorized number of shares of common stock without par value is 1,190 million. At March 31, 2010 and 2009, the number of shares of common stock issued was 763,000,000 and 779,004,665, respectively. At March 31, 2010 and 2009, respectively, the number of treasury stock held by the Chubu Electric Group was 195,127 and 616,893 shares.

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Law, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the annual shareholders' meeting held on June 25, 2010, the shareholders approved cash dividends amounting to ¥22,887 million ($245,965 thousand). The appropriation was not accrued in the consolidated financial statements as of March 31, 2010. Such appropriations are recognized in the period in which they are approved by the shareholders.

Note 13 Income Taxes

The tax effects on temporary differences that give rise to deferred tax assets and liabilities at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Deferred tax assets:			
Employee retirement benefit liability	**¥ 75,128**	¥ 72,958	**$ 807,394**
Depreciation	**39,831**	37,278	**428,060**
Reserve for loss in conjunction with discontinued operations of nuclear power plants	**30,901**	31,062	**332,090**
Intercompany profits	**19,080**	18,872	**205,051**
Amortization of deferred charges	**13,034**	13,499	**140,075**
Impairment loss on fixed assets	**20,774**	23,151	**223,256**
Reserve for reprocessing of irradiated nuclear fuel	**12,505**	12,693	**134,390**
Reserve for decommissioning nuclear power plant	**12,557**	12,556	**134,949**
Depreciation of easement rights	**15,207**	12,180	**163,428**
Accrued bonuses to employees	**11,183**	10,956	**120,183**
Other	**44,735**	51,404	**480,764**
Total gross deferred tax assets	**294,935**	296,609	**3,169,640**
Less valuation allowance	**(35,867)**	(34,608)	**(385,459)**
Total deferred tax assets	**259,068**	262,001	**2,784,181**
Deferred tax liabilities:			
Prepaid pension cost	**11,750**	25,440	**126,276**
Deferred gains on hedging instruments	**976**	6,774	**10,489**
Net unrealized gains on available-for-sale securities	**6,378**	4,695	**68,544**
Other	**1,606**	1,038	**17,260**
Total deferred tax liabilities	**20,710**	37,947	**222,569**
Net deferred tax assets	**¥238,358**	¥224,054	**$2,561,612**

At March 31, 2010 and 2009, deferred tax assets and liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Deferred tax assets:			
Noncurrent	**¥214,121**	¥197,383	**$2,301,139**
Current	**24,237**	26,672	**260,473**
Deferred tax liabilities:			
Noncurrent	**–**	–	**–**
Current	**–**	1	**–**

In assessing the realizability of deferred tax assets, management of the Chubu Electric Group considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of the future taxable income during the periods in which those temporary differences become deductible. At March 31, 2007, a valuation allowance was established to reduce deferred tax assets to the amount that the management of the Chubu Electric Group believed the deferred tax assets were expected to be realized.

A reconciliation of the difference between the statutory income tax rate and the effective income tax rate for the year ended March 31, 2010 and 2009 is set forth below.

	2010	2009
Statutory tax rate	**35.7%**	35.7%
Increase (decrease) due to:		
Less valuation allowance	**1.8**	(19.8)
Tax credit	**(0.7)**	5.0
Permanent nondeductible expenses	**0.5**	(3.8)
Equity in earnings of affiliates	**(0.2)**	–
Amortization of goodwill	**–**	3.0
Tax effect related to investments in subsidiaries	**–**	8.3
Tax rate difference for subsidiaries	**–**	(4.1)
Other	**0.6**	1.7
Effective income tax rate	**37.7%**	26.0%

Note 14 Loss in Conjunction with Discontinued Operations of Hamaoka Reactors No. 1 and No. 2

At a meeting of the Board of Directors held on December 22, 2008, a decision was made on the Hamaoka Nuclear Power Station Replacement Plan under which operations at Hamaoka Reactors No. 1 and No. 2 would be terminated and a new reactor, No. 6, would be built. As a result, an extraordinary loss was incurred for the consolidated fiscal year for the losses related to electric generating facilities following the termination of operations for Hamaoka Reactors No. 1 and No. 2.

Below are the significant items of loss and expense.

	Millions of yen
	2009
Loss related to electric generating facilities	¥53,625
Impairment loss	30,862
Decommissioning expense for electric generating facilities	48,008
Loss on and handling expense for nuclear fuel	52,065

A breakdown of the impairment loss listed above is described below in "(c) Reason for recognition of impairment loss."

(a) Method for grouping assets

In principle, the Chubu Electric Group organizes assets into groups of assets in order to better assess related income and expenditures. However, significant assets that are dormant or that are scheduled to be disposed and not replaced with alternative assets are organized independently. The principal grouping methods are described below.

(1) Electric power

The assets from electricity to sales are comprised of one network. In order to assess the amount of income and expenditure for the entire business, the assets of the entire business, excluding assets that are scheduled for disposal, are classified as one group. There is no indication that the assets in this group will be impaired.

(2) Other

In principal, other businesses are organized into groups by the business and location.

(b) Assets and asset groups in which an impairment loss was recognized

	Millions of yen
	2009
Electric generating facilities to be disposed of (electricity related property, plant and equipment and construction in progress)	¥30,862
Buildings	1,396
Structures	2,996
Machinery and equipment	25,372
Other	1,098

(c) Reason for recognition of impairment loss

Following the termination of operations for Hamaoka Reactors No. 1 and No. 2, it was determined that it would be difficult to recover the investment in or the carrying value of the facilities described above. This decrease in value, including the loss related to termination of operations for Hamaoka Reactors No. 1 and No. 2, was to be treated as an impairment loss and a one-off extraordinary loss of ¥30,862 million was posted.

(d) Calculation method for recoverable amounts

Net sales price was used to determine the recoverable amounts. Because it would have been difficult to sell or use the assets for other purposes, the net sales price of the assets was considered to be zero.

Note 15 Segment Information

The Chubu Electric Group's operations are classified into four segments: the electric power business, energy business, construction business and other business segments. The electric power segment involves the electric power supply business. The energy business segment involves gas supply. The construction business segment consists of business related to the construction, maintenance and repair of power generation, transmission and transformation facilities, etc. The other business segment consists of business related to telecommunications and information software and services and the leasing and management of real estate, etc. Information by industry segment for years ended March 31, 2010 and 2009 was as follows:

Millions of yen

	Electric power	Energy	Construction	Other	Total	Elimination	Consolidated
Year ended March 31, 2010							
Operating revenues:							
External customers	**¥2,048,571**	**¥40,065**	**¥120,280**	**¥ 29,636**	**¥2,238,552**	**¥ –**	**¥2,238,552**
Intersegment	**1,795**	**6,383**	**183,573**	**123,521**	**315,272**	**(315,272)**	**–**
Total	**2,050,366**	**46,448**	**303,853**	**153,157**	**2,553,824**	**(315,272)**	**2,238,552**
Operating expenses	**1,863,741**	**55,124**	**289,784**	**142,793**	**2,351,442**	**(312,922)**	**2,038,520**
Operating income (loss)	**¥ 186,625**	**¥ (8,676)**	**¥ 14,069**	**¥ 10,364**	**¥ 202,382**	**¥ (2,350)**	**¥ 200,032**
Total assets	**¥4,861,934**	**¥71,017**	**¥286,887**	**¥224,474**	**¥5,444,312**	**¥(144,336)**	**¥5,299,976**
Depreciation and amortization	**280,920**	**4,708**	**6,072**	**9,653**	**301,353**	**(3,836)**	**297,517**
Capital expenditures	**239,173**	**6,607**	**12,874**	**13,283**	**271,937**	**(5,995)**	**265,942**
Year ended March 31, 2009							
Operating revenues:							
External customers	¥2,298,871	¥42,633	¥137,375	¥ 31,103	¥2,509,982	¥ –	¥2,509,982
Intersegment	1,762	6,305	156,996	136,414	301,477	(301,477)	–
Total	2,300,633	48,938	294,371	167,517	2,811,459	(301,477)	2,509,982
Operating expenses	2,136,821	49,194	282,092	158,869	2,626,976	(299,229)	2,327,747
Operating income (loss)	¥ 163,812	¥ (256)	¥ 12,279	¥ 8,648	¥ 184,483	¥ (2,248)	¥ 182,235
Total assets	¥5,012,202	¥67,802	¥274,652	¥218,479	¥5,573,135	¥(103,006)	¥5,470,129
Depreciation and amortization	300,180	4,702	3,954	7,287	316,123	(3,659)	312,464
Impairment loss	30,862	–	–	–	30,862	–	30,862
Capital expenditures	248,558	8,731	7,775	10,794	275,858	(5,192)	270,666

Thousands of U.S. dollars

Year ended March 31, 2010							
Operating revenues:							
External customers	**$22,015,809**	**$430,575**	**$1,292,638**	**$ 318,495**	**$24,057,517**	**$ –**	**$24,057,517**
Intersegment	**19,290**	**68,597**	**1,972,843**	**1,327,470**	**3,388,200**	**(3,388,200)**	**-**
Total	**22,035,099**	**499,172**	**3,265,481**	**1,645,965**	**27,445,717**	**(3,388,200)**	**24,057,517**
Operating expenses	**20,029,457**	**592,412**	**3,114,283**	**1,534,584**	**25,270,736**	**(3,362,945)**	**21,907,791**
Operating income (loss)	**$ 2,005,642**	**$ (93,240)**	**$ 151,198**	**$ 111,381**	**$ 2,174,981**	**$ (25,255)**	**$ 2,149,726**
Total assets	**$52,250,768**	**$763,214**	**$3,083,149**	**$2,412,402**	**$58,509,533**	**$(1,551,167)**	**$56,958,366**
Depreciation and amortization	**3,019,022**	**50,596**	**65,256**	**103,740**	**3,238,614**	**(41,225)**	**3,197,389**
Capital expenditures	**2,570,371**	**71,005**	**138,356**	**142,751**	**2,922,483**	**(64,428)**	**2,858,055**

Geographic segment information is not shown because the operating revenues of the overseas subsidiaries were not material. Information on overseas sales is not disclosed because these sales were not material.

Note 16 Financial Information of Chubu Electric Power Company, Incorporated

Presented below are the nonconsolidated balance sheets, and nonconsolidated statements of operations of Chubu Electric Power Company, Incorporated.

Nonconsolidated Balance Sheets

Chubu Electric Power Company, Incorporated
As of March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars
ASSETS	**2010**	2009	**2010**
Property, Plant and Equipment:			
Property, plant and equipment	**¥12,508,030**	¥12,502,639	**$134,422,676**
Construction in progress	**313,237**	228,095	**3,366,330**
	12,821,267	12,730,734	**137,789,006**
Less:			
Contributions in aid of construction	**(152,305)**	(150,242)	**(1,636,808)**
Accumulated depreciation	**(8,912,282)**	(8,744,995)	**(95,779,495)**
	(9,064,587)	(8,895,237)	**(97,416,303)**
Property, Plant and Equipment, Net	**3,756,680**	3,835,497	**40,372,703**
Nuclear Fuel:			
Loaded nuclear fuel	**33,695**	27,791	**362,117**
Nuclear fuel in processing	**218,661**	219,712	**2,349,930**
Total Nuclear Fuel	**252,356**	247,503	**2,712,047**
Investments and Other Long-term Assets:			
Long-term investments	**211,832**	197,241	**2,276,539**
Deferred tax assets	**178,696**	160,109	**1,920,430**
Fund for reprocessing of irradiated nuclear fuel	**243,217**	244,759	**2,613,831**
Other	**44,006**	82,917	**472,929**
Less allowance for doubtful accounts	**(363)**	(420)	**(3,901)**
Total Investments and Other Long-term Assets	**677,388**	684,606	**7,279,828**
Current Assets:			
Cash	**44,798**	73,820	**481,440**
Trade notes and accounts receivable	**98,620**	116,495	**1,059,860**
Less allowance for doubtful accounts	**(778)**	(687)	**(8,361)**
Inventories	**80,389**	84,874	**863,933**
Deferred tax assets	**18,785**	21,028	**201,881**
Other	**41,217**	47,277	**442,956**
Total Current Assets	**283,031**	342,807	**3,041,709**
Total Assets	**¥ 4,969,455**	¥ 5,110,413	**$ 53,406,287**

LIABILITIES AND NET ASSETS	Millions of yen 2010	2009	Thousands of U.S. dollars 2010
Long-term Liabilities:			
Long-term debt	**¥1,795,346**	¥1,964,157	**$19,294,422**
Employee retirement benefit liability	**156,342**	148,671	**1,680,193**
Reserve for reprocessing of irradiated nuclear fuel	**262,446**	263,780	**2,820,484**
Reserve for preparation for reprocessing of irradiated nuclear fuel	**12,726**	12,054	**136,765**
Reserve for decommissioning nuclear power plants	**119,858**	117,930	**1,288,103**
Reserve for loss in conjunction with discontinued operations of nuclear power plants	**86,558**	87,009	**930,231**
Other long-term liabilities	**47,559**	41,324	**511,113**
Total Long-term Liabilities	**2,480,835**	2,634,925	**26,661,311**
Current Liabilities:			
Current portion of long-term debt and other	**317,654**	177,516	**3,413,799**
Short-term borrowings	**314,400**	314,400	**3,378,829**
Commercial paper	**81,000**	294,000	**870,500**
Trade notes and accounts payable	**61,560**	88,311	**661,580**
Income taxes payable	**54,944**	–	**590,478**
Other	**185,699**	148,403	**1,995,690**
Total Current Liabilities	**1,015,257**	1,022,630	**10,910,876**
Reserve for Fluctuation in Water Levels	**3,701**	–	**39,774**
Total Liabilities	**3,499,793**	3,657,555	**37,611,961**
Net Assets:			
Common stock	**430,777**	430,777	**4,629,522**
Capital surplus	**70,690**	70,690	**759,699**
Retained earnings	**952,666**	928,224	**10,238,216**
Less treasury stock, at cost	**(247)**	(1,512)	**(2,655)**
Total Shareholders' Equity	**1,453,886**	1,428,179	**15,624,782**
Valuation and translation adjustments	**15,776**	24,679	**169,544**
Total Net Assets	**1,469,662**	1,452,858	**15,794,326**
Total Liabilities and Net Assets	**¥4,969,455**	¥5,110,413	**$53,406,287**

Nonconsolidated Statements of Operations

Chubu Electric Power Company, Incorporated
For the Years Ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Operating Revenues	**¥2,084,315**	¥2,335,193	**$22,399,946**
Operating Expenses:			
Fuel	**558,955**	862,755	**6,007,039**
Salaries and employee benefits	**240,329**	188,931	**2,582,794**
Purchased power	**191,044**	213,411	**2,053,133**
Maintenance	**212,400**	184,198	**2,282,644**
Depreciation	**280,623**	299,732	**3,015,830**
Taxes other than income taxes	**122,952**	127,939	**1,321,354**
Other	**298,045**	294,543	**3,203,063**
Total Operating Expenses	**1,904,348**	2,171,509	**20,465,857**
Operating Income	**179,967**	163,684	**1,934,089**
Other (Income) Expenses:			
Interest expense	**38,453**	77,257	**413,251**
Loss in conjunction with discontinued operations of Hamaoka Reactors No. 1 and No. 2	**–**	153,698	**–**
Other, net	**(24,867)**	(14,910)	**(267,244)**
Total Other Expenses, Net	**13,586**	216,045	**146,007**
Income (Loss) Before Provision of Reserve for Fluctuation in Water Levels and Income Taxes	**166,381**	(52,361)	**1,788,082**
Provision of Reserve for Fluctuation in Water Levels	**3,701**	–	**39,774**
Income (Loss) Before Income Taxes	**162,680**	(52,361)	**1,748,308**
Income Taxes:			
Current	**67,567**	18,730	**726,137**
Deferred	**(11,378)**	(34,459)	**(122,278)**
Total Income Taxes	**56,189**	(15,729)	**603,859**
Net Income (Loss)	**¥ 106,491**	¥ (36,632)	**$ 1,144,449**

	Yen	U.S. dollars
	2010	2009	**2010**
Per Share of Common Stock:			
Net income (loss):			
Basic	**¥137.78**	¥(47.05)	**$1.48**
Cash dividends	**60**	60	**0.64**

KPMG

Independent Auditors' Report

To the Board of Directors of Chubu Electric Power Company, Incorporated:

We have audited the accompanying consolidated balance sheets of Chubu Electric Power Company, Incorporated (the "Company") and its consolidated subsidiaries as of March 31, 2010 and 2009 and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chubu Electric Power Company, Incorporated and its consolidated subsidiaries as of March 31, 2010 and 2009 and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included translations of yen amounts into U.S. dollar amounts and, in our opinion, the translations were made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

Nagoya, Japan
June 25, 2010

Corporate Data

(As of March 31, 2010)

Chubu Electric Power Co., Inc.

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DATE OF ESTABLISHMENT

May 1st, 1951

CAPITAL

¥430,777,362,600

AUTHORIZED NUMBER OF SHARES

1,190,000,000

NUMBER OF ISSUED SHARES

763,000,000

NUMBER OF SHAREHOLDERS

346,457

SECURITIES TRADED

Tokyo Stock Exchange
Osaka Securities Exchange
Nagoya Stock Exchange

MANAGER OF SHAREHOLDER LIST

Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku
Tokyo 100-8212, Japan

GENERAL MEETING OF SHAREHOLDERS

June

AUDITORS

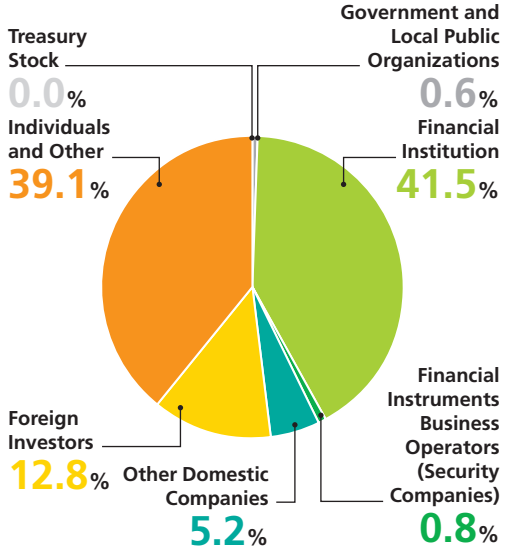
KPMG AZSA & Co.

PRINCIPAL SHAREHOLDERS

Name	Number of Shares (Thousands)	Percentage of Total Shares in Issue (%)
Japan Trustee Services Bank, Ltd.	65,618	8.60
The Master Trust Bank of Japan, Ltd.	51,772	6.79
Meiji Yasuda Life Insurance Company	42,662	5.59
Nippon Life Insurance Company	34,440	4.51
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,304	2.01
Sumitomo Mitsui Banking Corporation	14,943	1.96
Chubu Electric Employees' Shareholders Association	12,384	1.62
Mizuho Corporate Bank, Ltd.	10,564	1.38
The Dai-ichi Mutual Life Insurance Company	10,000	1.31
Trust & Custody Services Bank, Ltd.	9,002	1.18

The Dai-ichi Mutual Life Insurance Company changed its name to Dai-ichi Life Insurance Company, Limited due to its reorganization from a mutual life insurance company to a joint stock corporation as of April 1, 2010.

COMPOSITION OF SHAREHOLDERS



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Tel: 052-951-8211
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IR Section 2010.7
L0-10-4-04N
Printed in Japan