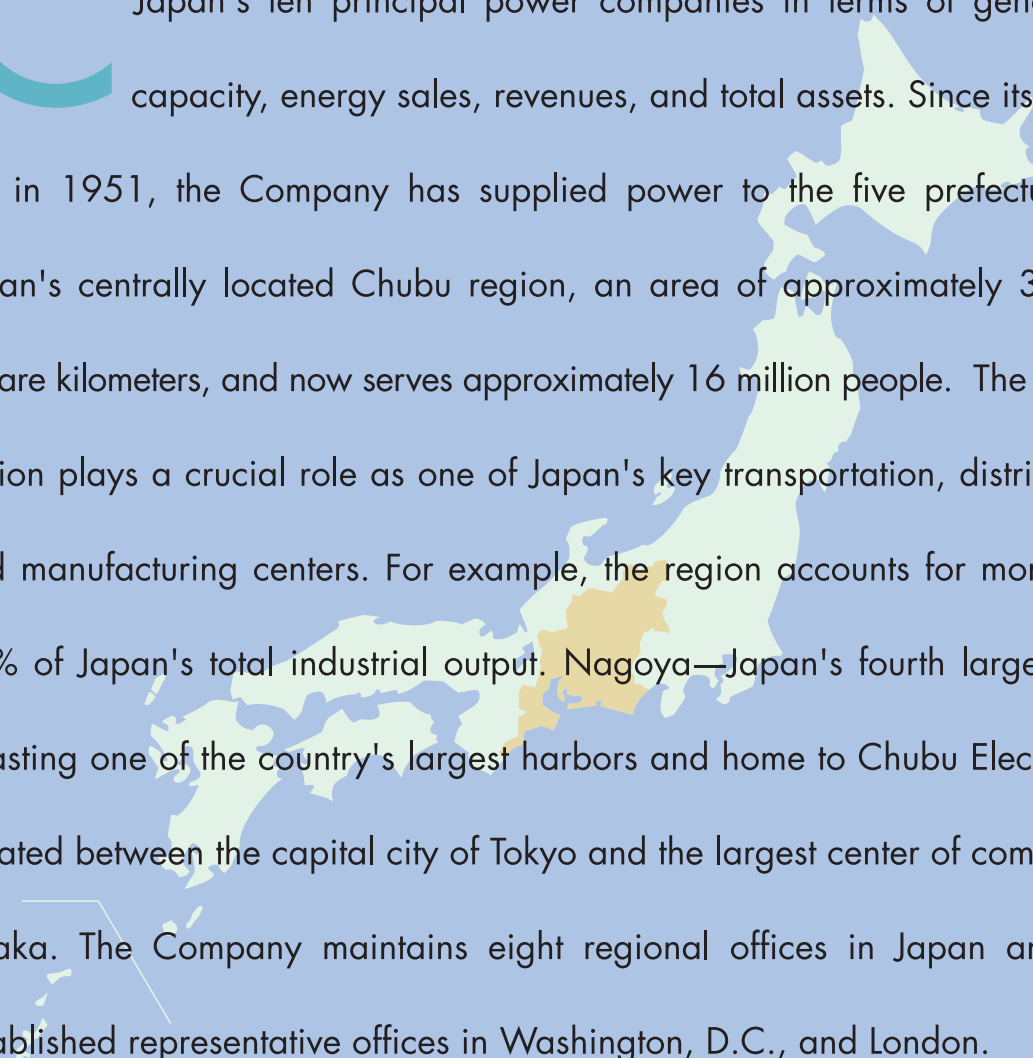


CHUBU ELECTRIC POWER COMPANY, INCORPORATED

ANNUAL REPORT 2001

YEAR ENDED MARCH 31, 2001





Chubu Electric Power Company, Incorporated, ranks third among Japan's ten principal power companies in terms of generating capacity, energy sales, revenues, and total assets. Since its founding in 1951, the Company has supplied power to the five prefectures of Japan's centrally located Chubu region, an area of approximately 39,000 square kilometers, and now serves approximately 16 million people. The Chubu region plays a crucial role as one of Japan's key transportation, distribution, and manufacturing centers. For example, the region accounts for more than 20% of Japan's total industrial output. Nagoya—Japan's fourth largest city, boasting one of the country's largest harbors and home to Chubu Electric—is situated between the capital city of Tokyo and the largest center of commerce, Osaka. The Company maintains eight regional offices in Japan and has established representative offices in Washington, D.C., and London.

CONTENTS

FINANCIAL AND OPERATING HIGHLIGHTS (CONSOLIDATED).....	1	REPORT OF INDEPENDENT ACCOUNTANTS.....	25
A MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT.....	2	NON-CONSOLIDATED BALANCE SHEETS.....	26
FIVE-YEAR OPERATING STATISTICS.....	4	NON-CONSOLIDATED STATEMENTS OF INCOME.....	28
FIVE-YEAR FINANCIAL STATISTICS (CONSOLIDATED).....	5	NON-CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY.....	29
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	6	NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS.....	30
CONSOLIDATED BALANCE SHEETS.....	8	REPORT OF INDEPENDENT ACCOUNTANTS.....	35
CONSOLIDATED STATEMENTS OF INCOME.....	10	DIRECTORS AND AUDITORS.....	36
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY.....	11	CORPORATE DATA.....	36
CONSOLIDATED STATEMENT OF CASH FLOWS.....	12	POWER SYSTEM MAP.....	37
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.....	13		

FINANCIAL AND OPERATING HIGHLIGHTS (CONSOLIDATED)

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries
For the Years Ended March 31, 2000 and 2001

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Operating Revenue	¥2,252,779	¥2,167,637	\$18,182,238
Operating Income	324,308	297,338	2,617,500
Net Income	94,093	77,120	759,425
Per Share (yen and U.S. dollars):			
Net Income (primary).....	127.70	104.65	1.03
Shareholders' Equity.....	1,596.46	1,483.41	12.89
Total Assets	6,573,727	6,316,916	53,056,718
Total Shareholders' Equity	1,176,346	1,093,045	9,494,321

Electric Energy Sales (millions of kWh):

Customers Other Than Those Under Liberalization:			
Residential.....	38,777	37,774	
Commercial.....	18,597	18,066	
Industrial.....	30,130	29,229	
Other.....	514	511	
Total	88,018	85,580	
Customers Under Liberalization*.....	35,019	34,448	
Total Electric Energy Sales	123,037	120,028	

*Extra high voltage customers, or in other words, customers who use more than 2,000 kW of electricity and take power at 20,000V or above.

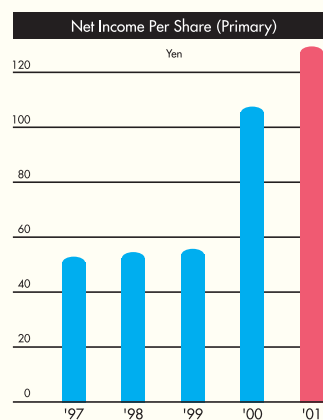
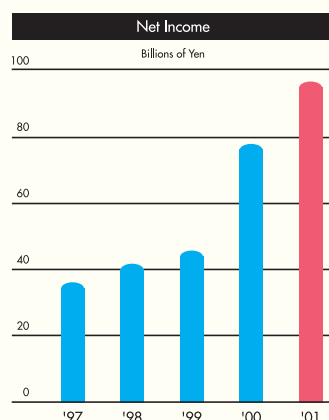
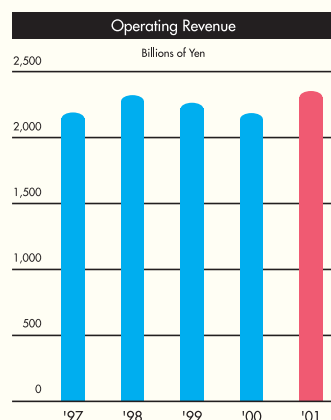
Generating Capacity (thousands of kW):

Hydroelectric.....	5,213	5,211
Thermal.....	22,941	22,941
Nuclear.....	3,617	3,617
Total Generating Capacity	31,771	31,769

Notes: 1. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥123.9=US\$1.

2. The Company's fiscal year being April 1 and March 31 of the following year.

3. These numbers are based on consolidated data.



During the fiscal year ended March 31, 2001 (fiscal 2000), the Japanese economy showed signs of gradual recovery, particularly in private-sector capital investment and exports. Despite such positive factors, however, the overall economy failed to achieve the long-awaited private demand-driven autonomous recovery, mainly as a result of sluggish consumer spending. Notwithstanding this unfavorable circumstance, however, Chubu Electric Power Company, Inc. and its consolidated subsidiaries recorded total electric energy sales of 123 billion kilowatt-hours (kWh), a 2.5% increase from the previous fiscal year. This gain was mainly attributable to stable industrial demand, primarily from the automobile and IT-related industries, as well as increased consumer demand for air conditioning, stimulated by intense summer heat.

Regarding consolidated Group results, total consolidated operating revenue reached ¥2,252.8 billion (US\$18,182.2 million), an increase of 3.9% from the previous year, largely due to increased sales volume in our mainstay electric power operations, which more than offset the reduction of electricity fees. Meanwhile, as a result of comprehensive streamlining efforts, particularly in reducing facility-related and personnel expenditures, consolidated income before special items and income taxes increased to ¥155.3 billion (US\$1,253.7 million); consolidated net income for the term also rose to ¥94.1 billion (US\$759.4 million).

Looking ahead, Chubu Electric will

further its efforts to provide services precisely meeting customer needs, and enhance its sales potential, to overcome the challenges of intensified competition arising from partial liberalization of the electricity retail market. At the same time, together with our partners, we will pioneer new business frontiers in such pivotal areas as energy and environmental operations, community services, and IT-related business. By developing new businesses with which to leverage our combined strengths, we intend to diversify our income sources beyond the existing framework of our traditional electricity operations.

As regards Group management, we will seek the most effective use of Group affiliate managerial resources while clarifying the strategic role of each company, thereby creating synergistic effects in enhancing the profitability of the Chubu Electric Group as a whole.

The surplus resulting from these efforts will be effectively apportioned toward improvement of our financial structure and earning bases. In this way, the Company will increase its corporate value, and of course share the profit with its stockholders.

We will also continue to provide a highly stable supply of electricity, and ensure the safety of our power-related facilities. Moreover, we will promote environmental conservation in becoming a truly environment-friendly corporation. At the same time, we will continue actively promoting nuclear power generation, since we recognize its vital importance in achieving a

stable energy supply while helping prevent global warming.

In the Chubu region, the area we serve, several major projects in planning include the 2005 World Exposition, to be held in Aichi Prefecture, and construction of the Central Japan International Airport, which will operate 24 hours a day. With these projects scheduled, the Chubu region is expected to continue its dynamic development. As the major energy supplier firmly established in this region, Chubu Electric is prepared to play an even greater role, underpinning regional development and advancing its business in tandem with the region.

Through our contributions to regional development, the Company seeks to win even greater customer trust, so as to remain the corporation of choice among its customers, stockholders, and investors.

In conclusion, we would like to announce that at the meeting of the Board of Directors held at the end of June, Kohei Abe was appointed Advisor, Hiroji Ota Chairman, and Fumio Kawaguchi President. We will do our utmost to build and nurture the Company's businesses in our mutual best interest; we ask your generous understanding and support of our endeavors.

Hiroji Ota, Chairman
Fumio Kawaguchi, President



Fumio Kawaguchi

Fumio Kawaguchi
President

Hiroji Ota

Hiroji Ota
Chairman of the Board

FIVE-YEAR OPERATING STATISTICS

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries
For the Years Ended March 31, 1997, 1998, 1999, 2000 and 2001

	1997	1998	1999	2000	2001
Electric Energy Sales (millions of kWh):					
Residential.....	35,221	35,537	36,963	—	—
Commercial.....	17,344	18,135	19,227	—	—
Industrial.....	62,404	63,223	61,415	—	—
Other.....	611	593	563	—	—
Total Electric Energy Sales	115,580	117,488	118,168	—	—
Electric Energy Sales (millions of kWh):					
Customers Other Than Those Under Liberalization:					
Residential.....	—	—	—	37,774	38,777
Commercial.....	—	—	—	18,066	18,597
Industrial.....	—	—	—	29,229	30,130
Other.....	—	—	—	551	514
Total.....	—	—	—	85,580	88,018
Customers Under Liberalization*.....	—	—	—	34,448	35,019
Total Electric Energy Sales	—	—	—	120,028	123,037
*Extra high voltage customers, or in other words, customers who use more than 2,000 kW of electricity and take power at 20,000V above.					
Electric Energy Supplied (millions of kWh):					
Kilowatt-Hours Generated.....	114,563	118,495	117,063	120,406	119,706
Hydroelectric.....	8,409	9,490	10,181	8,791	9,184
Thermal.....	79,104	82,648	81,489	86,545	82,966
Nuclear.....	27,050	26,357	25,393	25,070	27,556
Purchased Power.....	8,251	8,534	9,645	7,540	10,204
Interchanged Power (net).....	5,419	3,670	4,572	5,248	5,738
Power Used for Pumped Storage.....	(1,976)	(2,040)	(2,083)	(2,169)	(1,941)
Total Electric Energy Supplied	126,257	128,659	129,197	131,025	133,707
Generating Capacity (thousands of kW):					
Hydroelectric.....	5,209	5,210	5,211	5,211	5,213
Thermal.....	20,648	21,483	22,941	22,941	22,941
Nuclear.....	3,617	3,617	3,617	3,617	3,617
Total Generating Capacity	29,474	30,310	31,769	31,769	31,771
Annual Peak Load (three-day average at sending end; thousands of kW).....	24,747	25,024	25,192	24,694	25,414
Transmission Lines (route length; km).....	11,766	11,791	12,025	12,097	12,122
Substation Capacity (MVA).....	108,062	110,599	112,200	117,100	119,039
BTB Station Capacity (thousands of kW).....	—	—	300	300	300
Distribution Lines (line length; km).....	505,069	510,459	515,254	519,795	523,983
Number of Employees.....	21,024	20,416	20,203	19,788	18,851

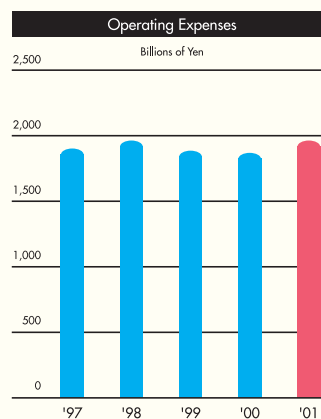
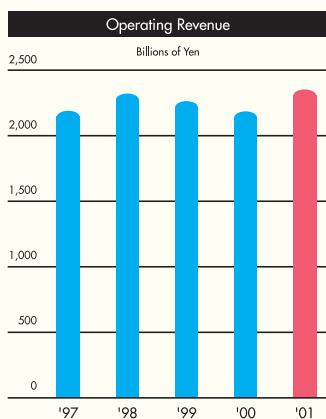
Note: Parentheses denote negative figures.

FIVE-YEAR FINANCIAL STATISTICS (CONSOLIDATED)

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries
For the Years Ended March 31, 1997, 1998, 1999, 2000 and 2001

	Millions of yen					Thousands of U.S. dollars
	1997	1998	1999	2000	2001	2001
Operating Revenue	¥ 2,170,835	¥ 2,247,706	¥ 2,174,916	¥ 2,167,637	¥2,252,779	¥18,182,238
Operating Income	294,297	326,241	313,017	297,338	324,308	2,617,500
Net Income	38,386	40,230	41,142	77,120	94,093	759,425
Per Share (yen and U.S. dollars):						
Net Income (primary).....	¥ 51.47	¥ 53.87	¥ 55.21	¥ 104.65	¥ 127.70	¥ 1.03
Shareholders' Equity.....	1,264.23	1,274.29	1,264.54	1,483.41	1,596.46	12.89
Total Assets	¥ 6,196,027	¥ 6,265,594	¥ 6,189,457	¥ 6,316,916	¥6,573,727	¥53,056,718
Total Shareholders' Equity	944,186	951,700	934,595	1,093,045	1,176,346	9,494,321

Notes: 1. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥123.9=US\$1.
2. These numbers are based on consolidated data.



Overview

During the year ended March 31, 2001, total energy sales amounted to 123,037 million kWh, a 2.5 per cent. Improvement from the previous fiscal year due to a stable demand in the industrial sector especially in automobiles and information technology related businesses and an increased demand caused by the increased operation of air conditioning facilities due to unusually hot summer days. During the same year, the amount of power generated from hydroelectric sources was increased by 4.5 per cent. to 9,184 million kWh, reflecting an ample supply of water compared to the previous year. Power generated from nuclear sources increased by 9.9% to 27,556 million kWh. Purchased power and interchanged power also increased by 24.7% to

15,942 million. As a result, power generated from fossil fuel decreased by 4.1 per cent. to 82,966 million kWh.

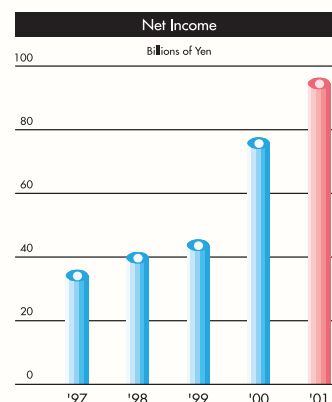
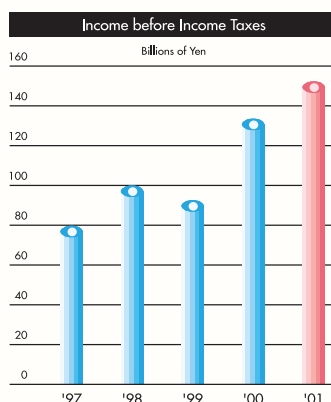
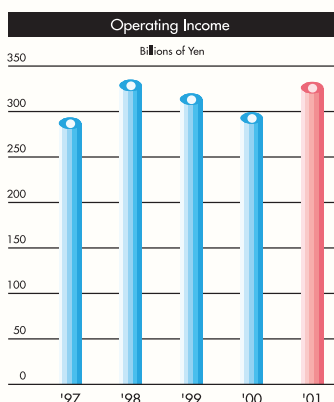
Operating Revenue, Expenses and Earnings

Consolidated operating revenue for the year ended March 31, 2001 increased by 3.9 per cent. from the previous year to ¥2,252,779 million. This result was mainly caused by an increase in electric energy sales and a fuel costs adjustment reflecting a higher oil price than the previous year in spite of a decrease in electricity rates.

Consolidated operating expenses increased by 3.1 per cent. to ¥1,928,471 million. Electricity business expenses increased by ¥46,025 million to ¥1,861,844 million mainly due to an increase of fossil fuel cost reflecting a rise in the crude oil price. In addition, expenses in other businesses increased

by ¥12,147 million to ¥66,626 million mainly due to the additional expenses of newly consolidated subsidiaries. Thus, consolidated operating income rose by 9.1 per cent. to ¥324,308 million.

Other expenses, net slightly increased by 0.3 per cent. to ¥168,973 million. Income before special item and income taxes increased by 20.6% to ¥155,335 million. Reversal of reserve for drought was ¥655 million compared to the ¥2,471 million reversal in the previous year. As a result, consolidated income before income taxes increased by 18.8 per cent. to ¥155,990 million. Consolidated net income increased by 22.0 per cent. to ¥94,093 million.



Financial Position

Total consolidated assets as of March 31, 2001 increased by 4.1 per cent. to ¥6,573,727 million. Property, plant and equipment, net increased by 2.4 per cent. to ¥5,755,026 million. Total nuclear fuel increased by 12.5 per cent. to ¥175,081 million. Total investments and other significantly increased by 31.6 per cent. to ¥374,812 million. This increase was caused by an adoption of fair value accounting for financial instruments according to the new accounting rule. Total current assets increased by 5.5 per cent. to ¥268,742 million, due primarily to an increase in accounts receivable and inventories in spite of a decrease in cash and deferred income taxes.

On the liabilities side of the consolidated balance sheet, total liabil-

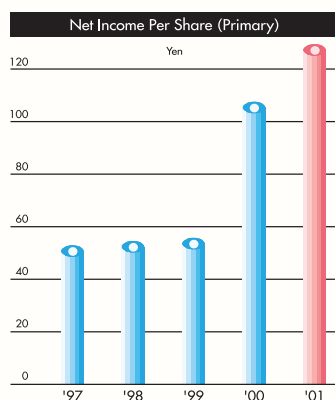
ities increased by 3.1 per cent., to ¥5,376,777 million, reflecting an addition of newly consolidated subsidiary.

Total shareholders' equity increased by 7.6 per cent., to ¥1,176,346 million. This change reflected an increase in retained earnings that was caused mainly by an increase in net income and a recognition of the gain as a difference between book value and market value of securities as a result of the change in accounting rules mentioned above.

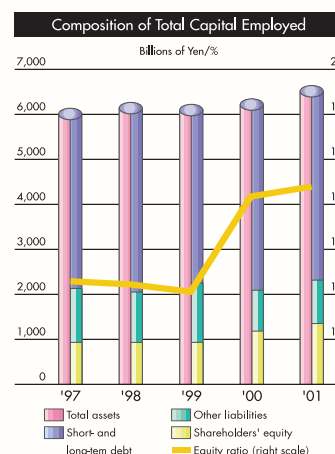
Cash Flows

For the year ended March 31, 2001, the net cash from operating activities was ¥605,331 million, up to ¥58,868 million from previous year. In its investing activities, the net cash used for the same year was ¥474,127 million, ¥14,266 million decrease as

the Company has continued efforts to reduce its capital investments. In its financing activities, the Company used net cash of ¥151,739 million, up ¥88,974 million, mainly due to repayments of interest-bearing debts as well as dividend distributions. As a consequence of the above results and consolidation of a new subsidiary, consolidated cash and cash equivalents decreased by ¥8,551 million to ¥51,406 million during the same year.



*Interest coverage = $\frac{\text{Operating income} + \text{Interest and dividends received}}{\text{Interest expenses}}$



CONSOLIDATED BALANCE SHEETS

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries
As of March 31, 2001 and 2000

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	2001
Property, Plant and Equipment:			
Property, plant and equipment.....	¥ 11,985,966	¥ 11,541,744	\$ 96,739,028
Construction in progress.....	664,630	507,211	5,364,247
	12,650,596	12,048,955	102,103,275
Less:			
Contributions in aid of construction.....	(127,155)	(121,366)	(1,026,268)
Accumulated depreciation.....	(6,768,415)	(6,306,261)	(54,628,048)
	(6,895,570)	(6,427,627)	(55,654,316)
Property, Plant and Equipment, Net (Note 4)	5,755,026	5,621,328	46,448,959
Nuclear Fuel:			
Loaded nuclear fuel.....	37,329	46,937	301,281
Nuclear fuel in processing.....	137,752	108,644	1,111,798
Total Nuclear Fuel	175,081	155,581	1,413,079
Investments and Other:			
Long-term investments (Note 5).....	255,560	185,065	2,062,632
Deferred tax assets (Note 11).....	79,085	92,792	638,300
Other.....	40,633	7,506	327,944
Less: allowance for doubtful accounts.....	(400)	(140)	(3,226)
Total Investments and Other	374,878	285,223	3,025,650
Current Assets:			
Cash (Note 3).....	37,971	47,557	306,461
Notes and accounts receivable-customers.....	119,284	107,044	962,745
Inventories.....	63,851	56,316	515,342
Deferred tax assets (Note 11).....	13,101	17,733	105,735
Other.....	35,189	28,688	284,025
Less: allowance for doubtful accounts.....	(654)	(2,554)	(5,278)
Total Current Assets	268,742	254,784	2,169,030
	¥ 6,573,727	¥ 6,316,916	\$ 53,056,718

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

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	2001
Long-term Liabilities and Reserves:			
Long-term debt (Note 6).....	¥ 3,589,837	¥ 3,532,409	\$ 28,973,664
Employee retirement benefit liability (Note 7).....	146,607	116,125	1,183,268
Reserve for reprocessing of irradiated nuclear fuel.....	182,497	168,616	1,472,937
Reserve for decommissioning nuclear power plant.....	74,656	69,818	602,550
Other long-term liabilities.....	32,246	21,859	260,261
Total Long-term Liabilities and Reserves.....	4,025,843	3,908,827	32,492,680
Current Liabilities:			
Current portion of long-term debt and other (Note 6).....	385,628	371,628	3,112,412
Short-term debt.....	368,168	454,228	2,971,493
Accrued income taxes and other.....	75,047	66,172	605,709
Other.....	520,238	413,349	4,198,856
Total Current Liabilities.....	1,349,081	1,305,377	10,888,470
Reserve for Fluctuation in Water Levels.....	1,853	2,508	14,953
Total Liabilities.....	5,376,777	5,216,712	43,396,103
Minority Interests in Consolidated Subsidiaries.....	20,604	7,159	166,294
Shareholders' Equity (Note 10 and 14)			
Common stock, ¥500 par value-			
Authorized—1,190,000,000 shares;			
Issued—736,852,360 shares in 2001 and 2000.....	374,514	374,514	3,022,710
Capital surplus.....	14,242	14,242	114,946
Retained earnings.....	758,081	704,301	6,118,493
Net unrealized gain on available-for-sale securities.....	29,522	—	238,276
	1,176,359	1,093,057	9,494,425
Less: Treasury stock, at cost.....	(13)	(12)	(104)
Total Shareholders' Equity.....	1,176,346	1,093,045	9,494,321
Commitments and Contingent Liabilities (Note 8 and 9).....	¥ 6,573,727	¥ 6,316,916	\$ 53,056,718

CONSOLIDATED STATEMENTS OF INCOME

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries
For the Years Ended March 31, 2001 and 2000

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	2001
Operating Revenues:			
Electricity.....	¥ 2,180,766	¥ 2,113,864	\$ 17,601,017
Other.....	72,013	53,773	581,221
Total Operating Revenues (Note 12).....	2,252,779	2,167,637	18,182,238
Operating Expenses:			
Electricity.....	1,861,845	1,815,820	15,026,997
Other.....	66,626	54,479	537,741
Total Operating Expenses (Note 12 and 13).....	1,928,471	1,870,299	15,564,738
Operating Income.....	324,308	297,338	2,617,500
Other (Income) Expenses:			
Interest expense.....	158,909	160,694	1,282,557
Other, net.....	10,064	7,817	81,235
Total Other Expenses.....	168,973	168,511	1,363,792
Income before Special Item, Income Taxes and Minority Interests..	155,335	128,827	1,253,708
Special Item:			
Reversal for fluctuation in water levels.....	655	2,471	5,289
Income before Income Taxes and Minority Interests.....	155,990	131,298	1,258,997
Income Taxes :			
Current.....	58,613	51,474	473,068
Deferred.....	2,484	2,109	20,047
Total Income Taxes.....	61,097	53,583	493,115
Minority Interests in Earnings of Consolidated Subsidiaries.....	800	595	6,457
Net Income.....	¥ 94,093	¥ 77,120	\$ 759,425
		Yen	U.S. dollars (Note 1)
	2001	2000	2001
Per Share of Common Stock:			
Net income:			
Basic.....	¥ 127.70	¥ 104.65	\$ 1.03
Diluted.....	¥ 119.43	¥ 98.10	\$ 0.96
Cash dividends.....	¥ 60.00	¥ 60.00	\$ 0.48

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

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries
For the Years Ended March 31, 2001 and 2000

	Number of shares issued	Millions of yen			
		Common stock	Capital surplus	Retained earnings (Note 14)	Net unrealized gain on available- for-sale securities
Balance as of March 31, 1999	739,081,346	¥ 374,511	¥ 14,239	¥ 545,853	¥ —
Net income.....	—	—	—	77,120	—
Cash dividends.....	—	—	—	(36,898)	—
Bonuses to directors and corporate auditors.....	—	—	—	(260)	—
Increase due to addition of consolidated subsidiaries.....	—	—	—	27,195	—
Cumulative effect of adoption of deferred tax accounting.....	—	—	—	95,992	—
Conversion of convertible bonds.....	2,414	3	3	—	—
Retirements of shares.....	(2,231,400)	—	—	(4,701)	—
Balance as of March 31, 2000	736,852,360	¥ 374,514	¥ 14,242	¥ 704,301	¥ —
Net income.....	—	—	—	94,093	—
Cash dividends.....	—	—	—	(47,895)	—
Bonuses to directors and corporate auditors.....	—	—	—	(259)	—
Increase due to inclusion of consolidated subsidiaries.....	—	—	—	46	—
Increase due to deduction of consolidated subsidiaries.....	—	—	—	7,784	—
Increase due to addition of equity interest in affiliates accounted for under the equity method.....	—	—	—	11	—
Net unrealized gain on available-for-sale securities, net of applicable income taxes of ¥16,318 million.....	—	—	—	—	29,522
Balance as of March 31, 2001	736,852,360	¥ 374,514	¥ 14,242	¥ 758,081	¥ 29,522

	Thousands of U.S. dollars (Note 1)			
Balance as of March 31, 2000	\$ 3,022,710	\$ 114,946	\$ 5,684,432	\$ —
Net income.....	—	—	759,425	—
Cash dividends.....	—	—	(386,562)	—
Bonuses to directors and corporate auditors.....	—	—	(2,088)	—
Increase due to inclusion of consolidated subsidiaries.....	—	—	364	—
Increase due to deduction of consolidated subsidiaries.....	—	—	62,825	—
Increase due to addition of equity interest in affiliates accounted for under the equity method.....	—	—	97	—
Net unrealized gain on available-for-sale securities, net of applicable income taxes of \$131,705 thousand.....	—	—	—	238,276
Balance as of March 31, 2001	\$ 3,022,710	\$ 114,946	\$ 6,118,493	\$ 238,276

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries
For the Years Ended March 31, 2001 and 2000

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	2001
Cash Flows from Operating Activities:			
Income before income taxes and minority interests.....	¥ 155,990	¥ 131,298	\$ 1,258,997
Adjustments for:			
Depreciation and amortization.....	454,690	455,175	3,669,813
Loss of loaded nuclear fuel.....	19,585	19,589	158,071
Loss on disposal of property, plant and equipment.....	11,236	10,368	90,686
Increase (decrease) in employee retirement benefit liability.....	30,777	(10,405)	248,400
Increase in reserve for reprocessing of irradiated nuclear fuel.....	13,881	18,090	112,036
Increase in reserve for decommissioning nuclear power plant.....	4,838	4,600	39,048
Interest and dividends income.....	(1,799)	(1,437)	(14,523)
Interest expenses.....	158,909	160,694	1,282,557
Increase in notes and accounts receivable.....	(9,345)	(3,725)	(75,425)
Increase in inventories.....	(6,862)	(7,637)	(55,381)
Increase (decrease) in notes and accounts payable.....	(6,692)	8,132	(54,011)
Other.....	(10,420)	(30,793)	(84,102)
Subtotal.....	814,788	753,949	6,576,166
Interest and dividends received.....	1,799	1,437	14,523
Interest paid.....	(160,868)	(165,184)	(1,298,370)
Income taxes paid.....	(50,388)	(43,739)	(406,681)
Net cash provided by operating activities.....	605,331	546,463	4,885,638
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment.....	(436,984)	(477,666)	(3,526,905)
Increase in investments and other.....	(66,443)	(54,871)	(536,264)
Proceeds for recoveries from investments and other.....	37,748	38,058	304,662
Other.....	(8,448)	6,086	(68,186)
Net cash used in investing activities.....	(474,127)	(488,393)	(3,826,693)
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds.....	291,779	199,081	2,354,957
Redemption of bonds.....	(332,925)	(236,767)	(2,687,046)
Proceeds from long-term loans.....	170,086	105,831	1,372,770
Repayment of long-term loans.....	(181,281)	(146,037)	(1,463,121)
Proceeds from short-term loans.....	395,328	823,409	3,190,704
Repayment of short-term loans.....	(488,685)	(823,692)	(3,944,191)
Proceeds from issuance of commercial paper.....	1,071,000	890,000	8,644,068
Redemption of commercial paper.....	(1,029,000)	(833,000)	(8,305,085)
Dividends paid.....	(47,849)	(36,879)	(386,192)
Retirement of shares.....	—	(4,702)	—
Other.....	(192)	(9)	(1,551)
Net cash used in financing activities.....	(151,739)	(62,765)	(1,224,687)
Net (Decrease) in Cash and Cash Equivalents.....	(20,535)	(4,695)	(165,742)
Cash and Cash Equivalents at Beginning of the Year.....	59,957	59,337	483,911
Increase in Cash and Cash Equivalents upon Inclusion of Additional Subsidiaries in Consolidation.....	11,984	5,315	96,729
Cash and Cash Equivalents at End of the Year (Note 3).....	¥ 51,406	¥ 59,957	\$ 414,898

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries

1

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 consolidated subsidiaries (together with the Company, the "Chubu Electric Group") have been prepared in accordance with the provisions set forth in the Commercial Code of Japan, the Securities and Exchange Law of Japan, and the Japanese Electric Utility Law and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects for application and disclosure requirements of International Accounting Standards. Certain items presented in the original consolidated financial statements in Japanese submitted to the Director of Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan. The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

(b) U.S. dollar amounts

Chubu Electric Group maintains its accounting records in Japanese yen. The dollar amounts included in the accompanying consolidated financial statements and notes thereto present the arithmetic results of translating yen into U.S. dollars on a basis of ¥123.9 to \$1, the rate of exchange prevailing on March 31, 2001. The inclusion of such dollar amounts is solely for convenience 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 ¥123.9 to \$1 or at any other rates.

2

Summary of significant accounting policies

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its ten significant subsidiaries.

The differences between 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 the certain periods within twenty years on a straight line basis in the year 2001. All significant intercompany transactions and accounts are eliminated in consolidation.

Effective on November 1, 2000, Chubu Telecommunications Company, Incorporated was merged into ASTEL Chubu Corporation (both being consolidated subsidiaries of the company until October 31, 2000).

Investment in two significant affiliates is accounted for under the equity method. Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost as such accounts don't have significant effects on the consolidated financial position or operating results taken as a whole.

Consolidated subsidiaries and affiliates accounted for under the equity method as of March 31, 2001 were as follows:

Consolidated subsidiaries:

CHUDEN KOGYO CO., LTD.
Eiraku Development Co., Ltd.
EIRAKU AUTO SERVICE Co., Ltd.
Chuden Bldg. Co., Inc.
Chubu Plant Service Co., Ltd.
C-TECH CORPORATION
Techno Chubu Company Ltd.
Chita LNG Co., Ltd.
Chubu Telecommunications Company, Incorporated
CTI Co., Ltd.

Affiliates accounted for under the equity method:

TOENEC CORPORATION
AICHI ELECTRIC Co., Ltd.

(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 lives of related assets. 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. Amortization of loaded nuclear fuel is computed based on the quantity of energy produced for generation of electricity in accordance with the provisions prescribed by the regulatory authorities.

(d) Accounting for financial instruments

Effective April 1, 2000, the Chubu Electric Group adopted "Opinion Concerning Establishment for Accounting Standard for Financial Instruments" issued by Business Accounting Deliberation Council of Japan ("BADC") and related practical guideline issued by the Japanese Institute of Certified Public Accountants ("JICPA"). This new standard provides the new accounting methods for securities, derivatives and allowance for doubtful accounts as mentioned below.

Adoption of the new accounting standard resulted in no material effects on the operating results as compared with the previous accounting method.

(d-i) Investments and marketable securities

Until the year ended March 31, 2000, securities are stated at moving average cost.

Effective April 1, 2000, the Chubu Electric Group classifies certain investments in debt and equity securities as "held-to-maturity", "trading" or "available-for-sale", whose classification determines the respective accounting method as stipulated by the standard. Held-to-maturity securities are stated at amortized cost. Marketable securities with market quotations for available-for-sale securities are stated at fair value and net unrealized gains or losses on these securities are reported as a separate component of shareholders equity, net of applicable income taxes. Gains and losses on disposition of securities are computed by the moving average method. Nonmarketable securities without available market quotations for available-for-sale securities are carried at cost determined by the moving average method. Adjustments in carrying values of individual securities are charged to income through write-downs, when a decline in value is deemed other than temporary.

(d-ii) Hedge accounting

Derivatives used for hedge purposes are accounted for under the deferral hedge accounting, special treatments permitted for interest rate swaps and designated treatments. The Company's derivative transactions are applied only to the assets and liabilities generated through the Company's operations to hedge exposures to fluctuations in exchange rates or interest rates.

(d-iii) Allowance for doubtful accounts

Effective April 1, 2000, in accordance with the amendment of the accounting standard, allowance for doubtful accounts has been provided for at the aggregate amount of estimated credit loss for doubtful or troubled receivables and a general reserve for other receivables calculated based on the historical loss experience for a certain past period. Until the year ended March 31, 2000, allowance for doubtful accounts was provided for as a general reserve at the maximum amount which could be charged to income under the Japanese income tax laws using a legal provision method.

(e) Inventories

Inventories consisted of fuel, materials, supplies and construction work in process. Fuel, materials and supplies are stated at cost, being determined by the periodic average method. Construction work in process is stated at cost, being determined by the specific identification method.

(f) Employee retirement benefit liability

Employees terminating their employment with the Parent, either voluntarily or upon reaching mandatory retirement age, are entitled under most circumstances to a severance payment based on the rate of payment at the time of termination of employment, years of service and certain other factors. Until the year ended March 31, 2000, the contribution to the pension plan was charged to income when paid, and the Company provided the reserve for employees retirement allowances at 40% of the liabilities, which would have been required if all employees voluntarily retired at that date. Consolidated subsidiaries provide principally for the liabilities which would have been required if all employees voluntarily retired at that date. The Company and two consolidated subsidiaries have adopted a non-contributory funded pension plan, covering substantially all of those employees.

Effective April 1, 2000, the Chubu Electric Group adopted "Opinion Concerning Establishment of Accounting Standard for Retirement Benefits" established by BADC and related practical guideline issued by JICPA, which are implemented effective from the fiscal year beginning on and after April 1, 2000.

In accordance with the new accounting standard, the Chubu Electric Group has principally recognized the retirement benefits including pension cost and related liability based on actuarial present value of projected benefit obligation using actuarial appraisal approach and the pension plan assets available for benefits at the fiscal year-end. A transitional provision of adoption of this new accounting standard of ¥23,903 million (\$192,921 thousand) was charged to income as other expenses in a current single fiscal year ended March 31, 2001. Unrecognized actuarial differences as changes in the projected benefit obligation or plan assets resulting from the experience different from that assumed and from changes in assumptions are amortized on a straight-line basis over certain periods within remaining service lives of employees from the next year in which they arise. Reserve for employees' retirement allowances provided at March 31, 2000 were presented and carried forward to employee retirement benefit liability account on the accompanying consolidated balance sheets. As a result of adoption of the new standard, income before income taxes and minority interests for the year ended March 31, 2001 decreased by ¥29,600 million (\$238,905 thousand), as compared with the previous accounting method.

(g) Reserve for reprocessing of irradiated nuclear fuel

The Company provides for the costs for reprocessing of irradiated nuclear fuel based on the 60% of amount required to pay for it at fiscal year-end in accordance with the provisions prescribed by the regulatory authorities.

(h) Reserve for decommissioning nuclear power plants

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

(i) Reserve for fluctuation in water levels

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

(j) Lease transaction

Finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees are accounted for by a method similar to that used for ordinary operating leases.

(k) Cash and cash equivalents

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

(l) Research and development costs

Research and development costs included in operating expenses for the years ended March 31, 2001 and 2000 amounted to ¥21,503 million (\$173,553 thousand) and ¥20,809 million respectively.

(m) New share issue expenses, bond issue expenses and bond discounts

New share issue expenses and bond issue expenses are charged to income as incurred. Bond discounts are amortized over the life of related bonds.

(n) Per share data

Basic net income per share is computed based on the average number of shares outstanding during the respective years.

Diluted net income per share is computed assuming that all convertible bonds converted were converted at the time of issue unless having anti-dilutive effects.

(o) Income taxes

Income taxes are accounted for in accordance with "Opinion Concerning Establishment of Standards for Tax Effects" issued by BADC in October 1998, which requires the accounting for income taxes to recognize the deferred taxes under the asset and liability method. Under the accounting standard, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases, and measured using the enacted tax rates expected to apply 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. As the Chubu Electric Group adopted this deferred tax accounting from the year ended March 31, 2000, cumulative effect on initial adoption of deferred tax accounting in the credit amount of ¥95,992 million was included in the change in retained earnings in the accompanying consolidated statements of shareholders equity for the year ended March 31, 2000.

(p) Translation of foreign currency accounts

Effective April 1, 2000, the Chubu Electric Group adopted "Opinion Concerning Revision of Accounting Standard for Foreign Currency Translation" issued by BADC. In accordance with this new standard, receivables, payables and securities, other than stocks of subsidiaries and certain other securities, are translated into Japanese Yen at the exchange rates at the fiscal year-end. Transactions in foreign currencies are recorded based on the prevailing exchange rates on the transaction dates. Resulting translation gains or losses are included in the current earnings. Until the year ended March 31, 2000, assets and liabilities in foreign currencies were translated into at historical exchange rates. Adoption of revised accounting standard resulted in an increase in income before income taxes and minority interests by ¥5,972 million (\$48,199 thousand) for the year ended March 31, 2001, as compared with previous accounting method.

(q) Appropriation of retained earnings

Cash dividends and bonuses to directors and corporate auditors are recorded in the fiscal year when a proposed appropriation of retained earnings is approved by the Board of Directors and/or shareholders.

3

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, a reconciliation between cash and cash equivalents and cash balances on the consolidated balance sheet are as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Cash	¥ 37,971	¥ 47,557	\$ 306,461
Time deposit with an original maturity more than three months, that are included in cash	(223)	(437)	(1,799)
Short term investments with an original maturity of three months or less, that are included in other current assets	13,658	12,837	110,236
Cash and cash equivalents	¥ 51,406	¥ 59,957	\$ 414,898

4

Property, plant and equipment

The major classifications of property, plant and equipment at March 31, 2001 and 2000 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Hydroelectric power production facilities	¥ 437,690	¥ 453,675	\$ 3,532,603
Thermal power production facilities	973,635	1,089,597	7,858,235
Nuclear power production facilities	256,517	277,081	2,070,357
Transmission facilities	1,390,767	1,419,860	11,224,915
Transformation facilities	595,945	617,657	4,809,889
Distribution facilities	884,223	875,136	7,136,587
General facilities	203,529	199,815	1,642,689
Other electricity-related property, plant and equipment	1,604	1,652	12,943
Other property, plant and equipment	346,486	179,644	2,796,494
	¥5,090,396	¥ 5,114,117	\$ 41,084,712

5

Investments and securities

At March 31, 2001 and 2000, securities consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Long-term investments			
Marketable securities:			
Equity securities	¥ 67,064	¥ 48,671	\$ 541,279
Bonds	6,202	2,821	50,058
Other	62	165	500
	73,328	51,657	591,837
Other nonmarketable security	82,575	41,029	666,466
Investments in unconsolidated subsidiaries and affiliates	55,380	58,009	446,971
Other	44,277	34,370	357,358
	¥255,560	¥ 185,065	\$2,062,632

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Securities included in other current assets			
Marketable securities			
Bonds	¥ 387	¥ 527	\$ 3,123
Other	—	681	—
	387	1,208	3,123
Other nonmarketable securities	13,612	12,837	109,864
	¥ 13,999	¥ 14,045	\$ 112,987

At March 31, 2000, fair value of marketable securities and related net unrealized gains (losses) were as follows:

	Carrying value	Fair value	Net unrealized gains (losses)
	Millions of yen		
Marketable securities			
Long-term investments	¥ 51,657	¥ 84,742	¥ 33,085
Securities included in other current assets	1,208	1,130	(78)

Effective from the year ended March 31, 2001, marketable investment securities are classified as available-for-sale and are stated at fair value with unrealized gains and losses excluded from the current earnings and reported as a net amount within the shareholders' equity account until realized. At March 31, 2001, gross unrealized gains and losses for marketable securities are summarized as follows:

	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
	Millions of yen			
Held-to-maturity debt securities with fair value:				
Bonds:				
National and local government Bonds	¥ 1,226	¥ 62	—	¥ 1,288
Bonds and debentures	1,291	67	—	1,358
Other securities	1,019	17	—	1,036
	¥ 3,536	¥ 146	—	¥ 3,682

Thousands of U.S. dollars				
Bonds:				
National and local government Bonds	\$ 9,895	\$ 501	—	\$ 10,396
Bonds and debentures	10,418	543	—	10,961
Others	8,223	138	—	8,361
	\$ 28,536	\$ 1,182	—	\$ 29,718

	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
	Millions of yen			
Available-for-sale securities with fair value:				
Equity securities	¥ 21,485	¥ 45,644	¥ 65	¥ 67,064
Bonds:				
Bonds and debentures	618	4	2	620
Other bonds	2,072	23	48	2,047
Others	81	0	19	62
	¥ 24,256	¥ 45,671	¥ 134	¥ 69,793

6

Long-term debt

	Thousands of U.S. dollars			
Equity securities.....	\$173,408	\$368,392	\$	521 \$541,279
Bonds:				
Bonds and debentures.....	4,985	32	14	5,003
Other bonds.....	16,723	185	389	16,519
Others.....	655	0	155	500
	\$195,771	\$368,609	\$	1,079 \$563,301

Expected maturities of debt securities held-to-maturity and available-for-sale at March 31, 2001 were as follows:

	Millions of yen	Thousands of U.S. dollars
Due in one year or less.....	¥ 584	\$ 4,716
Due after one year through five years.....	1,416	11,432
Due after five years through ten years.....	3,468	27,993
Due after ten years.....	567	4,580
	¥ 6,035	\$ 48,721

As of March 31, 2001 and 2000, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Bonds and Notes:			
Domestic:			
1.3% to 5.65%, maturing serially through 2028.....	¥ 1,857,966	¥ 2,014,880	\$14,995,691
Floating rate maturing serially through 2013.....	158,000	—	1,275,222
1.0% convertible bonds, due 2006.....	146,359	146,359	1,181,267
Overseas:			
6.75% due 2001 (payable in Swiss francs).....	22,362	28,464	180,483
6.125% due 2001 (payable in Euro yen).....	51,783	52,800	417,942
6.25% due 2003 (payable in U.S. dollars).....	37,853	37,853	305,508
7.375% due 2001 (payable in Canadian dollars).....	—	38,850	—
5.75% due 2001 (payable in U.S. dollars).....	57,200	57,200	461,663
Loans from the Development Bank of Japan, banks, insurance companies and other sources.....	1,635,378	1,520,192	13,199,185
Less: elimination.....	(92)	(344)	(744)
Total.....	3,966,809	3,896,254	32,016,217
Less: current portion.....	(376,972)	(363,845)	(3,042,553)
	¥ 3,589,837	¥ 3,532,409	\$28,973,664

At March 31, 2001, the current conversion price of 1.0% convertible bonds due 2006 is ¥2,484 which is subject to adjustment in certain circumstances. At March 31, 2001, 58,920,692 shares will be issuable for the conversion of convertible bonds.

At March 21, 2001, the Company's entire property was subject to certain statutory preferential rights as security for loans from the Development Bank of Japan of ¥611,865 million (\$4,938,381 thousand) and for bonds (including convertible bonds) of ¥2,331,522 million (\$18,817,776 thousand).

Other property, plant and equipment of certain consolidated subsidiaries pledged as collateral for long-term debt amounted to ¥56,765 million (\$458,151 thousand).

The aggregate annual maturities of long-term debt as of March 31, 2001 are summarized below:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2002	¥ 376,972	\$ 3,042,553
2003	181,316	1,463,404
2004	199,119	1,607,096
2005	221,835	1,790,439
2006 and thereafter	2,987,567	24,112,725

7

Employee retirement benefits

The Chubu Electric Group has non-contributory defined benefit pension plans and lump-sum retirement benefit plans which substantially cover all employees.

The following table reconciles the benefit liability and net periodic retirement benefit expense as at or for the year ended March 31, 2001.

	Millions of yen	Thousands of U.S. dollars
Projected benefit obligation	¥ 485,996	\$ 3,922,487
Less, fair value of plan assets at end of year	(301,069)	(2,429,934)
	184,927	1,492,553
Unrecognized actuarial differences (loss)	(70,965)	(572,763)
Unrecognized prior service cost	1,329	10,723
	115,291	930,513
Prepaid pension cost	(31,316)	(252,755)
Balance of employee retirement benefit liability recorded on the consolidated balance sheets	¥ 146,607	\$ 1,183,268
(Note: Unrecognized prior service cost resulted from the plan amendment for certain consolidated subsidiaries.)		
Components of net periodic retirement benefit expense:		
Service cost	¥ 16,504	\$ 133,205
Interest cost	13,426	108,360
Expected return of plan assets	(8,759)	(70,692)
Transitional provision	23,903	192,921
Amortization of unrecognized prior service cost	(77)	(621)
Net periodic benefit expense	¥ 44,997	\$ 363,173

Major assumptions used in the calculation of the above information for the year ended March 31, 2001 were as follows:

Method attributing the projected benefits to periods of services	StraightLine method	
Discount rate	(Company)	2.5%
	(Subsidiaries)	3.0%
Expected rate of return on pension plan assets	(Company)	3.0%
	(Subsidiaries)	1.5%, 2.5%
Amortization of unrecognized prior service cost	(Company)	—
	(Subsidiaries)	5 years
Amortization of unrecognized actuarial differences	(Company)	3 years
	(Subsidiaries)	1 year or 5 years
Amortization of transitional provision		1 year

8

Lease transaction

(a) Lessee

Total lease payments under financial leases other than those which ownership deemed to be transferred were ¥2,618 million (\$21,131 thousand) and ¥2,924 million for the year ended March 31, 2001 and 2000 respectively.

Pro forma information of lease equipment such as acquisition cost, accumulated depreciation and future minimum lease payments, all of which included imputed interest expense under these finance leases, to the lessee on an "as if capitalized basis" were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Acquisition cost.....	¥ 12,718	¥ 14,839	\$ 102,647
Accumulated depreciation.....	6,210	5,552	50,124
Net leased property.....	6,508	9,287	52,523
Future minimum lease payments:			
Due with in one year.....	2,340	2,806	18,883
Due after one year.....	4,235	6,581	34,178
Total.....	6,575	9,387	53,061

Depreciation expense, which is not reflected in the accompanying consolidated statements of income calculated by the straight-line method over the respective lease periods was ¥2,924 million and ¥2,618 (\$21,131 thousand) million for the year ended March 31, 2001 and 2000.

(b) Lessor

Revenue under finance leases other those which ownership deemed to be transferred, were 2,533 million (\$20,442 thousand) and ¥2,727 million for the years ended March 31, 2001 and 2000, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation and future lease revenue under these finance lease were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Acquisition cost.....	¥ 11,572	¥ 11,693	\$ 93,401
Accumulated depreciation.....	5,822	5,901	46,991
Net leased property.....	5,750	5,792	46,410
Future lease revenues:			
Due with in one year.....	2,379	2,488	19,199
Due after one year.....	5,102	5,262	41,178
Total.....	7,481	7,750	60,377

Depreciation expense, which is not reflected in the accompanying consolidated statements of income calculated by the straight-line method over the respective lease periods was ¥1,912 million (\$15,430 thousand) and ¥2,053 million for the years ended March 31, 2001 and 2000, respectively.

9

Contingent liabilities

As of March 31, 2001 and 2000, contingent liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Co-guarantees of loans of other companies			
Japan Nuclear Fuel Limited.....	¥ 146,590	¥ 142,056	\$ 1,183,133
Nuclear Fuel Transport Co., Ltd. and other companies.....	2,813	3,099	22,702
Guarantees of house financing and other loans for the Company's employees.....	94,319	88,470	761,251
Recourse under debt assumption agreements.....	390,859	297,124	3,154,630

10

Shareholders' equity

The authorized number of shares of common stock, with a par value of ¥500 is 1,190 million at March 31, 2001, unless there may be a reduction due to a cancellation of treasury stock acquired.

Pursuant to the articles of incorporation of the Company revised upon the approval of shareholders at the general meeting on June 26, 1998, the Company can purchase and cancel the treasury stock of the Company up to 70 million shares through a change to retained earnings, subject to the resolution of the Board of Directors, in accordance with the Law Concerning Special Measures under the Commercial Code with Respect to Procedures of Cancellation of Stocks.

At March 31, 2001 and 2000, retained earnings included legal reserve of the Company in the amounts of ¥93,628 million (\$755,677 thousand) and ¥93,262 million, respectively. The Commercial Code of Japan provides that an amount equivalent to at least 10% of cash payments as an appropriation of retained earnings shall be appropriated as a legal reserve until such reserve equals 25% of common stock. The legal reserve is not available for the distribution as dividends, but may be used to reduce a deficit or may be transferred to common stock by proper actions of the Board of Directors and/or shareholders of the Company.

The tax effects on temporary differences that give to a significant portion of deferred tax assets and liabilities at March 31, 2001 and 2000 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Deferred tax assets:			
Amortization of deferred charges.....	¥ 29,335	¥ 36,187	\$ 236,766
Provision for reserve for reprocessing of irradiated nuclear fuel.....	11,981	11,981	96,695
Provision for reserve for decommissioning nuclear power plant.....	7,353	7,433	59,347
Employee retirement benefit liability.....	27,384	10,359	221,016
Depreciation.....	9,452	—	76,289
Net operating loss carryforwards.....	—	12,363	—
Unrealized gains.....	13,868	13,242	111,930
Others.....	20,491	31,653	165,381
Total gross deferred tax assets.....	119,864	123,218	967,424
Less: Valuation allowance.....	—	(12,461)	—
Total deferred tax assets.....	119,864	110,757	967,424
Deferred tax liabilities:			
Unrealized gains on securities.....	16,318	—	131,705
Confirmed losses on expenditures for uncompleted construction.....	—	96	—
Amount prepaid of qualified retirement pension.....	11,191	115	90,320
Other.....	169	21	1,364
Total gross deferred tax liabilities.....	27,678	232	223,389
Net deferred tax assets.....	¥ 92,186	¥ 110,525	\$ 744,035

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, 2001, no valuation allowance was provided to reduce the deferred tax assets since the management believes that the amount of the deferred tax assets is expected to be fully realizable.

Reconciliation of the differences between the statutory tax rate and the effective income tax rate is as follows:

	2001	2000
Normal statutory tax rate.....	35.7%	35.7%
Increase due to:		
Non-deductible expenses.....	0.6	2.4
Provision of valuation allowance.....	—	2.2
Equity in earning of affiliates.....	1.5	—
Others.....	1.4	0.5
Effective income tax rate.....	39.2%	40.8%

12

Segment information

The Group's operations are classified into two segments, electric business and other business. Electric utility segment is composed of electric supplies. Other segment is composed of power production, transmission and other activity.

Information by industry segment for the years ended March 31, 2001 was as follows:

	Electric utility	Other	Total	Elimination	Consolidated
Millions of yen					
For the year 2001:					
Operating revenues:					
Outside customers.....	¥ 2,180,766	¥ 72,013	¥ 2,252,779	¥ -	¥ 2,252,779
Inter-segment.....	2,134	198,884	201,018	(201,018)	-
Total operating revenues.....	2,182,900	270,897	2,453,797	(201,018)	2,252,779
Operating expenses.....	1,871,851	256,294	2,128,145	(199,674)	1,928,471
Operating income.....	¥ 311,049	¥ 14,603	¥ 325,652	¥ (1,344)	¥ 324,308
Identifiable assets.....	¥ 6,247,121	¥ 441,662	¥ 6,688,783	¥ (115,056)	¥ 6,573,727
Depreciation and amortization.....	416,468	41,297	457,765	(3,075)	454,690
Capital expenditures.....	463,155	31,094	494,249	(5,601)	488,648

Thousands of U.S. dollars

For the year 2001:					
Operating revenues:					
Outside customers.....	\$17,601,017	\$ 581,221	\$18,182,238	\$ -	\$18,182,238
Inter-segment.....	17,220	1,605,192	1,622,412	(1,622,412)	-
Total operating revenues.....	17,618,237	2,186,413	19,804,650	(1,622,412)	18,182,238
Operating expenses.....	\$15,107,753	\$ 2,068,552	\$17,176,305	\$(1,611,567)	\$15,564,738
Operating income.....	\$ 2,510,484	\$ 117,861	\$ 2,628,345	\$ (10,845)	\$ 2,617,500
Identifiable assets.....	50,420,672	3,564,665	53,985,337	(928,619)	53,056,718
Depreciation and amortization.....	3,361,321	333,316	3,694,637	(24,824)	3,669,813
Capital expenditures.....	3,738,133	250,960	3,989,093	(45,207)	3,943,886

Note: The disclosure of business segment information for the year ended March 31, 2000 is omitted since more than 90% of consolidated revenues, operating income and asset are result from the electric utility business.

Identifiable assets in the elimination column represent unallocated general corporate items which were not assigned to a particular industry segment, net of inter-segment balances

Geographic segment information for the years ended March 31, 2001 and 2000 is not shown since the Company has no consolidated subsidiaries overseas.

Overseas sales for the years ended March 31, 2001 and 2000 are not shown since there were no overseas sales.

13

Related party transactions

Significant transaction with affiliates

TOENEC CORPORATION, 25.7% owned an affiliate accounted for by the equity method, has entered into the contracts to maintain and renew distribution facilities owned by the Company. Transactions for the years ended March 31, 2001 and 2000 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Amount elated with construction.....	¥ 71,951	¥ 75,351	\$ 580,719
Amount related with maintenance.....	41,208	40,288	332,591
Other.....	448	507	3,615

14

Subsequent event

On June 27, 2001, shareholders of the Company approved the appropriation of retained earnings at the annual general meeting as follows:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends (¥30 per share).....	¥ 22,105	\$ 178,413
Bonuses to directors and corporate auditors.....	140	1,130

REPORT OF INDEPENDENT ACCOUNTANTS

CHUOAOYAMA AUDIT CORPORATION

Dai Nagoya Building
3-28-12, Meieki, Nakamura-ku
Nagoya 450-8565, Japan

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 and its consolidated subsidiaries as of March 31, 2001 and 2000, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of Chubu Electric Power Company, Incorporated and its consolidated subsidiaries as of March 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan (see Note 1) applied on a consistent basis.

As described in Note 2, effective from the year ended March 31, 2001, Chubu Electric Power Company, Incorporated and its consolidated subsidiaries have adopted the new Japanese accounting standards for financial instruments, retirement benefits, and foreign currency translation.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.

June 27, 2001

Chuo-oyama Audit Corporation

NON-CONSOLIDATED BALANCE SHEETS

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries
As of March 31, 2001 and 2000

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	2001
Property, Plant and Equipment:			
Property, plant and equipment.....	¥ 11,427,109	¥ 11,230,656	\$ 92,228,482
Construction in progress.....	659,550	505,672	5,323,244
	12,086,659	11,736,328	97,551,726
Less:			
Contributions in aid of construction.....	(126,304)	(121,144)	(1,019,402)
Accumulated depreciation.....	(6,477,420)	(6,118,726)	(52,279,419)
	(6,603,724)	(6,239,870)	(53,298,821)
Property, Plant and Equipment, Net	5,482,935	5,496,458	44,252,905
Nuclear Fuel:			
Loaded nuclear fuel.....	37,329	46,937	301,281
Nuclear fuel in processing.....	137,752	108,644	1,111,798
Total Nuclear Fuel	175,081	155,581	1,413,079
Investments and Other:			
Long-term investments.....	192,320	122,581	1,552,218
Deferred tax assets (Note 7).....	56,995	70,945	460,011
Other.....	150,412	67,624	1,213,982
Less: allowance for doubtful accounts.....	(301)	(130)	(2,429)
Total Investments and Other	399,426	261,020	3,223,782
Current Assets:			
Cash.....	18,742	30,864	151,269
Accounts receivable-customers.....	97,820	92,069	789,505
Fuel, materials and supplies.....	46,670	37,467	376,677
Deferred tax assets (Note 7).....	10,855	16,433	87,610
Other.....	17,008	8,769	137,269
Less: allowance for doubtful accounts.....	(575)	(450)	(4,641)
Total Current Assets	190,520	185,152	1,537,689
	¥ 6,247,962	¥ 6,098,211	\$ 50,427,455

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	2001
Long-term Liabilities and Reserves:			
Long-term debt.....	¥ 3,445,558	¥ 3,468,193	\$ 27,809,184
Employee retirement benefit liability.....	129,572	98,608	1,045,782
Reserve for reprocessing of irradiated nuclear fuel.....	182,497	168,616	1,472,937
Reserve for decommissioning nuclear power plant.....	74,656	69,818	602,550
Other long-term liabilities.....	30,092	19,810	242,870
Total Long-term Liabilities and Reserves.....	3,862,375	3,825,045	31,173,323
Current Liabilities:			
Current portion of long-term debt.....	351,801	343,212	2,839,398
Current portion of other long-term liabilities.....	8,651	7,779	69,824
Short-term debt.....	363,834	449,668	2,936,513
Commercial paper.....	159,000	117,000	1,283,293
Accrued income taxes (Note 7).....	30,754	20,903	248,220
Other-mainly accounts payable.....	367,958	310,362	2,969,795
Total Current Liabilities.....	1,281,998	1,248,924	10,347,043
Reserve for Fluctuation in Water Levels.....	1,853	2,508	14,953
Total Liabilities.....	5,146,226	5,076,477	41,535,319
Shareholders' Equity (Note 6 and 8)			
Common stock, ¥500 par value-			
Authorized—1,190,000,000 shares;			
Issued—736,852,360 shares in 2001 and 2000.....	374,514	374,514	3,022,710
Capital surplus.....	14,242	14,242	114,946
Legal reserve.....	93,629	93,262	755,677
Retained earnings.....	590,102	539,716	4,762,730
Net unrealized gain on available-for-sale securities.....	29,249	—	236,073
Total Shareholders' Equity.....	1,101,736	1,021,734	8,892,136
Commitments and Contingent Liabilities (Note 4 and 5)	¥ 6,247,962	¥ 6,098,211	\$ 50,427,455

NON-CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries
For the Years Ended March 31, 2001 and 2000

	Millions of yen							Net unrealized gain on available-for-sale securities
	Number of shares issued	Common stock	Capital surplus	Legal reserve (Note 6)	Retained earnings			
Balance as of March 31, 1999	739,081,346	¥ 374,511	¥ 14,239	¥ 89,558	¥ 412,510	¥	—	
Net income.....	—	—	—	—	80,457	—	—	
Cash dividends.....	—	—	—	—	(36,898)	—	—	
Bonuses to directors and corporate auditors.....	—	—	—	—	(140)	—	—	
Transfer to legal reserve.....	—	—	—	3,704	(3,704)	—	—	
Cumulative effect of adoption of deferred tax accounting.....	—	—	—	—	92,193	—	—	
Conversion of convertible bonds.....	2,414	3	3	—	—	—	—	
Retirements of shares.....	(2,231,400)	—	—	—	(4,702)	—	—	
Balance as of March 31, 2000	736,852,360	¥ 374,514	¥ 14,242	¥ 93,262	¥ 539,716	¥	—	
Net income.....	—	—	—	—	98,788	—	—	
Cash dividends.....	—	—	—	—	(47,895)	—	—	
Bonuses to directors and corporate auditors.....	—	—	—	—	(140)	—	—	
Transfer to legal reserve.....	—	—	—	367	(367)	—	—	
Net unrealized gain on available-for-sale securities, net of applicable income taxes of ¥16,255 million.....	—	—	—	—	—	—	29,249	
Balance as of March 31, 2001	736,852,360	¥ 374,514	¥ 14,242	¥ 93,629	¥ 590,102	¥	29,249	

	Thousands of U.S. dollars (Note 1)					
Balance as of March 31, 2000	\$ 3,022,710	\$ 114,946	\$ 752,719	\$ 4,356,063	\$	—
Net income.....	—	—	—	797,317	—	—
Cash dividends.....	—	—	—	(386,562)	—	—
Bonuses to directors and corporate auditors.....	—	—	—	(1,130)	—	—
Transfer to legal reserve.....	—	—	2,958	(2,958)	—	—
Net unrealized gain on available-for-sale securities, net of applicable income taxes of \$131,193 thousand.....	—	—	—	—	—	236,073
Balance as of March 31, 2001	\$ 3,022,710	\$ 114,946	\$ 755,677	\$ 4,762,730	\$	236,073

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

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries

1

Basis of non-consolidated financial statements

(a) Basis of presenting the financial statements

The accompanying non-consolidated financial statements of Chubu Electric Power Company, Incorporated (the "Company") have been prepared in accordance with the provisions set forth in the Commercial Code of Japan, the Securities and Exchange Law of Japan, and the Japanese Electric Utility Law and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects for application and disclosure requirements of International Accounting Standards. Certain items presented in the original non-consolidated financial statements in Japanese submitted to the Director of Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan. The non-consolidated financial statements are not intended to present the non-consolidated financial position, results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

(b) U.S. dollar amounts

The Company maintains its accounting records in Japanese yen. The dollar amounts included in the accompanying non-consolidated financial statements and notes thereto present the arithmetic results of translating yen into U.S. dollars on a basis of ¥123.9 to \$1, the rate of exchange prevailing on March 31, 2001. The inclusion of such dollar amounts is solely for convenience 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 ¥123.9 to \$1 or at any other rates.

2

Summary of significant accounting policies

(a) 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 lives of related assets. Contributions in aid of construction are deducted from the depreciable costs of the assets.

(b) Nuclear fuel and amortization

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

(c) Accounting for financial instruments

Effective April 1, 2000, the Company adopted "Opinion Concerning Establishment for Accounting Standard for Financial Instruments" issued by Business Accounting Deliberation Council of Japan ("BADDC") and related practical guideline issued by the Japanese Institute of Certified Public Accountants ("JICPA"). This new standard provides the new accounting methods for securities, derivatives and allowance for doubtful accounts as mentioned below.

Adoption of the new accounting standard resulted in no material effects on the operating results as compared with the previous accounting method.

(c-i) Investments and marketable securities

Until the year ended March 31, 2000, securities are stated at moving average cost.

Effective April 1, 2000, the Company classifies certain investments in debt and equity securities as "held-to-maturity", "trading" or "available-for-sale", whose classification determines the respective accounting method as stipulated by the standard. Held-to-maturity securities are stated at amortized cost. Marketable securities with market quotations for available-for-sale securities are stated at fair value and net unrealized gains or losses on these securities are reported as a separate component of shareholders' equity, net of applicable income taxes. Gains and losses on disposition of securities are computed by the moving average method. Nonmarketable securities without available market quotations for available-for-sale securities are carried at cost determined by the moving average method. Adjustments in carrying values of individual securities are charged to income through write-downs, when a decline in value is deemed other than temporary.

(c-ii) Hedge accounting

Derivatives used for hedge purposes are accounted for under the deferral hedge accounting, special treatments permitted for interest rate swaps and designated treatments. The Company's derivative transactions are applied only to the assets and liabilities generated through the Company's operations to hedge exposures to fluctuations in exchange rates or interest rates.

(c-iii) Allowance for doubtful accounts

Effective April 1, 2000, in accordance with the amendment of the accounting standard, allowance for doubtful accounts has been provided for at the aggregate amount of estimated credit loss for doubtful or troubled receivables and a general reserve for other receivables calculated based on the historical loss experience for a certain past period. Until the year ended March 31, 2000, allowance for doubtful accounts was provided for as a general reserve at the maximum amount which could be charged to income under the Japanese income tax laws using a legal provision method.

(d) Fuel, materials and supplies

Fuel, materials and supplies are stated at cost, being determined by the weighted average method.

(e) Employee retirement benefit liability

Employees terminating their employment, either voluntarily or upon reaching mandatory retirement age, are entitled under most circumstances to a severance payment based on the rate of payment at the time of termination of employment, years of service and certain other factors. Until the year ended March 31, 2000, the contribution to the pension plan was charged to income when paid, and the Company provided the reserve for employees' retirement allowances at 40% of the liabilities, which would have been required if all employees voluntarily retired at that date. The Company has adopted a non-contributory funded pension plan, covering substantially all of those employees.

Effective April 1, 2000, the Company adopted "Opinion Concerning Establishment of Accounting Standard for Retirement Benefits" established by BADC and related practical guideline issued by JICPA, which are implemented effective from the fiscal year beginning on and after April 1, 2000.

In accordance with the new accounting standard, the Company has principally recognized the retirement benefits including pension cost and related liability based on actuarial present value of projected benefit obligation using actuarial appraisal approach and the pension plan assets available for benefits at the fiscal year-end. A transitional provision of adoption of this new accounting standard of ¥24,269 million (\$195,877 thousand) was charged to income as other expenses in a current single fiscal year ended March 31, 2001. Unrecognized actuarial differences as changes in the projected benefit obligation or plan assets resulting from the experience different from that assumed and from changes in assumptions are amortized on a straight-line basis over certain periods within remaining service lives of employees from the next year in which they arise. Reserve for employees' retirement allowances provided at March 31, 2000 were presented and carried forward to employee retirement benefit liability account on the accompanying non-consolidated balance sheets. As a result of adoption of the new standard, income before income taxes for the year ended March 31, 2001 decreased by ¥22,848 million (\$184,405 thousand), as compared with the previous accounting method.

(f) Reserve for reprocessing of irradiated nuclear fuel

The Company provides for the costs for reprocessing of irradiated nuclear fuel based on the 60% of amount required to pay for it at fiscal year-end in accordance with the provisions prescribed by the regulatory authorities.

(g) Reserve for decommissioning nuclear power plants

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

(h) Reserve for fluctuation in water levels

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

(i) Leases transaction

Finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees are accounted for by a method similar to that used for ordinary operating leases.

(j) Research and development costs

Research and development costs included in operating expenses for the years ended March 31, 2001 and 2000 amounted to ¥21,119 million (\$170,449 thousand) and ¥20,567 million respectively.

(k) New share issue expenses, bond issue expenses and bond discounts

New share issue expenses and bond issue expenses are charged to income as incurred.
Bond discounts are amortized over the life of related bonds.

(l) Per share data

Basic net income per share is computed based on the average number of shares outstanding during the respective years.

Diluted net income per share is computed assuming that all convertible bonds converted were converted at the time of issue unless having anti-dilutive effects.

(m) Income taxes

Income taxes are accounted for in accordance with "Opinion Concerning Establishment of Standards for Tax Effects" issued by BADC in October 1998, which requires the accounting for income taxes to recognize the deferred taxes under the asset and liability method. Under the accounting standard, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases, and measured using the enacted tax rates expected to apply 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.

(n) Translation of foreign currency accounts

Effective April 1, 2000, the Company adopted "Opinion Concerning Revision of Accounting Standard for Foreign Currency Translation" issued by BADC. In accordance with this new standard, receivables, payables and securities, and certain other securities, are translated into Japanese Yen at the exchange rates at the fiscal year-end. Transactions in foreign currencies are recorded based on the prevailing exchange rates on the transaction dates. Resulting translation gains or losses are included in the current earnings. Until the year ended March 31, 2000, assets and liabilities in foreign currencies were translated into at historical exchange rates. Adoption of revised accounting standard resulted in an increase in income before income taxes by ¥5,972 million (\$48,199 thousand) for the year ended March 31, 2001, as compared with previous accounting method.

3

Investments and securities

Marketable equity investments in subsidiaries and affiliates are summarized as follow.

	Cost	Market	Gross
	(carrying amounts)		Unrealized gains
Millions of yen			
Equity investments in affiliates.....	¥ 996	¥ 12,990	¥ 11,994
Thousands of U.S. dollars			
Equity investments in affiliates.....	\$ 8,035	\$ 104,847	\$ 96,812

4

Lease transaction

The Company leases certain machinery, computer equipment and other assets.

Total lease payments under financial leases other than those which ownership deemed to be transferred were ¥7,854 million (\$63,392 thousand) and ¥9,136 million for the years ended March 31, 2001 and 2000, respectively.

Pro forma information of lease equipment such as acquisition cost, accumulated depreciation and future minimum lease payments, all of which included imputed interest expense under these finance leases, to the lessee on an "as if capitalized" basis were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Acquisition cost.....	¥ 41,168	¥ 40,075	\$ 332,272
Accumulated depreciation.....	18,214	18,747	147,009
Net leased property.....	22,954	21,328	185,263
Future minimum lease payments:			
Due with in one year.....	8,206	7,491	66,232
Due after one year.....	14,748	13,837	119,031
Total.....	22,954	21,328	185,263

Depreciation expense, which is not reflected in the accompanying non-consolidated statements of income calculated by the straight-line method over the respective lease periods was ¥7,854 million (\$63,392 thousand) and ¥9,136 million for the years ended March 31, 2001 and 2000, respectively.

5

Contingent liabilities

As of March 31, 2001 and 2000, contingent liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Co-guarantees of loans of other companies			
Japan Nuclear Fuel Limited.....	¥ 146,590	¥ 142,056	\$ 1,183,133
Nuclear Fuel Transport Co., Ltd. and other companies.....	1,486	1,860	11,995
Guarantees of house financing and other loans for the Company's employees.....	94,319	88,470	761,251
Recourse under debt assumption agreements.....	390,859	297,123	3,154,630

6

Shareholders' equity

The authorized number of shares of common stock, with a par value of ¥500 is 1,190 million at March 31, 2001, unless there may be a reduction due to a cancellation of treasury stock acquired.

Pursuant to the articles of incorporation of the Company revised upon the approval of shareholders at the general meeting on June 26, 1998, the Company can purchase and cancel the treasury stock of the Company up to 70 million shares through a change to retained earnings, subject to the resolution of the Board of Directors, in accordance with the Law Concerning Special Measures under the Commercial Code with Respect to Procedures of Cancellation of Stocks.

The Commercial Code of Japan provides that an amount equivalent to at least 10% of cash payments as an appropriation of retained earnings shall be appropriated as a legal reserve until such reserve equals 25% of common stock. The legal reserve is not available for the distribution as dividends, but may be used to reduce a deficit or may be transferred to common stock by proper actions of the Board of Directors and/or shareholders of the Company.

7

Income taxes

The tax effects on temporary differences that give to a significant portion of deferred tax assets and liabilities at March 31, 2001 and 2000 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	2001
Deferred tax assets:			
Amortization of deferred charges.....	¥ 29,028	¥ 35,769	\$ 234,284
Provision for reserve for reprocessing of irradiated nuclear fuel	11,981	11,981	96,695
Provision for reserve for decommissioning nuclear power plant.....	7,353	7,433	59,347
Employee retirement benefit liability.....	22,923	6,161	185,016
Others.....	23,997	26,055	193,679
Total deferred tax assets.....	95,282	87,399	769,021
Deferred tax liabilities:			
Unrealized gains on securities.....	16,255	—	131,193
Reserve for overseas market development.....	—	21	—
Amount prepaid of qualified retirement pension.....	11,120	—	89,747
Other.....	57	—	460
Total gross deferred tax liabilities.....	27,432	21	221,400
Net deferred tax assets.....	¥ 67,850	¥ 87,378	\$ 547,621

In assessing the realizability of deferred tax assets, management of the company 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, 2001, no valuation allowance was provided to reduce the deferred tax assets since the management believes that the amount of the deferred tax assets is expected to be fully realizable.

8

Subsequent event

On June 27, 2001, shareholders of the Company approved the appropriation of retained earnings at the annual general meeting as follows:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends (¥30 per share).....	¥ 22,105	\$ 178,413
Bonuses to directors and corporate auditors.....	140	1,130

REPORT OF INDEPENDENT ACCOUNTANTS

CHUOAOYAMA AUDIT CORPORATION

Dai Nagoya Building
3-28-12, Meieki, Nakamura-ku
Nagoya 450-8565, Japan

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

We have audited the accompanying non-consolidated balance sheets of Chubu Electric Power Company, Incorporated as of March 31, 2001 and 2000, and the related non-consolidated statements of income, shareholders' equity for the years then ended, all expressed in Japanese Yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the non-consolidated financial statements referred to above present fairly the non-consolidated financial position of Chubu Electric Power Company, Incorporated as of March 31, 2001 and 2000, and the non-consolidated results of its operations for the years then ended in conformity with accounting principles and practices generally accepted in Japan (see Note 1) applied on a consistent basis.

As described in Note 2, effective from the year ended March 31, 2001, Chubu Electric Power Company, Incorporated has adopted the new Japanese accounting standards for financial instruments, retirement benefits, and foreign currency translation.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying non-consolidated financial statements.

June 27, 2001

Chuo-oyama Audit Corporation

DIRECTORS AND AUDITORS

As of July 31, 2001

The Directors and Statutory Auditors of the Company are as follows:

Chairman of the Board of Directors	Director
Hiroji Ota*	Koichi Ikeda
	Yoshio Kawazu
	Shoichi Kinoshita
President and Director	Tadashi Morimoto
Fumio Kawaguchi*	Yutaka Yamamoto
	Haruhiko Asano
	Norihisa Ito
	Hiroshi Ochi
Executive Vice President and Director	Hiroshi Suzuki
Teruyuki Aoki*	Masatoshi Suzuki
Shingo Ichihara*	Toshiyuki Nosaka
Ko Terasawa*	Masakatsu Horikoshi
Atsushi Nakano*	Shiro Mizutani
Takashi Nojima*	Hirohiko Mizuno
	Yoshihito Miyaike
	Ryuichi Hamada
Managing Director	Senior Corporate Auditor
Kazuo Manabe	Toshiro Shimokawa
Hideyoshi Mochizuki	Kenji Ito
Tatsuo Yagi	
Sanji Ito	Corporate Auditor
Takahiko Ito	Isao Naito
Masao Shimizu	Hiroshi Watanabe
Yasuhiro Noda	Takeshi Oatari
Hiroshi Makita	Kenichi Kamiya
Takuo Yamauchi	Kenjiro Hata

*Representative Director

The above named Directors are all engaged in the business of the Company on a full-time basis, except for Mr. Kenichi Kamiya, Advisor of Sumitomo Mitsui Banking Corporation and Mr. Kenjiro Hata, Chairman of the Board of Meiji Mutual Life Insurance Co., Ltd.

CORPORATE DATA

As of July 31, 2001

HEADQUARTERS

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SECURITIES TRADED

Tokyo Stock Exchange
Osaka Securities Exchange
Nagoya Stock Exchange

TRANSFER AGENT AND REGISTRAR

Toyo Trust & Banking Co., Ltd.
4-3, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-0005, Japan

ANNUAL MEETING OF SHAREHOLDERS

The annual meeting of shareholders of the Company is normally held in June each year in Nagoya, Japan. In addition, the Company may hold a special meeting of shareholders whenever necessary by giving at least two weeks' advance notice to shareholders.

AUDITOR

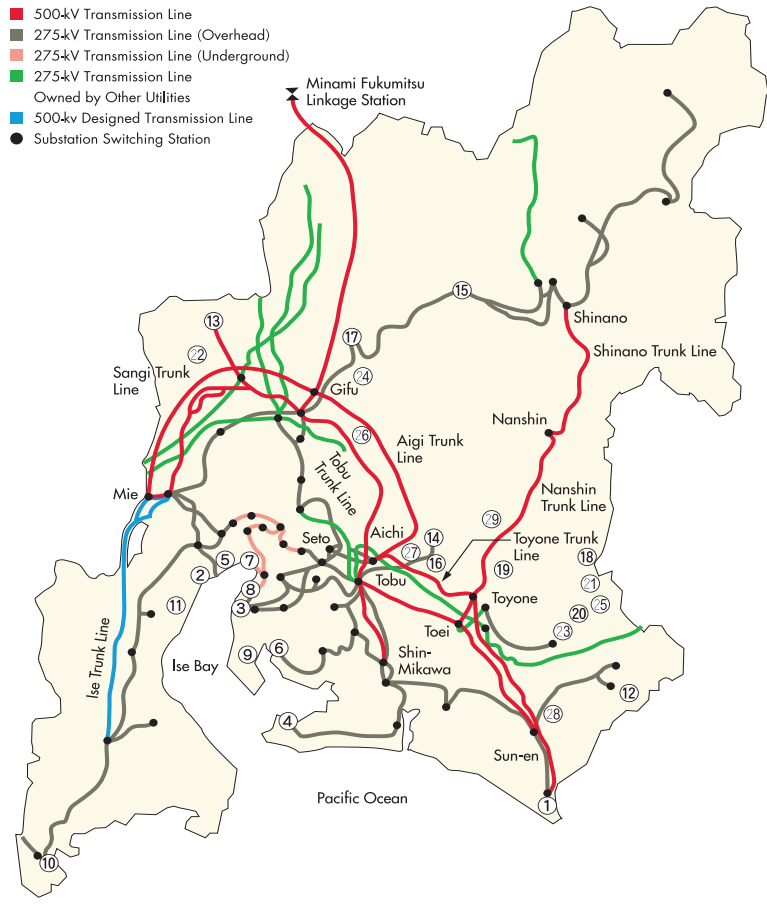
ChuoAoyama Audit Corporation
Dai Nagoya Building
3-28-12, Meieki, Nakamura-ku
Nagoya 450-8565, Japan

POWER SYSTEM MAP

As of July 31, 2001

LEGEND

- 500kV Transmission Line
- 275kV Transmission Line (Overhead)
- 275kV Transmission Line (Underground)
- 275kV Transmission Line Owned by Other Utilities
- 500kV Designed Transmission Line
- Substation Switching Station



CHUBU ELECTRIC'S MAJOR GENERATING FACILITIES

Map No. _____ MW

Nuclear Power Plant

① Hamaoka..... 3,617.0

Thermal Power Plants

② Kawagoe..... 4,700.0
 ③ Chita..... 3,966.0
 ④ Atsumi..... 2,400.0
 ⑤ Nishi-Nagoya..... 2,190.0
 ⑥ Hekinan..... 2,100.0
 ⑦ Shin-Nagoya..... 1,898.0
 ⑧ Chita Daini..... 1,708.0
 ⑨ Taketoyo..... 1,345.0
 ⑩ Owase Mita..... 1,250.0
 ⑪ Yokkaichi..... 1,220.0
 ⑫ Shin-Shimizu..... 156.0
 Others (two plants)..... 7.7

Total..... 22,940.7

Hydroelectric Power Plants

⑬ Okumino..... 1,500.0
 ⑭ Okuyahagi No. 2..... 780.0
 ⑮ Takane No. 1..... 340.0
 ⑯ Okuyahagi No. 1..... 315.0
 ⑰ Mazegawa No. 1..... 288.0
 ⑱ Hatanagi No. 1..... 137.0
 ⑲ Hiraoka..... 101.0
 ⑳ Okuizumi..... 87.0
 ㉑ Hatanagi No. 2..... 85.0
 ㉒ Yokoyama..... 70.0
 ㉓ Oigawa..... 68.2
 ㉔ Mazegawa No. 2..... 66.4
 ㉕ Ikawa..... 62.0
 ㉖ Shin-Kamiaso..... 61.4
 ㉗ Yahagi No. 1..... 60.0
 ㉘ Kawaguchi..... 58.0
 ㉙ Yasuoka..... 52.5
 Others (163 plants)..... 1,081.7

Total..... 5,213.2

Total generating capacity

(194 plants)..... 31,770.9



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