

# CHUBU ELECTRIC POWER COMPANY, INCORPORATED

ANNUAL REPORT 2002

YEAR ENDED MARCH 31, 2002





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  | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.....          | 15 |
| A MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT.....     | 2  | NON-CONSOLIDATED BALANCE SHEETS.....                     | 28 |
| FIVE-YEAR OPERATING STATISTICS.....                    | 4  | NON-CONSOLIDATED STATEMENTS OF INCOME.....               | 30 |
| FIVE-YEAR FINANCIAL STATISTICS (CONSOLIDATED).....     | 5  | NON-CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY..... | 31 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS.....              | 6  | DIRECTORS AND AUDITORS.....                              | 32 |
| REPORT OF INDEPENDENT ACCOUNTANTS.....                 | 9  | CORPORATE DATA.....                                      | 32 |
| CONSOLIDATED BALANCE SHEETS.....                       | 10 | POWER SYSTEM MAP.....                                    | 33 |
| CONSOLIDATED STATEMENTS OF INCOME.....                 | 12 |  |    |
| CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY.....   | 13 |  |    |
| CONSOLIDATED STATEMENT OF CASH FLOWS.....              | 14 |  |    |

## FINANCIAL AND OPERATING HIGHLIGHTS (CONSOLIDATED)

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries  
For the Years Ended March 31, 2001 and 2002

|  | Millions of yen   |            | Thousands of U.S. dollars |
|--|-------------------|------------|---------------------------|
|  | 2002              | 2001       | 2002                      |
| <b>Operating Revenue</b> .....           | <b>¥2,228,925</b> | ¥2,252,779 | <b>\$16,727,389</b>       |
| <b>Operating Income</b> .....            | <b>332,878</b>    | 324,308    | <b>2,498,149</b>          |
| <b>Net Income</b> .....                  | <b>110,358</b>    | 94,093     | <b>828,204</b>            |
| <b>Per Share</b> (yen and U.S. dollars): |                   |            |                           |
| Net Income (primary).....                | <b>149.78</b>     | 127.70     | <b>1.12</b>               |
| Shareholders' Equity.....                | <b>1,667.10</b>   | 1,596.46   | <b>12.51</b>              |
| <b>Total Assets</b> .....                | <b>6,435,215</b>  | 6,573,727  | <b>48,294,296</b>         |
| <b>Total Shareholders' Equity</b> .....  | <b>1,228,231</b>  | 1,176,346  | <b>9,217,495</b>          |

### Electric Energy Sales (millions of kWh):

Customers Other Than Under Liberalization:

|   |                |         |
|---|----------------|---------|
| Residential.....                        | <b>38,680</b>  | 38,777  |
| Commercial.....                         | <b>18,741</b>  | 18,597  |
| Industrial.....                         | <b>29,260</b>  | 30,130  |
| Other.....                              | <b>498</b>     | 514     |
| <b>Total</b> .....                      | <b>87,179</b>  | 88,018  |
| Customers Under Liberalization*.....    | <b>33,679</b>  | 35,019  |
| <b>Total Electric Energy Sold</b> ..... | <b>120,858</b> | 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 or above.

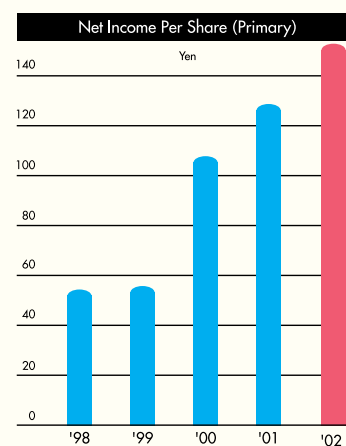
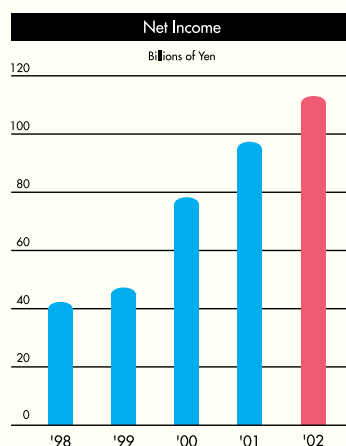
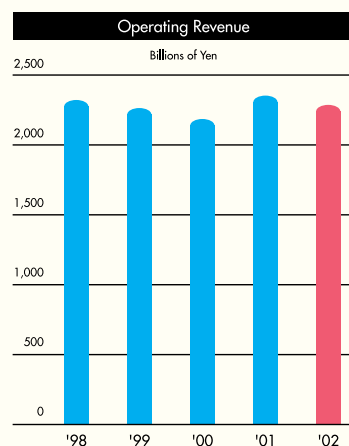
### Generating Capacity (thousands of kW):

|  |               |        |
|--|---------------|--------|
| Hydroelectric.....                     | <b>5,213</b>  | 5,213  |
| Thermal.....                           | <b>23,400</b> | 22,941 |
| Nuclear.....                           | <b>3,617</b>  | 3,617  |
| <b>Total Generating Capacity</b> ..... | <b>32,230</b> | 31,771 |

Notes: 1.U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥133.25=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.



## A MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT

During the fiscal year ended March 31, 2002 (fiscal 2001), the Japanese economy continued to stagnate, resulting in decreases in production and investment in plant and equipment. The weak performance of the economy was attributed to sluggish consumer spending due to deteriorating employment and income. Under these economic conditions, the total amount of power sold was 120.9 billion kilowatt-hours (kWh), a 1.8% decrease from the previous year. In consolidated Group results, the consolidated operating revenues were ¥2,228.9 billion (US \$18.1 billion), a decrease of 1.1% from the previous year, largely due to decreased sales volume in our electric power operations. However, as a result of comprehensive streamlining efforts, particularly in reducing facility-related expenditures, consolidated income before special items and income taxes increased to ¥176.1 billion (US \$1.4 billion); consolidated net income for the term also rose to ¥110.4 billion (US \$0.9 billion).

Two years have passed since the electricity retail market was liberalized and competition continues to intensify. In order to keep pace with the change in business environment, Chubu Electric will promote its marketing activities and expand its range of services, including a diverse choice of contracts, for instance. We will continue to improve operational efficiency by enhancing flexibility in establishing facilities which include the revision of existing plans, reducing general costs covering

construction, operation and procurement, and reducing the number of personnel and distributing them to strategic sections. Moreover, we will actively develop new business through efficient use of managerial resources. The surplus resulting from these corporate efforts will be effectively apportioned toward improvement of our financial structure and earning bases. In this way, Chubu Electric will increase firm value and share profits with shareholders.

We will also continue to provide a highly stable supply of electricity, and ensure the safety of all our facilities, so that we can fulfill our obligations as a corporation supporting local industries and infrastructure. Moreover, we will make the company a truly environment-friendly corporation based on the "Chubu Electric Power Environmental Statement 21", which specifies our philosophy and guidelines to tackle global environmental issues. At the same time, we will continue actively promoting nuclear power generation, as we recognize its vital importance in providing a stable energy supply while mitigating global warming.

In the Chubu region, the area as our base, several major projects are currently underway including 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 in process, the Chubu region is expected to continue its dynamic development. As the major energy supplier established in this

region, Chubu Electric is prepared to play an even greater role, supporting regional development and advancing its business.

We will steadily implement the "Business Reform Roadmap". Chubu Electric's management strategy to remain competitive. Also, Chubu Electric aims to be an integrated energy enterprise with electric power business at the core and other concerted efforts from the Chubu Electric Power Group. We seek to win even greater customer trust, so as to remain the corporation of choice among our customers, shareholders, and investors.

Hiroji Ota, Chairman of the Board  
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 Consolidated Subsidiaries  
For the Years Ended March 31, 1998, 1999, 2000, 2001 and 2002

|  | 1998           | 1999           | 2000           | 2001           | 2002           |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Electric Energy Sold</b> (millions of kWh):   |                |                |                |                |                |
| Residential.....   | 35,537         | 36,963         | —              | —              | —              |
| Commercial.....  | 18,135         | 19,227         | —              | —              | —              |
| Industrial.....  | 63,223         | 61,415         | —              | —              | —              |
| Other.....   | 593            | 563            | —              | —              | —              |
| <b>Total Electric Energy Sold</b> .....  | <b>117,488</b> | <b>118,168</b> | <b>—</b>       | <b>—</b>       | <b>—</b>       |
| <b>Electric Energy Sold</b> (millions of kWh):   |                |                |                |                |                |
| Customers Other Than Those Under Liberalization:   |                |                |                |                |                |
| Residential.....   | —              | —              | 37,774         | 38,777         | <b>38,680</b>  |
| Commercial.....  | —              | —              | 18,066         | 18,597         | <b>18,741</b>  |
| Industrial.....  | —              | —              | 29,229         | 30,130         | <b>29,260</b>  |
| Other.....   | —              | —              | 551            | 514            | <b>498</b>     |
| <b>Total</b> .....   | <b>—</b>       | <b>—</b>       | <b>85,580</b>  | <b>88,018</b>  | <b>87,179</b>  |
| Customers Under Liberalization*.....   | —              | —              | 34,448         | 35,019         | <b>33,679</b>  |
| <b>Total Electric Energy Sold</b> .....  | <b>—</b>       | <b>—</b>       | <b>120,028</b> | <b>123,037</b> | <b>120,858</b> |
| *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. |                |                |                |                |                |
| <b>Electric Energy Supplied</b> (millions of kWh):   |                |                |                |                |                |
| Kilowatt-Hours Generated.....  | 118,495        | 117,063        | 120,406        | 119,706        | <b>115,593</b> |
| Hydroelectric.....   | 9,490          | 10,181         | 8,791          | 9,184          | <b>8,622</b>   |
| Thermal.....   | 82,648         | 81,489         | 86,545         | 82,966         | <b>84,950</b>  |
| Nuclear.....   | 26,357         | 25,393         | 25,070         | 27,556         | <b>22,021</b>  |
| Purchased Power.....   | 8,534          | 9,645          | 7,540          | 10,204         | <b>11,090</b>  |
| Interchanged Power (net).....  | 3,670          | 4,572          | 5,248          | 5,738          | <b>6,607</b>   |
| Power Used for Pumped Storage.....   | (2,040)        | (2,083)        | (2,169)        | (1,941)        | <b>(1,906)</b> |
| <b>Total Electric Energy Supplied</b> .....  | <b>128,659</b> | <b>129,197</b> | <b>131,025</b> | <b>133,707</b> | <b>131,379</b> |
| <b>Generating Capacity</b> (thousands of kW):  |                |                |                |                |                |
| Hydroelectric.....   | 5,210          | 5,211          | 5,211          | 5,213          | <b>5,213</b>   |
| Thermal.....   | 21,483         | 22,941         | 22,941         | 22,941         | <b>23,400</b>  |
| Nuclear.....   | 3,617          | 3,617          | 3,617          | 3,617          | <b>3,617</b>   |
| <b>Total Generating Capacity</b> .....   | <b>30,310</b>  | <b>31,769</b>  | <b>31,769</b>  | <b>31,771</b>  | <b>32,230</b>  |
| Annual Peak Load (three-day average<br>at sending end; thousands of kW).....   | 25,024         | 25,192         | 24,694         | 25,414         | <b>26,246</b>  |
| Transmission Lines (route length; km).....   | 11,791         | 12,025         | 12,097         | 12,122         | <b>12,232</b>  |
| Substation Capacity (MVA).....   | 110,599        | 112,200        | 117,100        | 119,039        | <b>120,301</b> |
| BTB Station Capacity (thousands of kW).....  | —              | 300            | 300            | 300            | <b>300</b>     |
| Distribution Lines (line length; km).....  | 510,459        | 515,254        | 519,795        | 523,983        | <b>527,321</b> |
| Number of Employees.....   | 20,416         | 20,203         | 19,788         | 18,851         | <b>18,312</b>  |

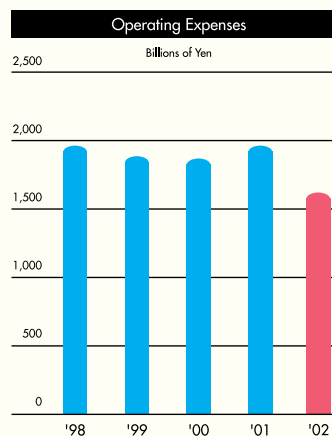
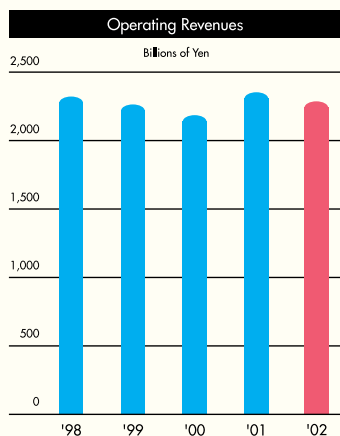
Note: Parentheses denote negative figures.

## FIVE-YEAR FINANCIAL STATISTICS (CONSOLIDATED)

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries  
For the Years Ended March 31, 1998, 1999, 2000, 2001 and 2002

|  | Millions of yen |             |             |             |                    | Thousands of<br>U.S. dollars |
|--|-----------------|-------------|-------------|-------------|--------------------|------------------------------|
|  | 1998            | 1999        | 2000        | 2001        | 2002               | 2002                         |
| <b>Operating Revenues</b> .....          | ¥ 2,247,706     | ¥ 2,174,916 | ¥ 2,167,637 | ¥ 2,252,779 | <b>¥ 2,228,925</b> | <b>\$ 16,727,389</b>         |
| <b>Operating Income</b> .....            | 326,241         | 313,017     | 297,338     | 324,308     | <b>332,878</b>     | <b>2,498,149</b>             |
| <b>Net Income</b> .....                  | 40,230          | 41,142      | 77,120      | 94,093      | <b>110,358</b>     | <b>828,204</b>               |
| <b>Per Share</b> (yen and U.S. dollars): |                 |             |             |             |                    |                              |
| Net Income (Basic).....                  | ¥ 53.87         | ¥ 55.21     | ¥ 104.65    | ¥ 127.70    | <b>¥ 149.78</b>    | <b>\$ 1.12</b>               |
| Shareholders' Equity.....                | 1,274.29        | 1,264.54    | 1,483.41    | 1,596.46    | <b>1,667.10</b>    | <b>12.51</b>                 |
| <b>Total Assets</b> .....                | ¥ 6,265,594     | ¥ 6,189,457 | ¥ 6,316,916 | ¥ 6,573,727 | <b>¥ 6,435,215</b> | <b>\$ 48,294,296</b>         |
| <b>Total Shareholders' Equity</b> .....  | 951,700         | 934,595     | 1,093,045   | 1,176,346   | <b>1,228,231</b>   | <b>9,217,495</b>             |

Notes: 1. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥133.25=US\$1.  
2. These numbers are based on consolidated data.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Overview

In regards to our electricity business during fiscal 2001, power sold for electric lighting amounted to 31,811 million kWh, an increase of 0.3% from the previous year mainly due to an increase in contracts, although this was affected somewhat by a cool summer. In contrast, electric power sold was 55,368 million kWh, a decrease of 1.7% from the previous year, and demand from customers, under liberalization, was 33,679 million kWh, a decrease of 3.8%. These decreases were blamed mainly on a drastic drop in industrial demand. As a result, Total Electric Energy Sold was 120,858 million kWh, an overall decrease of 1.8%. During this period, Chubu Electric had to discontinue operations with the number 1 and 2 units at the Hamaoka

Nuclear Power Plant in response to an incident in the number 1 unit in November 2001. However, during this time, the number 4 unit at the Hekinan Thermal Power Plant began operations and this was one of factors which allowed us to continue to provide a stable power supply.

### Operating Revenue, Expenses and Earnings

Consolidated operating revenues in our electric power business for fiscal 2001 were ¥2,145,182 million, a decrease of 1.6% from the previous year mainly because of a drop in the amount of electric energy sold. Revenues from other business were ¥83,743 million, an increase of 16.3% from the previous year attributable to good performances in our telecommunication-related businesses. As a result, total consolidated operating revenues

decreased 1.1% from the previous year to ¥2,228,925 million.

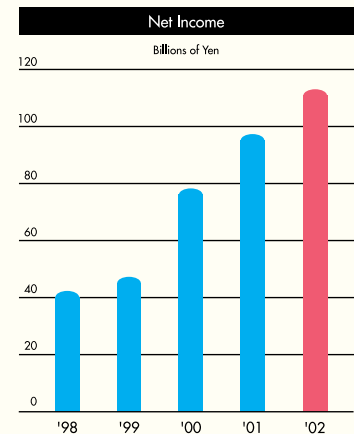
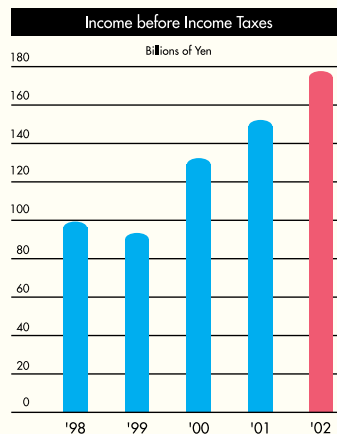
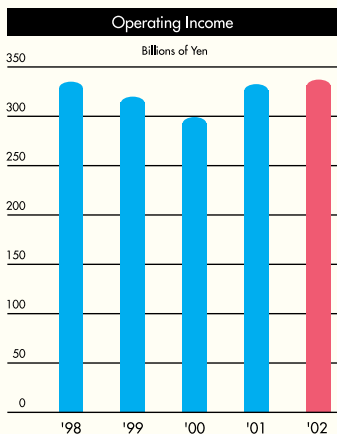
Consolidated operating expenses for this fiscal year were ¥1,896,047 million, a decrease of 1.7% owing to cost reductions in overall management.

Operating expenses in our electric power business, in particular, fell by 2.1% from the previous year to ¥1,823,623 million, owing to cost cutting measures in facility-related expenditures.

Under these circumstances, our consolidated operating income for this fiscal year rose by 2.6% to ¥332,878 million.

Consolidated net other expenses, determined by deducting consolidated non-operating expenses from consolidated non-operating income, fell 7.2% to ¥156,820 million.

Consequently, consolidated income before special items and income taxes





for this fiscal year increased to ¥176,058 million, a rise of 13.3%. Reversal of reserve for drought was ¥1,853 million in comparison with ¥655 million for the previous year. Consolidated net income before income taxes for the term was ¥177,911 million, an increase of 14.1%. Consolidated net income, determined by deducting minority interests in the income of consolidated subsidiaries from income after tax, increased by 17.3% to ¥110,358 million.

#### Assets

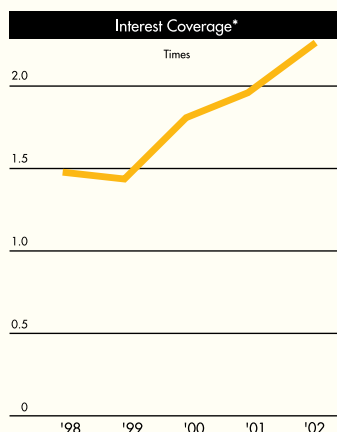
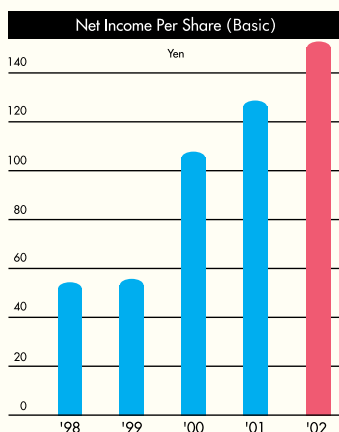
Consolidated total assets as of March 31, 2002 decreased by 2.1% to ¥6,435,215 million. Net fixed assets decreased by 2.8% to ¥5,592,101 million due to a rise of depreciation expense for existing facilities, in spite of the increase owing

to the construction of the number 5 unit in progress at the Hamaoka Nuclear Power Plant. Total nuclear fuel rose 8.6% to ¥190,103 million. Investments and other increased 3.1% to ¥386,529 million. Total current assets decreased to ¥266,482 million, a reduction of 0.8% because of a drop in accounts receivable and inventories. Total liabilities on the consolidated balance sheets decreased by 3.6% to ¥5,184,763 million due to a reduction in interest-bearing debt. Total shareholders' equity increased by 4.4% to ¥1,228,231 million due to an increase in retained earnings.

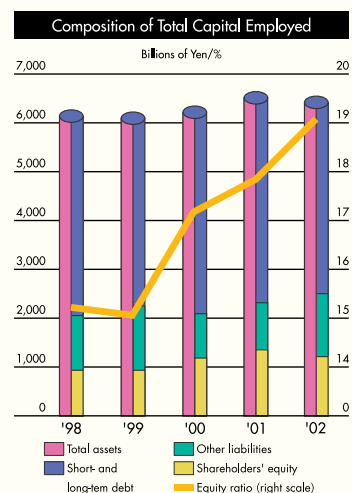
#### Cash Flows

In cash flows from operating activities, Chubu Electric gained ¥663,054 million, an increase of 9.5% from the previous year, partially due to

cost reduction in overall business management, and despite a decrease in electric power sales for electric lighting. For cash flows from investing activities, Chubu Electric spent ¥447,626 million, a decrease of 5.6% from the previous year, due to a reduction in capital expenditure, which mainly came from the advance of cost reduction. As for cash flows from financial activities, we spent ¥200,557 million, an increase of 32.2% from the previous year, mainly due to a repayment of interest-bearing debt. Due to these factors, cash balances increased by 28.9% to ¥66,277 million, compared to that at the end of previous fiscal year.



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





## 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, 2002 and 2001, 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, 2002 and 2001, 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.

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.

*ChuoAoyama Audit Corporation*

ChuoAoyama Audit Corporation  
Nagoya, Japan  
June 26, 2002

## CONSOLIDATED BALANCE SHEETS

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries  
As of March 31, 2002 and 2001

| ASSETS  | Millions of yen |              | Thousands of<br>U.S. dollars (Note 1) |
|---|-----------------|--------------|---------------------------------------|
|   | 2002            | 2001         | 2002                                  |
| <b>Property, Plant and Equipment:</b>                   |                 |              |                                       |
| Property, plant and equipment.....                      | ¥ 12,302,638    | ¥ 11,985,966 | \$ 92,327,487                         |
| Construction in progress.....                           | 567,700         | 664,630      | 4,260,411                             |
|   | 12,870,338      | 12,650,596   | 96,587,898                            |
| Less:   |                 |              |                                       |
| Contributions in aid of construction.....               | (130,124)       | (127,155)    | (976,536)                             |
| Accumulated depreciation.....                           | (7,148,113)     | (6,768,415)  | (54,644,374)                          |
|   | (7,278,237)     | (6,895,570)  | (54,620,910)                          |
| Property, Plant and Equipment, Net (Notes 4 and 6)..... | 5,592,101       | 5,755,026    | 41,966,988                            |
| <b>Nuclear Fuel:</b>                                    |                 |              |                                       |
| Loaded nuclear fuel.....                                | 39,666          | 37,329       | 297,685                               |
| Nuclear fuel in processing.....                         | 150,437         | 137,752      | 1,128,981                             |
| Total Nuclear Fuel.....                                 | 190,103         | 175,081      | 1,426,666                             |
| <b>Investments and Other:</b>                           |                 |              |                                       |
| Long-term investments (Note 5).....                     | 274,149         | 255,560      | 2,057,406                             |
| Deferred tax assets (Note 11).....                      | 102,188         | 79,085       | 766,892                               |
| Other.....  | 11,545          | 40,633       | 86,628                                |
| Less; allowance for doubtful accounts.....              | (1,353)         | (400)        | (10,150)                              |
| Total Investments and Other.....                        | 386,529         | 374,878      | 2,900,776                             |
| <b>Current Assets:</b>                                  |                 |              |                                       |
| Cash (Note 3).....                                      | 53,682          | 37,971       | 402,870                               |
| Trade notes and accounts receivable.....                | 114,239         | 119,284      | 857,328                               |
| Inventories.....  | 53,685          | 63,851       | 402,889                               |
| Deferred tax assets (Note 11).....                      | 13,394          | 13,101       | 100,520                               |
| Other (Note 5).....                                     | 32,254          | 35,189       | 242,054                               |
| Less; allowance for doubtful accounts.....              | (772)           | (654)        | (5,795)                               |
| Total Current Assets.....                               | 266,482         | 268,742      | 1,999,866                             |
|   | ¥ 6,435,215     | ¥ 6,573,727  | \$ 48,294,296                         |

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

| <b>LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>                 | Millions of yen    |                    | Thousands of<br>U.S. dollars (Note 1) |
|---|--------------------|--------------------|---------------------------------------|
|   | <b>2002</b>        | 2001               | <b>2002</b>                           |
| <b>Long-term Liabilities and Reserves:</b>                                      |                    |                    |                                       |
| Long-term debt (Note 6).....  | ¥ 3,576,762        | ¥ 3,589,837        | \$ 26,842,495                         |
| Employee retirement benefit liability (Note 7).....                             | 145,359            | 146,607            | 1,090,875                             |
| Reserve for reprocessing of irradiated nuclear fuel.....                        | 215,384            | 182,497            | 1,616,388                             |
| Reserve for decommissioning nuclear power plant.....                            | 77,753             | 74,656             | 583,514                               |
| Other long-term liabilities.....  | 41,932             | 32,246             | 314,683                               |
| <b>Total Long-term Liabilities and Reserves.....</b>                            | <b>4,057,190</b>   | <b>4,025,843</b>   | <b>30,447,955</b>                     |
| <b>Current Liabilities:</b>   |                    |                    |                                       |
| Current portion of long-term debt and other (Note 6).....                       | 172,387            | 385,628            | 1,293,708                             |
| Short-term borrowings (Note 6).....   | 363,949            | 368,168            | 2,731,325                             |
| Trade notes and accounts payable.....   | 71,134             | 81,529             | 533,839                               |
| Accrued income taxes and other.....   | 89,715             | 75,047             | 673,282                               |
| Other (Note 13).....  | 430,388            | 438,709            | 3,229,929                             |
| <b>Total Current Liabilities.....</b>   | <b>1,127,573</b>   | <b>1,349,081</b>   | <b>8,462,083</b>                      |
| <b>Reserve for Fluctuation in Water Levels.....</b>                             | <b>-</b>           | <b>1,853</b>       | <b>-</b>                              |
| <b>Total Liabilities.....</b>   | <b>5,184,763</b>   | <b>5,376,777</b>   | <b>38,910,038</b>                     |
| <b>Minority Interests in Consolidated Subsidiaries.....</b>                     | <b>22,221</b>      | <b>20,604</b>      | <b>166,763</b>                        |
| <b>Shareholders' Equity (Notes 10 and 14):</b>                                  |                    |                    |                                       |
| Common stock, no par value:   |                    |                    |                                       |
| Authorized- 1,190,000,000 shares;   |                    |                    |                                       |
| Issued- 736,855,980 shares in 2002 and  |                    |                    |                                       |
| 736,852,360 shares 2001.....  | 374,518            | 374,514            | 2,810,644                             |
| Capital surplus.....  | 14,246             | 14,242             | 106,914                               |
| Retained earnings.....  | 823,948            | 758,081            | 6,183,471                             |
| Net unrealized gain on available-for-sale securities.....                       | 15,772             | 29,522             | 118,367                               |
|   | <b>1,228,484</b>   | <b>1,176,359</b>   | <b>9,219,396</b>                      |
| Less, Treasury stock, at cost - 107,752 shares in 2002 and 6,314 shares in 2001 | (253)              | (13)               | (1,901)                               |
| <b>Total Shareholders' Equity.....</b>  | <b>1,228,231</b>   | <b>1,176,346</b>   | <b>9,217,495</b>                      |
| <b>Commitments and Contingent Liabilities (Note 8 and 9)</b>                    |                    |                    |                                       |
|   | <b>¥ 6,435,215</b> | <b>¥ 6,573,727</b> | <b>\$ 48,294,296</b>                  |

## CONSOLIDATED STATEMENTS OF INCOME

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries  
For the Years Ended March 31, 2002 and 2001

|   | Millions of yen  |             | Thousands of<br>U.S. dollars (Note 1) |
|---|------------------|-------------|---------------------------------------|
|   | 2002             | 2001        | 2002                                  |
| <b>Operating Revenues:</b>  |                  |             |                                       |
| Electricity .....   | ¥ 2,145,182      | ¥ 2,180,766 | \$ 16,098,928                         |
| Other .....   | 83,743           | 72,013      | 628,461                               |
| Total Operating Revenues (Note 12) .....  | 2,228,925        | 2,252,779   | 16,727,389                            |
| <b>Operating Expenses:</b>  |                  |             |                                       |
| Electricity .....   | 1,823,623        | 1,861,845   | 13,685,725                            |
| Other .....   | 72,424           | 66,626      | 543,515                               |
| Total Operating Expenses (Note 12 and 13) .....   | 1,896,047        | 1,928,471   | 14,229,240                            |
| <b>Operating Income</b> .....   | <b>332,878</b>   | 324,308     | <b>2,498,149</b>                      |
| <b>Other (Income) Expenses:</b>   |                  |             |                                       |
| Interest expense .....  | 146,165          | 158,909     | 1,096,921                             |
| Other, net .....  | 10,655           | 10,064      | 79,968                                |
| Total Other Expenses .....  | 156,820          | 168,973     | 1,176,889                             |
| <b>Income before Reversal of Reserve for Fluctuation<br/>in Water Levels, Income Taxes and Minority Interests</b> ..... | <b>176,058</b>   | 155,335     | <b>1,321,260</b>                      |
| <b>Reversal of Reserve for Fluctuation in Water Levels</b> .....  | <b>1,853</b>     | 655         | <b>13,904</b>                         |
| <b>Income before Income Taxes and Minority Interests</b> .....  | <b>177,911</b>   | 155,990     | <b>1,335,164</b>                      |
| <b>Income Taxes:</b>  |                  |             |                                       |
| Current .....   | 80,737           | 58,613      | 605,908                               |
| Deferred .....  | (15,900)         | 2,484       | (119,327)                             |
| Total Income Taxes .....  | 64,837           | 61,097      | 486,581                               |
| <b>Minority Interests in Earnings of Consolidated Subsidiaries</b> .....  | <b>2,716</b>     | 800         | <b>20,379</b>                         |
| <b>Net Income</b> .....   | <b>¥ 110,358</b> | ¥ 94,093    | <b>\$ 828,204</b>                     |
| <b>Per Share of Common Stock:</b>   |                  |             |                                       |
| Net income:   |                  |             |                                       |
| Basic .....   | ¥ 149.78         | ¥ 127.70    | \$ 1.12                               |
| Diluted .....   | ¥ 139.88         | ¥ 119.43    | \$ 1.05                               |
| Cash dividends .....  | ¥ 60.00          | ¥ 60.00     | \$ 0.45                               |

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 Consolidated Subsidiaries  
For the Years Ended March 31, 2002 and 2001

|  | Millions of yen                      |                |                 |                   |   |                   |
|--|--------------------------------------|----------------|-----------------|-------------------|---|-------------------|
|  | Number of<br>common<br>shares issued | Common stock   | Capital surplus | Retained earnings | Net unrealized<br>gain on available-<br>for-sale securities | Treasury<br>stock |
| <b>Balance at March 31, 2000</b>   | 736,852,360                          | ¥ 374,514      | ¥ 14,242        | ¥ 704,301         | - ¥   | 12                |
| 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               | -                                    | -              | -               | -                 | 29,522  | -                 |
| Fractional shares acquired, net  | -                                    | -              | -               | -                 | -   | 1                 |
| <b>Balance at March 31, 2001</b>   | <b>736,852,360</b>                   | <b>374,514</b> | <b>14,242</b>   | <b>758,081</b>    | <b>29,522</b>   | <b>13</b>         |
| Net income   | -                                    | -              | -               | 110,358           | -   | -                 |
| Cash dividends   | -                                    | -              | -               | (44,210)          | -   | -                 |
| Bonuses to directors and corporate auditors  | -                                    | -              | -               | (259)             | -   | -                 |
| Conversion of convertible bonds  | 3,620                                | 4              | 4               | -                 | -   | -                 |
| Decrease in other retained earnings  | -                                    | -              | -               | (22)              | -   | -                 |
| Net change in net unrealized gain on available-for-sale securities, net of applicable income taxes | -                                    | -              | -               | -                 | (13,750)  | -                 |
| Fractional shares acquired, net  | -                                    | -              | -               | -                 | -   | 240               |
| <b>Balance at March 31, 2002</b>   | <b>736,855,980</b>                   | <b>374,518</b> | <b>14,246</b>   | <b>823,948</b>    | <b>15,772</b>   | <b>253</b>        |

|  | Thousands of U.S. dollars (Note 1) |                |                  |                |              |    |
|--|------------------------------------|----------------|------------------|----------------|--------------|----|
|  | \$                                 | \$             | \$               | \$             | \$           | \$ |
| <b>Balance at March 31, 2001</b>   | <b>2,810,610</b>                   | <b>106,880</b> | <b>5,689,166</b> | <b>221,557</b> | <b>97</b>    |    |
| Net income   | -                                  | -              | 828,204          | -              | -            |    |
| Cash dividends   | -                                  | -              | (331,790)        | -              | -            |    |
| Bonuses to directors and corporate auditors  | -                                  | -              | (1,944)          | -              | -            |    |
| Conversion of convertible bonds  | 34                                 | 34             | -                | -              | -            |    |
| Decrease in other retained earnings  | -                                  | -              | (165)            | -              | -            |    |
| Net change in net unrealized gain on available-for-sale securities, net of applicable income taxes | -                                  | -              | -                | (103,190)      | -            |    |
| Fractional shares acquired, net  | -                                  | -              | -                | -              | 1,804        |    |
| <b>Balance at March 31, 2002</b>   | <b>2,810,644</b>                   | <b>106,914</b> | <b>6,183,471</b> | <b>118,367</b> | <b>1,901</b> |    |

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 Consolidated Subsidiaries  
For the Years Ended March 31, 2002 and 2001

|   | Millions of yen  |                  | Thousands of<br>U.S. dollars (Note 1) |
|---|------------------|------------------|---------------------------------------|
|   | 2002             | 2001             | 2002                                  |
| <b>Cash Flows from Operating Activities:</b>  |                  |                  |                                       |
| Income before income taxes and minority interests   | ¥ 177,911        | ¥ 155,990        | \$ 1,335,164                          |
| Adjustments for:  |                  |                  |                                       |
| Depreciation and amortization   | 464,826          | 454,690          | 3,488,372                             |
| Loss of loaded nuclear fuel   | 14,048           | 19,585           | 105,423                               |
| Loss on disposal of property, plant and equipment   | 11,477           | 11,236           | 86,130                                |
| (Decrease) increase in employee retirement benefit liability  | (1,248)          | 30,777           | (9,365)                               |
| Increase in reserve for reprocessing of irradiated nuclear fuel   | 32,887           | 13,881           | 246,805                               |
| Increase in reserve for decommissioning nuclear power plant   | 3,097            | 4,838            | 23,244                                |
| Interest expenses   | 146,165          | 158,909          | 1,096,921                             |
| Decrease (increase) in trade notes and accounts receivable  | 4,816            | (9,345)          | 36,141                                |
| Decrease (increase) in inventories  | 10,165           | (6,862)          | 76,284                                |
| Decrease in trade notes and accounts payable  | (10,396)         | (6,692)          | (78,017)                              |
| Other   | 23,952           | (12,219)         | 179,765                               |
| Subtotal  | 877,700          | 814,788          | 6,586,867                             |
| Interest and dividends received   | 2,205            | 1,799            | 16,550                                |
| Interest paid   | (151,715)        | (160,868)        | (1,138,577)                           |
| Income taxes paid   | (65,136)         | (50,388)         | (488,826)                             |
| <b>Net cash provided by operating activities</b>  | <b>663,054</b>   | <b>605,331</b>   | <b>4,976,014</b>                      |
| <b>Cash Flows from Investing Activities:</b>  |                  |                  |                                       |
| Purchases of property, plant and equipment  | (416,631)        | (436,984)        | (3,126,686)                           |
| Increase in investments and other   | (34,338)         | (66,443)         | (257,699)                             |
| Proceeds for recoveries from investments and other  | 3,197            | 37,748           | 23,990                                |
| Other   | 146              | (8,448)          | 1,100                                 |
| <b>Net cash used in investing activities</b>  | <b>(447,626)</b> | <b>(474,127)</b> | <b>(3,359,295)</b>                    |
| <b>Cash Flows from Financing Activities:</b>  |                  |                  |                                       |
| Proceeds from issuance of bonds   | 228,084          | 291,779          | 1,711,697                             |
| Redemption of bonds   | (371,885)        | (332,925)        | (2,790,885)                           |
| Proceeds from long-term loans   | 127,765          | 170,086          | 958,838                               |
| Repayment of long-term loans  | (206,869)        | (181,281)        | (1,552,485)                           |
| Proceeds from short-term borrowings   | 373,459          | 395,328          | 2,802,692                             |
| Repayment of short-term borrowings  | (377,678)        | (488,685)        | (2,834,354)                           |
| Proceeds from issuance of commercial paper  | 1,444,000        | 1,071,000        | 10,836,773                            |
| Redemption of commercial paper  | (1,373,000)      | (1,029,000)      | (10,303,940)                          |
| Dividends paid  | (44,186)         | (47,849)         | (331,602)                             |
| Other   | (247)            | (192)            | (1,851)                               |
| <b>Net cash used in financing activities</b>  | <b>(200,557)</b> | <b>(151,739)</b> | <b>(1,505,117)</b>                    |
| <b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>   | <b>(0)</b>       | <b>-</b>         | <b>(0)</b>                            |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <b>14,871</b>    | <b>(20,535)</b>  | <b>111,602</b>                        |
| <b>Cash and Cash Equivalents at Beginning of Year</b>   | <b>51,406</b>    | <b>59,957</b>    | <b>385,785</b>                        |
| <b>Increase in Cash and Cash Equivalents upon Inclusion of<br/>Additional Subsidiaries on Consolidation</b> | <b>-</b>         | <b>11,984</b>    | <b>-</b>                              |
| <b>Cash and Cash Equivalents at End of Year (Note 3)</b>  | <b>¥ 66,277</b>  | <b>¥ 51,406</b>  | <b>\$ 497,387</b>                     |

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 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 from 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

The 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 ¥133.25 to \$1, the rate of exchange prevailing on March 31, 2002. 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 ¥133.25 to \$1 or at any other rates.

##### (c) Comparative figures

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

### 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 costs 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. All significant intercompany transactions and accounts are eliminated on consolidation.

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 do not 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, 2002 and 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) Investments and marketable securities**

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 methods as stipulated by the accounting standard for financial instruments. 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.

**(e) Hedge accounting**

Derivatives used for hedge purposes are accounted for under the deferral hedge accounting, special treatments as permitted for interest rate swaps and designated treatments for foreign currency translation. 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.

**(f) 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.

**(g) Allowance for doubtful accounts**

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.

**(h) Employee retirement benefit liability**

Employees who terminate their employment with the Chubu Electric Group, 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.

In accordance with the accounting standard for employee retirement benefits newly adopted from the year ended March 31, 2001, 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 respective fiscal year-ends. A transitional provision of adoption of this new accounting standard of ¥23,903 million was charged to income as operating expenses in a single fiscal year ended March 31, 2001. Unrecognized actuarial differences as changes in the projected benefit obligation or pension

plan assets resulting from the experience different from that assumed and from changes in assumptions are amortized principally on a straight-line basis over certain periods within remaining service lives of employees such as three to five years from the respective year following the fiscal year they arise.

**(i) 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.

**(j) 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.

**(k) 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.

**(l) Lease transactions**

Leases that transfer substantially all the risks and rewards of ownership of the assets are accounted for as capital leases, except that the leases do not transfer ownership of the assets at the end of the lease term are accounted for as operating leases, in accordance with accounting principles and practices generally accepted in Japan.

**(m) 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.

**(n) Research and development costs**

Research and development costs included in operating expenses for the years ended March 31, 2002 and 2001 amounted to ¥20,023 million (\$150,269 thousand) and ¥21,503 million respectively.

**(o) 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.

**(p) Income taxes**

Income taxes are accounted for under the asset and liability method. 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 operating loss carryforward. Deferred tax assets and liabilities are 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.

**(q) 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 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.

### (r) 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.

### (s) 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.

## 3

### Cash and Cash Equivalents

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

|   | Millions of yen |          | Thousands of U.S. dollars |
|---|-----------------|----------|---------------------------|
|   | 2002            | 2001     | 2002                      |
| Cash.....   | ¥ 53,682        | ¥ 37,971 | \$ 402,870                |
| Time deposits with an original maturity more than three months included in cash account .....                           | (63)            | (223)    | (473)                     |
| Short term investments with an original maturity of three months or less included in other current assets account ..... | 12,658          | 13,658   | 94,990                    |
| Cash and cash equivalents .....   | ¥ 66,277        | ¥ 51,406 | \$ 497,387                |

## 4

### Property, Plant and Equipment

The major classification of property, plant and equipment at March 31, 2002 and 2001 was as follows:

|  | Millions of yen |             | Thousands of U.S. dollars |
|--|-----------------|-------------|---------------------------|
|  | 2002            | 2001        | 2002                      |
| Hydroelectric power production facilities .....              | ¥ 414,593       | ¥ 437,690   | \$ 3,111,391              |
| Thermal power production facilities .....                    | 1,037,184       | 973,635     | 7,783,748                 |
| Nuclear power production facilities .....                    | 232,354         | 256,517     | 1,743,748                 |
| Transmission facilities .....                                | 1,363,812       | 1,390,767   | 10,234,984                |
| Transformation facilities .....                              | 568,675         | 595,945     | 4,267,732                 |
| Distribution facilities.....                                 | 886,957         | 884,223     | 6,656,339                 |
| General facilities .....                                     | 193,814         | 203,529     | 1,454,514                 |
| Other electricity-related property, plant and equipment..... | 1,631           | 1,604       | 12,239                    |
| Other property, plant and equipment .....                    | 325,381         | 346,486     | 2,441,882                 |
| Construction on progress .....                               | 567,700         | 664,630     | 4,260,411                 |
|  | ¥ 5,592,101     | ¥ 5,755,026 | \$ 41,966,988             |

As permitted by the accounting principles and practices generally accepted in Japan, accumulated deferred gains in relation to the receipt of contribution in aid of real property construction deducted from the original acquisition costs amounted to ¥130,123 million (\$976,535 thousand) and ¥127,155 million at March 31, 2002 and 2001, respectively.

## FINANCIAL AND OPERATING HIGHLIGHTS (CONSOLIDATED)

Chubu Electric Power Company, Incorporated and Its Consolidated Subsidiaries  
For the Years Ended March 31, 2001 and 2002

|  | Millions of yen   |            | Thousands of<br>U.S. dollars |
|--|-------------------|------------|------------------------------|
|  | 2002              | 2001       | 2002                         |
| <b>Operating Revenue</b> .....           | <b>¥2,228,925</b> | ¥2,252,779 | <b>\$16,727,389</b>          |
| <b>Operating Income</b> .....            | <b>332,878</b>    | 324,308    | <b>2,498,149</b>             |
| <b>Net Income</b> .....                  | <b>110,358</b>    | 94,093     | <b>828,204</b>               |
| <b>Per Share</b> (yen and U.S. dollars): |                   |            |                              |
| Net Income (primary).....                | <b>149.78</b>     | 127.70     | <b>1.12</b>                  |
| Shareholders' Equity.....                | <b>1,667.10</b>   | 1,596.46   | <b>12.51</b>                 |
| <b>Total Assets</b> .....                | <b>6,435,215</b>  | 6,573,727  | <b>48,294,296</b>            |
| <b>Total Shareholders' Equity</b> .....  | <b>1,228,231</b>  | 1,176,346  | <b>9,217,495</b>             |

### Electric Energy Sales (millions of kWh):

Customers Other Than Under Liberalization:

|   |                |         |
|---|----------------|---------|
| Residential.....                        | <b>38,680</b>  | 38,777  |
| Commercial.....                         | <b>18,741</b>  | 18,597  |
| Industrial.....                         | <b>29,260</b>  | 30,130  |
| Other.....                              | <b>498</b>     | 514     |
| <b>Total</b> .....                      | <b>87,179</b>  | 88,018  |
| Customers Under Liberalization*.....    | <b>33,679</b>  | 35,019  |
| <b>Total Electric Energy Sold</b> ..... | <b>120,858</b> | 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 or above.

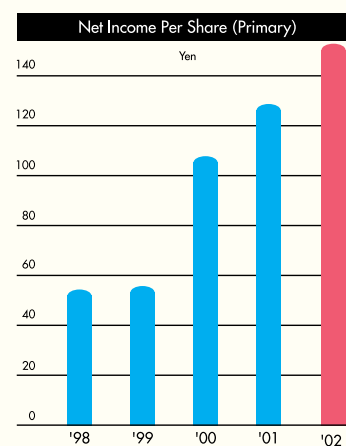
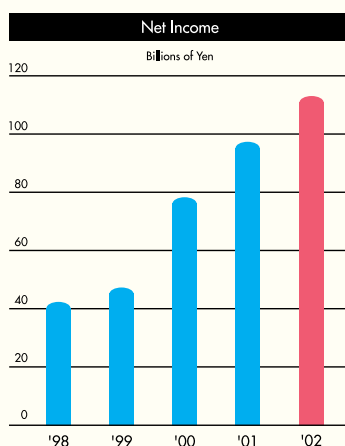
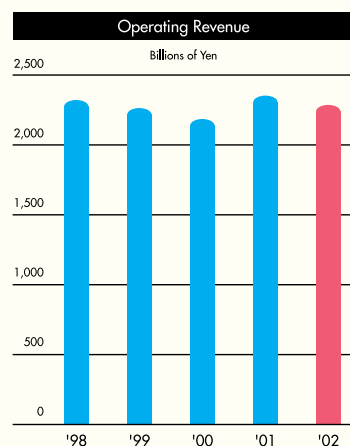
### Generating Capacity (thousands of kW):

|  |               |        |
|--|---------------|--------|
| Hydroelectric.....                     | <b>5,213</b>  | 5,213  |
| Thermal.....                           | <b>23,400</b> | 22,941 |
| Nuclear.....                           | <b>3,617</b>  | 3,617  |
| <b>Total Generating Capacity</b> ..... | <b>32,230</b> | 31,771 |

Notes: 1.U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥133.25=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.



|   | Thousands of U.S. dollars |         |      |          |
|---|---------------------------|---------|------|----------|
| For the year 2002:                        |                           |         |      |          |
| National and local government bonds ..... | ¥ 13,705                  | ¥ 526   | ¥ -  | ¥ 14,231 |
| Other bonds and debentures .....          | 9,690                     | 497     | -    | 10,187   |
| Other securities .....                    | 9,148                     | 152     | 31   | 9,269    |
|   | ¥ 32,543                  | ¥ 1,175 | ¥ 31 | ¥ 33,687 |

|  | Cost            | Gross unrealized gains | Gross unrealized losses | Fair and carrying value |
|--|-----------------|------------------------|-------------------------|-------------------------|
|  | Millions of yen |                        |                         |                         |

Available-for-sale securities with fair value:

For the year 2002:

|                            |          |          |         |          |
|----------------------------|----------|----------|---------|----------|
| Equity securities .....    | ¥ 22,409 | ¥ 27,357 | ¥ 2,699 | ¥ 47,067 |
| Bonds:                     |          |          |         |          |
| Bonds and debentures ..... | 3,523    | 4        | 17      | 3,510    |
| Other bonds .....          | 2,106    | 2        | 106     | 2,002    |
| Others .....               | 1,816    | 9        | 6       | 1,819    |
|                            | ¥ 29,854 | ¥ 27,372 | ¥ 2,828 | ¥ 54,398 |

For the year 2001:

|                            |          |          |       |          |
|----------------------------|----------|----------|-------|----------|
| 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 |

|                            | Thousands of U.S. dollars |           |          |           |
|----------------------------|---------------------------|-----------|----------|-----------|
| For the year 2002:         |                           |           |          |           |
| Equity securities .....    | ¥ 168,172                 | ¥ 205,305 | ¥ 20,257 | ¥ 353,220 |
| Bonds:                     |                           |           |          |           |
| Bonds and debentures ..... | 26,437                    | 33        | 129      | 26,341    |
| Other bonds .....          | 15,808                    | 12        | 795      | 15,025    |
| Others .....               | 13,629                    | 66        | 43       | 13,652    |
|                            | ¥ 224,046                 | ¥ 205,416 | ¥ 21,224 | ¥ 408,238 |

During the years ended March 31, 2002 and 2001, the Chubu Electric Group sold available-for-sale securities and recorded gains of ¥19 million (\$148 thousand) and ¥41 million and losses of ¥46 million (\$347 thousand) and ¥93 million on the accompanying consolidated statements of income, respectively.

Expected maturities of debt securities held-to-maturity and available-for-sale at March 31, 2002 were as follows:

|  | Millions of yen | Thousands of U.S. dollars |
|--|-----------------|---------------------------|
| Due in one year or less .....                | ¥ 200           | \$ 1,501                  |
| Due after one year through five years .....  | 1,514           | 11,362                    |
| Due after five years through ten years ..... | 7,028           | 52,741                    |
| Due after ten years .....                    | 1,904           | 14,292                    |
|  | ¥ 10,646        | \$ 79,896                 |

# 6

## Long-term Debt and Short-term Borrowings

As of March 31, 2002 and 2001, long-term debt consisted of the following:

|  | Millions of yen    |                   | Thousands of U.S. dollars |
|--|--------------------|-------------------|---------------------------|
|  | 2002               | 2001              | 2002                      |
| Bonds and notes payable:   |                    |                   |                           |
| Domestic issue:  |                    |                   |                           |
| 1.3% to 4.8%, maturing serially through 2028 .....                                     | ¥ 1,728,800        | ¥1,857,966        | \$ 12,974,109             |
| Floating rate, maturing serially through 2013 .....                                    | 259,000            | 158,000           | 1,943,715                 |
| 1.0% convertible bonds, due 2006 .....   | 146,350            | 146,359           | 1,098,311                 |
| Overseas issue:  |                    |                   |                           |
| 6.75% due 2001 (payable in Swiss francs) .....   | -                  | 22,362            | -                         |
| 6.125%, due 2001 (payable in Euro yen) .....   | -                  | 51,783            | -                         |
| 5.75% due 2001 (payable in U.S. dollars) .....   | -                  | 57,200            | -                         |
| 6.25%, due 2003 (payable in U.S. dollars) .....  | 37,853             | 37,853            | 284,071                   |
| Floating rate, due 2005 (payable in U.S. dollars) .....                                | 3,000              | -                 | 22,514                    |
| Floating rate, due 2005 (payable in U.S. dollars) .....                                | 15,000             | -                 | 112,570                   |
| Loans from the Development Bank of Japan,<br>other banks and insurance companies ..... | 1,554,079          | 1,635,378         | 11,662,887                |
| Less, intercompany elimination .....   | (92)               | (92)              | (692)                     |
| <b>Total .....</b>   | <b>3,743,990</b>   | <b>3,966,809</b>  | <b>28,097,485</b>         |
| Less, current portion .....  | (167,228)          | (376,972)         | (1,254,990)               |
|  | <b>¥ 3,576,762</b> | <b>¥3,589,837</b> | <b>\$ 26,842,495</b>      |

At March 31, 2002, the current conversion price of 1.0% convertible bonds due 2006 is ¥2,484, which is subject to adjustment in certain circumstances including in the event of a stock split. Such bonds may be converted, at the option of the holders, for the period through March 30, 2006. At March 31, 2002, approximately 59 million common shares of the Company will be issuable in relation to the conversion of convertible bonds.

At March 21, 2002 and 2001, the Company's entire property was subject to certain statutory preferential rights as collateral for loans from the Development Bank of Japan of ¥552,756 million (\$4,148,263 thousand) and ¥611,865 million, respectively, and for bonds (including those assigned under debt assumption agreements) of ¥2,666,350 million (\$20,010,133 thousand) and ¥2,722,380 million, respectively. At March 31, 2002 and 2001, other property, plant and equipment of certain consolidated subsidiaries pledged as collateral for long-term debt amounted to ¥48,147 million (\$361,329 thousand) and ¥56,765 million, respectively.

The aggregate annual maturities of long-term debt as of March 31, 2002 are summarized as follows:

| Year ending March 31,     | Millions of yen | Thousands of U.S. dollars |
|---------------------------|-----------------|---------------------------|
| 2003 .....                | ¥ 167,228       | \$ 1,254,990              |
| 2004 .....                | 161,845         | 1,214,597                 |
| 2005 .....                | 155,763         | 1,168,952                 |
| 2006 .....                | 283,845         | 2,130,169                 |
| 2007 .....                | 199,745         | 1,499,026                 |
| 2008 and thereafter ..... | 2,775,564       | 20,829,751                |

Short-term borrowings were principally represented by bank overdrafts with an average interest rate of 0.43% at March 31, 2002.

# 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 years ended March 31, 2002 and 2001:

|   | Millions of yen |           | Thousands of<br>U.S. dollars |
|---|-----------------|-----------|------------------------------|
|   | 2002            | 2001      | 2002                         |
| Projected benefit obligation.....   | ¥ 520,185       | ¥ 485,996 | \$ 3,903,829                 |
| Less, fair value of pension plan assets at end of year.....   | (283,782)       | (301,069) | (2,129,698)                  |
|   | <b>236,403</b>  | 184,927   | <b>1,774,131</b>             |
| Unrecognized actuarial differences (loss) .....   | (94,318)        | (70,965)  | (707,828)                    |
| Unrecognized prior service cost .....   | 1,047           | 1,329     | 7,861                        |
|   | <b>143,132</b>  | 115,291   | <b>1,074,164</b>             |
| Prepaid pension cost .....  | (2,227)         | (31,316)  | (16,711)                     |
| Balance of employee retirement benefit liability recorded<br>on the consolidated balance sheets ..... | ¥ 145,359       | ¥ 146,607 | \$ 1,090,875                 |

Note: 1: Unrecognized prior service cost resulted from the pension plan amendment for certain consolidated subsidiaries in the year 2001.

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

|  | Millions of yen |          | Thousands of<br>U.S. dollars |
|--|-----------------|----------|------------------------------|
|  | 2002            | 2001     | 2002                         |
| Components of net periodic retirement benefit expense: |                 |          |                              |
| Service cost .....                                     | ¥ 17,739        | ¥ 16,504 | \$ 133,127                   |
| Interest cost .....                                    | 12,066          | 13,426   | 90,551                       |
| Expected return of pension plan assets .....           | (3,074)         | (8,759)  | (23,072)                     |
| Transitional provision .....                           | -               | 23,903   | -                            |
| Amortization of actuarial differences .....            | 23,657          | -        | 177,542                      |
| Amortization of prior service cost .....               | (281)           | (77)     | (2,109)                      |
| Net periodic retirement benefit expense .....          | ¥ 50,107        | ¥ 44,997 | \$ 376,039                   |

Major assumptions used in the calculation of the above information for the years ended March 31, 2002 and 2001 were as follows:

| Method attributing the projected benefits to periods of services |                | 2002                 | 2001                 |
|--|----------------|----------------------|----------------------|
|  |                | Straight-line method | Straight-line method |
| Discount rate .....  | (Company)      | 2.5%                 | 2.5%                 |
|  | (Subsidiaries) | 2.5, 3.0%            | 3.0%                 |
| Expected rate of return on pension plan assets .....             | (Company)      | 1.0%                 | 3.0%                 |
|  | (Subsidiaries) | 1.5, 2.5%            | 1.5, 2.5%            |
| Amortization of prior service cost .....                         | (Company)      | -5 years             | -5 years             |
|  | (Subsidiaries) | 3 years              | 3 years              |
| Amortization of actuarial differences .....                      | (Company)      | 3 to 5 years         | 1 to 5 years         |
|  | (Subsidiaries) | -                    | 1 year               |
| Amortization of transitional provision .....                     |                |                      |                      |



## 8

## Lease transactions

**(a) Lessee**

Total lease expenses under financial leases other than those which transfer ownership of the assets at the end of the lease term were ¥2,510 million (\$18,839 thousand) and ¥2,618 million for the years ended March 31, 2002 and 2001, respectively.

Pro forma information of the leased property 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 "as if capitalized" basis at March 31, 2002 and 2001 were as follows:

|                                    | Millions of yen |          | Thousands of<br>U.S. dollars |
|------------------------------------|-----------------|----------|------------------------------|
|                                    | 2002            | 2001     | 2002                         |
| Acquisition cost . . . . .         | ¥ 13,427        | ¥ 12,718 | \$ 100,765                   |
| Accumulated depreciation . . . . . | 6,993           | 6,210    | 52,477                       |
| Net leased property . . . . .      | 6,434           | 6,508    | 48,288                       |
| Future minimum lease payments:     |                 |          |                              |
| Due with in one year . . . . .     | 2,573           | 2,340    | 19,306                       |
| Due after one year . . . . .       | 3,929           | 4,235    | 29,486                       |
| Total . . . . .                    | 6,502           | 6,575    | 48,792                       |

**(b) Lessor**

Revenue under finance leases other those which transfer ownership of the assets at the end of the lease term amounted to ¥2,539 million (\$19,055 thousand) and ¥2,533 million for the years ended March 31, 2002 and 2001, respectively, while depreciation expenses of ¥1,808 million (\$13,569 thousand) and ¥1,912 million were recorded on the accompanying consolidated statements of income for the years ended March 31, 2002 and 2001, respectively.

Information of the leased property such as acquisition cost, accumulated depreciation and future lease commitments to be received under these finance leases at March 31, 2002 and 2001 were as follows:

|  | Millions of yen |          | Thousands of<br>U.S. dollars |
|--|-----------------|----------|------------------------------|
|  | 2002            | 2001     | 2002                         |
| Acquisition cost . . . . .               | ¥ 11,347        | ¥ 11,572 | \$ 85,155                    |
| Accumulated depreciation . . . . .       | 5,562           | 5,822    | 41,739                       |
| Net leased property . . . . .            | 5,785           | 5,750    | 43,416                       |
| Future lease commitments to be received: |                 |          |                              |
| Due with in one year . . . . .           | 2,316           | 2,379    | 17,383                       |
| Due after one year . . . . .             | 5,194           | 5,102    | 38,977                       |
| Total . . . . .                          | 7,510           | 7,481    | 56,360                       |

# 9

## Contingent Liabilities

As of March 31, 2002 and 2001, contingent liabilities were as follows:

|  | Millions of yen |           | Thousands of U.S. dollars |
|--|-----------------|-----------|---------------------------|
|  | 2002            | 2001      | 2002                      |
| Co-guarantees of loans for others:                         |                 |           |                           |
| Japan Nuclear Fuel Limited .....                           | ¥ 149,888       | ¥ 146,590 | \$ 1,124,865              |
| Nuclear Fuel Transport Co., Ltd. and other companies.....  | 3,781           | 2,813     | 28,373                    |
| Guarantees of housing and other loans for the employees .. | 95,181          | 94,319    | 714,300                   |
| Recourses under debt assumption agreements .....           | 476,348         | 390,859   | 3,574,842                 |
| Trade notes endorsed to others .....                       | 97              | 285       | 728                       |

# 10

## Shareholders' Equity

The authorized number of shares of common stock without par value is 1,190 million at March 31, 2002, unless there may be a reduction due to a cancellation of treasury stock acquired.

Pursuant to the Commercial Code of Japan and the resolution by shareholders at the annual general meeting on June 26, 2002, the Company can purchase the treasury stock of the Company up to 20 million shares in maximum consideration for ¥50,000 million (\$375,235 thousand) for the period through the date of its next annual shareholders' general meeting.

At March 31, 2002 and 2001, retained earnings included legal reserve of the Company in the amounts of ¥93,629 million (\$702,652 thousand) and ¥93,629 million, respectively. The Commercial Code of Japan requires all the companies to appropriate as a legal reserve an amount equivalent to at least 10% of cash payments for appropriation of retained earnings until the total amount of such legal reserve and additional paid-in capital equals 25% of stated capital. 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.

The tax effects on temporary differences that give to a significant portion of deferred tax assets and liabilities at March 31, 2002 and 2001 were as follows:

|  | Millions of yen  |          | Thousands of<br>U.S. dollars |
|--|------------------|----------|------------------------------|
|  | 2002             | 2001     | 2002                         |
| Deferred tax assets:   |                  |          |                              |
| Employee retirement benefit liability                                | ¥ 31,163         | ¥ 27,384 | \$ 233,868                   |
| Amortization of deferred charges                                     | 23,046           | 29,335   | 172,954                      |
| Depreciation   | 18,116           | 9,452    | 135,952                      |
| Intercompany profits   | 14,131           | 13,868   | 106,047                      |
| Provision for reserve for reprocessing<br>of irradiated nuclear fuel | 11,980           | 11,981   | 89,910                       |
| Provision for reserve for decommissioning<br>nuclear power plant     | 7,353            | 7,353    | 55,183                       |
| Others   | 20,505           | 20,491   | 153,885                      |
| <b>Total deferred tax assets</b>                                     | <b>126,294</b>   | 119,864  | <b>947,799</b>               |
| Deferred tax liabilities:  |                  |          |                              |
| Unrealized gains on securities                                       | 9,788            | 16,318   | 73,454                       |
| Amount prepaid of qualified retirement pension                       | 799              | 11,191   | 5,996                        |
| Others   | 125              | 169      | 937                          |
| <b>Total gross deferred tax liabilities</b>                          | <b>10,712</b>    | 27,678   | <b>80,387</b>                |
| <b>Net deferred tax assets</b>                                       | <b>¥ 115,582</b> | ¥ 92,186 | <b>\$ 867,412</b>            |

At March 31, 2002 and 2001, deferred tax assets and liabilities were as follows:

|                      | Millions of yen |          | Thousands of<br>U.S. dollars |
|----------------------|-----------------|----------|------------------------------|
|                      | 2002            | 2001     | 2002                         |
| Deferred tax assets: |                 |          |                              |
| Non-Current          | ¥ 102,188       | ¥ 79,085 | \$ 766,892                   |
| Current              | 13,394          | 13,101   | 100,520                      |

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, 2002 and 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 for the year ended March 31, 2001 was as follows:

|                                    | 2001         |
|------------------------------------|--------------|
| Japanese normal statutory tax rate | 35.7%        |
| Increase due to:                   |              |
| Non-deductible expenses            | 0.6          |
| Equity in earning of affiliates    | 1.5          |
| Others                             | 1.4          |
| <b>Effective income tax rate</b>   | <b>39.2%</b> |

Such reconciliation for the year ended March 31, 2002 was not disclosed, as differences between the statutory tax rate and effective income tax rate were not material.

# 12

## Segment information

The Group's operations are classified into two segments, electric utility 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, 2002 and 2001 is as follows:

|                               | Electric utility | Other        | Total         | Elimination  | Consolidated  |
|-------------------------------|------------------|--------------|---------------|--------------|---------------|
| Millions of yen               |                  |              |               |              |               |
| For the year 2002:            |                  |              |               |              |               |
| Operating revenues:           |                  |              |               |              |               |
| Outside customers             | ¥ 2,145,182      | ¥ 83,743     | ¥ 2,228,925   | ¥ -          | ¥ 2,228,925   |
| Inter-segment                 | 2,881            | 193,818      | 196,699       | (196,699)    | -             |
| Total operating revenues      | 2,148,063        | 277,561      | 2,425,624     | (196,699)    | 2,228,925     |
| Operating expenses            | 1,834,381        | 256,655      | 2,091,036     | (194,989)    | 1,896,047     |
| Operating income              | ¥ 313,682        | ¥ 20,906     | ¥ 334,588     | ¥ (1,710)    | ¥ 332,878     |
| Identifiable assets           | ¥ 6,127,041      | ¥ 415,140    | ¥ 6,542,181   | ¥ (106,966)  | ¥ 6,435,215   |
| Depreciation and amortization | 418,651          | 49,340       | 467,991       | (3,165)      | 464,826       |
| Capital expenditures          | 343,046          | 30,164       | 373,210       | (5,204)      | 368,006       |
| 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 2002:            |                  |              |               |              |               |
| Operating revenues:           |                  |              |               |              |               |
| Outside customers             | \$ 16,098,928    | \$ 628,461   | \$ 16,727,389 | \$ -         | \$ 16,727,389 |
| Inter-segment                 | 21,620           | 1,454,546    | 1,476,166     | (1,476,166)  | -             |
| Total operating revenues      | 16,120,548       | 2,083,007    | 18,203,555    | (1,476,166)  | 16,727,389    |
| Operating expenses            | 13,766,458       | 1,926,115    | 15,692,573    | (1,463,333)  | 14,229,240    |
| Operating income              | \$ 2,354,090     | \$ 156,892   | \$ 2,510,982  | \$ (12,833)  | \$ 2,498,149  |
| Identifiable assets           | \$ 45,981,544    | \$ 3,115,501 | \$ 49,097,045 | \$ (802,749) | \$ 48,294,296 |
| Depreciation and amortization | 3,141,848        | 370,280      | 3,512,128     | (23,756)     | 3,488,372     |
| Capital expenditures          | 2,574,460        | 226,371      | 2,800,831     | (39,060)     | 2,761,771     |

Geographic segment information for the years ended March 31, 2002 and 2001 is not shown, since the Company has no overseas consolidated subsidiaries. Overseas sales amount is not disclosed, since such overseas sales amount was not material for the year ended March 31, 2002 and there were no overseas sales in the year ended March 31, 2001.

# 13

## Related Party Transactions

### Significant transactions with affiliates

During the years ended March 31, 2002 and 2001, TOENEC CORPORATION, 25.7% owned affiliate accounted for under the equity method, has entered into the contracts to maintain and renew distribution facilities owned by the Company. A summary of the significant transactions with such affiliate for the years ended, or as at March 31, 2002 and 2001 is as follows:

|   | Millions of yen |          | Thousands of U.S. dollars |
|---|-----------------|----------|---------------------------|
|   | 2002            | 2001     | 2002                      |
| For the year:                               |                 |          |                           |
| Transactions relating to construction ..... | ¥ 57,544        | ¥ 71,951 | \$ 431,848                |
| Transaction relating to maintenance .....   | 38,820          | 41,208   | 291,330                   |
| Other .....                                 | 366             | 448      | 2,745                     |
| At the year-end:                            |                 |          |                           |
| Other current liabilities .....             | ¥ 13,058        | ¥ 14,768 | \$ 97,999                 |

# 14

## Subsequent Event

On June 26, 2002, 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) .....     | ¥ 22,102        | \$ 165,872                |
| Bonuses to directors and corporate auditors ..... | 140             | 1,051                     |

15

Financial Information of  
Chubu Electric Power Company,  
Incorporated (Parent)

Presented below are the non-consolidated balance sheets, non-consolidated statements of income and non-consolidated statements of shareholders' equity of Chubu Electric Power Company, Incorporated (Parent)

## NON-CONSOLIDATED BALANCE SHEETS

Chubu Electric Power Company, Incorporated (Parent)  
As of March 31, 2002 and 2001

| ASSETS                                | Millions of yen    |              | Thousands of<br>U.S. dollars |
|---------------------------------------|--------------------|--------------|------------------------------|
|                                       | 2002               | 2001         | 2002                         |
| <b>Property, Plant and Equipment:</b> |                    |              |                              |
| Property, plant and equipment         | ¥ 11,743,193       | ¥ 11,427,109 | \$ 88,129,026                |
| Construction in progress              | 560,718            | 659,550      | 4,208,017                    |
|                                       | <b>12,303,911</b>  | 12,086,659   | <b>92,337,043</b>            |
| Less:                                 |                    |              |                              |
| Contributions in aid of construction  | (129,341)          | (126,304)    | (970,662)                    |
| Accumulated depreciation              | (6,825,823)        | (6,477,420)  | (51,225,693)                 |
|                                       | <b>(6,955,164)</b> | (6,603,724)  | <b>(52,196,355)</b>          |
| Property, Plant and Equipment, Net    | <b>5,348,747</b>   | 5,482,935    | <b>40,140,688</b>            |
| <b>Nuclear Fuel:</b>                  |                    |              |                              |
| Loaded nuclear fuel                   | 39,666             | 37,329       | 297,685                      |
| Nuclear fuel in processing            | 150,437            | 137,752      | 1,128,981                    |
| Total Nuclear Fuel                    | <b>190,103</b>     | 175,081      | <b>1,426,666</b>             |
| <b>Investments and Other:</b>         |                    |              |                              |
| Long-term investments                 | 314,012            | 305,192      | 2,356,566                    |
| Deferred tax assets                   | 79,872             | 56,995       | 599,415                      |
| Other                                 | 7,866              | 37,540       | 59,031                       |
| Less, allowance for doubtful accounts | (772)              | (301)        | (5,794)                      |
| Total Investments and Other           | <b>400,978</b>     | 399,426      | <b>3,009,218</b>             |
| <b>Current Assets:</b>                |                    |              |                              |
| Cash                                  | 27,912             | 18,742       | 209,474                      |
| Trade accounts receivable             | 98,482             | 97,820       | 739,076                      |
| Inventories                           | 39,829             | 46,670       | 298,904                      |
| Deferred tax assets                   | 11,447             | 10,855       | 85,907                       |
| Other                                 | 12,335             | 17,008       | 92,565                       |
| Less, allowance for doubtful accounts | (601)              | (575)        | (4,508)                      |
| Total Current Assets                  | <b>189,404</b>     | 190,520      | <b>1,421,418</b>             |
|                                       | <b>¥ 6,129,232</b> | ¥ 6,247,962  | <b>\$ 45,997,990</b>         |

| LIABILITIES AND SHAREHOLDERS' EQUITY                       | Millions of yen  |                  | Thousands of U.S. dollars |
|--|------------------|------------------|---------------------------|
|  | 2002             | 2001             | 2002                      |
| <b>Long-term Liabilities and Reserves:</b>                 |                  |                  |                           |
| Long-term debt .....                                       | ¥ 3,461,969      | ¥ 3,445,558      | \$ 25,981,005             |
| Employee retirement benefit liability .....                | 128,678          | 129,572          | 965,685                   |
| Reserve for reprocessing of irradiated nuclear fuel .....  | 215,384          | 182,497          | 1,616,388                 |
| Reserve for decommissioning nuclear power plant .....      | 77,753           | 74,656           | 583,514                   |
| Other long-term liabilities .....                          | 40,305           | 30,092           | 302,481                   |
| <b>Total Long-term Liabilities and Reserves .....</b>      | <b>3,924,089</b> | <b>3,862,375</b> | <b>29,449,073</b>         |
| <b>Current Liabilities:</b>                                |                  |                  |                           |
| Current portion of long-term debt and other .....          | 138,466          | 360,453          | 1,039,147                 |
| Short-term borrowings .....                                | 359,458          | 363,834          | 2,697,621                 |
| Commercial paper .....                                     | 230,000          | 159,000          | 1,726,079                 |
| Trade accounts payable .....                               | 48,061           | 50,850           | 360,682                   |
| Accrued income taxes .....                                 | 47,204           | 30,754           | 354,254                   |
| Other .....  | 235,756          | 317,107          | 1,769,273                 |
| <b>Total Current Liabilities .....</b>                     | <b>1,058,945</b> | <b>1,281,998</b> | <b>7,947,056</b>          |
| <b>Reserve for Fluctuation in Water Levels .....</b>       | <b>-</b>         | <b>1,853</b>     | <b>-</b>                  |
| <b>Total Liabilities .....</b>                             | <b>4,983,034</b> | <b>5,146,226</b> | <b>37,396,129</b>         |
| <b>Shareholders' Equity:</b>                               |                  |                  |                           |
| Common stock .....   | 374,518          | 374,514          | 2,810,644                 |
| Capital surplus .....                                      | 14,246           | 14,242           | 106,914                   |
| Legal reserve .....  | 93,629           | 93,629           | 702,652                   |
| Retained earnings .....                                    | 648,291          | 590,102          | 4,865,220                 |
| Net unrealized gain on available-for-sale securities ..... | 15,767           | 29,249           | 118,332                   |
|  | <b>1,146,451</b> | <b>1,101,736</b> | <b>8,603,762</b>          |
| Less, treasury stock, at cost                              | (253)            | -                | (1,901)                   |
| <b>Total Shareholders' Equity</b>                          | <b>1,146,198</b> | <b>1,101,736</b> | <b>8,601,861</b>          |
|  | ¥ 6,129,232      | ¥ 6,247,962      | \$ 45,997,990             |

Note: Treasury stock at March 31, 2002 is presented as a deduction from capital accounts in the shareholders' equity in the non-consolidated balance sheets in accordance with the amended disclosure requirement, while such treasury stock was included in the assets at March 31, 2001.

## NON-CONSOLIDATED STATEMENTS OF INCOME

Chubu Electric Power Company, Incorporated (Parent)  
For the Years Ended March 31, 2002 and 2001

|   | Millions of yen  |                  | Thousands of<br>U.S. dollars |
|---|------------------|------------------|------------------------------|
|   | 2002             | 2001             | 2002                         |
| <b>Operating Revenues</b> .....   | ¥ 2,148,063      | ¥ 2,182,900      | \$ 16,120,549                |
| <b>Operating Expenses:</b>  |                  |                  |                              |
| Fuel .....  | 352,982          | 365,608          | 2,649,018                    |
| Personnel .....   | 243,052          | 245,667          | 1,824,032                    |
| Purchased Power .....   | 176,931          | 179,691          | 1,327,812                    |
| Maintenance .....   | 203,642          | 243,254          | 1,528,268                    |
| Depreciation .....  | 418,504          | 416,330          | 3,140,740                    |
| Taxes other than income taxes .....   | 142,653          | 145,770          | 1,070,565                    |
| Other .....   | 296,616          | 275,531          | 2,226,023                    |
| <b>Total Operating Expenses</b> .....   | <b>1,834,380</b> | <b>1,871,851</b> | <b>13,766,458</b>            |
| <b>Operating Income</b> .....   | <b>313,683</b>   | <b>311,049</b>   | <b>2,354,091</b>             |
| <b>Other (Income) Expenses:</b>   |                  |                  |                              |
| Interest expense .....  | 141,915          | 154,753          | 1,065,032                    |
| Other, net .....  | 13,395           | 3,091            | 100,519                      |
| <b>Total Other Expenses</b> .....   | <b>155,310</b>   | <b>157,844</b>   | <b>1,165,551</b>             |
| <b>Income before Reversal of Reserve for Fluctuation in<br/>    Water Levels and Income Taxes</b> ..... | <b>158,373</b>   | <b>153,205</b>   | <b>1,188,540</b>             |
| <b>Reversal of Reserve for Fluctuation in Water Levels</b> .....  | <b>1,853</b>     | <b>655</b>       | <b>13,904</b>                |
| <b>Income before Income Taxes</b> .....   | <b>160,226</b>   | <b>153,860</b>   | <b>1,202,444</b>             |
| <b>Income Taxes:</b>  |                  |                  |                              |
| Current .....   | 73,670           | 51,784           | 552,870                      |
| Deferred .....  | (15,983)         | 3,288            | (119,952)                    |
| <b>Total Income Taxes</b> .....   | <b>57,687</b>    | <b>55,072</b>    | <b>432,918</b>               |
| <b>Net Income</b> .....   | <b>¥ 102,539</b> | <b>¥ 98,788</b>  | <b>\$ 769,526</b>            |
|   |                  |                  |                              |
|   |                  | Yen              | U.S. dollars                 |
|   | 2002             | 2001             | 2002                         |
| <b>Per Share of Common Stock:</b>   |                  |                  |                              |
| Net income  |                  |                  |                              |
| Basic .....   | ¥ 139.17         | ¥ 134.07         | \$ 1.04                      |
| Diluted .....   | ¥ 130.05         | ¥ 125.33         | \$ 0.98                      |
| Cash dividends .....  | ¥ 60.00          | ¥ 60.00          | \$ 0.45                      |



## NON-CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Chubu Electric Power Company, Incorporated (Parent)  
For the Years Ended March 31, 2002 and 2001

|  | Millions of yen                      |                  |                 |                 |                   |   |                   |
|--|--------------------------------------|------------------|-----------------|-----------------|-------------------|---|-------------------|
|  | Number of<br>common<br>shares issued | Common stock     | Capital surplus | Legal reserve   | Retained earnings | Net unrealized<br>gain on available-<br>for-sale securities | Treasury<br>stock |
| <b>Balance at March 31, 2000</b>   | <b>736,852,360</b>                   | ¥ 374,514        | ¥ 14,242        | ¥ 93,262        | ¥ 539,716         | ¥ -   | -                 |
| Net income   | -                                    | -                | -               | -               | 98,788            | -   | -                 |
| Cash dividends   | -                                    | -                | -               | -               | (47,895)          | -   | -                 |
| Bonuses to directors and corporate<br>auditors   | -                                    | -                | -               | -               | (140)             | -   | -                 |
| Transfer to legal reserve  | -                                    | -                | -               | 367             | (367)             | -   | -                 |
| Net unrealized gain on available-<br>for-sale securities, net of<br>applicable income taxes              | -                                    | -                | -               | -               | -                 | 29,249  | -                 |
| <b>Balance at March 31, 2001</b>   | <b>736,852,360</b>                   | <b>374,514</b>   | <b>14,242</b>   | <b>93,629</b>   | <b>590,102</b>    | <b>29,249</b>   | -                 |
| Net income   | -                                    | -                | -               | -               | 102,539           | -   | -                 |
| Cash dividends   | -                                    | -                | -               | -               | (44,210)          | -   | -                 |
| Bonuses to directors and corporate<br>auditors   | -                                    | -                | -               | -               | (140)             | -   | -                 |
| Conversion of convertible bonds  | 3,620                                | 4                | 4               | -               | -                 | -   | -                 |
| Net change in net unrealized gain<br>on available-for-sale securities,<br>net of applicable income taxes | -                                    | -                | -               | -               | -                 | (13,482)  | -                 |
| Fractional shares acquired and other   | -                                    | -                | -               | -               | -                 | -   | 253               |
| <b>Balance at March 31, 2002</b>   | <b>736,855,980</b>                   | <b>¥ 374,518</b> | <b>¥ 14,246</b> | <b>¥ 93,629</b> | <b>¥ 648,291</b>  | <b>¥ 15,767</b>   | <b>253</b>        |

|  | Thousands of U.S. dollars |                   |                   |                     |                   |                 |       |
|--|---------------------------|-------------------|-------------------|---------------------|-------------------|-----------------|-------|
|  |                           |                   |                   |                     |                   |                 |       |
| <b>Balance at March 31, 2001</b>   | <b>\$ 2,810,610</b>       | <b>\$ 106,880</b> | <b>\$ 702,652</b> | <b>\$ 4,428,535</b> | <b>\$ 219,508</b> | <b>\$ 97</b>    |       |
| Net income   | -                         | -                 | -                 | 769,526             | -                 | -               |       |
| Cash dividends   | -                         | -                 | -                 | (331,790)           | -                 | -               |       |
| Bonuses to directors and<br>corporate auditors   | -                         | -                 | -                 | (1,051)             | -                 | -               |       |
| Conversion of convertible bonds  | 34                        | 34                | -                 | -                   | -                 | -               |       |
| Net change in net unrealized gain on<br>available-for-sale securities,<br>net of applicable income taxes | -                         | -                 | -                 | -                   | (101,176)         | -               |       |
| Fractional shares acquired and other   | -                         | -                 | -                 | -                   | -                 | -               | 1,804 |
| <b>Balance at March 31, 2002</b>   | <b>\$ 2,810,644</b>       | <b>\$ 106,914</b> | <b>\$ 702,652</b> | <b>\$ 4,865,220</b> | <b>\$ 118,332</b> | <b>\$ 1,901</b> |       |

## DIRECTORS AND AUDITORS

As of July 31, 2002

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

|  |                                 |
|--|---------------------------------|
| <b>Chairman of the Board of Directors</b>    | <b>Director</b>                 |
| Hiroji Ota*                                  | Koichi Ikeda                    |
|  | Yoshio Kawazu                   |
|  | Shoichi Kinoshita               |
| <b>President and Director</b>                | Tadashi Morimoto                |
| Fumio Kawaguchi*                             | Yutaka Yamamoto                 |
|  | Haruhiko Asano                  |
|  | Norihisa Ito                    |
|  | Hiroshi Ochi                    |
| <b>Executive Vice President and Director</b> | 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                  |
| <b>Managing Director</b>                     | <b>Senior Corporate Auditor</b> |
| Kazuo Manabe                                 | Toshiro Shimokawa               |
| Hideyoshi Mochizuki                          | Kenji Ito                       |
| Tatsuo Yagi                                  |                                 |
| Sanji Ito                                    | <b>Corporate Auditor</b>        |
| 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, 2002

### HEADQUARTERS

1, Higashi-shincho, Higashi-ku,  
Nagoya 461-8680, Japan  
Tel: (052)951-8211  
Fax: (052)962-4624  
URL: <http://www.chuden.co.jp>

### OVERSEAS OFFICES

**Washington Office**  
900 17th Street, N.W., Suite 1220,  
Washington, D.C. 20006, U.S.A.  
Tel: (202)775-1960  
Fax: (202)331-9256

### London Office

Nightingale House,  
65 Curzon Street,  
London W1Y 7PE, U.K.  
Tel: (020)7409-0142  
Fax: (020)7408-0801

### SECURITIES TRADED

Tokyo Stock Exchange  
Osaka Securities Exchange  
Nagoya Stock Exchange

### TRANSFER AGENT AND REGISTRAR

UFJ Trust Bank  
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

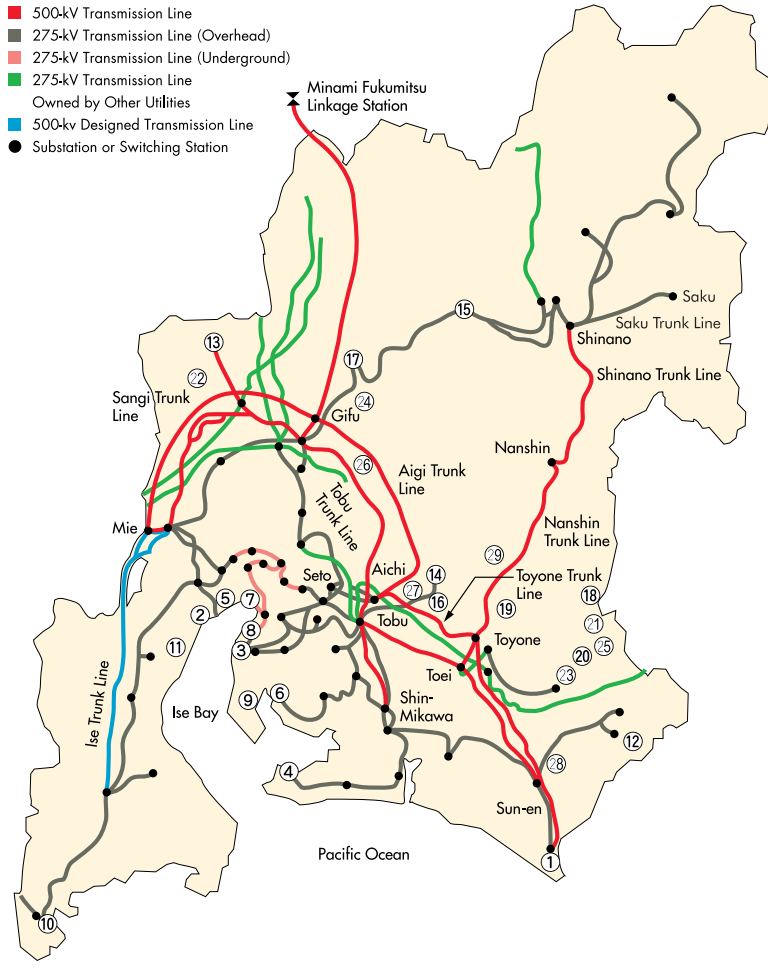
ChuoAoyama Audit Corporation  
Dai Nagoya Building  
3-28-12, Meieki, Nakamura-ku  
Nagoya 450-8565, Japan

## POWER SYSTEM MAP

As of March 31, 2002

### LEGEND

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



Map No. \_\_\_\_\_ MW

#### Nuclear Power Plant

① Hamaoka..... 3,617.0

#### Thermal Power Plants

② Kawagoe..... 4,802.0  
 ③ Chita..... 3,966.0  
 ④ Atsumi..... 2,400.0  
 ⑤ Nishi-Nagoya..... 2,190.0  
 ⑥ Hekinan..... 3,100.0  
 ⑦ Shin-Nagoya..... 1,458.0  
 ⑧ Chita Daini..... 1,708.0  
 ⑨ Taketoyo..... 1,125.0  
 ⑩ Owase Mita..... 1,250.0  
 ⑪ Yokkaichi..... 1,245.0  
 ⑫ Shin-Shimizu..... 156.0  
 Others (one plants)..... 0.7

Total..... 23,400.7

#### 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)..... 1,081.9

Total..... 5,213.4

Total generating capacity  
 (193 plants)..... 32,231.1



**Chubu Electric Power Company, Incorporated**

1, Higashi-shincho, Higashi-ku, Nagoya 461-8680, Japan

Tel: (052) 951-8211

Fax: (052) 962-4624

URL: <http://www.chuden.co.jp>

