

Annual Report 2003



Chubu Electric Power Co., Inc.

Year Ended March 31, 2003

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(Note) This report uses AD (western) dating systems
Fiscal year 2003 dates from 1st April 2002 to 31st March 2003.



▲Hekinan Thermal Power Station



▲Blue Bonnet (Nagoya Port Wild Flower Garden)



▲LNG Tanker



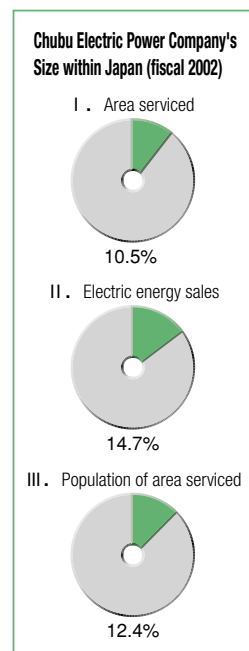
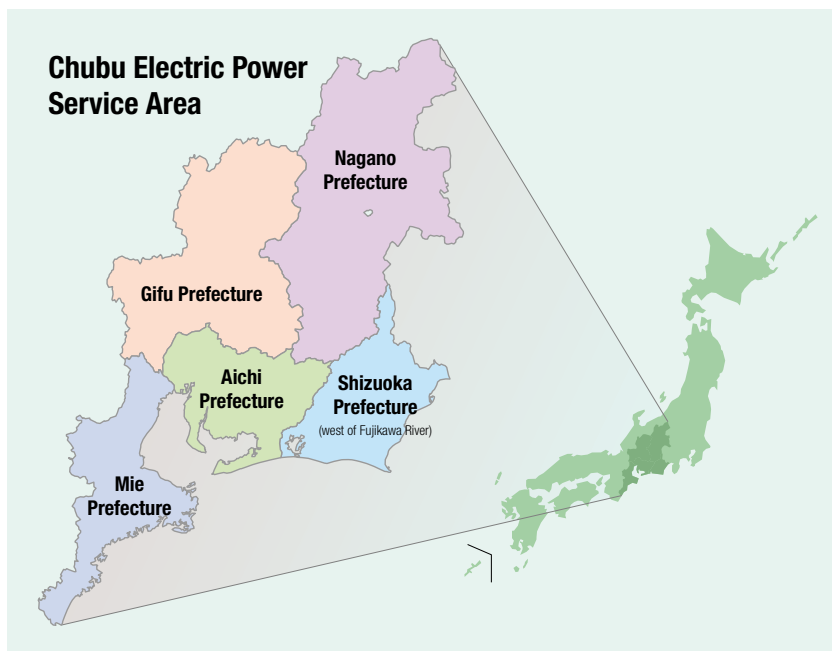
▲Chubu Electric Power Co., Inc. Head Office

I Company Profile

1. Chubu Electric Power Company, Incorporated

~With its operational base in a region that plays a vital role in transport and 'monozukuri' (manufacturing)~

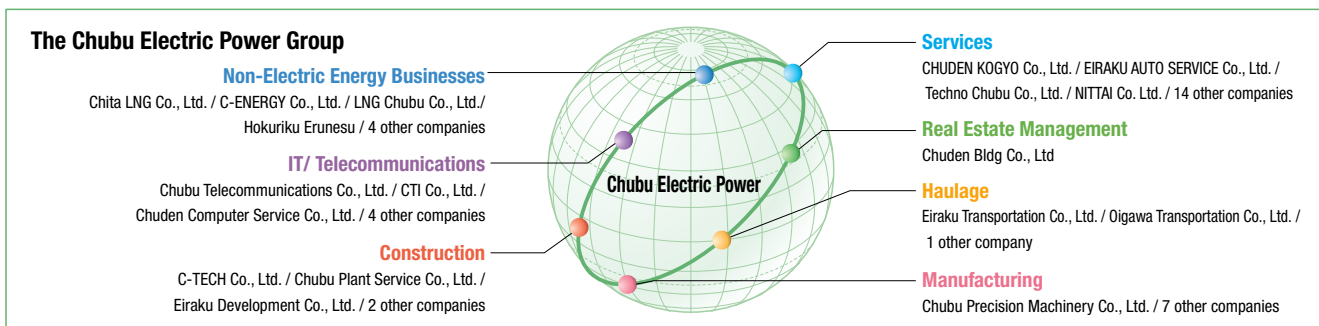
Chubu Electric Power Company, Incorporated is the third largest electric power company in Japan, in terms of the capacity of its generating facilities, electric power sales, operating revenues and total assets. The area serviced by Chubu Electric Power Company is located in the center of Japan, and covers five prefectures, with a total area of 39,000 square kilometers, in which reside around 16 million people. The Chubu region, as this area is known, plays the role of an important center for transportation, distribution and manufacturing. Aichi Prefecture, which is the home to Chubu Electric Power Company's head office, is the most important location for 'monozukuri' (manufacturing) in Japan, and also has a significant function as a trading center lying directly between the capital, Tokyo, and the commercial district of Osaka. Our company has 8 centers within Japan, as well as overseas offices in Washington, D.C., U.S.A. and London, U.K.. Chubu Electric Power Company stocks are listed on the Tokyo, Nagoya and Osaka stock exchanges.



2. Chubu Electric Power Group

~Aiming to fulfill our role as a multi-energy company~

Our Group (consisting of Chubu Electric Power Company and its affiliates) strives for the effective utilization of our business assets, based around our main business of supplying electric power. The Group is involved in other energy businesses that utilize electric power supply facilities, stored fuels and technologies, as well as the formation of networks, and businesses based on these that supply information with added intellectual value. We are also involved in various businesses including construction for development and maintenance of facilities of various kinds, the manufacturing of materials and machinery, the development of various businesses, and so on.



II Consolidated Financial Highlights

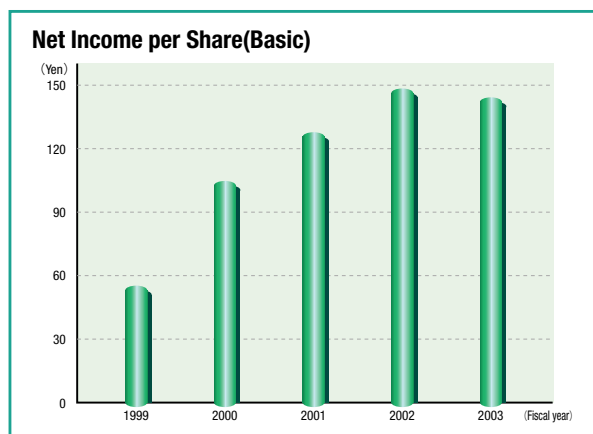
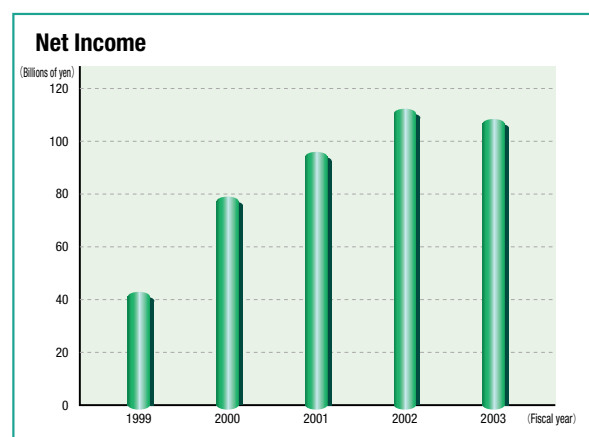
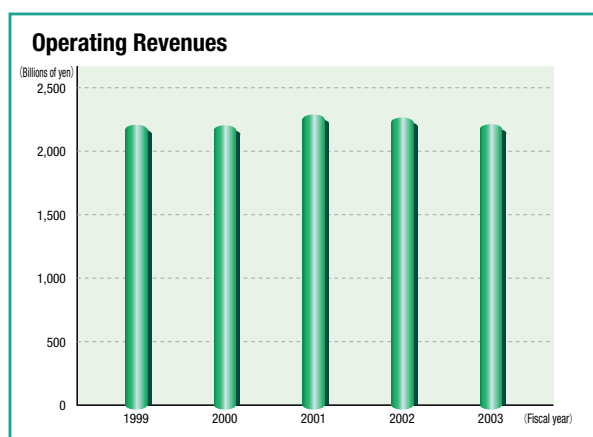
For the years ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
For the year			
Operating Revenues ·····	¥2,176,072	¥2,228,925	\$18,103,760
Operating Income ·····	312,472	332,878	2,599,597
Net Income ·····	106,494	110,358	885,975
At year-end			
Total Assets ·····	6,282,500	6,435,215	52,267,055
Total Shareholders' Equity ·····	1,307,180	1,228,231	10,875,041
Per share data			
Net Income (unit: yen and U.S. dollars) ·····	144.24	149.78	1.20
Cash Dividends (unit: yen and U.S. dollars) ·····	60	60	0.50
Ratios			
ROA (on after-tax basis) (%) ·····	1.7	1.7	
ROE (%) ·····	8.4	9.2	
Electric Energy Sales (Unit: millions of kWh) ·····	123,050	120,858	

Notes: 1) U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥120.20=US\$1.

2) Chubu Electric Power Company's fiscal year is from April 1 until March 31 of the following year.

3) These numbers are based on consolidated data.



III To Our Shareholders and Investors

Results for the Year Ended March 31, 2003

Sales and supply of electric power

The economy of Japan during the year that ended on March 31, 2003 (fiscal 2003) gave some cause for hope in terms of manufacturing and corporate business results. This was not reflected in personal consumption, capital investment or other signs of genuine recovery, however, and the situation facing our company remained severe.

Against this economic background, Chubu Electric Power Co., Inc. sold a total of 32.8 billion kWh of electric energy for electric lighting, 56.1 billion kWh to the electric power market, and 34.1 billion kWh to customers under liberalization, bringing our total electric energy sales for the year to 123.0 billion kWh. This figure represents a 3.2% increase in the electric lighting market over the previous year, mainly due to a growth in contracts and to the higher demand for air conditioning systems during the rather cold, winter. Sales volume to electric power customers and customers under liberalization each grew by 1.3% from the previous year, mainly due to a higher industrial demand than that of the previous year, supported also by the increase in exports to Asia and the U.S.. As a result, total electric energy sales grew 1.8%.

In terms of supply, troubles at our Hamaoka Nuclear Power Station caused it to be closed temporarily for inspections, and operation of all generators was stopped completely for three months from September 2002. The power lost was covered, however, by increasing the capacity of fire-powered generators, through readjusting inspections schedules and restarting plants that were closed as part of our long term planning, and by purchasing additional LNG, oil and coal, and we were thus able to achieve a stable supply during this period. Our Hekinan Thermal Power Station Plant No.5 was also newly opened and worked to its maximum capacity to give highly economical operations.

Overview of consolidated financial results

The consolidated operating revenues declined 2.4% from the previous year to 2,176.1 billion yen (U.S.\$ 18,103.8 million) mainly due to the reduction of electricity charges while sales volume increased. We achieved ordinary income (income before reversal of reserve for fluctuation in water levels, income taxes and minority interests) of 171.1 billion yen (U.S.\$ 1,423.4 million), and net income of 106.5 billion yen (U.S.\$ 886.0 million) through cost reduction in all aspects of the operation including reductions of facility-related costs, despite the adverse effects of having to shut down the Hamaoka Nuclear Power Station.

In order to expand the scope and transparency of the disclosure, all subsidiaries were included in the consolidation from the current fiscal year.

The Hamaoka Nuclear Power Station

We have expended every possible effort to find, rectify and prevent further occurrence of the causes behind the breakage of piping and leakage of water from the lower part of the Hamaoka Nuclear Power Station Plant No.1, which occurred in November 2001, along with the further incidence of leakage from the water drainage piping in Plant No. 2 discovered in May last year. We have reported in detail on these measures to the government, Shizuoka Prefecture, and the citizens of Hamaoka town and the surrounding 5 towns. Further more, in response to the doubts arising in August last year relating to the self-regulated inspections of nuclear power stations, Chubu Electric Power Co., Ltd. organized the Hamaoka Nuclear Power Station Self-Regulated Inspections Evaluation/Examination Committee, which has carried out inquiries into the appropriateness of the self-regulated inspections. As a result of these highly specific inquiries, we were able to confirm that there were no irregularities or falsifications in the inspection practice, and reported this to the government and in a public statement. The required inspections of Plant No.2 have been completed, and as a result of gaining the approval of both the government and local residents, the generator was put back into service as of January 2003.

We are now in the process of reconfirming the safety of the indications (signs of cracks) found on the recirculation system on our Plants No.1, No.3, and No.4, as well as re-checking for cracking on the core shrouds on Plants No.3 and No.4, and are committed to resuming the operation of these generators in the future, once the results of the government's evaluations have been clarified, and local residents have been informed of these results.

Business Strategy and Management Policy for the Future

Relaxation of regulations

We are now in the fourth year of the liberalization of electric power retail market. Many corporations from outside the industry have entered the market and competition is becoming increasingly tough. Amidst this, a recent report from the Advisory Committee for Resources and Energy's Electric Power Businesses Subcommittee has recommended 'expansion of the liberalized area', 'the organization of a nationwide wholesale trading market for electric power', and other measures which will promote further competition. The revised Electricity Utility Industry Law was approved by the Diet in June 2003, based on these recommendations.

In order to survive and indeed flourish in this type of competition, and in order to develop and fulfill our role as a multi-energy company, we are committed to taking the following measures:

Strengthening of sales capability

We will establish the 'Large Business Sales & Marketing Department' in July 2003, and conduct other organizational restructuring of all the sales and marketing-related organizations from head office down to regional office and front-line business offices. An account manager will be



appointed to each of our customers in order to strengthen our sales ability. We are working towards becoming a multi-energy company, offering not only electricity but also gas and on-site power generators.

Cost reductions

In addition to these measures, we are implementing various methods and ideas in a no-holds-barred attempt to reduce costs across the board in order to continue to be able to provide our customers with lower-cost, superior service at all levels. Specifically, we are controlling our capital investment and implementing wide-ranging cost reductions in our fuel and supplies purchasing activities, as well as improving the thermal efficiency of our fire-powered generation plants and increasing the efficiency of facilities operation. We are also taking measures to trim and locate our workforce in ways that result in more efficient and focused operations.

The challenge of developing new businesses

Our development as a multi-energy company requires the growth of our income base. For this reason, we will endeavor to develop new businesses by fully utilizing management resources in our four business segments: Energy and Environment, which is the core of these new businesses of the Group, IT, Lifestyle Support, and the Utilization of Company-Grown Technologies.

Continuing to be a trusted company

In order to further increase the level of trust our customers have in our services, we are promoting compliance in various areas throughout the Chubu Electric Power Group, through the work of our Compliance Promotion Committee, which was organized last December. We are also working on our environmental performance, based on the Chubu Electric Power Company Environmental Statement 21.

Results-based dividends

The results generated from our business operations are effectively appropriated to improve the financial structure of the organization and to expand the income base, which will result in the improvement of the corporate value for shareholders. . We also aim to offer appropriate returns to our shareholders.

In order to achieve the desired results in this competitive age, we are committed to faithfully following the 'Business Reform Roadmap' defined in April 2001, and concentrating the unified effort of the Chubu Electric Power Group on our aim of becoming a multi-energy company, positioning the electric utilities business as its core business. We aim at all times to be a company that our customers, shareholders and investors trust, and choose over others.

Hiroji Ota
Chairman of the Board of Directors

Fumio Kawaguchi
President & Director

A handwritten signature in black ink that reads "Fumio Kawaguchi".

Fumio Kawaguchi

A handwritten signature in black ink that reads "Hiroji Ota".

Hiroji Ota

IV Outstanding Issues and Future Challenges

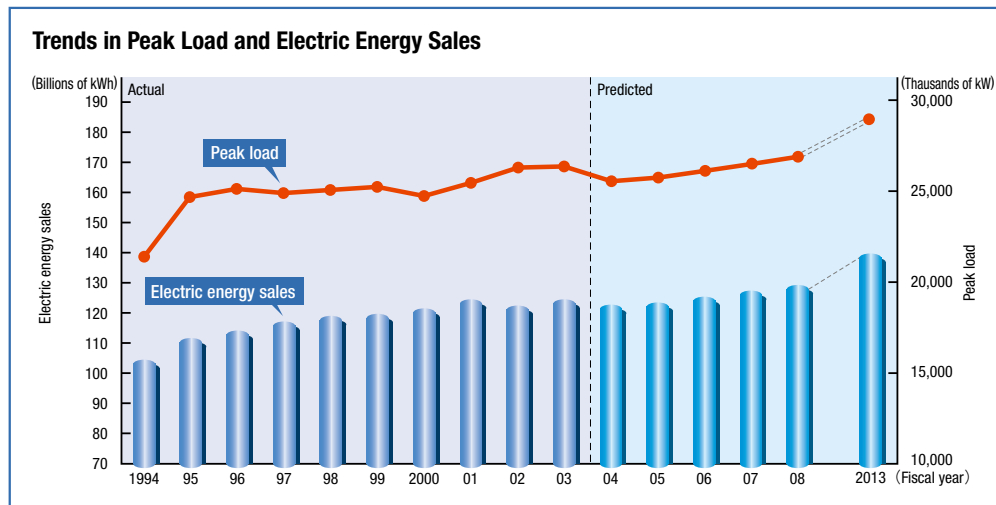
1. Electric Power Supply and Demand

~ A high-quality, lower-cost supply of electric power ~

(1) Demand for Electric Power

We anticipate further rises in the demand for electric power in the future, which is a pillar supporting both industrial activities and comfortable domestic lifestyles.

Growth in demand for electric power supplied by Chubu Electric Power Company has slowed over the past few years in line with the stagnation of the economy, but in the long term, with the growth of the information society and service industries in the economy, we anticipate steady growth in consumer demand for our product.



(2) High Quality Electric Power

In recent years, the increase in personal computers and other information-related equipment has made electricity a vital requirement for business and personal livelihoods.

Highly technical production methods and increasingly affluent lifestyles, along with the ever-growing information society, require a power supply with the minimum possible level of service interruption caused by outages or other incidents.

In addition to ensuring the minimum interruption to the power supply, we have worked hard to stabilize the voltage and frequency of our supply, so as to be able to meet customer needs as closely as possible. We have constructed and are maintaining various facilities in order to minimize service interruptions caused by lightning and other natural phenomena. Our unified power supply system operates at every level from generation to distribution, and has enabled us to supply electric power that is of high-quality, economical and stable, with no fluctuations in voltage and frequency, despite serving a demand that is constantly changing. These efforts have enabled us to supply power that is of the highest standard in the world. We are committed to the consistent provision of a high-quality, lower-cost supply of electric power, which our customers will be able to rely upon.

No. of Hours per Year of Service Interruption due to Supply Incidents

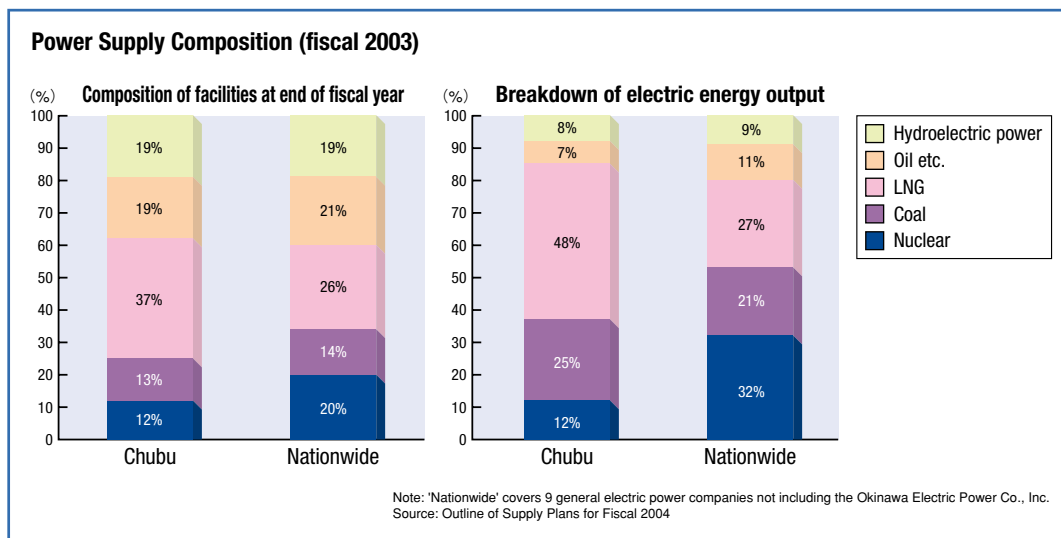
Chubu Electric Power Co., Inc.	5 mins
Japan	9 mins
U.S.A.	73 mins
U.K.	63 mins
France	57 mins

(Note: Figures for Chubu Electric Power are from FY 2002; figure for Japan for FY 2001 and others for FY 2000)
Source: Survey by the Federation of Electric Power Companies of Japan

(3) Facilities and Their Operation

As a precondition to the stable supply of electric power, we are working to achieve the long-term establishment of energy security and environmental conservation through effective facilities utilization.

Chubu Electric Power Company is committed to the development of new power supply sources equivalent to 4.98 million kW in the next 10 years (fiscal 2004 to fiscal 2013), including power purchased from other companies (for example, independent power producers, or IPPs). This development will ensure a stable supply in line with the growth in demand for electric power, and will take into account economics, the reduction of environmental loads, and particularities of technical operation. We aim to achieve a well-balanced variety of sources for this power supply. In addition to this, our distribution facilities take into account stability of supply as well as economic and environmental factors. We are working to reduce costs through the introduction of new technologies and rationalized designs, and are committed to implementing planned and efficient construction and operation of these facilities.



Electric Power Source Development Plan / Transmission Facilities Plan

【Power Source】

〈Developed by Chubu〉 Year operations begin

- Hamaoka Nuclear Power Station, Plant No. 5
(Advanced Boiling Water Reactor) 1.38 million kW FY 2005

〈Purchased from IPPs〉

- Cosmo Oil Co. Ltd. (remaining oil) 223 thousand kW FY 2004
- Idemitsu Kosan Co., Ltd. (remaining oil) 252 thousand kW FY 2005

【Transmission Facilities】

- Higashi-Shimizu Substation FC (Frequency Converter) newly built FY 2005
- 500kV Hamaoka 2nd trunk line FY 2005

【Facilities to Be Decommissioned】

- Nishi-Nagoya No. 5 (500 thousand kW) Dec.2003 (projected)
- Atsumi No. 1 (500 thousand kW) Mar.2004 (projected)
- Atsumi No. 2 (500 thousand kW) Mar.2004 (projected)



▲ Hamaoka Nuclear Power Station

IV Outstanding Issues and Future Challenges

2. Marketing Strategy

~ Strengthening our sales capabilities within an escalating competitive environment ~

(1) Market Environment

Since the reforms of the Electricity Utilities Industry Law in March 2000, the sale of electric power to customers using extra-high voltage supplies (in principle, supplies greater than 2000kW) has been liberalized. The scale of the market affected by this liberalization is equivalent to around 30% of the total electric energy sales in Japan.

Against this background, and during a period in which many and various companies have entered the electricity market thus increasing competition considerably, we have worked to strengthen the sales capabilities of our liberalized divisions, and have been committed to strengthening competitiveness through measures such as reducing the electricity charges to customers (reductions made in October 2000 and September 2002). As a result of these measures, electric energy sales being supplied by companies newly entering the market have remained equivalent to less than 1% of the liberalized demand area, and Chubu Electric Power Company has in fact maintained almost all its contracts with customers within its service region. The scope of liberalization is to be expanded in April 2004 to cover customers requiring a supply of over 500kW, and in April 2005 to all high-voltage customers. In line with this, it is anticipated that a wholesale market for trading electric power will come into existence, as well as a review of the transmission network utilization structure, requiring the establishment of an independent organization to supervise network utilization.

Our company is committed to further cost reductions in order to remain competitive within its markets, as well as an increase of options available to customers, strengthening of the marketing organization and improvements of the service level. We will strive to ensure that customers continue to choose our company over the competition.



(2) Sales Activities

Chubu Electric Power Company has implemented charge reductions and increased contract options, and is also involved in consultancy work with our customers. All of these strengthen our competitiveness within the market. In addition to ongoing cost reducing measures, which improve our price competitiveness, we are working hard on strengthening our sales system through organizational reforms, so as to be able to provide an attractive service that meets our customers' requirements, and ensures that our customers select our company as their power provider.

[Lower charges and increased contract options]

In September 2002, Chubu Electric Power Company implemented reductions to its charges system that average 6.18% across various target supply areas. This was made possible due to the controls implemented on capital investment and reductions in maintenance costs, along with an overall increase in efficiency in our business operations, and expectations of further increases in efficiency in the future. The review of charges included those applied to liberalized areas.

We also introduced a 'menu' of contract options that allow our customers to utilize our electric power in a way that is both useful and efficient for their needs.

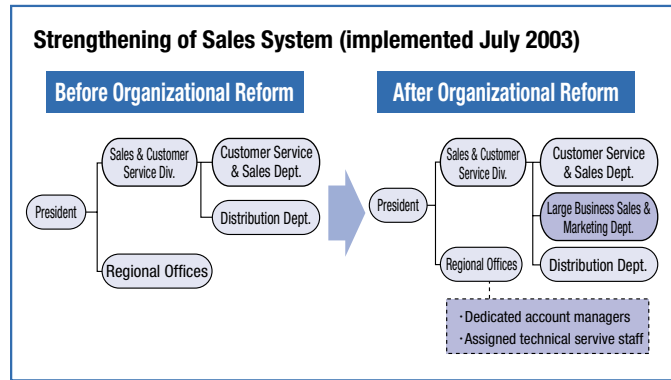
Our company is committed to supplying lower-cost power and offering attractive options that suit the power needs of our customers as far as possible.

Main Contract Menu Options (for supply contract divisions)		Corporate Customers	
Personal Customers		Contract Menu	Outline of Plan
Contract Menu	Outline of Plan	High Plan	Contract with a higher basic charge and a lower charge per unit of electricity
Time Plan	Divides the day into daytime and nighttime, and supplies electricity during nighttime hours at a cheaper rate	Time Plan	Contract with charges defined according to season or time of day
E Life Plan	Divides the day into daytime, low-load and nighttime hours, and supplies electricity during low-load and nighttime hours at a cheaper rate	Time High Plan	Contract with higher basic charge but lower unit charge than the Time Plan. Offers more economy the more electrical facilities are used.
Low-voltage Nighttime Power	Contract menu that allows nighttime low-voltage power to be used to heat electric boilers and other equipment at a low rate	Weekend Plan	Contract menu that allows weekend power to be used at a cheaper rate
Waku-waku hot	Contract menu that allows power used for heating top-up boilers to be supplied at a cheaper rate	Weekend High Plan	Contract with higher basic charge but lower unit charge than the Weekend Plan. Offers more economy the more electrical facilities are used.

[Strengthening of sales system]

〈Strengthening of sales activities in regard to large scale customers〉

In July 2003, we established the Large Business Sales & Marketing Department within the Sales & Customer Service Division. The regional offices are responsible for servicing the diverse needs of approximately 7,000 of our customers, who utilize a supply of 500kW or higher, through the allocation of dedicated marketing managers and technical service staff, and have a total of 500 employees located within them. Specifically, the regional offices provide a service as a multi-energy company through utilizing our own specific technologies and partnerships with our group companies, in the areas of energy savings, environmental measures and technical services, so as to supply energy based not only on electricity but also on-site power generation sources and gas.

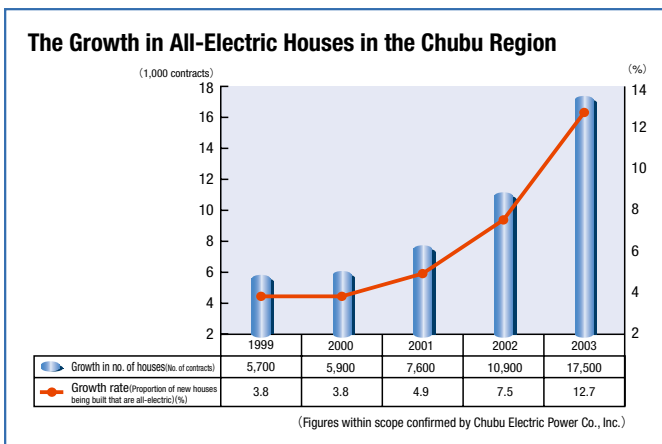


〈Strengthening of consulting activities〉

Chubu Electric Power Company is involved in consultancy work with customers who are considering generating their own electricity, in order to evaluate the most appropriate combination of self-generation and utilization of power supplied by our company, and to determine an appropriate charge plan. In combination with the benefits of our lower charges, introduced in fiscal 2003, we have managed to secure contracts for around 300 thousand kW of power demand that was under consideration for self-generation. We intend to continue proactive consultancy activities among our customers, in order to secure further demand and create even closer links with our customers.

〈Strengthening of the electric power demand base〉

We have worked hard on the promotion of houses that utilize entirely electricity, thermal-storage air conditioning systems, and electric powered catering facilities, and as a result, in fiscal 2003, we saw the number of all-electric houses grow by 60% in comparison with the previous year, with equipment and systems that our company recommends gaining more and more in popularity. In the future, we will remain committed to working at the further development of equipment that strengthens our demand base, such as the 'Eco-Kyu-to' (a highly efficient water heating system that uses a CO₂-refrigerant heat pump), along with the promotion of proposals that ensure further securing and expansion of demand.



IV Outstanding Issues and Future Challenges

3. Cost Reductions

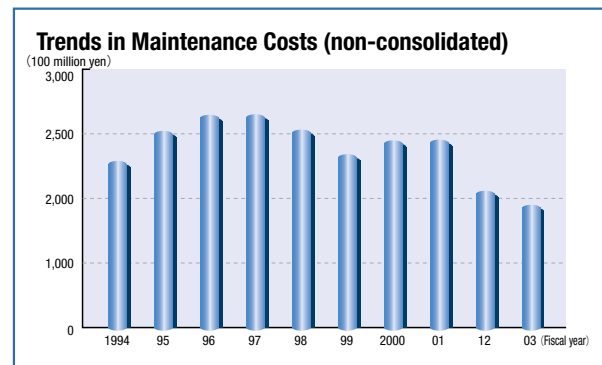
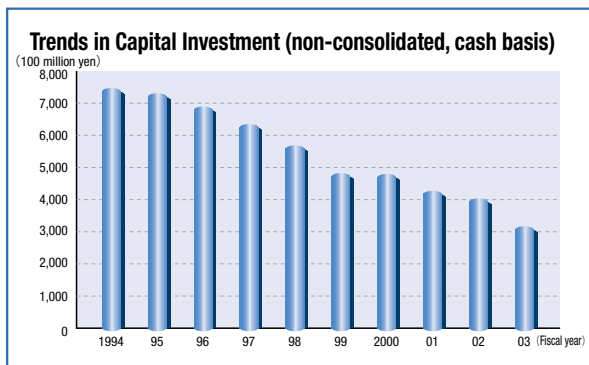
~ No holds barred in the challenge to supply lower-cost electric power~

(1) Controlling Capital Investment

Chubu Electric Power Company had fully examined how the capital investment of the Company should be implemented to survive and flourish in the face of future price competition resulting from liberalization. Based on that examination, we established a goal to reduce the cost of electric power production by 20% by fiscal 2006, compared with that immediately before the liberalization.

As a result of the thorough implementation of cost reducing measures, our non-consolidated capital investment (all figures shown as cash basis) peaked at 742.4 billion yen in fiscal 1994, and has fallen since then, maintaining a level below 500 billion yen per year since fiscal 1999. In fiscal 2003, we implemented further wide-ranging efficiency measures in various divisions, bringing our capital investment level to 300 billion yen. Our aim now is to reduce the investment costs to under 250 billion yen during 2004 and 2005 (2 year average), through further strengthening our cost reducing measures.

With fewer large scale investment projects, our next challenge will be focusing on reducing the operating and maintenance costs of existing facilities. We are working hard on various aspects of cost control in this area, including supply chain management.



[Example of improved efficiency of facilities formation]

Our facilities formation efforts are benefiting from improvements in technology, and through the proactive utilization of new technologies and construction methods, and the standardization of specifications, we are currently managing to reduce costs in many areas.

<Use of new, higher volume power lines>

Through the adoption of new, non-sagging aerial power lines in the capacity enhancement work, we have been able to implement the carriage of higher volumes of electricity. This allows the continued use of steel towers that would otherwise have required replacement.

<Use of the steel pipe pile foundation technique with air hammer for steel towers>

We have constructed steel pipe pile foundations for steel towers using portable, small and lightweight air hammer drills with large diameters, replacing the need for deep, excavated foundations, and shortening the time required for such work, as well as lowering the cost of disposing of sand and soil resulting from conventional digging operations.

▶ Outside of air hammer drills with large diameters

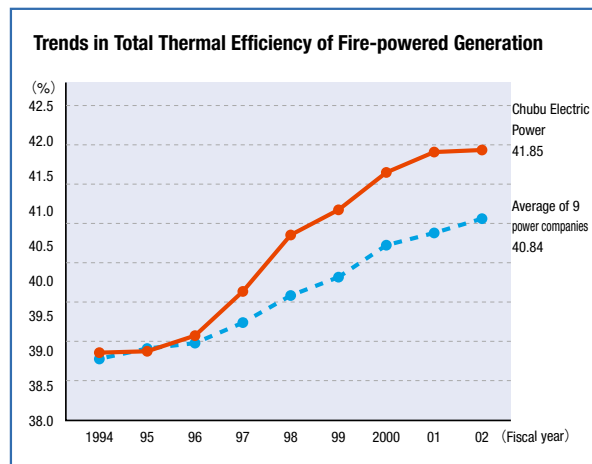


(2) Increasing Overall Efficiency of Facilities Operations

We are in the process of introducing various measures to improve the operating efficiency of our facilities, beginning with fire-powered generation plants, while maintaining the highest levels of safety and reliability. In addition, we are also rationalizing our maintenance and inspection programs to offer higher efficiency.

[Improved overall thermal efficiency at fire-powered generation plants]

Chubu Electric Power Company has been working on several measures to optimize the operations and improve the overall thermal efficiency of its fire-powered generation plants, such as the introduction of highly efficient combined cycle plants and operation of LNG-fired plants at high availability factors, along with the installation of supplementary boilers, which allows the complete shutdown of oil-powered generation during periods of low demand. As a result of these measures, the total thermal efficiency of our fire-powered plants has been the best in Japan for five years running since fiscal 1998, and we are committed to maintaining this top class standard.



▲Shin-Nagoya Fire-Powered Generation Plant

[Decommissioning of high-cost, low-efficiency fire-powered generation facilities]

We are in the process of evaluating the particular operating features such as the availability factor of each of our facilities, and are considering measures to decommission those fire-powered electricity generation plants which require high operating costs and operate at low efficiencies in order to improve the efficiency of our generation activities overall.

Fire-powered Generation Units Decommissioned Recently

	Output (in thousand kW)	Date Decommissioned
Shin-Nagoya No. 5	220	March 2002
Shin-Nagoya No. 6	220	March 2002
Taketoyo No. 1	220	March 2002
Nishi-Nagoya No. 6	500	December 2002

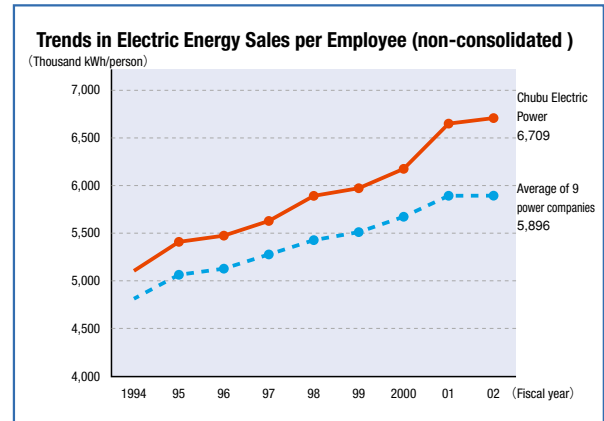
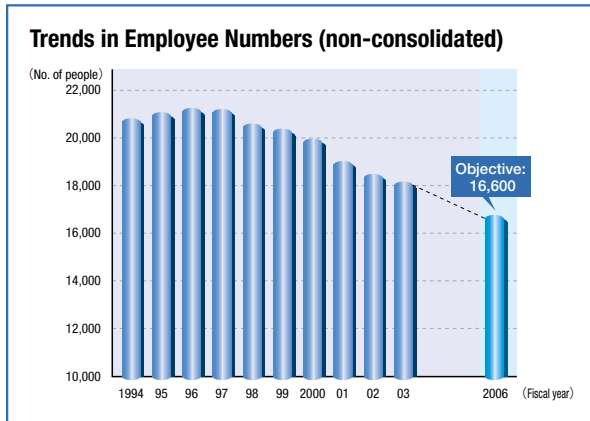
	Output (in thousand kW)	Date Decommissioned
Nishi-Nagoya No. 5	500	December 2003 (Projected)
Atsumi No. 1	500	March 2004 (Projected)
Atsumi No. 2	500	March 2004 (Projected)

IV Outstanding Issues and Future Challenges

(3) Increasing Efficiency of Business Operations

To date, Chubu Electric Power Company has promoted a sustained, no-holds-barred efficiency drive, which has included being among the first power companies to rationalize its workforce. As a result of this, company's total workforce was reduced from 20,900 in March 1998 through a process of transfer and recruitment controls to 18,000 by the end of fiscal 2003 - a reduction of 2,900 members. We have maintained an extremely high standard among domestic electric power companies in terms of the electric energy sales per employee.

We have set ourselves the target of further reducing our workforce to 16,600 employees by the end of fiscal 2006, in a further more to streamline the company and enable us to bring even further competitiveness to our work.



[Amalgamation and closure of dam control centers]

Through the adoption of computer-aided remote control equipment, we are now able to centrally manage dam operations in 50 different locations. We have reduced the number of control centers from our original total of 24 to 11. This puts us in a most advanced position in terms of dam control within Japan.



▲Oigawa Dam Control Center

[Concentrated management of substations and power stations by load dispatching control centers]

We are pressing ahead with a program of automated management for substations and power stations, using large-scale computerized monitoring control systems. By the end of fiscal 2003, as a result of this work, we were able to control a maximum of 105 substations and power stations from a single load dispatching control center (average no. of facilities controlled in fiscal 2003: 69). This is the most advanced management system in Japan today.



▲ Load-Dispatching Control Center

4. Strengthening Our Financial Conditions

~ Improvements to our financial condition to ensure further competitive strength ~

Liberalization of the electric power retail sector has led to various new companies entering the market, bringing increased competition among electric power companies. Chubu Electric Power Company is taking up the challenge of maintaining and improving its competitive edge through measures to strengthen its financial condition against the background of this economic environment.

We see operating revenues and ordinary income (income before reversal of reserve for fluctuation in water levels and income taxes) as indicators of potential for growth, and ROA (on after-tax basis) as an indicator of profitability. We are committed to working our hardest towards the attainment of the targeted level of these indicators. Through our serious effort for cost reduction and business efficiency improvement, our ordinary income and ROA, both of which were included in these business targets, have increased consistently over the past few years. Fiscal 2004 is the final year of this target period, and we are working hard to ensure that we attain all the targets we set ourselves.

Targets Aimed at Improving the Worth of the Company (non-consolidated)

Operating revenues ··· 2,000 billion yen or above

(average for 3 fiscal years 2002-2004)

Ordinary income ··· 150 billion yen or above

(average for 3 fiscal years 2002-2004)

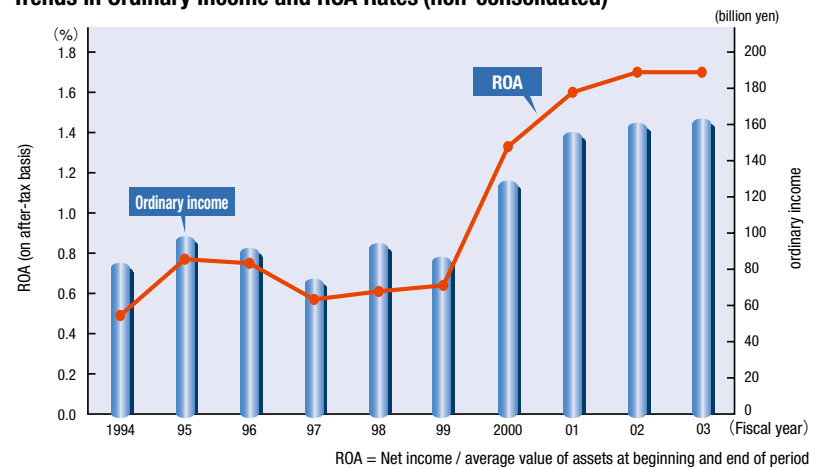
ROA ············ 1.5% or above
(on after-tax basis)

(average for 3 fiscal years 2002-2004)

ordinary income =
income before reversal of reserve for fluctuation in water levels and income taxes

ROA =
Net income / Average value of assets at beginning and end of period

Trends in Ordinary Income and ROA Rates (non-consolidated)



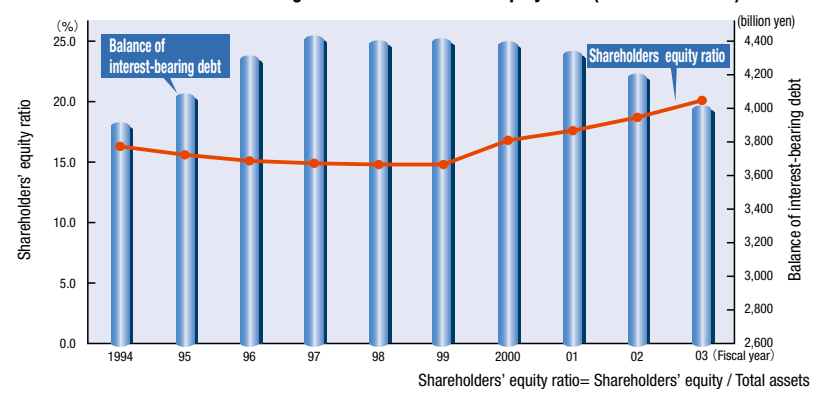
The Company has needed a huge amount of funds to invest in operating facilities to satisfy the increasing power demand of consumers. Part of these funds that could not be provided from internally generated funds was raised through corporate bond issues and loans. As a result, the balance of the interest-bearing debt, on a non-consolidated basis, continued increasing annually, and reached a level of 4,400 billion yen (at the end of fiscal 1997). The non-consolidated shareholders' equity ratio (shareholders' equity/total assets) had fallen to 14.8% at the end of fiscal 1999. Based on these facts, we set out to reduce our interest-bearing debt, and increase our shareholders' equity ratio, and the results of these efforts have been apparent in the last few years. As of the end of fiscal 2003, our shareholders' equity ratio had risen to 20.1%, attaining the target figure of around 20%. We intend to continue working at the improvement of our financial condition, and are currently targeting a reduction of our interest-bearing debt to below 3,600 billion yen by the end of fiscal 2005.

Target for Financial Condition Improvement (non-consolidated)

Interest-bearing debt ··· To below 3,600 billion yen

(by end of fiscal 2005)

Trends in Balance of Interest-bearing Debt and Shareholders' Equity Ratio (non-consolidated)



IV Outstanding Issues and Future Challenges

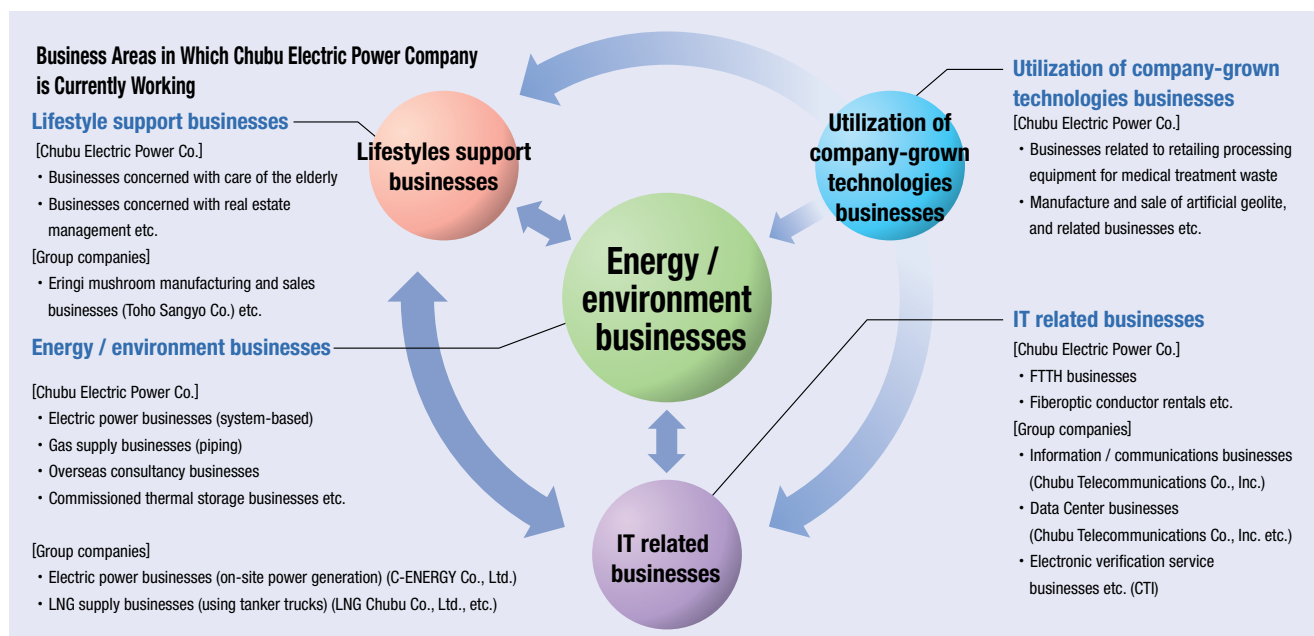
5. New Businesses and Group Business Strategy

~Developing our role as a multi-energy company based on a core of energy and environment-related businesses ~

(1) Development of New Businesses

In an age in which different types of energy compete and fuse with one another for a share of the market, Chubu Electric Power Company realizes the need for a broad profit base that will allow our customers to find satisfaction with our services as a multi-energy company.

We see the future core of our activities in energy and environment-related businesses, and we intend to work to the maximum possible level at utilizing our own electric power facilities and technological capabilities, as well as our business resources, including fuel purchased from other providers, to develop businesses involving gas supply and on-site power generation sources, in order to function as a multi-energy company. In addition to this, our energy businesses, which are the core of all our activities, will continue to be complemented by business areas that bring added value in areas such as 'IT (Information Technology)', 'Lifestyle Support' and 'Utilization of Company-Grown Technologies'.



(2) Group Strategic Policies

In line with the liberalization of electric power supply, and the dramatic changes in the energy market, Chubu Electric Power Company and its group companies find itself in an ever changing business environment.

Our company is involved in a proactive program of activities under the titles of Strengthening the Business Structure of the Group, Promotion of Supporting Measures among the Group Companies, Group Sales Expansion Promotion, and Group Business Management Improvements, in order to meet the challenges resulting from these changes and strengthen the Group as a whole. We are pressing ahead with measures to ensure that we become a corporate group with true market competitiveness.

[Group business strengthening activities]

In addition to considering how each company can utilize its business assets to the best possible effects, we are working towards management of our Group that ensures each company plays a strategic role as part of the whole, so that the Chubu Electric Power Group operates to the maximum level of competitiveness within the market. As part of this, we are restructuring our group so that similar and related businesses are organized and consolidated, allowing the concentration of resources and the strengthening of our financial base so that our company can expand. We are pressing ahead with measures to ensure the effective establishment of businesses.

[Activities Promoting Group Support]

July 2001	Establishment of CHUDEN CAPITAL (Capital support for new businesses)
January 2003	Introduction of Chuden Group Cash Management Service (Consolidated management of group capital in order to improve efficiency of capital held within group)

<Measures Related to the Restructuring of Businesses>

October 2001	Merger of Chubu Measuring Instruments Industries Co., Ltd and Chubu Precision Instruments Co., Ltd.
December 2001	Merger of businesses operated by Kasugai Komaki Communication Television Co., C-Tech CCNet Project Division and Tomei Cable Television Co. (New Company: Chubu Cable Network Co., Ltd.)
October 2002	Merger of Chuden Buildings Co., Ltd. and Aspac Co., Ltd.
October 2003 (projected)	Merger of CTI Co., Ltd. and Chuden Computer Service Co., Ltd.
October 2003 (projected)	Restructuring of Chuden Shizuoka Plant Co., Ltd. and Chuden Nagano Plant Co. Ltd.

New Businesses in Progress

[Energy / environment]

		Business Outline	Business Entity	Major Clients / Business Description
Gas Businesses	Supply using pipelines	LNG used in company generators supplied to customers nearby using company pipelines	Chubu Electric Power Co., Inc. / appurtenant businesses	Mitsui Meinan Food Complex, among others Total approx. 50,000 tons (All results shown for fiscal 2003)
	Sales using tank trucks	Retail of LNG to City Gas companies and large scale customers	LNG Chubu Co., Ltd. Capital 200 million yen (51% owned by Chubu Electric Power Co. / 2 other companies)	Chubu Gas Hamamatsu Manufacturing, among others Total approx. 3,000 tons
		Sale of LNG to City Gas companies in Hokuriku region	Hokuriku Erunesu Co., Ltd. Capital 200 million yen (Chubu Electric Power Co. 34% ownership / 3 other companies)	Komatsu Gas Co., Ltd., among others Total approx. 1,000 tons
	LNG sales quantities			Approx. 50,000 tons (results at end of fiscal 2003)
ESCO Businesses	Multi-energy service business supplying energy systems appropriate to customers' needs		C-ENERGY Co., Ltd. Capital 400 million yen (Chubu Electric Power Co., Ltd. (58%) / 6 other companies)	Large scale supermarkets, among others. 80,000 kW (contracts at the end of March, 2003)
Consultancy Businesses Overseas	Consultancy for electricity-related businesses in general mainly in developing countries		Chubu Electric Power Co., Inc. / appurtenant businesses	14 businesses completed in fiscal 2003 Business examples <ul style="list-style-type: none"> • Turkey: Energy-Environmental review special inquiry • Indonesia: Business to raise thermal efficiency of existing facility • Indonesia: Survey of electric power sector to develop optimum power sources



[IT related]

		Business Outline	Business Entity	Business Description
FTTH	Use of company communications infrastructure to supply services including internet connection		Chubu Electric Power Co., Inc. / appurtenant businesses (in-house companies)	Gradual rollout in Nagoya City (business begun in November 2002) Target membership: 100,000 households within 5 years of business beginning
Fiber optic Conductor Rental Business	Rental of company communications infrastructure to common carriers and CATV providers		Chubu Electric Power Co., Inc. / appurtenant businesses	Current rollout within 5 prefectures of Chubu region

[Lifestyle Support]

		Business Outline	Business Entity	Business Description
Real Estate Rental Businesses	Businesses related to the rental of rental houses and care facilities for the elderly to be built on disused land owned by Chubu Electric Power Co. which was formerly used for company housing etc. Alternatively, land is also rented to convenience stores and family restaurants.		Chubu Electric Power Co., Inc. / appurtenant businesses	<p>(Recent example)</p> <p>In partnership with the Benesse Corporation, a paid private home for the care for the elderly has been constructed on a disused company housing site in Nagoya City. The facility is being rented to and managed by a facility operation management company that is itself an affiliated company of the Benesse Corporation. (May 2002)</p> <p>Development of 41 all-electric bricked and tiled houses in 10 clusters on a disused site in the Yagoto region of Nagoya City, which are being rented to the public through the services of a real estate management company (April 2003)</p>



[Utilization of company-grown technologies]

Technology	Business description
Equipment for Disposal of Medical Waste	Sale / maintenance of equipment that reduces medical waste to a minimum, using plasma dissolution technology developed by Chubu Electric Power Co., and renders it harmless.
Artificial Geolite	Artificial geolite is a new material created from coal ash that is produced during fire-powered generation of electricity. The material contains countless small bubbles, like a sponge, and has absorbent properties, as well as the capability to exchange ions and act as a catalyst. It can be used in cleaning polluted soil and exhaust gas, as well as filtering river water and protecting riverbanks.

IV Outstanding Issues and Future Challenges

6. Research & Development

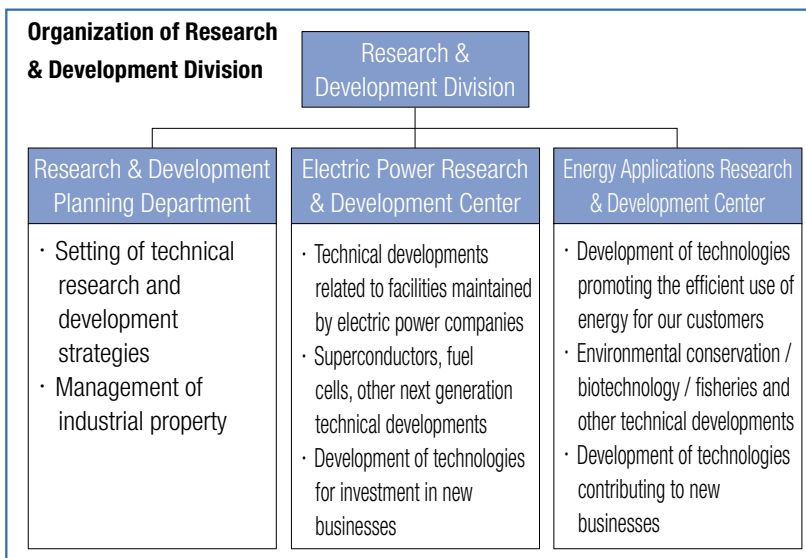
~ Technological developments with a view to profitability ~

(1) Research & Development Structure

Chubu Electric Power Company was one of the first electricity companies to introduce the concept of profitability into its research projects, as early as 1988, when we established the Electric Power Utilization Technology Research Center (currently known as the Energy Applications Research & Development Center). At present, the center is comprised of a single body known as the Research & Development Planning Department, which implements strategic research, with two research departments, the Electric Power Research & Development Center, which is involved in technologies for reducing costs and developing next-generation technology, and the Energy Applications Research & Development Center, which is involved in research and development related to energy use by our customers.

(2) Research & Development Policy

Chubu Electric Power Company has established the following basic policy, in order to define the areas in which our research is to be focused. We are working on cost reductions and research and development on a company-wide basis, with an even greater emphasis than before on issues of cost / benefit awareness, and detailed cost / benefit analysis performed for individual projects, in order to ensure that all our work is selected based on its relationship to future profitability.



Basic Policy in regard to Technical Developments

Technical developments for strengthening business base

- Cost reducing research
- Research supporting our customers in maintaining a comfortable lifestyle and research that supports consultancy
- Research into new business developments

Technical research related to environmental conservation

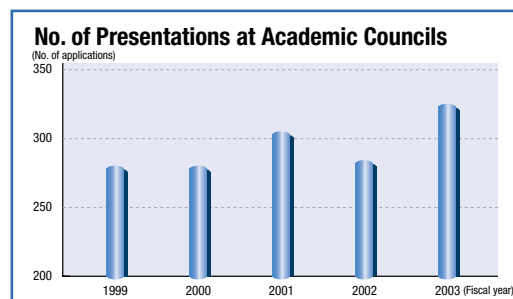
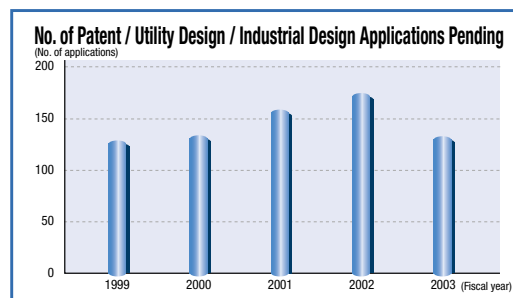
- Research contributing to environmental conservation
- Research contributing to the recycling / effective utilization of resources

Technical developments related to the general supply of energy

- Research contributing to a long term, stable electrical power supply
- Research contributing to the creation of new energy supply systems, including the use of gas / thermal energy



▲ Research & Development Division



Major Research Achievements

【Development of fuel cells】

Fuel cells offer an entirely new method of directly generating electricity, from fuels (such as hydrogen) and air (oxygen). Fuel cells can be divided into several categories according to the materials and temperatures utilized. Chubu Electric Power Company has been involved in the research and development of two types of fuel cell, a medium sized dispersed power source cell, and a cell known as a 'high temperature' type, with a high operating temperature. We have particularly high hopes for the latter type as it appears to have great potential for future use as an alternative source of generating electricity.

	High Temperature Fuel Cell		Low Temperature Fuel Cell	
	Molten Carbonate Fuel Cell (MCFC)	Solid Oxide Fuel Cell (SOFC)	Phosphoric Acid Fuel Cell (PAFC)	Proton Exchange membrane Fuel Cell (PEFC)
Fuel	Natural gas/ coal gas	Natural gas/ coal gas	Natural gas	Hydrogen / coal gas
Component Materials	Stainless steel	Ceramic	Carbon / Platinum	Proton exchange membrane / platinum
Operating Temp.	Approx. 650°C	Approx. 1,000°C	Approx. 200°C	80°C~100°C
Generating Efficiency	45%~60%	45%~60%	35%~42%	30%~40%
Application	Medium sized on-site power source / power station	Medium sized on-site power source / power station	Medium sized on-site power source	Automobile / Medium sized on-site power source
Development Level	System development stage 1,000kW level	Testing research stage 10 ~ 100 kW level	Product development stage 50kW ~ 20kW	Demonstration stage 1 ~ 250kW level

【Molten Carbonate Fuel Cell】

A molten carbonate fuel cell operates at a temperature of around 650°C. Because it uses metals such as stainless steel as its primary materials, the fuel cell is suitable for increased capacity and has potential for future mass production. Chubu Electric Power Company is playing a central role in the development of such fuel cells in Japan, implementing research and development into the diversification of fuels and the extension of operating life. At present, we have 300kW level fuel cells under verification testing at our Kawagoe and Shin-Nagoya fire-powered generation plants, and are aiming to bring these into general application as soon as possible.

We are planning to perform a demonstration test of a fuel cell that runs on waste gas at the 2005 World Exposition, Aichi, Japan, and to turn this into a business project from fiscal 2006 onwards.



300kW level MCFC

【Solid Oxide Fuel Cell】

The solid oxide fuel cell operates at around 1,000°C. For this reason the fuel cell itself is constructed from ceramic, and the electrolytes are solid, allowing a measure of flexibility in terms of shape. At present there are two types - a flat type and a tubular type. Chubu Electric Power Company is developing a flat type, train mono-block layer build (T-MOLB type) SOFC. Mono-block layer built type fuel cells are high-density output, compact models that can be produced at a relatively low cost. At present, the company is involved in the development of a 50kW co-generator in partnership with Mitsubishi Heavy Industries, Ltd. which is to be put to an evaluation test during this fiscal year. It is also planned to display the fuel cell at the 2005 World Exposition, Aichi, Japan, with the aim of developing a marketable product in or after fiscal 2007.



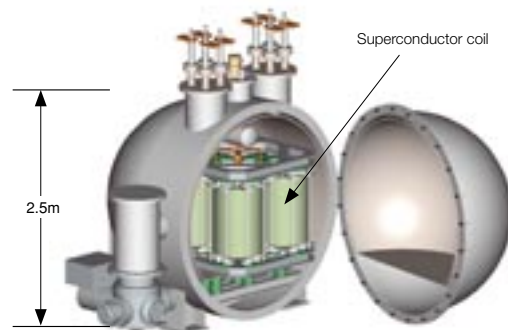
MOLB type SOFC block (1kW level blocks x 4)

【The development of SMES using superconducting technology】

SMES: Superconducting Magnetic Energy Storage system

When an electrical current is passed through a superconductor coil, a magnetic field is produced and the current is not attenuated. Utilizing the zero electrical resistance of superconductors in this way, it is therefore possible to store electrical energy in the form of magnetic energy. This is being utilized as a backup system to provide auxiliary power for momentary voltage drops in cases such as lightning strikes. As of July 2003, the system is being field tested in a large-scale electronic equipment manufacturer's liquid crystal plant, which lies within our supply area, and it is expected that the project will be marketable sometime in fiscal 2006.

Illustration of SMES System



IV Outstanding Issues and Future Challenges

7. Environmental Conservation

Chubu Electric Power Company considers all environmental conservation issues, including measures to combat global warming, as one of the most important factors in its business strategies. In December 2000, we implemented our environmental policy, known as "Chubu Electric Power Environmental Statement 21," with the aim of implementing measures to combat environmental problems at a high level during the 21st century. We have defined specific activities targets for our environmental policy, and are constantly implementing improvements to our activities on behalf of the environment.

~ Chubu Electric Power Environmental Statement 21 ~
(Implemented December 2000)

[Philosophy]

We will act correctly at all times and work in partnership with the earth and its citizens to protect the global environment as a corporate citizen involved in the provision of energy.

• [Indices]

- 1. We will strive for the effective utilization of resources and reduction of environmental load
- 2. We will work to reduce volumes of waste and recycle where possible.
- 3. We will improve our level of environmental management, and take into account evaluations from both within and outside the company.
- 4. We will work with our group companies and trading partners on issues related to the environment.
- 5. We will deepen the dialogue regarding the environment and energy
- 6. We will work with our customers and with the world's people on issues relating to environmental conservation.

[Meeting the challenges of ISO 14001]

We are pressing ahead with the introduction of an ISO 14001 compatible environmental management system throughout our companies, with the aim of achieving both environmental conservation and further profitability. As of the end of March 2003, approximately 80% or 109 of our business premises had introduced EMS.

[SOx / NOx emissions reductions]

We are working to reduce emissions of SOx (sulfur oxides) and NOx (nitrogen oxides) from our fire-powered generation plants, by introducing LNG, which does not contain sulfur, as a fuel, and utilizing sulfur-and nitrate-removing apparatus on our emissions systems. As a result of these measures, the quantities of SOx and NOx being emitted from our fire-powered generators has dropped to a level that is not only better than levels attained by most developed countries, but also among the best within the electric power companies in Japan.

SOx and NOx Emissions from Fire-powered Generators in Various Countries (unit: g/kWh)

	U.K. (1996) [Calendar year]	France (1996) [Calendar year]	U.S.A. (1997) [Calendar year]	Japan (Fiscal 2002)	Chubu Electric Power Co., Inc. (Fiscal 2003)
SOx	5.5	8.3	4.6	0.21	0.04
NOx	1.9	3.0	2.2	0.27	0.08

[CO₂ emissions control]

With a concern for countering global warming, Chubu Electric Power Company is working hard to reduce the quantities of CO₂ emissions it produces, while continuing to meet the rising demand for electric power. We are working on further developing nuclear generation, as well as increasing the thermal efficiency of our fire-powered generation plants, so as to reduce the quantity of CO₂ emitted per 1kWh of electric energy used (values calculated in quantity of CO₂).

[Progress in nuclear generation]

The increased use of nuclear power as a source of electric power generation, with its extremely low levels of CO₂ emissions output, offers an excellent alternative to the use of fossil fuels for power generation. Chubu Electric Power Company intends to press ahead with ensuring a stable power supply by this method, with the highest priority on safety, as part of its measures to curb global warming.

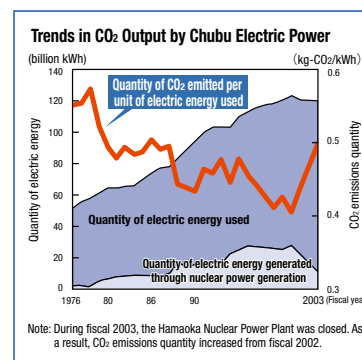
[Overall improvements to thermal efficiency of fire-powered generation plant]

Improving the overall thermal efficiency of fire-powered generators offers more efficient use of fuel resources and reductions in CO₂ emissions.

Chubu Electric Power Company has maintained the top position among Japan's electric power companies in its progress in introducing equipment to improve thermal efficiency and appropriate maintenance of its existing power generation plants.

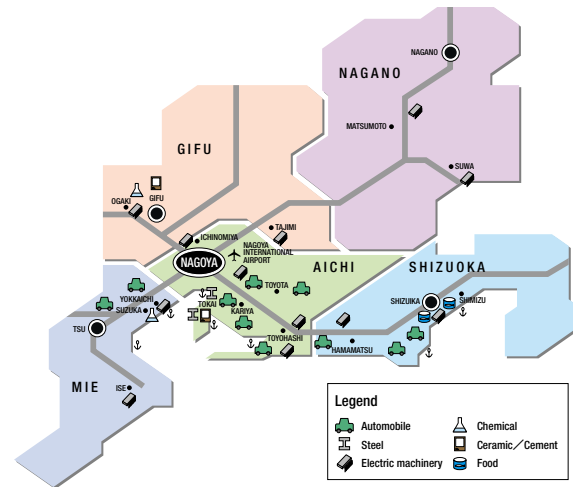
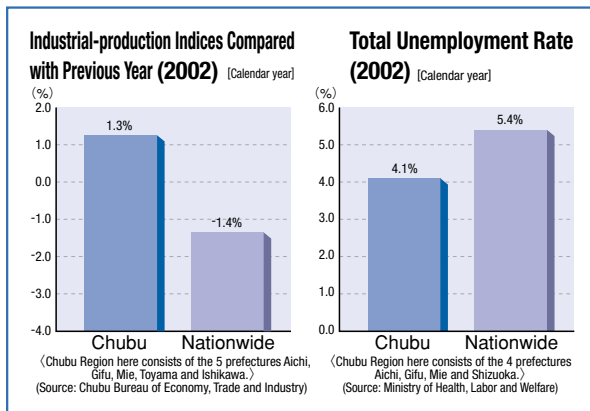
[Reductions in power loss during electricity distribution]

Reducing the amount of power lost during distribution is an important aspect of the efficient utilization of energy. We are working on raising the voltage of our power supply and introducing substation facilities and pole-mounted transformers that reduce energy loss, and have realized a power loss level during distribution of under 5%, which is among the lowest within Japan's electric power companies.



8. The Economic Base of the Chubu Region and Projects within This Region

Against the background of liberalization in the electric retail market, the strength of the economic base of the region which we supply with electric power is becoming ever more important as the basis for our unified service involving generation, transmission, distribution and sale of power. The Chubu region, which our company supplies energy to, is extremely strong in terms of human resources, finance, manufacturing and technology, when looked at in comparison with Japan's industrial base as a whole. With the technical reforms currently happening in high added-value product development and manufacturing areas such as biotechnologies and the aerospace industry, as well as environmental sectors, the development of many new business areas is foreseen, and additional industries such as the assembly, processing and materials supply for transportation equipment are also producing strong results. The region can justifiably be considered one with a high density of manufacturing bases.



Large Scale Projects in the Chubu Region

[The 2005 World Exposition, Aichi, Japan]

For a period of 185 days between March 25 and September 25, 2005, the 21st Century's first World Exposition, EXPO 2005 Aichi, Japan (the 2005 World Exposition) will be held in Aichi Prefecture.

At present, the Japan Association for the 2005 World Exposition is busy preparing for the opening of EXPO 2005 Aichi by preparing the exhibition sites and program of events.

<Outline of EXPO 2005 Aichi>

- Official Name: The 2005 World Exposition, Aichi, Japan Popular name: EXPO 2005 Aichi, Japan
- Location: Aichi Youth Park, located in the south-eastern region of Seto City and Nagakute Town, and the site of Toyota City's Science and Technology Exchange Center, covering a total of 173ha in Aichi Prefecture
- Theme: Nature's Wisdom •Minimum target no. of visitors: 15 million

[Chubu (Central Japan) International Airport]

Chubu International Airport, or Centrair, is located on an island approximately 35 km to the south of Nagoya City, off the coast of Tokoname City in Ise Bay. Work is in progress on the airport, and it is expected to be in use in 2005. At present, The Central Japan International Airport Co., Ltd is managing the project, which is making rapid progress.

Centrair is expected to promote international exchange within the Chubu region, and provide a key social base for the revitalization of the area. The airport is expected to be carrying 20 million passengers per year by the mid 2020's on international and domestic routes, and 510,000 tons of freight. It is expected to bring benefits worth 1.4 trillion yen to the Chubu region in the year 2025.

<Outline of Airport>

- Runway: 3,500m x 1 Area: Approx. 470ha (100 times the size of Nagoya Dome)
- Access: 1. Road: 30 to 40 mins from central Nagoya. 2. Rail: To be less than 30 mins from Shin-Nagoya station.

V Five-Year Operating and Financial Statistics

FIVE-YEAR OPERATING STATISTICS

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries
For the Years Ended March 31, 1999, 2000, 2001, 2002 and 2003

	1999	2000	2001	2002	2003
Electric Energy Sold (millions of kWh) :					
Residential	36,963	—	—	—	—
Commercial	19,227	—	—	—	—
Industrial	61,415	—	—	—	—
Other	563	—	—	—	—
Total Electric Energy Sold	118,168	—	—	—	—

Electric Energy Sold (millions of kWh) :					
Customers Other Than Those Under Liberalization					
Residential	—	37,774	38,777	38,680	39,580
Commercial	—	18,066	18,597	18,741	19,049
Industrial	—	29,229	30,130	29,260	29,811
Other	—	551	514	498	484
Total	—	85,580	88,018	87,179	88,924
Customers Under Liberalization *	—	34,448	35,019	33,679	34,126
Total Electric Energy Sold	—	120,028	123,037	120,858	123,050

* Customers Under Liberalization: Customers who receive the supply of electric power from extra high-voltage transmission lines (generally 20,000V or higher) and whose peak usage is generally 2,000kW or higher.

Electric Energy Supplied (millions of kWh) :					
Kilowatt-Hours Generated	117,063	120,406	119,706	115,593	118,384
Hydroelectric	10,181	8,791	9,184	8,623	7,940
Thermal	81,489	86,545	82,966	84,949	99,760
Nuclear	25,393	25,070	27,556	22,021	10,684
Purchased Power	9,645	7,540	10,204	11,085	11,503
Interchanged Power (net)	4,572	5,248	5,738	6,607	5,621
Power Used for Pumped Storage	(2,083)	(2,169)	(1,941)	(1,906)	(1,151)
Total Electric Energy Supplied	129,197	131,025	133,707	131,379	134,357

Generating Capacity (Thousands of kW) :					
Hydroelectric	5,211	5,211	5,213	5,213	5,216
Thermal	22,941	22,941	22,941	23,401	23,901
Nuclear	3,617	3,617	3,617	3,617	3,617
Total Generating Capacity	31,769	31,769	31,771	32,230	32,733

Annual Peak load (three-day average of sending end; thousands of kW)	25,192	24,694	25,414	26,246	26,313
Transmission Lines (route length; km)	12,025	12,097	12,122	12,232	12,183
Substation Capacity (MVA)	112,200	117,100	119,039	120,301	120,202
BTB Station Capacity (Thousands of kW)	300	300	300	300	300
Distribution Lines (Line length; km)	515,254	519,795	523,983	527,321	530,139
Number of Employees	20,203	19,788	18,851	18,312	17,994

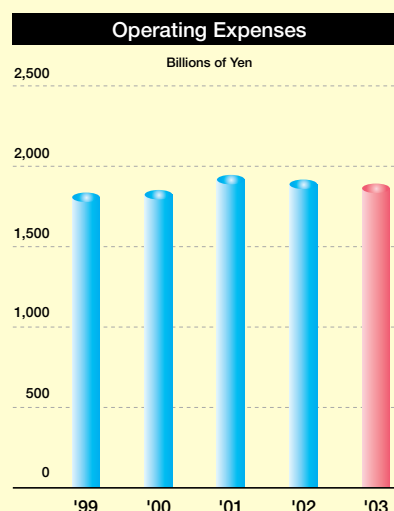
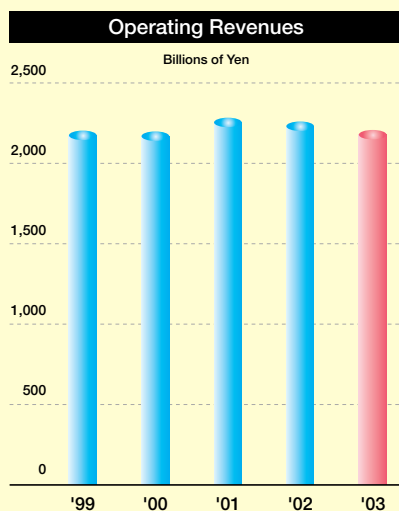
* Note: Parentheses denote negative figures.

FIVE-YEAR FINANCIAL STATISTICS (CONSOLIDATED)

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries
For the Years Ended March 31, 1999, 2000, 2001, 2002 and 2003

	Millions of yen					Thousands of U.S. dollars
	1999	2000	2001	2002	2003	2003
Operating Revenues	¥2,174,916	¥2,167,637	¥2,252,779	¥2,228,925	¥2,176,072	\$ 18,103,760
Operating Income	313,017	297,338	324,338	332,878	312,472	2,599,597
Net Income	41,142	77,120	94,093	110,358	106,494	885,975
Per Share (yen and U.S. dollars) :						
Net Income (Basic)	¥ 55.21	¥ 104.65	¥ 127.70	¥ 149.78	¥ 144.24	\$ 1.20
Shareholders' Equity	1,264.54	1,483.41	1,596.46	1,667.10	1,775.44	14.77
Total Assets	¥6,189,457	¥6,316,916	¥6,573,727	¥6,435,215	¥6,282,500	\$52,267,055
Total Shareholders' Equity	934,595	1,093,045	1,176,346	1,228,231	1,307,180	10,875,041

Notes: 1. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥120.20=US\$1.
2. These numbers are based on consolidated data.



VI Management's Discussion and Analysis

Overview

During the fiscal year ended March 31, 2003 (fiscal 2003), the Electric Utility Business reported sales volume of 32,844 million kWh in the electric lighting market, a 3.2% growth from the previous year, mainly due to the increase in the number of contracts and the higher demand for air-conditioning during the rather cold winter. Electricity sold to the electric power market, and to the customers under liberalization were 56,080 million kWh and 34,126 million kWh respectively, both a 1.3% increase from the previous year. This was mainly due to the higher industrial demand than that of the previous year, supported by the increase in exports to Asia and the U.S.. As a result, the total electric energy sales grew 1.8% to 123,050 million kWh.

Although the electric power generated by nuclear declined sharply from the previous

year because of the temporary close of the Hamaoka Nuclear Power Station, we were able to maintain a stable supply of electricity thanks to the startup of Plant No. 5 at the Hekinan Thermal Power Station and other measures.

Consolidated Operating Revenues, Expenses and Earnings

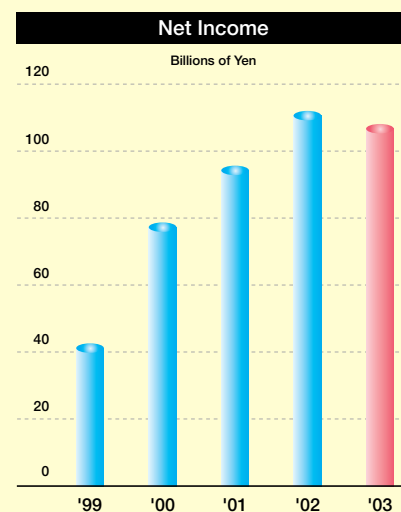
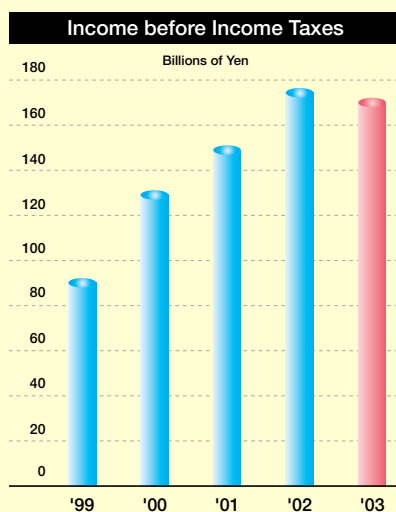
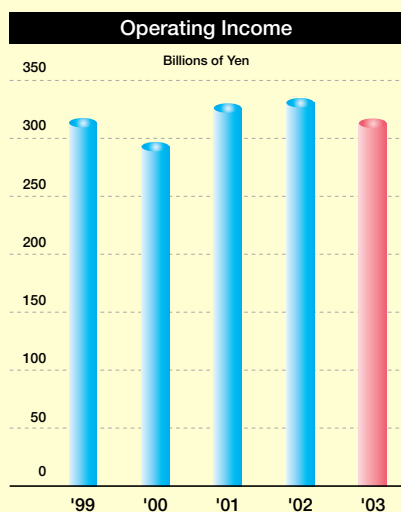
Consolidated operating revenues generated by the Electric Utility Business during fiscal 2003 decreased 3.1% from the previous year to 2,078,170 million yen mainly due to the reduction in electricity charges, while sales volume increased. Other Business reported sales of 97,902 million yen, a 16.9% growth from the previous year, mainly due to the expansion of the scope of consolidation as all subsidiaries were included in the consolidation in fiscal 2003, which was partially offset by declined sales in the construction and certain other markets. As a result, the total operating

revenues declined 2.4% from the previous year to 2,176,072 million yen.

The consolidated operating expenses during the year decreased 1.7% to 1,863,600 million yen through our cost reduction effort in all business areas, which was partially offset by the temporary close of the Hamaoka Nuclear Power Station. Especially in the Electric Utility Business, the operating expense decreased 2.7% from the previous year to 1,773,860 million yen, mainly due to the reduction of facilities-related expenses.

The consolidated operating income for fiscal 2003 decreased 6.1% to 312,472 million yen.

Total other expenses, determined by deducting consolidated non-operating expenses from consolidated non-operating revenues, decreased 9.8% to 141,383 million yen. As a result, the consolidated income before



reversal of reserve for fluctuation in water levels, income taxes and minority interests for the year decreased 2.8% to 171,089 million yen. Because we did not record a provision to the reserve for fluctuation of water level for the current year, consolidated income before income taxes and minority interests was the same as the consolidated income before reversal of reserve for fluctuation in water levels, income taxes and minority interests at 171,089 million, which was a 3.8% decline from the previous year. Consolidated net income, determined by deducting minority interests in earnings of consolidated subsidiaries from net income after taxes, declined 3.5% to 106,494 million yen.

Assets

As of March 31, 2003, consolidated total assets were 6,282,500 million yen, a 2.4% decrease from the previous year. The net value of fixed assets decreased 4.1% to

5,361,118 million yen by the effect of annual depreciation. Total nuclear fuel increased 23.5% to 234,732 million yen. Investments and other increased 7.8% to 416,524 million yen. The total current assets increased 1.4% to 270,126 million yen.

Total liabilities reported on the consolidated balance sheet decreased 4.5% to 4,951,485 million yen mainly due to a reduction of interest-bearing debt. Shareholders' equity increased 6.4% to 1,307,180 million yen, mainly due to the increase of retained earnings.

Cash flow

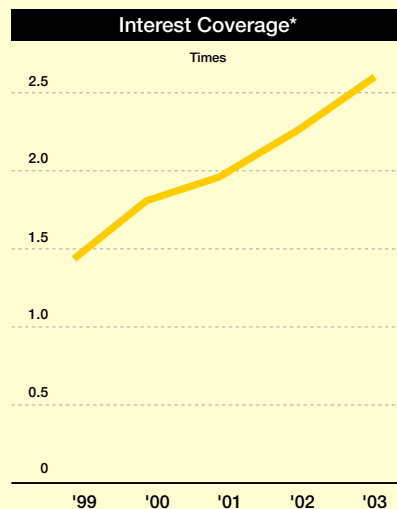
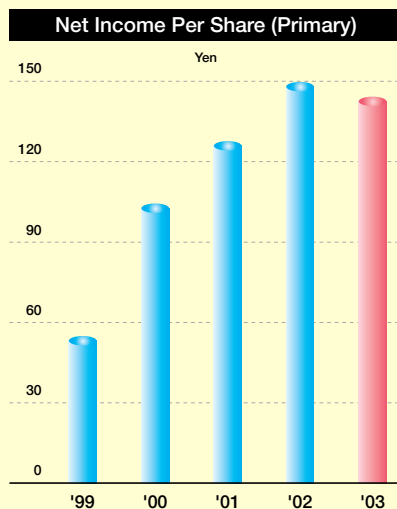
During fiscal 2003, cash flow from operating activities decreased 9.6% from the previous year to 599,370 million yen mainly due to the decreased sales in residential and commercial/industrial segment affected by the reduction of the electric charges and other

factors while the sales volume increased.

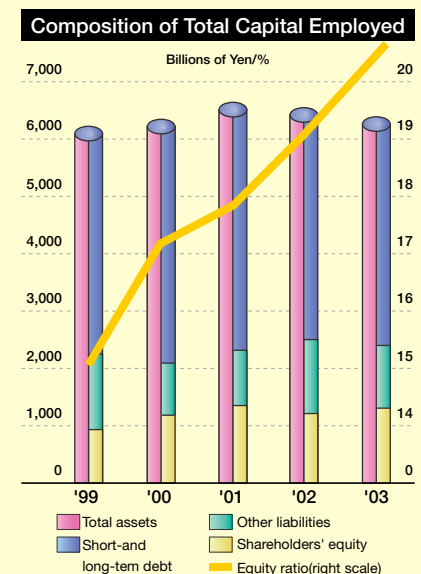
Cash flow from investing activities decreased 25.3% from the previous year to net expenditure of 334,191 million yen as a result of cost reduction effort such as minimizing capital expenditures.

Net cash used for financial activities decreased 39.0% to 278,720 million yen through our effort to reduce interest-bearing debt.

In addition to the aforementioned results, because all subsidiaries were included in the consolidation for the current year, the cash balance at the end of fiscal 2003 decreased 6.4% to 62,061 million yen.



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



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To the Board of Directors and Shareholders 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, 2003 and 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. This report, including the opinion, has been prepared for and only for the company's shareholders as a body in accordance with the Securities and Exchange Law of Japan and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chubu Electric Power Company, Incorporated and its consolidated subsidiaries as of March 31, 2003 and 2002 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).

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, 2003

CONSOLIDATED BALANCE SHEETS

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries
As of March 31, 2003 and 2002

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2003	2002	2003
Property, Plant and Equipment:			
Property, plant and equipment	¥12,487,142	¥12,302,638	\$103,886,371
Construction in progress	522,700	567,700	4,348,585
	13,009,842	12,870,338	108,234,956
Less:			
Contributions in aid of construction	(133,484)	(130,124)	(1,110,515)
Accumulated depreciation	(7,515,240)	(7,148,113)	(62,522,792)
	(7,648,724)	(7,278,237)	(63,633,307)
Property, Plant and Equipment, Net (Notes 4 and 6)	5,361,118	5,592,101	44,601,649
Nuclear Fuel:			
Loaded nuclear fuel	34,641	39,666	288,198
Nuclear fuel in processing	200,091	150,437	1,664,647
Total Nuclear Fuel	234,732	190,103	1,952,845
Investments and Other:			
Long-term investments (Note 5)	282,847	274,149	2,353,139
Deferred tax assets (Note 11)	126,150	102,188	1,049,501
Other	9,413	11,545	78,307
Less, allowance for doubtful accounts	(1,886)	(1,353)	(15,687)
Total Investments and Other	416,524	386,529	3,465,260
Current Assets:			
Cash	43,107	53,682	358,624
Trade notes and accounts receivable	113,227	114,239	941,989
Inventories	53,463	53,685	444,782
Deferred tax assets (Note 11)	15,159	13,394	126,116
Other (Note 5)	46,136	32,254	383,823
Less, allowance for doubtful accounts	(966)	(772)	(8,033)
Total Current Assets	270,126	266,482	2,247,301
Total Assets	¥6,282,500	¥6,435,215	\$ 52,267,055

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

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	2003	2002	2003
Long-term Liabilities:			
Long-term debt (Note 6).....	¥3,508,917	¥3,576,762	\$29,192,320
Employee retirement benefit liability (Note 7).....	168,380	145,359	1,400,830
Reserve for reprocessing of irradiated nuclear fuel.....	220,634	215,384	1,835,558
Reserve for decommissioning nuclear power plant.....	79,753	77,753	663,499
Deferred tax liabilities (Note 11).....	17	—	142
Other long-term liabilities.....	44,302	41,932	368,572
Total Long-term Liabilities.....	4,022,003	4,057,190	33,460,921
Current Liabilities:			
Current portion of long-term debt and other (Note 6).....	157,047	172,387	1,306,550
Short-term borrowings (Note 6).....	339,961	363,949	2,828,294
Trade notes and accounts payable.....	83,469	71,134	694,415
Accrued income taxes and other.....	80,714	89,715	671,498
Other (Note 13).....	268,291	430,388	2,232,043
Total Current Liabilities.....	929,482	1,127,573	7,732,800
Total Liabilities.....	4,951,485	5,184,763	41,193,721
Minority Interests in Consolidated Subsidiaries.....	23,835	22,221	198,293
Shareholders' Equity (Notes 10 and 14):			
Common stock, no par value:			
Authorized- 1,190,000,000 shares			
Issued- 736,857,187 shares in 2003 and 736,855,980 shares in 2002.....	374,520	374,518	3,115,805
Capital surplus.....	14,248	14,246	118,534
Retained earnings.....	907,815	823,948	7,552,538
Net unrealized gains on available-for-sale securities.....	12,024	15,772	100,031
Foreign currency translation adjustment.....	5	—	42
Less, treasury stock, at cost - 757,610 shares in 2003 and 107,752 shares in 2002.....	(1,432)	(253)	(11,909)
Total Shareholders' Equity.....	1,307,180	1,228,231	10,875,041
Commitments and Contingent Liabilities (Notes 8 and 9)			
Total Liabilities, Minority Interests and Shareholders' Equity.....	¥6,282,500	¥6,435,215	\$52,267,055

CONSOLIDATED STATEMENTS OF INCOME

Chubu Electric Power Company, Incorporated and Consolidated Subsidiaries
For the Years Ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2003	2002	2003
Operating Revenues:			
Electricity	¥2,078,170	¥2,145,182	\$17,289,272
Other	97,902	83,743	814,488
Total Operating Revenues (Note 12)	2,176,072	2,228,925	18,103,760
Operating Expenses:			
Electricity	1,773,860	1,823,623	14,757,571
Other	89,740	72,424	746,592
Total Operating Expenses (Notes 12 and 13)	1,863,600	1,896,047	15,504,163
Operating Income	312,472	332,878	2,599,597
Other (Income) Expenses:			
Interest expense	121,236	146,165	1,008,622
Other, net	20,147	10,655	167,608
Total Other Expenses	141,383	156,820	1,176,230
Income before Reversal of Reserve for Fluctuation in Water Levels, Income Taxes and Minority Interests	171,089	176,058	1,423,367
Reversal of Reserve for Fluctuation in Water Levels	—	1,853	—
Income before Income Taxes and Minority Interests	171,089	177,911	1,423,367
Income Taxes:			
Current	85,356	80,737	710,114
Deferred	(21,526)	(15,900)	(179,081)
Total Income Taxes	63,830	64,837	531,033
Less, minority Interests in Earnings of Consolidated Subsidiaries	765	2,716	6,359
Net Income	¥106,494	¥110,358	\$885,975
	Yen		U.S. dollars (Note 1)
	2003	2002	2003
Per Share of Common Stock:			
Net income:			
Basic	¥144.24	¥149.78	\$1.20
Diluted	¥134.75	¥139.88	\$1.12
Cash dividends	¥ 60.00	¥ 60.00	\$0.50

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, 2003 and 2002

	Millions of yen						
	Number of common shares issued	Common stock	Capital surplus	Retained earnings	Net unrealized gains on available-for- sale securities	Foreign currency translation adjustment	Treasury stock
Balance at March 31, 2001	736,852,360	¥374,514	¥ 14,242	¥ 758,081	¥ 29,522	¥ -	¥ (13)
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 gains on available-for-sale securities, net of applicable income taxes	-	-	-	-	(13,750)	-	-
Fractional shares acquired, net	-	-	-	-	-	-	(240)
Balance at March 31, 2002	736,855,980	374,518	14,246	823,948	15,772	-	(253)
Net income	-	-	-	106,494	-	-	-
Cash dividends	-	-	-	(44,201)	-	-	-
Bonuses to directors and corporate auditors	-	-	-	(272)	-	-	-
Conversion of convertible bonds	1,207	2	2	-	-	-	-
Decrease in other retained earnings	-	-	-	(6)	-	-	-
Increase in retained earnings through change in consolidation scope of consolidations	-	-	-	17,578	-	-	-
Increase in retained earnings through change in scope of equity method	-	-	-	4,274	-	-	-
Net change in net unrealized gains on available-for-sale securities, net of applicable income taxes	-	-	-	-	(3,748)	-	-
Translation adjustment	-	-	-	-	-	5	-
Purchase of treasury stock and fractional shares	-	-	-	-	-	-	(1,179)
Balance at March 31, 2003	736,857,187	¥374,520	¥ 14,248	¥ 907,815	¥ 12,024	¥ 5	¥(1,432)

	Thousands of U. S. dollars (Note1)					
	Common stock	Capital surplus	Retained earnings	Net unrealized gains on available-for- sale securities	Foreign currency translation adjustment	Treasury stock
Balance at March 31, 2002	\$3,115,793	\$118,522	\$6,854,805	\$131,218	\$ -	\$ (2,107)
Net income	-	-	885,975	-	-	-
Cash dividends	-	-	(367,725)	-	-	-
Bonuses to directors and corporate auditors	-	-	(2,260)	-	-	-
Conversion of convertible bonds	12	12	-	-	-	-
Decrease in other retained earnings	-	-	(54)	-	-	-
Increase in retained earnings through change in consolidation scope of consolidations	-	-	146,239	-	-	-
Increase in retained earnings through change in scope of equity method	-	-	35,558	-	-	-
Net change in net unrealized gains on available-for-sale securities, net of applicable income taxes	-	-	-	(31,187)	-	-
Translation adjustment	-	-	-	-	42	-
Purchase of treasury stock and fractional shares	-	-	-	-	-	(9,802)
Balance at March 31, 2003	\$3,115,805	\$118,534	\$7,552,538	\$100,031	\$ 42	\$(11,909)

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, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2003	2002	2003
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥ 171,089	¥ 177,911	\$ 1,423,367
Adjustments for:			
Depreciation and amortization	432,813	464,826	3,600,776
Loss of loaded nuclear fuel	6,051	14,048	50,341
Loss on disposal of property, plant and equipment	11,999	11,477	99,820
Increase (decrease) in employee retirement benefit liability	20,287	(1,248)	168,775
Increase in reserve for reprocessing of irradiated nuclear fuel	5,250	32,887	43,680
Increase in reserve for decommissioning nuclear power plant	1,999	3,097	16,633
Interest and dividends income	(2,460)	(2,223)	(20,467)
Interest expenses	121,236	146,165	1,008,622
Decrease in trade notes and accounts receivable	2,665	4,816	22,169
Decrease in inventories	1,532	10,165	12,747
Increase (decrease) in trade notes and accounts payable	9,771	(10,396)	81,292
Other	27,480	26,175	228,619
Subtotal	809,712	877,700	6,736,374
Interest and dividends received	2,386	2,205	19,847
Interest paid	(122,357)	(151,715)	(1,017,946)
Income taxes paid	(90,371)	(65,136)	(751,835)
Net cash provided by operating activities	599,370	663,054	4,986,440
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	(322,463)	(416,631)	(2,682,721)
Increase in investments and other	(31,068)	(34,338)	(258,469)
Proceeds for recoveries from investments and other	12,016	3,197	99,966
Other	7,324	146	60,933
Net cash used in investing activities	(334,191)	(447,626)	(2,780,291)
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds	198,683	228,084	1,652,936
Redemption of bonds	(121,800)	(371,885)	(1,013,315)
Proceeds from long-term loans	43,252	127,765	359,834
Repayment of long-term loans	(210,280)	(206,869)	(1,749,421)
Proceeds from short-term borrowings	354,870	373,459	2,952,330
Repayment of short-term borrowings	(379,140)	(377,678)	(3,154,243)
Proceeds from issuance of commercial paper	1,036,000	1,444,000	8,618,968
Redemption of commercial paper	(1,155,000)	(1,373,000)	(9,608,985)
Dividends paid	(44,190)	(44,186)	(367,634)
Other	(1,115)	(247)	(9,274)
Net cash used in financing activities	(278,720)	(200,557)	(2,318,804)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(17)	(0)	(140)
Net (Decrease) increase in Cash and Cash Equivalents	(13,558)	14,871	(112,795)
Cash and Cash Equivalents at Beginning of Year	66,277	51,406	551,388
Increase in Cash and Cash Equivalents upon Inclusion of Additional Subsidiaries on Consolidation	9,342	-	77,724
Cash and Cash Equivalents at End of Year (Note 3)	¥ 62,061	¥ 66,277	\$ 516,317

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 ¥120.20 to \$1, the rate of exchange prevailing on March 31, 2003. 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 ¥ 120.20 to \$1 or at any other rates.

(c) Reclassification

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

2

Summary of Significant Accounting Policies

(a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. Investment in affiliates is accounted for by the equity method. 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.

From the year ended March 31, 2003, the Company has consolidated all of its subsidiaries and all affiliates have been accounted for by the equity method in order to maintain much better usefulness and transparency in disclosure of financial information. The number of consolidated subsidiaries and affiliates for the years ended March 31, 2003 and 2002 was as follows:

	2003	2002
Consolidated subsidiaries	31	10
Affiliates, accounted for by the equity method	20	2
Unconsolidated subsidiaries, stated at cost	-	21
Affiliates, stated at cost	-	18

As the fiscal year-end of certain consolidated subsidiaries differs from the consolidated fiscal year-end of the Company, the Company consolidated their accounts after the appropriate adjustments in accordance with accounting principles and practices generally accepted in Japan.

Overseas consolidated subsidiaries (two in the year 2003) have adopted accounting principles generally accepted in their respective countries, and no adjustments to conform to accounting principles generally accepted in Japan have been made to their financial statements on consolidation as allowed under accounting principles and practices generally accepted in Japan.

(b) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed by the declining-balance method over the estimated useful 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 is stated at cost, being determined by the periodic average 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, 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. 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, 2003 and 2002 amounted to ¥18,388 million (\$152,978 thousand) and ¥20,023 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. 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

In accordance with Basic net income per share is computed by dividing income available to common shareholders by the weighted-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. Prior year's per share data has not been restated to conform to the current year's calculation as the effect on this change is not material.

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 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Cash	¥ 43,107	¥ 53,682	\$ 358,624
Time deposits with an original maturity more than three months included in cash account	(396)	(63)	(3,293)
Short term investments with an original maturity of three months or less included in other current assets account	19,350	12,658	160,986
Cash and cash equivalents	¥ 62,061	¥ 66,277	\$ 516,317

4

Property, Plant and Equipment

The major classification of property, plant and equipment at March 31, 2003 and 2002 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Hydroelectric power production facilities	¥ 392,963	¥ 414,593	\$ 3,269,242
Thermal power production facilities	1,018,692	1,037,184	8,474,978
Nuclear power production facilities	211,748	232,354	1,761,632
Transmission facilities	1,311,984	1,363,812	10,915,005
Transformation facilities	533,339	568,675	4,437,099
Distribution facilities	870,906	886,957	7,245,476
General facilities	183,962	193,814	1,530,463
Other electricity-related property, plant and equipment	1,607	1,631	13,370
Other property, plant and equipment	313,217	325,381	2,605,799
Construction on progress	522,700	567,700	4,348,585
.....	¥5,361,118	¥5,592,101	\$44,601,649

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 ¥133,484 million (\$1,110,515 thousand) and ¥130,123 million at March 31, 2003 and 2002, respectively.

5

Investments and Marketable Securities

At March 31, 2003 and 2002, investments consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Long-term investments:			
Marketable securities:			
Equity securities	¥ 35,290	¥ 47,067	\$ 293,591
Bonds	10,757	9,848	89,495
Other	1,162	1,185	9,665
	47,209	58,100	392,751
Other nonmarketable securities	84,724	74,245	704,861
Investments in unconsolidated subsidiaries and affiliates	59,306	56,651	493,393
Other	91,608	85,153	762,134
	¥ 282,847	¥ 274,149	\$ 2,353,139
Short-term investments included in other current assets:			
Marketable securities:			
Bonds	¥ 388	¥ -	\$ 3,231
Other	797	634	6,630
	1,185	634	9,861
Other nonmarketable securities	19,451	12,857	161,818
	¥ 20,636	¥ 13,491	\$ 171,679

Investments in securities are classified as held-to-maturity or available-for-sale under the investment policy of the Chubu Electric Group. Held-to-maturity debt securities are stated at amortized cost.

Available-for-sale securities with market quotations are stated at fair value with unrealized gains and losses excluded from the current earnings and reported as a net amount within the shareholders' equity account until realized. At March 31, 2003 and 2002, gross unrealized gains and losses for such marketable securities are summarized as follows:

	Carrying value	Gross unrealized gains	Gross unrealized losses	Fair value
	Millions of yen			
Held-to-maturity debt securities with fair value:				
As of March 31, 2003:				
National and local government bonds	¥ 2,613	¥ 153	¥ -	¥ 2,766
Corporate bonds and debentures	2,043	125	-	2,168
Others	1,419	62	8	1,473
	¥ 6,075	¥ 340	¥ 8	¥ 6,407
As of March 31, 2002:				
National and local government bonds	¥ 1,826	¥ 70	¥ -	¥ 1,896
Corporate bonds and debentures	1,291	66	-	1,357
Others	1,219	21	4	1,236
	¥ 4,336	¥ 157	¥ 4	¥ 4,489

	Thousands of U.S. dollars			
As of March 31, 2003:				
National and local government bonds	\$ 21,742	\$1,270	\$ -	\$ 23,012
Corporate bonds and debentures	16,992	1,045	-	18,037
Others	11,805	519	71	12,253
	\$ 50,539	\$2,834	\$ 71	\$ 53,302

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

Available-for-sale securities with fair value:

As of March 31, 2003:				
Equity securities	¥ 15,774	¥20,546	¥ 1,030	¥ 35,290
Bonds:				
Bonds and debentures	1,734	69	19	1,784
Other bonds	3,270	78	62	3,286
Others	2,001	1	43	1,959
	¥ 22,779	¥20,694	¥ 1,154	¥ 42,319

As of March 31, 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

	Thousands of U.S. dollars			
As of March 31, 2003:				
Equity securities	\$131,232	\$170,930	\$8,571	\$293,591
Bonds:				
Bonds and debentures	14,429	573	154	14,848
Other bonds	27,205	650	516	27,339
Others	16,644	8	357	16,295
	\$189,510	\$172,161	\$9,598	\$352,073

During the years ended March 31, 2003 and 2002, the Chubu Electric Group sold available-for-sale securities and recorded gains of ¥363 million (\$3,024 thousand) and ¥19 million and losses of ¥60 million (\$503 thousand) and ¥46 million on the accompanying consolidated statements of income, respectively.

Expected maturities of debt securities held-to-maturity and available-for-sale at March 31, 2003 were as follows:

	Millions of yen	Thousands of U.S. dollars
Due in one year or less	¥ 3,387	\$ 28,179
Due after one year through five years	2,804	23,329
Due after five years through ten years	4,996	41,561
Due after ten years	2,967	24,686
	¥ 14,154	\$ 117,755

6

Long-term Debt and Short-term Borrowings

As of March 31, 2003 and 2002, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Bonds and notes payable:			
Domestic issue:			
0.4% to 4.8%, maturing serially through 2028	¥1,764,900	¥1,728,800	\$14,683,028
Floating rate, maturing serially through 2013	259,000	259,000	2,154,742
1.0% convertible bonds, due 2006	146,347	146,350	1,217,529
Overseas issue:			
6.25%, due 2003 (payable in U.S. dollars)	37,853	37,853	314,913
0.09% to 0.2%, maturing serially through 2005 (payable in Euro yen)	45,500	-	378,536
Floating rate, maturing serially through 2005 (payable in Euro yen)	22,000	18,000	183,028
Loans from the Development Bank of Japan, other			
banks and insurance companies, due through 2021	1,387,724	1,554,079	11,545,122
Less, intercompany elimination	(1,193)	(92)	(9,918)
Total	3,662,131	3,743,990	30,466,980
Less, current portion	(153,214)	(167,228)	(1,274,660)
	¥3,508,917	¥3,576,762	\$29,192,320

At March 31, 2003, 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, 2003, approximately 59 million common shares of the Company will be issuable in relation to the conversion of convertible bonds.

At March 31, 2003 and 2002 the Company's entire property (see also Note 15) was subject to certain statutory preferential rights as collateral for loans from the Development Bank of Japan of ¥495,879 million (\$4,125,449 thousand) and ¥552,756 million, respectively, and for bonds (including those assigned under debt assumption agreements) of ¥2,586,559 million (\$21,518,793 thousand) and ¥2,666,350 million, respectively. At March 31, 2003 and 2002, property, plant and equipment of certain consolidated subsidiaries pledged as collateral for long-term debt amounted to ¥41,631 million (\$346,347 thousand) and ¥48,147 million, respectively.

The aggregate annual maturities of long-term debt as of March 31, 2003 are summarized as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2004	¥153,214	\$1,274,659
2005	170,325	1,417,015
2006	264,465	2,200,211
2007	127,958	1,064,542
2008	125,393	1,043,203
2009 and thereafter	2,820,775	23,467,349

Short-term borrowings were principally represented by bank loans with an average interest rate of 0.366% per annum at March 31, 2003.

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, 2003 and 2002:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Projected benefit obligation	¥533,823	¥520,185	\$4,441,127
Less, fair value of pension plan assets at end of year	(275,262)	(283,782)	(2,290,036)
	258,561	236,403	2,151,091
Unrecognized actuarial differences (loss)	(90,948)	(94,318)	(756,637)
Unrecognized prior service cost	767	1,047	6,376
	168,380	143,132	1,400,830
Prepaid pension cost	-	(2,227)	-
Balance of employee retirement benefit liability recorded on the consolidated balance sheets	¥168,380	¥145,359	\$1,400,830

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 U.S. dollars
	2003	2002	2003
Components of net periodic retirement benefit expense:			
Service cost	¥18,040	¥17,739	\$150,085
Interest cost	12,834	12,066	106,771
Expected return on pension plan assets	(373)	(3,074)	(3,105)
Amortization of actuarial differences	39,281	23,657	326,801
Amortization of prior service cost	(281)	(281)	(2,339)
Net periodic retirement benefit expense	¥69,501	¥50,107	\$578,213

Major assumptions used in the calculation of the above information for the years ended March 31, 2003 and 2002 were as follows:

		2003	2002
		Straight-line method	Straight-line method
Method attributing the projected benefits to periods of services			
Discount rate	(Company)	2.5%	2.5%
	(Subsidiaries)	2.5, 3.0%	2.5, 3.0%
Expected rate of return on pension plan assets	(Company)	0.1%	1.0%
	(Subsidiaries)	1.0, 1.5%	1.5, 2.5%
Amortization of prior service cost	(Company)	-	-
	(Subsidiaries)	5 years	5 years
Amortization of actuarial differences	(Company)	3 years	3 years
	(Subsidiaries)	3 to 5 years	3 to 5 years

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 ¥2,951 million (\$24,549 thousand) and ¥2,510 million for the years ended March 31, 2003 and 2002, 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, on "as if capitalized" basis at March 31, 2003 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Acquisition cost	¥14,202	¥13,427	\$118,153
Accumulated depreciation	9,257	6,993	77,017
Net leased property	¥ 4,945	¥ 6,434	\$ 41,136
Future minimum lease payments:			
Due with in one year	¥ 2,426	¥ 2,573	\$ 20,186
Due after one year	2,578	3,929	21,446
Total	¥ 5,004	¥ 6,502	\$ 41,632

(b) Lessor

Revenue under finance leases other those which transfer ownership of the assets at the end of the lease term amounted to ¥2,364 million (\$19,671 thousand) and ¥2,539 million for the years ended March 31, 2003 and 2002, respectively, while depreciation expenses of ¥1,556 million (\$12,947 thousand) and ¥1,808 million were recorded on the accompanying consolidated statements of income for the years ended March 31, 2003 and 2002, 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, 2003 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Acquisition cost	¥10,350	¥11,347	\$ 86,107
Accumulated depreciation	4,827	5,562	40,158
Net leased property	¥ 5,523	¥ 5,785	\$ 45,949
Future lease commitments to be received:			
Due with in one year	¥ 1,928	¥ 2,316	\$ 16,036
Due after one year	4,972	5,194	41,364
Total	¥ 6,900	¥ 7,510	\$ 57,400

9

Contingent Liabilities

As of March 31, 2003 and 2002, contingent liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Co-guarantees of loans for others:			
Japan Nuclear Fuel Limited	¥150,138	¥149,888	\$1,249,068
Nuclear Fuel Transport Co., Ltd. and other companies	4,285	3,781	35,648
Guarantees of housing and other loans for the employees	96,379	95,181	801,819
Recourses under debt assumption agreements	312,152	476,348	2,596,935
Trade notes endorsed to others	13	97	105

10

Shareholders' Equity

The authorized number of shares of common stock without par value is 1,190 million at March 31, 2003, 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, 2003, the Company can purchase the treasury stock of the Company up to 20 million shares in maximum consideration for ¥50,000 million (\$415,973 thousand) for the period through the date of the Company's next annual shareholders' general meeting.

At March 31, 2003 and 2002, capital surplus consisted of additional paid-in capital, respectively. Retained earnings included legal reserve of the Company in the amounts of ¥93,629 million (\$778,939 thousand) at March 31, 2003 and 2002, 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.

11

Income Taxes

The tax effects on temporary differences that give to a significant portion of deferred tax assets and liabilities at March 31, 2003 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Deferred tax assets:			
Employee retirement benefit liability	¥45,628	¥31,163	\$379,602
Depreciation	25,925	18,116	215,678
Amortization of deferred charges	18,668	23,046	155,304
Intercompany profits	14,474	14,131	120,420
Provision for reserve for reprocessing of irradiated nuclear fuel	11,980	11,980	99,671
Provision for reserve for decommissioning nuclear power plant	7,353	7,353	61,174
Others	25,042	20,505	208,339
Total gross deferred tax assets	149,070	126,294	1,240,188
Less, valuation allowance	(179)	-	(1,492)
Total deferred tax assets	148,891	126,294	1,238,696
Deferred tax liabilities:			
Unrealized gains on securities	(7,416)	(9,788)	(61,698)
Others	(183)	(924)	(1,523)
Total deferred tax liabilities	(7,599)	(10,712)	(63,221)
Net deferred tax assets	¥141,292	¥115,582	\$1,175,475

At March 31, 2003 and 2002, deferred tax assets and liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Deferred tax assets:			
Non-Current	¥126,150	¥102,188	\$1,049,501
Current	15,159	13,394	126,116
Deferred tax liabilities:			
Non-Current	(17)	-	(142)

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, 2003, a valuation allowance was established to reduce the deferred tax assets to the extent that the management of the Chubu Electric Group believes that the amount of the deferred tax assets is expected to be realizable, although no valuation allowance was provided at March 31, 2002.

The reconciliation of the differences between the statutory tax rate and the effective income tax rate for the years ended March 31, 2003 and 2002 were 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 power supply business. Other segment is composed of energy, other than electricity, related businesses that utilize electricity supplying facilities, fuels and technologies, as well as information technology businesses based on company's information networks that supply information with added intellectual value. The Group is also developing electric power-related areas including construction for the upgrade and maintenance of facilities and manufacture for supply of materials and equipments and other variety of businesses. Information by industry segment for the years ended March 31, 2003 and 2002 is as follows:

	Electric utility	Other	Total	Elimination	Consolidated
Millions of yen					
For the year 2003:					
Operating revenues:					
Outside customers	¥ 2,078,170	¥ 97,902	¥ 2,176,072	¥ -	¥ 2,176,072
Inter-segment	3,025	209,144	212,169	(212,169)	-
Total operating revenues	2,081,195	307,046	2,388,241	(212,169)	2,176,072
Operating expenses	1,783,253	292,702	2,075,955	(212,355)	1,863,600
Operating income	¥ 297,942	¥ 14,344	¥ 312,286	¥ 186	¥ 312,472
Identifiable assets	¥ 5,965,802	¥ 436,124	¥ 6,401,926	¥ (119,426)	¥ 6,282,500
Depreciation and amortization	389,188	46,971	436,159	(3,346)	432,813
Capital expenditures	259,535	27,308	286,843	(3,241)	283,602
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
Thousands of U.S. dollars					

For the year 2003:					
Operating revenues:					
Outside customers	\$17,289,272	\$ 814,488	\$18,103,760	\$ -	\$18,103,760
Inter-segment	25,169	1,739,965	1,765,134	(1,765,134)	-
Total operating revenues	17,314,441	2,554,453	19,868,894	(1,765,134)	18,103,760
Operating expenses	14,835,717	2,435,126	17,270,843	(1,766,680)	15,504,163
Operating income	\$2,478,724	\$119,327	\$2,598,051	\$1,546	\$2,599,597
Identifiable assets	\$49,632,298	\$ 3,628,322	\$53,260,620	\$ (993,565)	\$52,267,055
Depreciation and amortization	3,237,835	390,775	3,628,610	(27,834)	3,600,776
Capital expenditures	2,159,198	227,185	2,386,383	(26,966)	2,359,417

Geographic segment information is not shown, since the amounts for total sales of consolidated subsidiaries outside Japan were not material to be disclosed for the year ended March 31, 2003 and the Company had no overseas consolidated subsidiaries for the year ended March 31, 2002. Information for overseas sales for the years ended March 31, 2003 and 2002 is not disclosed, since such overseas sales amount is not material for the years then ended.

13

Related Party Transactions

Significant transactions with affiliates

During the years ended March 31, 2003 and 2002, 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 an affiliate for the years ended, or as at March 31, 2003 and 2002 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
For the year:			
Transactions relating to construction.....	¥43,968	¥57,544	\$365,788
Transaction relating to maintenance.....	38,471	38,820	320,056
Other.....	289	366	2,402
At the year-end:			
Other current liabilities.....	¥15,728	¥13,058	\$130,851

14

Subsequent Event

On June 26, 2003, 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).....	¥ 22,087	\$ 183,749
Bonuses to directors and corporate auditors.....	140	1,165

NON-CONSOLIDATED BALANCE SHEETS

Chubu Electric Power Company, Incorporated (Parent)
As of March 31, 2003 and 2002

ASSETS	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Property, Plant and Equipment:			
Property, plant and equipment	¥ 11,926,492	¥ 11,743,193	\$ 99,222,062
Construction in progress	516,040	560,718	4,293,177
	12,442,532	12,303,911	103,515,239
Less:			
Contributions in aid of construction	(132,307)	(129,341)	(1,100,726)
Accumulated depreciation	(7,166,763)	(6,825,823)	(59,623,653)
	(7,299,070)	(6,955,164)	(60,724,379)
Property, Plant and Equipment, Net	5,143,462	5,348,747	42,790,860
Nuclear Fuel:			
Loaded nuclear fuel	34,641	39,666	288,198
Nuclear fuel in processing	200,091	150,437	1,664,647
Total Nuclear Fuel	234,732	190,103	1,952,845
Investments and Other:			
Long-term investments	317,458	314,012	2,641,084
Deferred tax assets	101,202	79,872	841,945
Other	5,737	7,866	47,728
Less, allowance for doubtful accounts	(969)	(772)	(8,061)
Total Investments and Other	423,428	400,978	3,522,696
Current Assets:			
Cash	14,089	27,912	117,215
Trade accounts receivable	94,927	98,482	789,740
Inventories	37,562	39,829	312,500
Deferred tax assets	12,729	11,447	105,894
Other	17,164	12,335	142,796
Less, allowance for doubtful accounts	(578)	(601)	(4,806)
Total Current Assets	175,893	189,404	1,463,339
Total Assets	¥ 5,977,515	¥ 6,129,232	\$ 49,729,740

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Long-term Liabilities and Reserves:			
Long-term debt	¥ 3,418,838	¥ 3,461,969	\$ 28,442,913
Employee retirement benefit liability	148,843	128,678	1,238,293
Reserve for reprocessing of irradiated nuclear fuel	220,634	215,384	1,835,558
Reserve for decommissioning nuclear power plant	79,753	77,753	663,499
Other long-term liabilities	40,323	40,305	335,472
Total Long-term Liabilities and Reserves	3,908,391	3,924,089	32,515,735
Current Liabilities:			
Current portion of long-term debt and other	134,475	138,466	1,118,759
Short-term borrowings	335,372	359,458	2,790,117
Commercial paper	111,000	230,000	923,461
Trade accounts payable	56,362	48,061	468,899
Accrued income taxes	41,581	47,204	345,935
Other	189,936	235,756	1,580,162
Total Current Liabilities	868,726	1,058,945	7,227,333
Total Liabilities	4,777,117	4,983,034	39,743,068
Shareholders' Equity :			
Common stock	374,520	374,518	3,115,805
Capital surplus	14,248	14,246	118,534
Retained earnings	800,484	741,919	6,659,603
Net unrealized gain on available-for-sale securities	12,502	15,768	104,013
	1,201,754	1,146,451	9,997,955
Less, treasury stock, at cost	(1,356)	(253)	(11,283)
Total Shareholders' Equity	1,200,398	1,146,198	9,986,672
Total Liabilities and Shareholders' Equity	¥ 5,977,515	¥ 6,129,232	\$ 49,729,740

NON-CONSOLIDATED STATEMENTS OF INCOME

Chubu Electric Power Company, Incorporated (Parent)
For the Years Ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Operating Revenues	¥ 2,085,087	¥ 2,149,149	\$ 17,346,811
Operating Expenses:			
Fuel	392,770	352,982	3,267,641
Personnel	253,560	243,052	2,109,485
Purchased Power	165,802	176,931	1,379,387
Maintenance	185,218	203,642	1,540,918
Depreciation	389,055	418,504	3,236,726
Taxes other than income taxes	141,425	142,653	1,176,578
Other	260,012	297,657	2,163,160
Total Operating Expenses	1,787,842	1,835,421	14,873,895
Operating Income	297,245	313,728	2,472,916
Other (Income) Expenses:			
Interest expense	117,251	141,915	975,463
Other, net	19,381	13,440	161,238
Total Other Expenses	136,632	155,355	1,136,701
Income before Reversal of Reserve for Fluctuation in Water Levels and Income Taxes	160,613	158,373	1,336,215
Reversal of Reserve for Fluctuation in Water Levels	—	1,853	—
Income before Income Taxes	160,613	160,226	1,336,215
Income Taxes:			
Current	78,505	73,670	653,124
Deferred	(20,798)	(15,983)	(173,030)
Total Income Taxes	57,707	57,687	480,094
Net Income	102,906	102,539	856,121
Retained Earnings:			
Balance at Beginning of Year	741,919	683,730	6,172,372
Appropriations:			
Cash dividends	(44,201)	(44,210)	(367,725)
Bonuses to directors and corporate auditors	(140)	(140)	(1,165)
Balance at End of Year	¥ 800,484	¥ 741,919	\$ 6,659,603
		Yen	U.S. dollars
	2003	2002	2003
Per Share of Common Stock:			
Net income:			
Basic	¥ 139.53	¥ 139.17	\$ 1.16
Diluted	¥ 130.39	¥ 130.05	\$ 1.08
Cash dividends	¥ 60.00	¥ 60.00	\$ 0.50

DIRECTORS AND AUDITORS

As of June 26, 2003

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

Chairman of the Board of Directors	Director
Hiroji Ota	Koichi Ikeda
	Yutaka Yamamoto
	Haruhiko Asano
President & Director	Norihisa Ito
Fumio Kawaguchi	Hiroshi Suzuki
	Toshiyuki Nosaka
Executive Vice President & Director	Hirohiko Mizuno
Shingo Ichihara	Yoshihito Miyaike
Takashi Nojima	Takeshi Ootari
Yasuhiro Noda	Masahiro Kakumu
Takuo Yamauchi	Yuji Kume
	Yuzuru Jougo
	Takaaki Tanaka
Managing Director	Akira Fujioka
Sanji Ito	Toshio Mita
Takahiko Ito	Ryuichi Hamada
Masao Shimizu	
Hiroshi Makita	Senior Corporate Auditor
Hiroshi Ochi	Toshiro Shimokawa
Yoshio Kawazu	Isao Naito
Shoichi Kinoshita	
Masakatsu Horikoshi	Corporate Auditor
Shirou Mizutani	Masatoshi Suzuki
Tadashi Morimoto	Hitoshi Yoshida
	Kenjiro Hata
	Hiroshi Suda

Note: Auditors Kenjiro Hata and Hiroshi Suda are externally appointed auditors (as defined according to Sub-Section 1, Section 18 of the Law Concerning the Special Cases in the Commercial Law Concerning Audit of Incorporated Companies

CORPORATE DATA

HEADQUARTERS

1 Higashi-shincho, Higashi-ku,
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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 Limited
4-3, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-0005, Japan

GENERAL MEETING OF SHAREHOLDERS

The annual general meeting of shareholders of the Company is held in June each year.

The Company may hold a special general meeting of shareholders whenever necessary.

All general meetings of shareholders of the Company shall be held in Nagoya, Japan, by giving at least two weeks' advance notice to shareholders.

AUDITOR

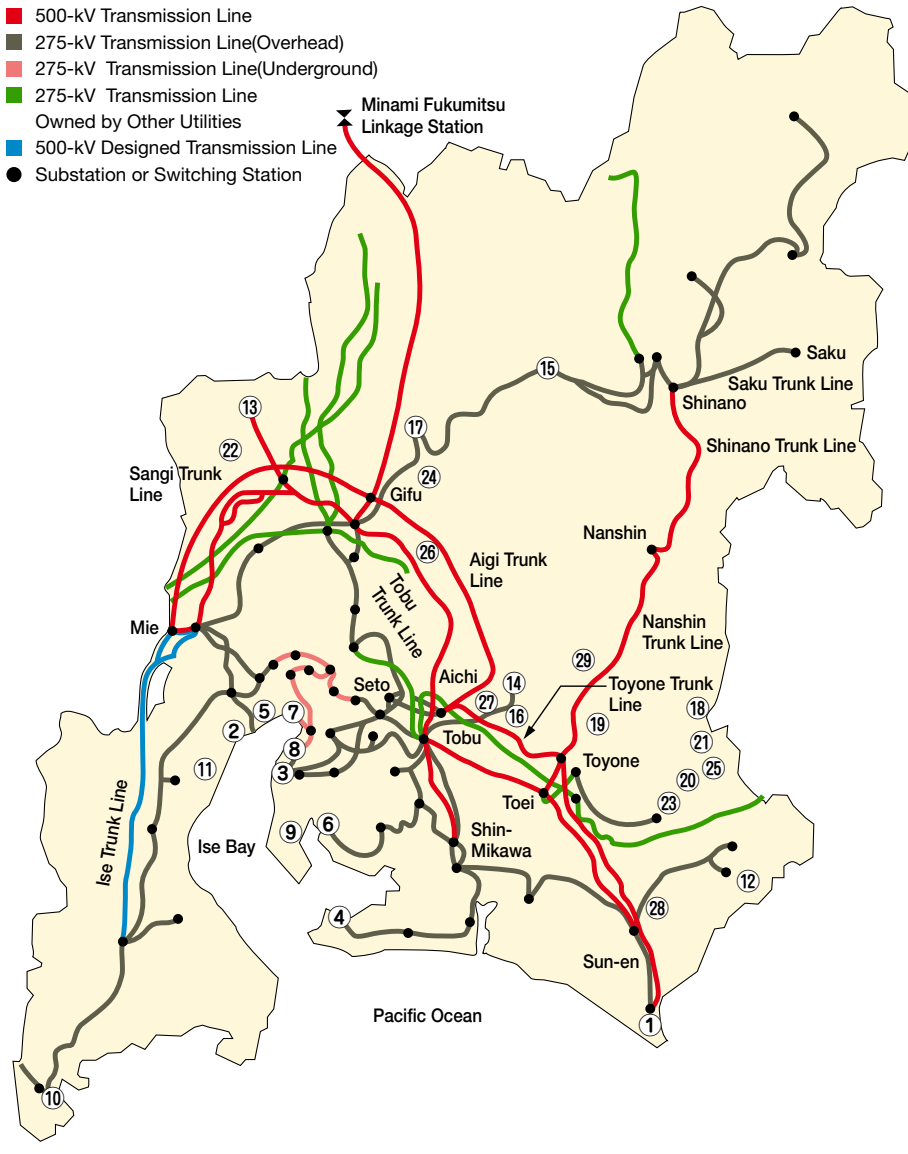
ChuoAoyama Audit Corporation
Dai Nagoya Building
3-28-12 Meieki, Nakamura-ku,
Nagoya 450-8565, Japan

POWER SYSTEM MAP AND GENERATING FACILITIES

As of March 31, 2003

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. _____ Thousand of kW

Nuclear Power Plant

① Hamaoka 3,617

Thermal Power Plants

② Kawagoe 4,802
 ③ Chita 3,966
 ④ Atsumi 2,400
 ⑤ Nishi-Nagoya 1,690
 ⑥ Hekinan 4,100
 ⑦ Shin-Nagoya 1,458
 ⑧ Chita Daini 1,708
 ⑨ Taketoyo 1,125
 ⑩ Owase Mita 1,250
 ⑪ Yokkaichi 1,245
 ⑫ Shin-Shimizu 156
 Other(one plant) 1

Total 23,901

Hydroelectric Power Plants

⑬ Okumino 1,500
 ⑭ Okuyahagi No.2 780
 ⑮ Takane No.1 340
 ⑯ Okuyahagi No.1 315
 ⑰ Mazegawa No.1 288
 ⑱ Hatanagi No.1 137
 ⑲ Hiraoka 101
 ⑳ Okuizumi 87
 ㉑ Hatanagi No.2 85
 ㉒ Yokoyama 70
 ㉓ Oigawa 68
 ㉔ Mazegawa No.2 66
 ㉕ Ikawa 62
 ㉖ Shin-Kamiaso 61
 ㉗ Yahagi No.1 60
 ㉘ Kawaguchi 58
 ㉙ Yasuoka 53
 Other(163 plants) 1,084

Total 5,216

Total generating capacity

(193 plants) 32,733



Chubu Electric Power Co., Inc.

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